

[NO] Government Tightens Film Support Regime

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In a Green Paper on national film support schemes published on 12 March, the Norwegian Ministry for Cultural and Church Affairs argues for a tightening of the support measures currently in force for Norwegian film production. Observing that some current support schemes "may seem unduly generous", the Ministry would like to see tighter maximum limits on aid accrued through the automatic Box Office Bonuses system, and a stepped-up repayment scale on soft-loan production support. The proposals come after Parliament during last December's state budget debate forced the minority centre-right government to produce a report on the general economic conditions of Norway's film industry, which has seen a dramatic upturn in film production volume and admissions since the (then-Labour) government overhauled national film support policies in 2001. Following the lead of film industry lobbying groups, the Parliamentary majority pressed for the government to introduce measures that would encourage private investment in film production (i.e. some form of tax incentive funding) and for relieving film producers of paying end-stage VAT (there is no VAT on cinema tickets in Norway, and hence no deduction of VAT for the film production sector). Both these measures would, in effect, institute further state support for a growing industry, but indirectly and at the expense of state tax and levy income. It therefore came as no (political) surprise that the government's reply was to show that Norwegian film production already enjoys generous benefits through direct support schemes, and that the Ministry's counter-proposal consisted in schemes for the redistribution of currently available support appropriations. The Green Paper should come up for debate before Parliament adjourns for its summer break, and there is another milestone further down the road, in 2005, when the government is committed to a full review and audit of its 2001 film policies.

