

## EconoMag

The Show that demystifies Economics

Cinema Industry – part 4

**French Industry**©

by Max Farrington and Michael Hirsch



French Cinema is known for the Nouvelle Vague, the Festival de Cannes, and, of course, its directors. Many foreign directors, such as Roman Polanski, prefer working in France because of the freedom of expression they have here. Other famous French directors are Jean Renoir, Francis Veber and Luc Besson, to name a few.

In figures, the French film industry is the fourth largest market in box office numbers and also in the number of cinema screens, ahead of larger countries such as Germany or Japan. In terms of film production France is seventh, and second in Europe behind the United Kingdom. As of 2012 there were more than 2000 cinemas located in France, which is actually a decrease of 100 theaters in the past 10 years. However, the number of multiplexes, that is to say cinemas with more than 8 screens, has increased along with the total number of screens.

The explanation is simple; there are now more and more chain multiplex cinemas, and the local independent theaters are closing with increasing frequency in the countryside, while more are opening in the cities. In terms of entries, in 2012 there were 203 million tickets sold, a 30 million increase since 2003. Finally, the revenue of cinemas has increased by 400 million Euro over 10 years, recently stabilizing itself at around 1.3 billion annually.

France is very conservative on the cultural side, as you can see in contemporary music, literature and of course in film. The market share of French films has usually been around 37-38% over the last 10 years, with one exception: In 2008, *Bienvenue chez les Ch'tis*, which alone is the second biggest film in French box office history with 20 million entries, briefly brought the market share up to 45%.

France's Cinema Industry relies on partnerships between the state, television channels, and private companies. If the state and private companies do not provide sponsorship money, then the television channels are obliged to heavily invest in the cinema industry. In 2013, the television networks injected 290 million euro into film production, and currently Canal+ spends 9% of its turnover on the film industry. Canal+ is considered the 'bank' of the cinema, as they co-produce 80% of French films. The free channels such as M6 or TF1 contribute 3.2% of their turnover to the industry.

On top of this, 11% of every cinema ticket goes into a fund called the Fonds de Soutien. The Centre National du Cinéma et de l'Image Animée, also called the CNC, is in charge of collecting this money and redistributing it. In 2011, 737 million euro was distributed by this fund, but not equally. For example, Luc Besson, who is used to having enormous hits with films such as *Lucy*, *Le Grand Bleu* or *The 5<sup>th</sup> Element*, will be granted more money, so that he can make a new movie that will, in all likelihood, gross more money than another director.