

LUX Prize: Continued support for EU cinema

Every year since 2007, the European Parliament LUX Film Prize has been bringing European cinema into the limelight. Over the past 10 years, the prize has helped promote over 100 films, supporting the dissemination of European (co-)productions in a bid to overcome the language and distribution barriers faced by the European film industry. Prize-winners have been very successful in the EU and beyond, thus turning the LUX Prize into a synonym for quality film-making.

The LUX Film Prize: a European Parliament initiative

The LUX Film Prize focuses on fundamental EU values, such as the fight against poverty, the counteraction of violence against women, and the integration of vulnerable communities. As a rule, the films in the competition are [proposed](#) by a selection panel composed of film professionals appointed by the European Parliament's Committee on Culture and Education, but Members of the European Parliament or cinema professionals can also submit entries. The panel selects ten films, of which three enter the competition and one is awarded the LUX Prize, following a vote by Members.



The prize helps support distribution – the weak spot of European cinema. Indeed, in 2017, European film-makers [produced](#) 1 676 films, over twice the number of US productions – 821. However, the latter account for 66 % of the EU market, but European ones just 28 % (see Figure 1). This situation is largely due to the fact that the majority of European films are not screened outside their country of origin. This also explains why the winner of the LUX Prize does not receive a direct grant.

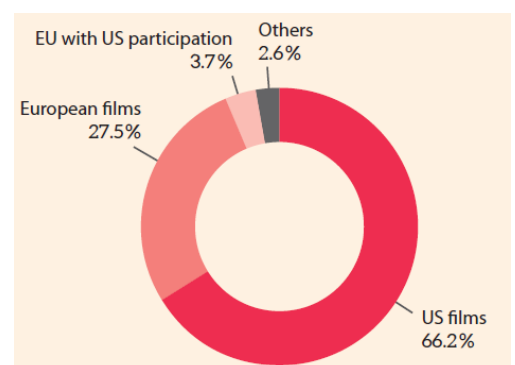
Instead, during the [LUX Film Days](#), the three competing films – this year, '[Styx](#)' by Wolfgang Fischer, '[The Other Side of Everything](#)' by Mila Turajlić, and '[Woman at War](#)' by Benedikt Erlingsson – are subtitled in the 24 official EU languages and screened in more than 40 cities and at various festivals, allowing scores of Europeans to see them and to vote for the '[Audience Mention](#)'. The winning film is also adapted for those with visual and hearing impairments. Thanks to the cooperation between the European Parliament Liaison Offices and [Creative Europe](#) – the EU [programme](#) supporting culture and the audiovisual sector – audiences throughout Europe are able to enjoy unique simultaneous screenings, connecting viewers and film-makers via live interactive discussions. For most countries, the screenings are national premières.

The EU film industry: a fragile ecosystem

The task of maintaining a delicate balance between the cultural and the industrial components of the film industry is the [source](#) of significant tension between artistic and market considerations. The film industry's high fixed production costs and relatively low reproduction costs account for its strong reliance on public funding and the extensive regulatory framework that accompanies it. In addition, there is a weak link between the quality of a film and the price of a ticket, with the latter not being determined by the size of production costs or demand.

In other words, films need to reach a critical mass of viewers to generate a profit or to offset the costs of less lucrative productions. Risk is therefore inherent in film-making, and one way of dealing with it involves spreading fixed costs across larger international markets. US companies [achieve](#) this through intricate international distribution networks, which partly account for their dominant position.

Figure 1 – Film-making: estimated market shares, 2017



Source: European Audiovisual Observatory, [Focus – World Film Market Trends](#), 2018.

In a nutshell: the EU film market in 2017

In 2017, EU box office charts were once again dominated by US films, which accounted for 22 of the top [25 titles](#). Leaving European productions with US participation aside, the Franco-British family comedy, *Paddington 2*, was the only one to feature among the top 25 – in 22nd position – and was also the most successful European film, with over 9 million tickets sold. Yet, in spite of the strong US presence, 2017 was another good year for European cinema. Gross box office revenues overshot the €7 billion mark for the third consecutive year. Likewise, 984 million tickets were sold across the EU – the second-highest level registered since 2004. The average ticket price remained stable at €7. Cinema-goers reached record levels in Slovakia (+18 %), Lithuania (+11 %), Poland (+9 %), Estonia and Romania (+7 % in each).

EU support for film-making: not just money

The dual cultural and economic nature of the film industry and the strong fragmentation of national film markets along linguistic lines explain the long tradition of public support for improving the global competitiveness of the European film industry. Over the years, a complex framework has been built across the EU, within which public funding co-exists with tax incentives.

A 2016 [analysis](#) shows that from 2010 to 2014, a yearly average of €2.5 billion was paid into 215 funds in a sample including 33 European countries. The biggest part of funding – 43 % of the total spend – went to film production.

EU support is channelled mainly through the Creative Europe sub-programme, Media, which encourages the development, promotion and distribution of European works within Europe and beyond. Media thus made over €800 million available from 2014 to 2020. A further €121 million has been accessible since 2016 for a new financial [guarantee facility](#), making it easier for small [companies](#), including in film, to obtain bank loans. In 2017, the facility [received](#) a €60 million top-up through the European Fund for Strategic Investments, thus reaching €181 million. Each year, Media [supports](#) around 2 000 European projects including films, TV series, video games, and cinemas. It also invests in the training of producers, distributors, directors and screenwriters, to help them adapt to new technologies. More than 2 200 professionals are trained annually through transnational and international projects.

Even more money will be available for innovative storytelling for the next, [2021-2027](#), budget period, since the Commission is proposing that the [media budget](#) be increased to €1.1 billion.

European Art Cinema Day

The first common international initiative undertaken to promote European films and the local cinema experience was launched in 2016 by the [International Confederation of Art Cinemas](#) in partnership with [Europa Cinemas](#). Its third edition was [celebrated](#) in 977 cinemas and in 42 countries around the world on 14 October 2018. LUX Prize contributed to the event by offering its catalogue as an inspiration for the cinema programmers. In addition, directors Christian Petzold ([Barbara](#), 2012 Official LUX Prize selection), and Alice Rohrwacher ([The Wonders](#), and [Happy as Lazzaro](#), 2018 Official selection), and animation pioneer and BAFTA winner Michel Ocelot, served as European Art Cinema Day's [ambassadors](#), participating in local events and promoting the day through their networks.

Examples of Media-supported success stories

[Toni Erdmann](#) (2016) directed by Maren Ade (Germany, Austria)

Lux Prize 2016, 30 other awards, nominated for the Palme d'Or 2016, Golden Globes 2017, and Academy Awards 2017
Support: €34 000 for development and €812 000 for distribution in 29 countries

[I, Daniel Blake](#) (2016) directed by Ken Loach (United Kingdom)

Palme d'Or 2016 and 22 other awards

Support: €48 000 for development and €1.1 million for distribution in 26 countries

[Ida](#) (2013) directed by Pawel Pawlikowski (Poland, Denmark)

Lux Prize 2014, Oscar for Best Foreign Language Film 2015, and 62 other awards

Support: €646 000 for development and distribution across Europe

In October 2018, the European Parliament supported measures enhancing the development and visibility of EU film productions. The [legislation](#) on [audiovisual media services](#) stipulates that 30 % of content, including in video-on-demand service-providers' catalogues, should be European. Video-on-demand platforms are also required to contribute to the development of European productions.

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