



Mr Jose Manuel Barroso  
Président de la Commission Européenne  
1049 Bruxelles  
Belgique

Berlin, February 27th, 2011

Dear Mr. President,

The European Producers Club (EPC) is an association uniting the most important independent film producers across Europe. Through our different networks, we unite two thirds of the production companies in Europe. We act as a network and a think-tank on European film and audiovisual issues, and promote international film coproduction through coproduction forums, training workshops, conferences and networking events across the globe.

Recently, film industry professionals have been pondering the MEDIA Programme's future, evaluating past actions and setting up work groups to evaluate new tools, in preparation for Programme's renewal. However, its future appears threatened by cuts that would amputate a budget that is already low in terms of our industry's needs.

The audiovisual and media sector is evaluated at close to 100 billion euro. Its contribution to European GDP is around 5%, which is far from insignificant, and is higher still if borderline sectors are included.

The European Commission's participation in our industry is twofold.

First, it is legislative, allowing our industry to be structured and controlled. The audiovisual sector is fragile, economically and culturally speaking, and in constant danger of disappearing at the hands of foreign competition. It needs support in order to exist; the European Union understood this well when it approved all existing national subsidy and aid systems.

Second, it is financial, occurring through the MEDIA Programme whose goals are to increase European production, strengthen circulation in Europe and abroad, and render local industry more competitive outside its own borders.



To achieve those goals, the MEDIA Programme has a budget of 130 million euro per year; this represents 0,26€/year/European resident, and is barely 0.1% of the Union's annual budget!

Giving 0.1% of the European budget to a sector that contributes around 5% of the European GDP is already very little.

Over the years, the MEDIA Programme has gradually contributed to the structuring of the market. It has become a true backbone of the industry, focusing its actions in the places where national institutions are weak. It filled the gaps where national systems were lacking, and in this way helped to strengthen the entire industry.

By helping to structure the European film industry, the MEDIA Programme accomplished the first goal of the mission it was given by the European Commission: to increase and expand the production of European film.

The second goal - strengthening film circulation in Europe and abroad - is the one whose results are most contested. But that is a big mistake! The MEDIA Programme has allowed national film industries to increase their national market share which is quite a challenge, given the weight of foreign film (American in particular). European countries were able to break 10% market share and flirt with 20, even over 30% in some cases (France, Germany, Italy etc.) To be present outside of one's borders, it is essential to first be present at home. An industry that is not recognised nationally cannot export itself.

The MEDIA Programme has also, very successfully with regards to our industry, permitted the integration of the Central and Eastern European countries. For different reasons linked to the particularities of their own markets, Poland, Hungary, the Czech Republic, Slovakia, Slovenia and Romania are now all considered by other member states as reliable and recognised partners. Their film industries have developed and have received well-deserved prizes in many festivals.

We believe that the level of circulation of films within the European Union could only be maintained at the current level because of the direct impact of the MEDIA Programme.

The MEDIA Programme has also most definitely succeeded its third goal, that of making the industry competitive, thanks to its own continuous adaptation to the industry's technological evolutions.

The durability of the MEDIA Programme's actions is the foundation of the independent film industry. Eliminating these foundations would destabilise a huge part of an economy that is already extremely fragile. For European culture, it would be devastating.

The audiovisual sector also presents unique elasticity in terms of jobs and national or European budget investments. Companies in our sector are primarily small and mid-sized



enterprises, which translate any budget fluctuations immediately into employment loss. A budget increase immediately translates positively into job creation.

The MEDIA Programme's work has been exemplary. It has succeeded the impossible task of unifying the market while respecting national cultures.

It has also, in the past few years, supported the film industry's development in emerging markets such as the BRIC countries, leading to the creation of partnerships with the highest authorities in Brazil, Russia, India and China.

Thanks to the MEDIA Programme, we have been able to build a relationship of trust with these countries, and launch joint efforts at our industry's highest levels.

The attached letters, signed by the Chinese CFCC, a state organisation promoting international relations in the film industry, and the Indian producers' Guild, representing the most powerful producers in India, testify to their support to the Media programme.

Last, the MEDIA Programme has also allowed different cultures and their cinemas to exist, in particular in their own countries – thus shaping the cultural identity of Europe.

For these reasons, we strongly urge the Union to increase the MEDIA Programme Budget for the upcoming budget period.

Martin Moszkowicz  
President