

Film
i Väst



Analysis.

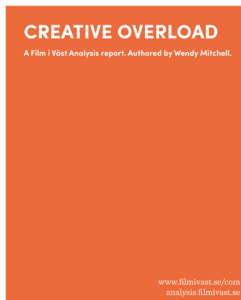
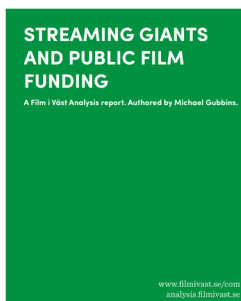
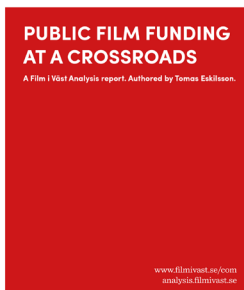
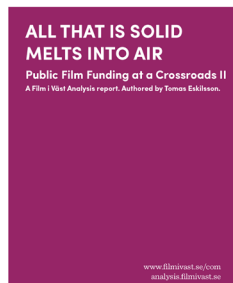
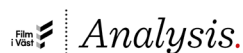
PUBLIC FILM FUNDING AT A CROSSROADS II

Close-up:

French speaking Belgium

Authored by Philippe Reynaert

www.filmivast.se/com
analysis.filmivast.se



ABOUT PUBLIC FILM FUNDING AT A CROSSROADS

All that is solid melts into air – *Public Film Funding at A Crossroads II* was launched in Venice in August 2022. Along with the first report *Public Film Funding at A Crossroads* it can be downloaded at www.analysis.filmivast.se. Here you also find the ten territorial reports, executive summaries, with strong links to the main topics. There you also find **Michael Gubbin's** report *Streaming Giants and Public Film Funding* and **Wendy Mitchell's** study *Creative Overload*.

Appendix 1	Topics for the interviews
Appendix 2	Survey to filmagencies
Appendix 3	Status of Article 13's transformation across Europe
Appendix 4	Presentation of the experts

Focus-group meeting reports

Eastern Europe (Assistant Professor **Petar Mitric**, Producer Joanna Szymanska)

French speaking Europe (Senior Consultant **Vincent Leclercq**, Senior Consultant Philippe Reynaert)

German speaking Europe (Senior Consultant **Manfred Schmidt**)

The Nordics (**Tomas Eskilsson**, **Katarina Krave**, **Bengt Toll**)

UK (**Bengt Toll**, Associate Professor **Lydia Papadimitriou**)

Articles

Flanders (Producer **Ilse Schooneknaep**)

Italy (Senior Consultant **Rickard Olsson**)

Netherlands (Senior Consultant **Doreen Boonekamp**)

Portugal (Visiting Professor **Nuno Fonseca**)

Spain (Journalist **Irene Jiménez Miragaya**)

FRENCH SPEAKING BELGIUM

FRENCH-SPEAKING BELGIUM AT THE CROSSROADS

After the pandemic, the film industry has entered a profound phase of change. It is now a question of realigning the planets...

“We rejoiced a little too quickly!” The big boss of a large group of cinemas is a little annoyed by the prevailing media discourse that would have us believe that the crisis is behind us and that everything can continue as before. “The last quarter of 2022 was excellent, true, with numbers even surpassing the equivalent quarter of 2019, the last year before Covid. But the market remains unstable. The first quarter of 2023 was not terrible and I am afraid that the second quarter will be less than 2022...”

This speech of the truth is a little surprising because a few days earlier, one of our contacts at one of the largest independent distributors, said that the past season was more than encouraging... “We must never lose sight of the fact that distributors do their calculations based on the box office and not the number of admissions! takes over our contact room operator. So yes, with the indexation and especially the price increases decided by the operators, we can have the impression that we have returned to the figures of 2019. But again, this is not the time to rest on your laurels!”

To clarify positions and define its strategy in the coming months, a French group with a long-standing presence in Belgium commissioned a survey from Vertigo, a research institute specializing in marketing research for the leisure market. It appears that the public of the faithful has reconstituted, which in itself is already excellent news, but that the public of the young remains, him, extremely volatile only responding to the call of the blockbusters, and again... Not surprisingly, the «bad



Senior Consultant **Philippe Reynaert** in collaboration with Xanadu. Teacher in the 70's, film critic in the 80's, ad-man in the 90's and head of an audiovisual fund (Wallimage) during the first 20 years of the 21st century, Philippe Reynaert was also the founder and chairman of Cine-Regio, the European Network of Regional Film Funds and the cinematographic face of the Belgian public TV (RTBF) for 30 years. Today he acts as audiovisual adviser in the frame of Xanadu, his own consulting company.

habits» taken during the lockdown: addiction to platforms and game consoles. But one element appears this time in a much more decisive way: the price of cinema tickets! It must be said that today in Brussels, a «normal» ticket costs 13.30 € at Kinépolis, the mega complex of the periphery and 12.90 at UGC whose rooms are located in the center and the top of the city, against 9.80 at the Palace and 9,50 at the Galeries, two of the most popular independent cinemas. But at Kinépolis, almost no film benefits from the «normal» price! It's an extra €1.5 if the film is in 3D or in Atmos sound, €3 more if the film is projected in Ultra Laser, 5 if you switch to Imax and €7 more for Imax 3D and cinemas equipped in 4DX! Depending on the choice made by the spectator, he can therefore pay his ticket more than 20 €. Make the count if you are a couple with two children... And don't forget popcorn, softs and parking. But inflation affects Belgium like most European countries and the consumer price index (we talk about food, housing, heating, moving...) had reached a peak of 14% by the end of 2022. In these conditions, the cinema release becomes a real luxury product and the household portfolio is not indefinitely extensible!

Consistent in its strategy, Eddy Duquesne, Managing Director of Kinépolis Group, has multiplied in recent months in its rooms the innovations intended to justify its prices: Dolby Atmos, Laser Ultra, etc. but also double seats called «Cosy» with wide armrests, tablet for treats and drinks, coat rack and bag holder! All this for, again, 3 € more... «*It must be understood, explained Duquesne a year ago in an interview with the newspaper Le Soir, that the world of cinema is no longer a world of growth of visitors but of revenue growth*». Now, he advocates the «cinema experience» more than the films themselves and makes the comparison between his group and the Belgian festival of international dimension TomorrowLand whose poster more praises the event in itself as the names of the DJs and groups who will perform there and whose tickets sell without problems months in advance at the daily rate of 135 € but which can go up to 295 for the «Full Madness Pass» before flying on the black market in the days before the event.

If you pass today in front of the Kinépolis du Heysel in Brussels, you will see that the main principles of the pattern are well applied since the outdoor display praises the different projection systems and loyalty cards more than the new movies! Winning strategy? It will take a few more years to decide but in the immediate future, Kinépolis has lost 4 points of market share to the benefit of independent cinemas while UGC remains stable.

These independent rooms are gradually being structured, the shock of the pandemic having somewhat calmed the sterile rivalries that,

in 2017, had exploded «Diagonale», the old association of art and test rooms. A new network (which is logically called «Le Réseau») brings together fifteen cinemas totaling 34 screens. This creation highlights the difference in approach that there can be between these «arty» rooms or proximity, and the rest of the commercial rooms grouped within the powerful Federation of Cinemas of Belgium (however, some of the Network's members are also members).

Here no or little price increase and we cling to the words spoken last May by Thierry Frémeaux, the Delegate General of the Cannes Film Festival: *«It is the quality of the films that will save the cinemas»!* This is also what declares interlocutor in the distribution already quoted above: he details the past season of his company which met some nice success with titles whose potential could hardly have been evaluated but which, unquestionably, were quality films. Another highlight on the front of the «Art Houses», the creation of «CinéVille», an unlimited access card at 18 € per month, comparable to that of the UGC group which sells it at 18,90 € but offers an efficient online booking system. For their part, Pathé and Kinépolis continue to favour 6 or 10-seat cards and other loyalty programs.

The new mantra of most cinema operators to recover their «occasional» audience is the event of the sessions! The premieres multiply with the risk of becoming commonplace. We create cycles, we (re) create films-debates, we invite professionals and, when we can, stars... But let's face it, it's impossible to create the event for 400 films a year. The only real key to downloading the infidels seems to be digital marketing: Belgians have turned en masse to social networks? Let's go get them where they are! But easier said than done... To be effective, efficient data management requires advanced thinking, specialized computer scientists and ... a lot of money. Few cinemas can afford it and few distributors are actually embarking on the adventure.

However, this is also moving on the side of Belgian distributors who have finally given a real boost to their association, the ABDF (Belgian association of film distributors) by entrusting the coordination to Alain de Greef, a marketer from the banking and sponsorship world. They have just returned to a long-forgotten tradition by organizing a formal meeting with the association of cinema operators. Another independent distributor, co-organizer of this quasi-historical meeting, told *Écran Total* magazine on this occasion:

“It had been a very long time since we had brought our two corporations together, each one having become accustomed to working alone in his corner. However, what became clear at the time of the Covid crisis was that there was a great need to put synergies and work tools together, and to talk to each other more. I would say all the more for us distri-

butors, whose profession still seems unclear to many people, including in our sector. Especially since we all share a more global concern: the problem of managing box office figures.”

Indeed, one of the main characteristics of the Belgian market is its total lack of transparency! Where in most European countries, professionals can rely on traffic figures delivered almost in real time by specialized sites, in Belgium it is the ink bottle and most distributors must develop their exit strategies without knowing the figures of the competing films!! It seems that this situation is related to the refusal of the Kinépolis group to make public data that could harm the stock exchange rating of its shares, which would have led to a chain reaction of competing groups.

Another notable fact in the world of distribution in French-speaking Belgium, the company O’Brother which was created by the brothers Olivier and Jacques-Henri Bronckart of Versus Production, opened its capital to 3 other production houses, the Liège-based Frakas and Tarantula and the Brussels-based Artémis, thus creating a dynamic pole in the distribution of minority and majority Belgian films, the latter having great difficulty since the health crisis to find the way back to the public.

From the first publication of the study *Public Filmfund at the Cross-Roads*, we have highlighted the considerable differences that can exist between the French and Dutch speaking markets in Belgium. The North of the country enjoys a captive audience, amateur of Flemish spoken films and proud of its star-system while in the South, if you want to see a French-speaking film, you are spoiled for choice with the countless French films that cross the border blithely (and are, moreover, often performed by Belgian actors!).

The year 2022 once again highlighted this glaring difference since, behind *Top Gun: Maverick* and *Spiderman: No way home*, it is a Flemish film, *The Zillion*, which placed third in the Box-Annual office, totaling 550,000 admissions while the first French-language film, *Tori et Lokita* by the Dardenne brothers hardly passed the milestone of 40,000 spectators. This example perfectly illustrates this famous riddle in the industry: «What happens when a Belgian film has 50,000 admissions in the country? Answer: if it’s a French-language film, you open the champagne, if it’s a Flemish film, the director hangs himself.”

It is too early to start analyzing 2023 but we are nevertheless already recording a real subject of satisfaction. Failing to have access to the Belgian box office, we note that our best representatives at the French box office are, at the end of June, two young directors, authors and authors of a first film: *Le Paradis* by Zeno Graton (*Tarantula*) who reaches the threshold of 25,000 spectators and *Dalva* by Emmanuelle

Nicot (*Hélicotronc*) who passes the milestone of 50,000 admissions, thus matching the score of Laura Wandel, another young Belgian director who appeared last year in the rankings with a first film entitled *A World*. These remain far below the almost 100,000 admissions of the *Cours de la vie* by the Belgian Frédéric Sojcher, but since he has not accessed any of the Belgian public support, the film has French nationality...

This outbreak of new talents is not limited to the 3 young people mentioned above. We can see the result of two proactive policies carried out in recent years by the Centre du Cinéma et de l'Audiovisuel de la Fédération Wallonie Bruxelles.

The first, the most recent (initiated in 2017), remains a controversial measure since it consisted in the creation of a «Light Production» category reserved for «innovative films with a limited budget» and designed to boost new talent by offering them the opportunity to quickly set up their projects. Part of the profession was moved by what it saw as an incentive to underpay film and post-production staff...

But it must be admitted that the approach allowed the passage to the feature film of revelations such as Paloma Sermon-Daï selected in Cannes this year with *Il Pleut dans la maison* or Ann Sirot and Raphael Balboni who triumphed last year at the Magritte Ceremony (equivalent of the Oscars for French-speaking Belgium) with *Une Vie Démente*. Note that in the same spirit, development aid has been slightly increased at the Film Centre while Wallimage, the regional fund based in the South of the country has just for the first time signed an agreement with the International Comedy Film Festival of Liège to pre-finance two comedies from a training given within the Festival: the Ciné-Comédie Lab.

The second of these measures has just celebrated its 10th anniversary and is certainly a great success! This is the «Series Fund» co-financed so far by the RTBF, the public television, and the Cinema Centre. While there was no tradition of majority creation of French-language Belgian TV series (the last one dated from the late 1960s), the example of Scandinavian and ... Flemish series, led to the creation of a series-specific support mechanism that was immediately successful since the first two series broadcast on public airstations (*The Truce* and *Public Enemy*) have not only garnered considerable audiences nationally but have quickly been bought by platforms (Netflix for one, Amazon for the other) giving them international stature. Ten years and fifteen series later, without having already reached an industrial production pace, it is clear that this sector has brought a real renewal of talents both at the level of actors and directors, technicians and even producers!

But a new element comes to disturb somewhat this beautiful birthday! Belgium is in the process of transcribing into national law three European directives that must be combined in a renewal of what we call the «SMA» Decree for «Audiovisual Media Services» whose abbreviation deserves to have 3 more letters since it must also regulate the «Video Sharing Services» (SPV)! And this is where everything gets complicated...

It is indeed a question of finding common ground with international platforms to get them to co-finance local creation. But since these newcomers cannot be discriminated against, the measures taken concerning them must also apply to national Media Services, but, after years of exile in Luxembourg, the most watched television in Wallonia and Brussels, RTL-TVI, has just changed shareholders and relocated to us.

Too happy to see this commercial transmitter enter its legislative lap, the Superior Council of Audiovisual had to put a lot of water in its wine to keep the revenant around the table. For the first time, for example, it was accepted that part of the collected contributions would be allocated to the production of flow programs. And what applies to RTL who claimed it, applies of course to Netflix and other Amazon. The film profession is therefore delighted with the new financial windfall announced but remains very vigilant about its assignment.

The flow is also not a traditional activity in the South of the country, the regional funds in particular requested that another part of these new revenues be allocated to the training of the sector...

To come back to the Series Fund which until now was only reserved for public television, it will have to reinvent new rules of the game since RTL, back home, agrees to contribute financially to domestic production but also wants to benefit from its support measures...

But how much money are we talking about when we add up the new contributions that will be imposed on private national actors and international platforms? Belgium is far from the French requirements in this area (20%) since it currently only collects a maximum of 2.2% of the turnover of content publishers who market their programs in Belgium. The High Council of Audiovisual, strongly encouraged by the whole sector, suggested to the Minister of Audiovisual to raise this rate to 15% however, on a case by case basis, by the turnover of the publisher.

In fact, this maximum rate would only apply to RTL, the only publisher whose turnover in Belgium is more than €120 million. Netflix, for example, whose turnover would be around €70 million at home, should contribute up to a large €4 million. This would multiply its contribution by 3 while that of RTL will be multiplied by 7! All this is

still under discussion at the time of closing this overview...

A few months ago, a large group of professional associations of the French-speaking Belgian Audiovisual, led by the Société des Auteurs Compositeurs Dramatiques (SACD), launched a broad petition: “A number of important issues are coming to a political end at the same time. This conjunction creates an exceptional opportunity to build the foundation to create, produce, disseminate and promote Belgian Francophone works of quality. Let us invite all public officials, at all levels of power, to share with us a vast ambition for our sector. Help us align the planets!”

We see the role of politics will be decisive in the coming months, but in June 2024, when all the citizens of the Member States will be called to renew their representatives in the European Parliament, the Belgians will vote, the same day, for Europe, the Belgian Federal State and its Regions! And very clever would be the one who could predict the alignment of the political planets that will result. Once again our country and its film industry will be ... at a crossroads!

Philippe Reynaert

Thanks to

Bruno Plantin Carrenard, Managing Director of UGC Belgium

Arnaud de Haan, Sales Manager at CinéArt

Christian Thomas, founder of Imagine

for their contribution to this report
in which their statements were anonymized.