PRESS RELEASE

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European TV fiction production valued at 2.7 billion Euros

The European Audiovisual Observatory, Strasbourg, is publishing the *Economy of European TV Fiction* study, carried out by the INA for the Observatory and the CNC. This survey will provide previously unpublished information on an issue that had not yet come under close scrutiny. For the first time, comparative figures established using a common methodology, are available for the five major European fiction-producing countries Germany, Spain, France, Italy and the United Kingdom

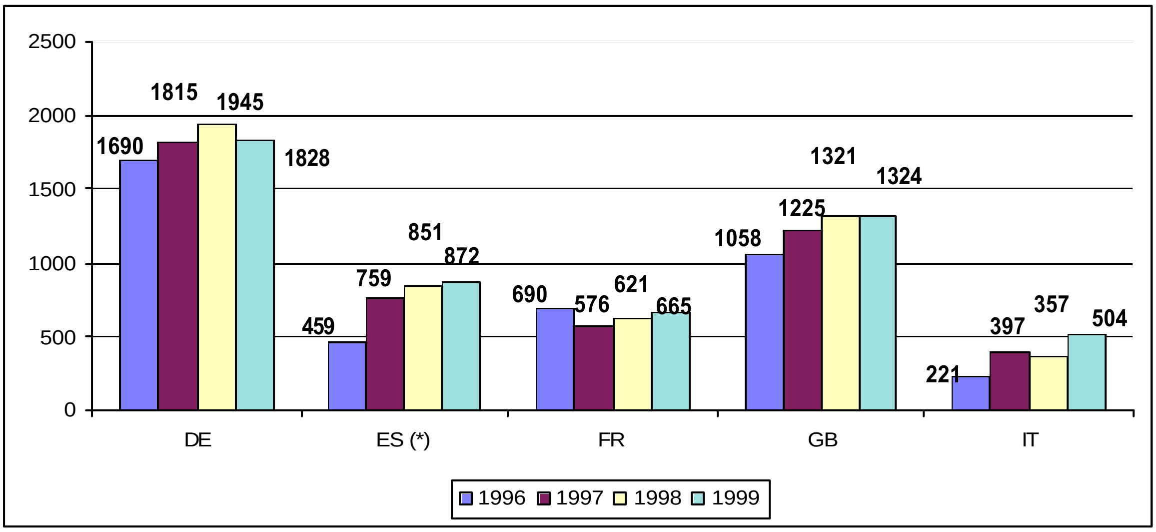
At the same time, the European Audiovisual Observatory is also publishing the *Eurofiction 2000* report produced by the Fondazione Hypercampo (Italy), which offers a qualitative analysis of fiction within the same countries and provided the descriptive basis for the INA study.

5193 hours of national TV fiction produced in 1999

The Eurofiction project has been supplying accurate statistics on the annual production of national fiction programmes broadcast in the 5 countries in question since 1996. Eurofiction carries out a comprehensive analysis of first-run national fiction shown by 42 channels monitored in the 5 countries. Only 22 of these channels broadcast a significant volume of original fiction.

Volume in hours of first-run national fiction (1996-1999)

(*) ES : excluding 593 hours broadcast in 1999 by the autonomous channels, ***Source : Eurofiction***



which were not monitored in previous years.

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In 1999, a total of 5193 hours of first-run national fiction were broadcast in the 5 countries (1.9% up on 1998). Production was relatively stable in the United Kingdom (+ 0.2%) and in Spain (+2.5%). In Germany, volume fell off slightly, but remained high (- 6%), while France recorded a rise of 7.1%. The biggest increase, however, came from Italy, 41.2% up.

Different cost structures from country to country

It is difficult to analyse the economic value of fiction inasmuch as production cost or channel programming costs are not revealed in three out the five countries examined. The novelty of the INA survey comes from the "standardised production costs" common methodology that was used. This method allocates an estimated production cost to each fiction programme and gives country-comparable results, while allowing for the different programming strategies in those countries. It is therefore possible to build up an accurate picture of the value of the whole of the hitherto first-run national fiction production shown in each country.

For the area covered by the five countries, the total value of previously first-run national fiction came out at 2,743.7 M€ in 1999. The figures highlight the fact there is no correlation between the volume broadcast and the actual value. Spain, for example, where series with low production costs are shown, is ranked third in terms of volume broadcast, but last for production value. France, fourth for volume, is ranked third in terms of production value.

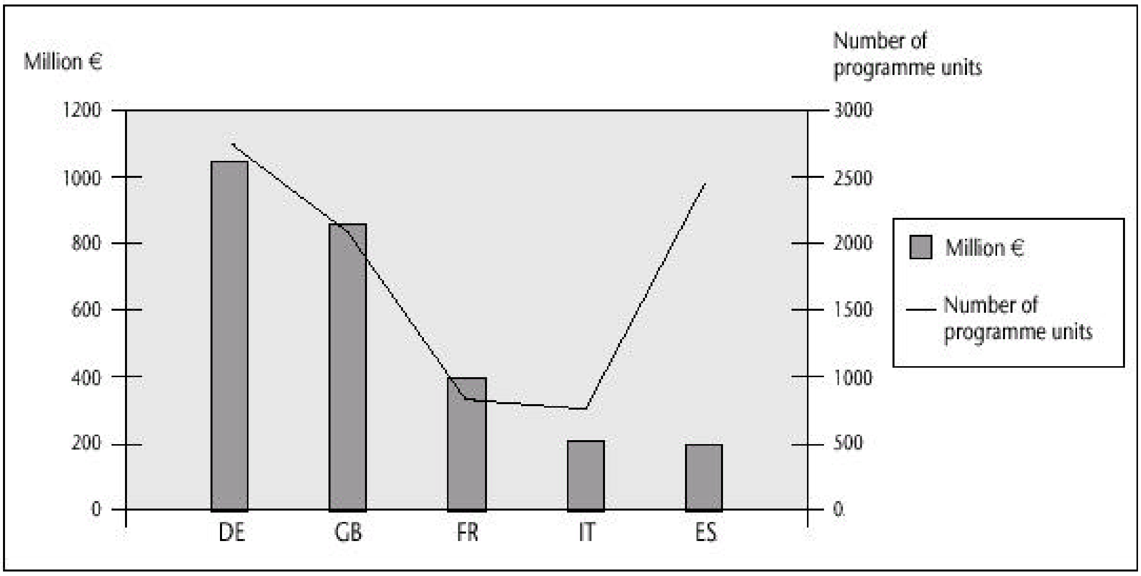
Comparison between the number of units of national fiction programmes broadcast, the volume broadcast in hours and the financial value of the production

	Number of programme units(*)	Volume broadcast in hours	Production value (€ million)
Germany	2 712	1828	1 026.3
United Kingdom	2 225	1324	904.8
France	815	665	416.8
Italy	737	504	208.8
Spain	2256	1465	187.0
Total	**2 256**	**5786**	**2 743.7 (**)**

(*) A "programme unit" is a single programme (TV movie), an episode of a series or a serial or mini series. To simplify matters, we will from hereon refer to this unit as an "episode".
(**) The total value is estimated after deducting the double inclusion of coproductions involving two or more of the 5 countries in the survey

Source : INA

Comparison between the number of episodes of national fiction broadcast and the financial value of the production



Source: INA

In terms of the financial value of broadcast fiction, the British ITV channel comes out top, ahead of BBC1 and ARD, the leading German channel. The leading French channel, TF1, is in sixth position, Italy's Canale 5 in eleventh place and the leading Spanish channel (Tele 5) in twelfth position

International coproductions only account for 6% of volume, but 15% of the total production value

Work based on the Eurofiction data means a precise analysis can be made of the position of coproductions in the fiction programme offer. When taken in terms of the total number of episodes, coproductions (totalling 536 episodes) only account for 6% of the physical total but 14.6% of the financial value (some € 400 millions of fiction production for the 5 major European countries. This provides confirmation that coproductions are mainly used for producing particularly costly programmes. Of this 14.6%, 4.4% is for coproductions with North America (mainly the United States, but also with Canada), while the remaining 10% represents partnerships between European countries (inside or outside the circle of the Big Five).

France and Italy are the countries with the biggest propensity for coproductions (respectively 30 and 38% of the total value), which reflects the high proportion of costly fiction programmes and the relatively low level of financing for such programmes. In Germany and the United Kingdom, coproductions account for only 19% and 7% of the production value.

Over two-thirds of national fiction value broadcast in *prime-time*

In all the countries considered, prime-time fiction gets the majority share of the financial cake. Variations are, however, to be found in the relative importance of prime time in the different countries and also the type of fiction (duration, format, etc.) programmed in the slot.

Share of prime time in terms of episodes broadcast and the financial value of first-run national fiction in each country

	% of number of episodes in prime time/ total number	% prime time value/ total value
Germany	36	68
Spain	39.5	64.5
France	38.5	73.5
United Kingdom	65.4	83.5
Italy	44	80.5

Source : INA

The proportions shown above reflect the programming policies of the channels and their financial implications. The considerable diversity in duration and format for British-made fiction, a large number of episodes of which are broadcast as early as 19.00, as well as their strategic importance in terms of audience figures, is reflected in the high proportion of fiction episodes shown in prime time and in the financial resources put into them. Germany features a large number of lower-cost fiction episodes in access prime time, which means more financial resources are available for prime time fiction, of which there is less than in other countries.

360 companies shared the market in 1999

The survey also provides an analysis of production companies and the links between broadcasters and independent producers, as well as the market share for independent production in each country. 360 companies, including 13 broadcasters, have been involved in producing fiction programmes. The number of companies active in each country is an indication of the health of the production sector, but also shows the dispersion of fiction production. To interpret the figures properly, they need to be compared with the volume of fiction output.

Number of production companies and production volume in hours

	Number of companies	Volume in hours
Germany	147	1 828
Spain	30	1 455
France	74	665
United Kingdom	71	1 324
Italy	38	504

Source : INA

Ranking of production companies according to the financial value of their fiction production

Rank	Company	Nationality	Financial value of fiction output (€ thousand)	% of total fiction of respective country
1	BBC*	British	209 908	23.2%
2	Granada*	British	209 667	23.2%
3	Grundy*	German	144 631	13.7%
4	Pearson*	British	90 155	9.9%
5	Mersey	British	79 990	8.8%
6	Bavaria	German	51 678	4.9%
7	Carlton*	British	49 394	5.5%
8	Gaumont TV	French	44 410	10.2%
9	Studio Hamburg*	German	42 043	4.0%
10	Mediaset*	Italian	39 564	15.8%

* Companies marked with an asterisk are those companies that are part of or which are linked in one way or another to a broadcaster.

Source: INA

A substantially greater proportion of production is carried out by the broadcasters themselves (or their production affiliates) in the United Kingdom and Germany. In Spain, France and Italy over 80% of production is carried out by independent producers, while the market share of independent producers is only 46% in Germany and 40% in the United Kingdom.

An analysis of the turnover of the televisual fiction companies made by the European Audiovisual Observatory shows that, between 1995 and 1998, the sector grew 99% in Spain, 75% in Italy, 49% in the United Kingdom, 28% in France and 14% in Germany.

- ***Economy of European TV Fiction.*** **An INA survey for the European Audiovisual Observatory and the CNC, Strasbourg, December 2000.**
- ***Eurofiction 2000. Television Fiction in Europe*****. Report coordinated by the Fondazione Hypercampo (Italy), European Audiovisual Observatory, Strasbourg, December 2000.**

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