

[SI] Supporting the Environment for Film Productions

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At the end of January 2010 the Zakon o Slovenskem filmskem centru (Act on Slovenian Film Centre), which might be the first step towards prosperity for the Slovenian film industry, was proposed. The public debate on this ended on 4 March 2010.

The film sector is one of the pillars of cultural diversity. Its strength lies in its ability to cross borders and travel around the globe at a reasonable cost. Film production is the financially most intensive segment of the film industry. The toughest part of the producers' job is fundraising and it takes a long time for producers to cover the costs of the investments and to receive the profits.

Producers have to find distributors to place their product on the market through broadcasters. In Slovenia the broadcasters' share varies between 40-60% of the total income on sales before taxes. The distributors take 15-40% from the rest. The remainder goes to the producer who has to pay royalties to authors, taxes and investors.

To stimulate the film production the Filmski sklad Slovenije (Slovenian Film Fund - FS) rewards producers with 10% of its income for 10,000 - 20,000 spectators, 15% for up to 30,000, 20% for up to 40,000, 25% for up to 50,000 and 30% above 50,000 spectators. But the producer has to invest the reward in his next production co-financed by FS. Since the Slovenian market is rather small the most viewed film had around 500,000 spectators in film theatres. The average box office for Slovenian films is about 10,000 spectators. There is a need to create a supportive environment for film production since the industry is limited to the internal market of the Slovenian-speaking population. Most important is a support for producers to enter the European market where there is still lack of Slovenian audiovisual content.

It is typical in Slovenia that producers are organised for projects. They engage companies and freelance workers to carry out the project. The weak point in such a model is the lack of production infrastructure, poor business and marketing strategies, long-term growth and development as well as poor education and vocational training.

Crucial for the audiovisual industry are independent producers who work in a competitive market. The State institutions should assure a stable source of

finance and mechanisms that enhance business abilities and knowledge, open foreign markets, assuring respective social status for human resources and supporting social dialogue in the sector.

The Draft Act introduces State aid in the form of a subsidy instead of investments so the revenue goes to the producer to strengthen his capital in order to be able to invest in future projects. The model stimulates producers to engage in the market and control the distribution of the product.

Osnutek Zakona o Slovenskem filmskem centru

http://www.mk.gov.si/fileadmin/mk.gov.si/pageuploads/Ministrstvo/Zakonodaja/Predlogi_zakonov/ZSFC-koncna-020210.pdf

Draft Act on Slovenian Film Centre

