

# Finnish cinema is impactful, accessible and responsible

ilm captures culture for posterity, reflects our society and educates audiences. Films and series spread easily and cost-effectively even internationally, promoting Finland's image and the Nordic model of society and its values. Audiovisual content is increasingly generating export revenue in our country, providing extensive employment and thereby generating tax revenue and reducing social expenditures in our society.

Public investment in the film industry is very cost-effective, and due to the large share of private funding, it is also very advantageous for the state in terms of its employment effect. In fact, as a result of the tax revenue generated by the production and distribution of audiovisual content, employment in the field is practically free for the state.

Business Finland distributes production incentives, i.e. top funding, to the industry. The forms of support provided by the Finnish Film Foundation also enable the use of production incentives for domestic productions by supporting the basic work of these projects, i.e. development and acquiring other – often

foreign – financing. At its best, the operations of the Finnish Film Foundation and Business Finland can jointly support the domestic audiovisual industry to reach a new, more economically sustainable and growing level. The production incentive also makes Finland a competitive filming location for foreign productions.

The strong international interest in films and TV drama is bringing significant growth potential to the industry at the moment, which should not by any means be wasted due to a lack of funds. Now is an exceptionally good opportunity to increase the export revenue generated by the audiovisual industry to a whole new, significant level. Over the past two years, international sales of domestic productions have multiplied, and Finnish content has achieved unprecedented international success both in the festival field and in commercial distribution. With adequate public support, we will ensure that economically exploitable copyrights are retained in Finland.

Films and TV drama are a form of culture that is very easily and equally accessible to all audiences throughout the country. Finnish content for children in particular is very popular and reaches its target audience in an excellent way. Films and public subsidies sustain cinemas in 130 localities. They are often the only spaces devoted to the performing arts in small regions.

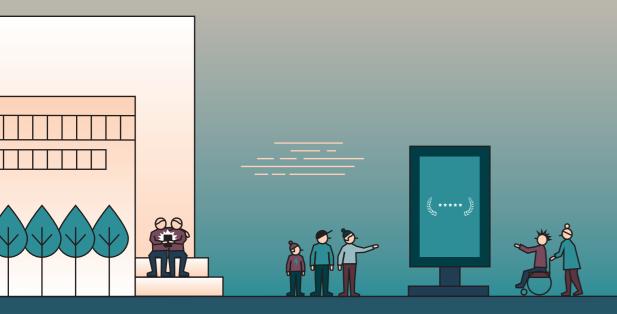
The film and audiovisual industry is exceptionally good at taking care of its social responsibility. Digital distribution is environmentally friendlier than physical copies, and this distribution method makes the products of the industry very accessible with only a minimal burden on our environment. In 2022, the industry has introduced a common environmental management system, Albert, to also minimise the environmental burden caused by the production phase.

The film and audiovisual industry has also acted with great responsibility to promote equality and non-discrimination and has responded quickly and effectively to any shortcomings. The film industry is actively developing a more socially responsible work culture. Additional funding for the production phase would also speed up this important work on sustainable development.

Finnish Film Foundation Audiovisual Producers Finland - APFI **National Audiovisual Institute** Finnish Film Directors' Association SELO The Finnish Cinema Association SEOL The Finnish Film Distributors' Association SEL Writers Guild of Finland Scriptwriters Guild **Arts Promotion Centre Finland** DocPoint - Helsinki Documentary Film Festival **Tampere Film Festival** Midnight Sun Film Festival Espoo Ciné International Film Festival Helsinki International Film Festival - Love & Anarchy Oulu International Children's and Youth Film Festival **Night Visions** Indigenous Peoples' Film Festival Skábmagovat **Finnish Actors Union** Women in Film and Television Finland

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The government programme objective of increasing the state cultural budget to 1% of the overall budget will, upon realisation, also bring additional funding to the audiovisual industry.



## With an additional investment of EUR 15 million in support funds for Finnish cinema between 2023 and 2026:

#### Impactful:

- We tap into the international growth potential of productions by increasing production support for international co-production, animation and documentary film projects.
- We invest in the quality of TV drama by increasing development support for drama and animation series.
- We advance the international marketing of films by hiring top international experts to develop the marketing plans.

#### Accessible:

- We safeguard a nationwide network of cinemas by increasing operating support for cinemas.
- We invest in competitive film projection technology by providing support for keeping the technology up to date.
- We promote the availability of a diverse range of films by increasing support for film festivals.

### Comparison of the Nordic countries 2019\*

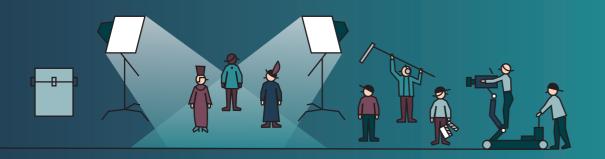


\*Last normal operating year before the COVID-19 pandemic

#### Responsible:

- We promote environmentally responsible work by launching additional support for ecological production and distribution.
- We invest in non-discriminatory and socially sustainable film production by ensuring the occupational well-being of the professionals in the industry and by creating a new production support tool for special projects.
- We develop professional competence in the industry by directing additional support to international training.









## Finnish films screened at international festivals

A million euros of support from the Finnish Film Foundation produces 55.5 person-workyears.



\* Restrictions on cinemas caused by the **COVID-19 pandemic reduced festival** screenings



#### Taking advantage of the international growth potential of productions

#### Increasing the production support for international co-production, animation and documentary film projects

Higher subsidies will bring more international funding, which will significantly increase the production budgets of these films. Higher production budgets will improve the quality of productions and thereby their international competitiveness. Internationally funded films get distributed abroad more effectively than domestic productions, raising the profile of Finnish films as a whole. International co-productions also advance the employment of domestic professionals abroad. Adequate domestic support will ensure that the copyrights and the economic benefits will stay in Finland.



#### Investing in the quality of series production

#### Increasing the development support for drama and animation series

The demand for serial content is at its peak, and drama series employ people in the audiovisual industry effectively. Finnish animation expertise still has a lot of growth potential and international demand brought about by successes. Investing in the scriptwriting and development phase of series will improve their competitiveness among the content produced on larger markets. Additional support for the development phase will increase the quality of the series content and facilitate the procurement of international funding. International financing base helps the distribution of series abroad.

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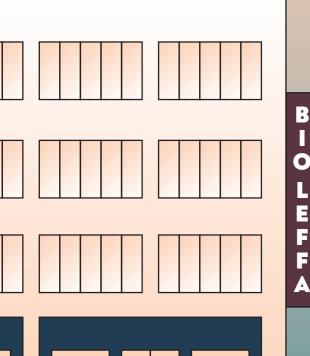


#### **Developing the international** marketing of films

#### Advancing the international marketing of films by hiring top international experts to develop the marketing plans

A tailor-made training package will be organised for projects with international potential, where international experts in the field will provide guidance on drafting the best distribution and marketing plans. The right kinds of marketing materials improve the international visibility of interesting Finnish projects and promote their sales. With an effective and correctly adapted export strategy, the film will get the attention it deserves in the festival scene and in commercial distribution. Hiring experts also contributes to the development of both content and professional skills throughout the industry.

# Tax revenue generated by feature films for the state



A feature film with a production budget of approximately EUR 1.6 million receives an average of EUR 650,000 (40%) from the Finnish Film Foundation in support and generates EUR 950,000 of other funding for the same production.

Approximately 60% of the film production costs go either directly to wages or indirectly via subcontracting. This means that society will be able to recover the following directly from this film:

- In the form of withholding tax or pension and other indirect expenses: EUR 427,500
- In the form of VAT on goods and services procured in the course of production: EUR 160,000



Therefore, approximately 90% of the EUR 650,000 in state subsidies received by the film industry will be recovered by the state, i.e. EUR 587,500 before the film is even released.

- In cinema distribution, a film that attracts 500,000 viewers generates EUR 770,000 in VAT payments
- In cinema distribution, a film that attracts 50,000 viewers generates EUR 100,000 in VAT payments

In this way, one production subsidy of EUR 650,000 will generate revenue of between EUR 687,500 and EUR 1,357,500 for society. One euro in subsidies invested by the state and society is returned to them by a multiplier of 1.06–2.01. Due to the different production structure of drama series, the state will recoup 100% of the public support funds that it invests already during the production phase.



One production subsidy of EUR 650,000 will generate revenue of between EUR 687,500 and EUR 1,357,500 for society. In cinema distribution, a film that attracts 500,000 admissions generates EUR 770,000 in VAT payments. Each million in subsidies granted to the Finnish Film Foundation is recouped almost immediately by the state and society in its entirety and in some cases doubled.





## Securing a nationwide network of cinemas

#### Increasing operating support for cinemas

Support for cinemas in small and medium-sized localities maintains a comprehensive network of cinemas throughout the country and ensures the diversity of their programmes. Support will also ensure that cinemas and their programmes are accessible for special groups, e.g. in the form of services for the hearing- and visually impaired. Thanks to Event Cinema, investing in small cinemas provides a wide range of cultural activities in areas where they would not otherwise be possible. Cinemas act as cultural centres where you can experience world-class opera, dance, theatre, concerts, lectures and art exhibitions.



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## Support for keeping the cinema technology up to date

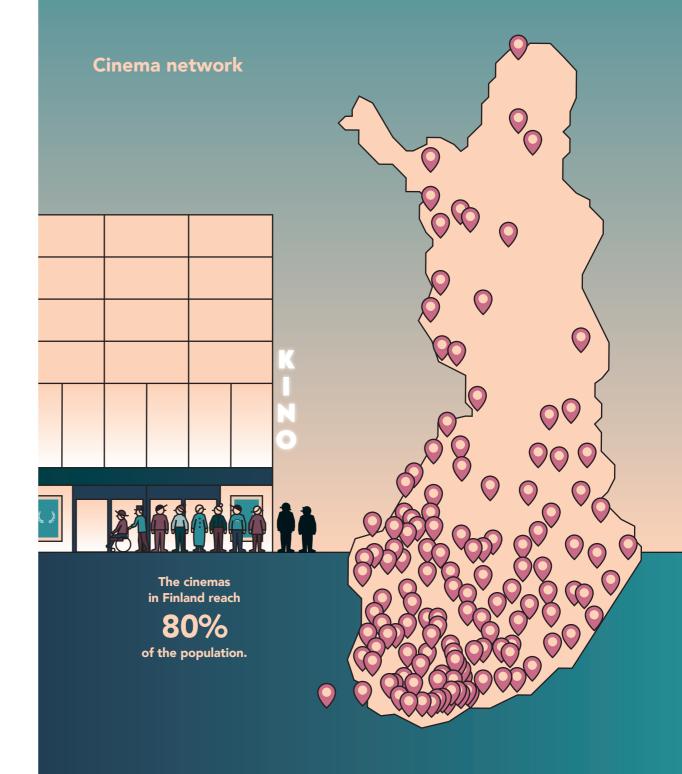
The development of home entertainment technology sets new standards for the cinema experience. Already in 2013, Finland was among the first countries in Europe to switch to fully digital projection technology, but the technology of this first digital wave is already outdated. Maintaining the competitiveness of cinemas requires upgrading their projection technology to higher-quality projectors and audio technology. Cinemas are still the cornerstone of film culture. They are bringing up new audiences for domestic films. A healthy cinema scene and a successful film industry feed each other.



## Making a wide range of films available

#### Increasing support for film festivals

Finnish film festivals maintain a lively film culture and complement the commercial distribution of films. Festivals bring up future film audiences. By improving their operating conditions, a more diverse variety of film storytelling will become available to audiences, and the training and networking activities of the festivals will be supported. There are several international-level festivals in Finland that bring professionals in the field from all over the world to the country. The seminars, lectures and other professional events organised by the festivals develop domestic expertise, create international contacts and increase filmmakers' and productions' visibility.





## Promoting environmentally responsible activities

## Additional support for ecological production and distribution

The cultural industry is also responsible for promoting sustainable development. Even the Finnish film audience already knows how to demand measures to minimise the environmental effects of production and distribution. By granting higher amounts of support to projects that contribute to environmentally sound activities, the industry as a whole is encouraged to make their ways of operating more sustainable. This will effectively contribute to mitigating climate change and reducing environmental pollution. In the long term, ecological activities also generate financial savings. The positive image impact on the industry is also significant.



## Investing in non-discriminatory, socially sustainable film production

## Investing in the occupational well-being of professionals in the field

Additional funding for the industry will enable larger project-specific budgets, which, for their part, will help to create better working conditions in production for all professionals in the field by ensuring sufficient time and human resources for shooting, for example. Additional funding can also contribute to increasing the use of new occupational groups specialised in occupational safety and well-being, such as intimacy choreographers. Improving working conditions will help those working in the field to manage and make the field more attractive as a career in the coming years.

## New instrument for production support for special projects

By allocating production funding to special projects, we could annually take into account the

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groups of professionals whose share as beneficiaries should be increased to ensure equality and diversity of film production. Earmarked production support can, for example, promote employment opportunities for underrepresented groups of people, facilitate the position of first-time directors and serve other groups in need of special attention. A dedicated support instrument would enable a quick response to shortcomings in the application process. An annually allocated support instrument can also ensure the eligibility of future production technology.



## Developing professional skills in the field

#### Additional support for international training

There are also constant developments in environmentally responsible and socially sustainable activities in the film industry. The use of the latest research data and best operating models promotes the domestic film industry and its occupational safety and responsibility. By supporting the further training of professionals in the field through internationally renowned training programmes, we can also keep Finnish filmmakers and productions competitive on the international market.

## Gender parity in cinema releases supported by the Finnish Film Foundation 2021

