

## LUX Prize: Supporting cinema in Europe

Only 707 films were produced in the United States in 2014, compared to over 1 600 European productions in the same period. However, the European film landscape is still dominated by the strong presence of Hollywood 'majors' such as Sony Pictures, Walt Disney and Warner Bros, accounting for almost two thirds of the EU market.

### A record high for European films in 2014

While several European films [performed](#) particularly well at the box office, a number of American blockbusters did not meet expectations, causing the market share for US films to drop from its record level of 69.5% in 2013 to 63.1%. At the same time, the estimated market share for European films in the EU reached its highest level since 1996, leaping from 26.2% to 33.6%. This positive trend was also seen in EU production levels, as the estimated number of European film productions increased from 1 587 to 1 603 in 2014.

### Behind the positive numbers...

At first sight, the [global film market](#) is performing well. The number of cinema screens worldwide has grown by 6%, to over 142 000. Global box-office takings have risen by 15% over the past five years, reaching US\$36.4 billion in 2014. Film production has also increased by 2.5% to an estimated total of over 6 500 films produced globally. However, attendances and receipts in the United States are falling, while online audiovisual consumption – and to some extent video piracy – are soaring, thus posing a threat to the main balancing factors in the system.

The same is true for the EU where, for the first time, the 2013 revenues of the entire audiovisual sector recorded a drop (-0.4%) accompanied by a fall in box office receipts (-4.4%). Contributing to the funding of film production is mandatory for distributors of pay-TV services and/or operators of video-on-demand (VoD) in at least ten EU countries. In some places – such as France, Germany, Poland, Spain, Belgium, Portugal and Croatia – these contributions play an essential part in public-support policies and provide a large proportion of the necessary funding. Practitioners argue that the development of pan-European VoD services, such as Netflix or Amazon Instant Video, established in countries not requiring compulsory contributions, may put at risk the complex equilibrium of EU funding mechanisms.

### LUX Prize: an initiative of the European Parliament

Perhaps one of the best known cultural initiatives of the European Parliament (EP), the [LUX Prize](#) has been awarded annually by the institution since 2007. It supports the dissemination of European (co)productions and aims at overcoming language and distribution barriers for European films. The LUX Prize focuses on fundamental values such as the fight against poverty, combatting violence against women and the integration of vulnerable communities. As a rule, the films in competition are proposed by a selection panel composed of cinema professionals appointed by the EP's Committee on Culture and Education, but entries can also be submitted by MEPs or cinema professionals. Ten films are selected by the panel, of which three go into competition, and one is awarded the LUX Prize through the votes of MEPs. The prize is focused on distribution – 'the Achilles heel of European cinema'. This explains why the winner does not receive a direct grant. Instead, during the [LUX Film Days](#), the three films in competition (this year, *Mediterranea*, *Mustang*, and *The Lesson*) are subtitled in the 24 official EU languages and screened in more than 40 cities and at 18 festivals, allowing a large number of Europeans to see them and vote for the 'Audience Mention'.

#### EU funding for cinema

Between 2014 and 2020, over €800 million will be available for cinema through the [Creative Europe](#) programme. Furthermore, €210 million will be accessible as of 2016 for a new financial guarantee facility, which will make it easier for small companies to obtain bank loans.