

# European Commission: Communication on Opportunities and Challenges for European Cinema in the Digital Era

**IRIS 2010-10:1/8**

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On 24 September 2010 the European Commission published a new Communication on Opportunities and Challenges for European Cinema in the Digital Era. The document outlines the new policy issues for European cinemas raised by the impact of the digital revolution and announces a new action plan intended to encourage digital transition in cinemas across the EU.

The major obstacle to digital take-up in European cinemas is created by the fact that, although the most important investment in digital equipment has to be borne by exhibitors, savings will largely be made on the distribution side. This is compounded by the fact that, as opposed to cinema chains and multiplexes, which can more easily bear the costs of digitisation, small independent (frequently arthouse) cinemas are not always able to foot the bill; yet Europe's linguistic and cultural diversity depends on the survival of Europe's unique network of cinemas. Due to the diversity of approaches taken across Europe towards cinematographic exhibition, no one-size-fits-all solution to the challenges of the digital era can exist.

In this context, areas of importance in which the European Commission has a role to play include the following:

- overseeing the introduction of a flexible and transparent standardisation process, which enables digital cinema projection standards to meet the diverse needs of European cinemas;
- ensuring legal security in the area of State aid for digitisation of cinemas in the form of clear assessment criteria that allow member states to design their schemes accordingly;
- offering EU financial support for digitisation of cinemas showing European films or ones that have an impact on regional development.

The Commission has accordingly set in place a new strategy to be implemented by the end of 2012. In accordance with this action plan, the Commission has commissioned in 2010 a new study on digital equipment costs across the EU. On the basis of the findings of this study, the Commission intends to launch a new

MEDIA support scheme for the digitisation of cinemas screening a significant percentage of recent European (non-national) films. The new digitisation scheme will grant support to cinemas and co-finance a clearly identified set of digital equipment costs in the form of flat-rate financing. The Commission also intends to adopt a Recommendation on promoting the digitisation of European cinemas by 2012, while in addition it will develop, by the same year, appropriate criteria to assess State aid support for digital projection in Cinema Communication.

It is worth noting that, also in September 2010, the Commission has launched a public consultation to gather input into the next round of the MEDIA programme after 2013.

*Communication on Opportunities and Challenges for European Cinema in the Digital Era, Brussels, 24 September 2010, COM(2010) 487 final*

[http://ec.europa.eu/culture/media/programme/overview/consultations/docs/COMM\\_PDF\\_COM\\_2010\\_0487\\_F\\_EN\\_COMMUNICATION.pdf](http://ec.europa.eu/culture/media/programme/overview/consultations/docs/COMM_PDF_COM_2010_0487_F_EN_COMMUNICATION.pdf)

*Public Consultation on a future European Union MEDIA Programme*

[http://ec.europa.eu/culture/media/programme/overview/2007/consultation/index\\_en.htm](http://ec.europa.eu/culture/media/programme/overview/2007/consultation/index_en.htm)

