

Development of a Multi-Annual Strategic Plan for Portugal's Cinema and Audiovisual Industry

A Study for the Instituto do Cinema e do
Audiovisual by Olsberg•SPI



9th March 2022

OLSBERG • SPI

Contents

1.	Executive Summary	1
1.1.	About the Study.....	1
1.1.1.	Setting Strategy in a Pandemic.....	1
1.1.2.	Alignment with Evaluation of Previous Strategic Plan	1
1.1.3.	Approach to Comparable Markets	2
1.2.	Context – Global Growth in the Cinema and Audiovisual Sector	2
1.3.	Key Findings	2
1.3.1.	Elements of a Holistic National Strategy	2
1.3.2.	The Current State of the Portuguese Cinema and Audiovisual Sector	3
1.4.	Strategic Priorities	3
1.4.1.	Focus of Support.....	4
1.4.2.	Diversifying Production and Funding	5
1.4.3.	Consumption and Audience Engagement in Portugal	6
1.4.4.	International Consumption and Engagement	6
1.4.5.	Training and Talent Development.....	8
1.4.6.	Driving Inward Investment.....	8
1.4.7.	An Effective Monitoring and Evaluation System	9
2.	Introduction	10
2.1.	Context: The Global Production Deluge	10
2.2.	Current Global Market Trends	12
2.3.	Elements of a Holistic National Strategy	13
2.3.1.	Public Benefits of a Thriving Audiovisual Sector	15
2.4.	The Impact of the COVID-19 Pandemic.....	17
3.	Overview of Strategic Considerations.....	19
3.1.	Introduction.....	19
3.2.	The Importance of a Defined Strategy	19
3.3.	The Current State of the Portuguese Cinema and Audiovisual Sector	19
3.4.	Summary of Strategic Priorities for Portugal	23
3.5.	Encouraging Private Investment	24
3.6.	An Effective Monitoring and Evaluation System	25
4.	Strategic Priority Area One — Focus of Support	26
4.1.	Context	26
4.2.	Focus of the 2014-18 Strategic Plan	26
4.2.1.	Overview	26
4.2.2.	Ongoing Relevance of the Previous Plan	27
4.3.	Challenges.....	30
4.4.	Opportunities	30

4.4.1.	The Revised Audiovisual Media Services Directive	30
4.4.2.	Creative Europe	31
4.5.	Comparable Jurisdictions and Strategies	33
4.6.	Recommendations and Implementation	35
5.	Strategic Priority Area Two — Diversifying National Production and Funding	36
5.1.	Overview	36
5.2.	Challenges	37
5.3.	Opportunities	40
5.3.1.	Animation.....	41
5.4.	Comparable Jurisdictions and Strategies	41
5.5.	Recommendations and Implementation	44
6.	Strategic Priority Area Three — Consumption and Audience Engagement in Portugal	45
6.1.	Overview	45
6.2.	Challenges	46
6.3.	Opportunities	48
6.4.	Comparable Jurisdictions and Strategies.....	48
6.4.1.	Danish Film Institute, Denmark.....	49
6.4.2.	British Film Institute, UK.....	49
6.5.	Recommendations and Implementation	51
7.	Strategic Priority Area Four — Consumption and Circulation Internationally	53
7.1.	Overview	53
7.2.	Challenges	53
7.3.	Opportunities	54
8.	Strategic Priority Area Five — Training and Talent Development	56
8.1.	Overview	56
8.2.	Challenges	56
8.3.	Opportunities	57
8.4.	Comparable Jurisdictions and Strategies; UK, Spain, Greece, Netherlands, Sweden	57
8.5.	Recommendations and Implementation	59
9.	Strategic Priority Area Six – Driving Inward Investment	60
9.1.	Overview	60
9.2.	Challenges	60
9.3.	Opportunities	61
9.4.	Comparable Jurisdictions and Strategies	61
9.5.	Recommendations and Implementation	63
10.	Appendix One: Bibliography.....	65

1. EXECUTIVE SUMMARY

1.1. About the Study

The Instituto do Cinema e do Audiovisual (“ICA”, or the “Client”) has retained global creative industries consulting firm Olsberg•SPI (“SPI”) to undertake a multiannual strategic plan (the “Study”) to contribute to the development of Portugal’s cinema and audiovisual industry.

As outlined in ICA’s invitation to submit a proposal (Acquisition Process No.08/DG/2020), the purpose of the Study is to analyse the current cinema and audiovisual landscape in Portugal and policies for the sector, and undertake a strategy for ICA – including defining concrete areas of action and associated measures, as well as suggesting a monitoring system for implementing the strategy. The Study was undertaken at the same time as a linked analysis that evaluates the previous strategic plan for the sector.

The focus on a holistic strategy across the cinema and audiovisual industry is critical given the close interconnectedness between stakeholders in Portugal. This includes the production, distribution, and cinema exhibition sectors and covers both national and international elements.

1.1.1. Setting Strategy in a Pandemic

For ICA – or any similar institute – setting strategy in a pandemic provides significant challenges. The global screen sectors have been severely disrupted, to an unprecedented degree, by COVID-19. The pandemic has accelerated structural changes that were already occurring in the sector, and every country must re-evaluate its strengths, weaknesses, and opportunities.

Against this backdrop, the sector is experiencing a significant global production deluge – largely driven by the continuing expansion of streaming services across the world and increased investment from existing studios. Underpinned by voracious consumer demand, the production of content for screens of all sizes has expanded rapidly. Despite COVID-19, there are notable and increasing opportunities for Portugal across both national production and inward investment.

This Study reflects this unique landscape and the fact that some challenges and opportunities exist on a global level while some are specific to Portugal.

1.1.2. Alignment with Evaluation of Previous Strategic Plan

ICA’s previous strategic plan was set for 2014-18 and a separate evaluation of this strategy has been undertaken by Dinamia.

The limitations and challenges faced by the Portuguese cinema and audiovisual sector identified in the previous strategy are, to a significant degree, still relevant in the current landscape. This includes a number of structural weaknesses, such as a notably low market share for national works, and a low base of support for development and writing, and co-productions.

The sector in Portugal also remains highly reliant on ICA funding, with difficulties in accessing private finance. Decline in market funding for independent film projects is a global trend, but fragilities in the Portuguese industry exacerbate this.

Further analysis of the previous strategic plan and its contemporary relevance is provided in Section **Error! Reference source not found.**

1.1.3. Approach to Comparable Markets

In assembling this Study, comparisons with other territories – particularly those of comparable size or those that have tackled priority areas in an innovative way – provide important benchmarks for Portugal and the development of its national film sector.

Both the opportunities which present themselves and the challenges which Portugal face are similar to those in many other territories, notably across Europe. In particular, there is much to learn from other territories about how they have responded to some of the challenges faced in addressing priority areas for Portugal such as skills and education in the audiovisual sector. The Study is therefore underpinned by insights and best practice from other jurisdictions.

1.2. Context – Global Growth in the Cinema and Audiovisual Sector

Recent years have seen a significant increase in the quantity of screen content being produced globally. In 2019, an unprecedented \$177 billion was spent on the production of feature-length films, scripted television, and documentaries. In the US in 2019, according to calculations by UBS reported in the *Economist*, content spending by 16 companies was roughly equal to the sum invested in America's oil industry.¹

While the pandemic temporarily slowed this growth, the level of investor and audience demand has seen production already recover rapidly to, or above, pre-pandemic levels in some markets.

This increase is being driven by streaming services, while investment from established studios and broadcasters has also increased. The global production deluge is being heavily driven by a marked upturn in scripted television series production, while feature film production has also been rising.

As a result, there has been increased focus among governments and legislators on screen production as a highly valuable economic driver. There is a specific economic development focus on sectoral funding and incentives – as is occurring in Spain, with the government's €1.6 billion investment strategy to develop an audiovisual hub.²

1.3. Key Findings

1.3.1. Elements of a Holistic National Strategy

A clear, medium-term strategy will help both ICA and the Portuguese sector at large to seize opportunities and navigate the challenges which the national and international industry now faces. It also enables the sector to look beyond the immediate moment and to define what success looks like over time.

Because public policy for the sector is usually aimed at creating both cultural and economic value, it is advisable to create growth strategies that harness benefits across the board, which is where a 'holistic' sector strategy comes into play. This is where a set of investment, initiatives and interventions are designed to maximise all available benefits.

SPI's holistic screen sector strategy model provides a blueprint that identifies the various elements of a strategy that could be employed in any country. There are five 'pillars', or 'verticals', to this approach, each representing a particular area of strategic focus:

- 1. National**
- 2. International**

¹ *The future of entertainment*. The Economist, 14th November 2019. Accessible at: <https://www.economist.com/briefing/2019/11/14/the-future-of-entertainment>

² For further information, see the España Digital 2025 webpage. Accessible at: https://portal.mineco.gob.es/ca-es/ministerio/estrategias/Pagines/00_Espana_Digital_2025.aspx

3. Infrastructure
4. Culture
5. Organisation and regulation.

More detail is provided on these key areas in Section 2.3.

1.3.2. The Current State of the Portuguese Cinema and Audiovisual Sector

In recent years, Portugal has been grouped within the top 10 fastest growing audiovisual markets in Europe. The country's average recorded growth of 13.2% from 2015-19 is especially positive because public funding was essentially reduced to zero in 2012.³

With more funds available to the sector, and with the establishment of the cash rebate incentive system in 2018, production activity in Portugal has increased since 2012. Despite this, Portugal's cinema and audiovisual sector is not in a position of outstanding strength. The country's internal market is limited, and there appears to be limited links with global Portuguese-speaking markets for Portuguese content. While production activity has improved this is not reflected in admissions, and the market share of Portuguese films nationally has been consistently low. Distribution and exhibition provision is somewhat uneven across the country, which further hampers the development of the relationship between audiences and national cinema.

There are also challenges reaching overseas audiences. Data from the European Audiovisual Observatory (EAO) regarding both the number of exports to other European markets and the number of admissions for those releases show that Portugal ranks last across both metrics.

The COVID-19 pandemic has also further damaged the industry, with long-term effects still playing out.

As outlined in Section 2.4, ICA has been providing critical support to Portugal's cinema and audiovisual sector during COVID-19, developing an exceptional support framework for the pandemic through which it awarded €5.2 million in additional funds to support the sector. The institute also distributed an additional €4.3 million in funds to programmes of support created to address challenges associated with the pandemic.⁴

Despite the challenges of the pandemic, Portugal has a strong base of talent and a strong production offer. Significant opportunities exist for sectoral development and growth if the challenges identified above can be overcome.

1.4. Strategic Priorities

This Study has identified six strategic priority areas for further consideration by ICA. These reflect the challenges presented by both internal and external markets, as well as the opportunities presented by global growth.

³ Key trends in the European audiovisual sector: all the key figures to imagine the post-COVID world. EAO, 19th June 2021. Accessible at: https://www.obs.coe.int/en/web/observatoire/home/-/asset_publisher/wy5m8bRgOygg/content/key-trends-in-the-european-audiovisual-sector-all-the-key-figures-to-imagine-the-post-covid-world; Yearbook 2020-2021 Key Trends: Television, Cinema, Video and On-Demand Audiovisual Services – the Pan-European Picture. EAO, May 2021. Accessible at: <https://rm.coe.int/yearbook-key-trends-2020-2021-en/1680a26056>; The circulation of European films in non-national markets: Key Figures 2019. EAO, 2021. Accessible at: <https://rm.coe.int/export-2020-en-final-online-version/1680a1e35f>

⁴ Apoios Excepcionais No Âmbito Da Pandemia De Covid 19. ICA

Figure 1
Summary of Suggested Strategic Priority Areas



Source: Olsberg•SPI

The remainder of this Study examines each suggested priority area, provides insight into related challenges and opportunities. For each, comparable insight is provided where relevant along with recommendations. These are briefly profiled in the following sub-sections.

Note on Implementation: some of the strategic recommendations outlined in this Study are subject to Portugal's legislative framework for successful introduction. Legal advice should therefore be sought by ICA when finalising its new strategy and progressing to its implementation.

1.4.1. Focus of Support

The most significant contextual change between ICA's previous strategy and the present has been the enormous growth of streaming platforms and investment from existing studios and broadcasters, the implications of the COVID-19 pandemic, and the application of the revised Audiovisual Media Services Directive (AVMSD) which was transposed into Portuguese law in November 2021.

A new strategy for the next five years must therefore incorporate an international perspective to a larger extent than any previous strategy while still addressing the objectives and challenges identified by ICA in its last strategy – with many of the identified challenges still relevant. It must also address the many challenges raised or exacerbated by the COVID-19 pandemic. This includes the distribution and exhibition sectors, which are key to future improvements in national market share.

The implementation of the revised AVMSD in Portugal represents a significant and potentially transformative opportunity for the local industry, in particular by introducing new sources of funding for ICA through a revised levy which will help fund ICA, as well as reinvestment obligations which will support local production. Alongside AVMSD, the new iteration of the Creative Europe programme (2021-2027) also provides a potentially significant source of new funding for the Portuguese audiovisual sector.

Key recommendations in this area include:

- The encouragement of broader national production output of all types, with a clearer focus on both commercial and arthouse funding streams and outcomes.
- A more balanced funding focus between audiovisual and cinema, to reflect current global opportunities, and a stronger focus on distribution and exhibition – and the digital circulation of works. This includes a focus on scripted television alongside film, to seize opportunities in a rapidly expanding international market.
- Support for innovative creators, including new and diverse creative talent in Portugal.
- Stronger training to focus on writing and development, and processes such as writers' rooms.
- The development of connections between audiences and national cinema, including a stronger education offer around Portuguese film.
- A recognition of the international production opportunity and the potential for Portugal. This should involve ensuring that crew training is adequate, that marketing efforts through the film commission continue, and that the incentive is adequately funded. The film commission and incentive are both critical to ensuring further growth in overall production expenditure in Portugal.

1.4.2. Diversifying Production and Funding

The domestic market share of Portuguese films is notably low, as is the European circulation of national films.

However, the global production deluge is creating opportunities for content creators of all types. Audiences are now more receptive to subtitled works from other countries and, indeed, are open to authentic, quality film and television from different parts of the world.

Across Europe, high-end television series have been the key driver of production growth and many public funders are adapting to this new landscape, and diversifying the focus of their funding and training provision for new talent in line with market changes. Many national film agencies offer training funds for cross-cutting formats which include gaming and scripted drama in addition to film, especially in the area of writing and show-running.

Recommendations in this area include:

- Broaden the focus of funding to foreground innovation and new talent – which face significant barriers to entry – alongside auteurs.
- Consider overhauling the funding jury system. One alternative approach could involve the implementation of a new funding system based on individual fund managers overseeing separate funding streams – including for new talent, for example, or innovative approaches and formats. ICA has advised that such a model could face legal constraints in Portugal, and in this scenario ICA should consider ways to improve the current funding structure, with clearly stated aims for different funding streams with different areas of focus and criteria, adequate background and skills of panel members and – subject to existing legal/administrative constraints – shorter decision times.
- Give more priority to project and story development and screenwriting – regardless of format. Given the global demand for localised, authentic stories this is a significant opportunity for the Portuguese industry and developing the capacity of writers in this

area will build a broader range of Portuguese stories for consumption by national and international audiences.

- Leverage funding to ensure training of new entrants, and to establish better pathways into industry.
- Consider the need for Portugal to develop strong businesses in the film and audiovisual sector. ICA should build on and improve compatibility and synergies between training, development, and production support to assist in the development of business beyond single-project support.

1.4.3. Consumption and Audience Engagement in Portugal

It is apparent that there are weak links between national film and audiences in Portugal. Levels of engagement are well below the average for the European Union and as compared with Spain, France, Italy, and Brazil.

Driving audience interest in, and consumption of, Portuguese content should be a key strategic aim for ICA – and delivered in tandem with a refreshed approach to production funding.

This partly relates to film education. While the existence of a film education plan in place in Portugal – the National Cinema Plan – is highly positive, this area could be broadened in terms of resources and scope. Successful film education strategy in other regions includes the study of film as an artistic entity, but also as part of an overarching media literacy strategy which encompasses not only the study of film in and of itself, but the study of film as a medium through which learning of any subject can occur. An opportunity here is that the pandemic has accelerated the use of both streaming and online learning.

Recommendations in this area include:

- Ensuring a holistic focus on distribution, exhibition, education and film literacy – alongside production.
- Strengthening support for regional exhibition and audience development, including pop-up cinemas and cine clubs while not overlooking the Lisbon and Porto markets.
- Since meaningfully supporting exhibition through the pandemic and beyond is likely to be beyond ICA's resources, ICA could take an advocacy role in exploring options for public support.
- Implement a broader strategy for film education.
- Consider undertaking general communications and market outreach to audiences in Portugal to help drive interest in diverse cinema, noting that other institutes undertake such a function.

1.4.4. International Consumption and Engagement

Strong evidence emerged during consultations that the approach to international promotion and distribution of Portuguese film requires a significant rethink – to help deliver both economic and cultural success, through expanding the presence of Portuguese film internationally.

Portuguese cinema achieves limited success in the European market and there is a lack of evidence to demonstrate significant success in other global markets. While information available through the ICA website demonstrates that the presence of Portuguese films at leading international festivals – including the Cannes Film Festival, the Venice Film Festival, the Berlin Film Festival and the Toronto International Film Festival – has been growing, the country has yet to win any of the top prizes at these events.

These festivals all figure within the list of Group 1 priority festivals published by ICA in its *General Regulations Relative to the Financial Support Programmes*.⁵

ICA has consistently supported the presence of Portuguese projects at these Group 1 festivals and, according to SPI research, short films and feature projects supported have, in several instances, won noteworthy prizes. For example, the feature drama *Vitalina Varela* (2019) by Pedro Costa won the Golden Leopard for best film and actress at the 2019 Locarno International Film Festival.⁶

Another noteworthy example is *Listen* (2020), a feature drama written and directed by Ana Rocha de Sousa, which won the Arca Cinema Giovani Award for Best Film, the Bisato d'Oro for Best Film, the Luigi de Laurentiis Award for Best Debut Film, and the Sorriso Diverso award at the 2020 Venice International Film Festival.⁷

Despite some positive outcomes at international festivals, Portuguese content has struggled to gain meaningful traction in global markets including Portuguese-speaking markets. The changes in the global audiovisual landscape, creating new avenues to reach international audiences provide key opportunities to improve this.

Within this context, Portugal should especially focus on the opportunities provided by the following:

- Creative Europe, especially including the content cluster and its objective of increasing the cross-border circulation of national works in Europe.
- Ratifying the revised Council of Europe Convention on Cinematographic Co-Production (2017) as a sign of commitment to co-production; at time of writing, Portugal had signed but not ratified the revised Convention.
- Developing bi-lateral co-production treaties and developing broader collaborations with countries modelled on the deal signed with Luxembourg at Cannes in July 2021.⁸ To develop international capacity and improve the competitive position of their sectors on the international stage, some countries or regions use the 'producer mission' model in order to build contacts and develop knowledge and insights into international markets. For example, Screen Nova Scotia ran such a mission to the 2022 European Film Market (EFM) and Berlinale.
- Actively participating in plans by Eurimages to extend its funding activities to television series and, at the appropriate moment, encouraging the Government to provide additional funding for Portugal to support this expansion.
- Engaging with all streamers entering the European market (HBO Max, Disney+, Paramount Plus) as well as established ones (Netflix, Amazon Prime) to make them aware of the potential of Portuguese works and talent.

⁵ *Regulamento Geral Relativo aos Programas de Apoios Financeiros*. ICA, 8th March 2021. Accessible at: https://www.ica-ip.pt/fotos/concursos/info/regulamento_geral_relativo_aos_programas_de_apoios_financeiros_2021-ica-dr_2430260473d546ebcf.pdf; *Regulamento Geral Relativo aos Programas de Apoios Financeiros*. ICA, 16th June 2020. Accessible at: https://www.ica-ip.pt/fotos/downloads/regulamento_geral_concursos_2020_165105ee89aofc23a8.pdf

⁶ *Vitalina Varela* by Pedro Costa. Locarno Film Festival News, 17th August 2019. Accessible at: https://www.locarnofestival.ch/en/LFF/news/2019/day-11/Pardo_d%E2%80%99goro_VITALINA-VARELA

⁷ In 2016, the short *Balada de um Batráquio* won the Golden Bear at Berlin for Best Short Film. In 2017, the fiction short *Cidade Pequena* won the Golden Bear at Berlin for Best Short Film and *A Fábrica do Nada* won the FIPRESCI Prize at the Cannes Film Festival. In 2018, *Diamantino* won the Critics' Week Grand Prize at the Cannes Film Festival and the drama feature *Chuva é Cantoria na Aldeia dos Mortos* won the Un Certain Regard Jury Prize. In 2019, *Liberté* won the Special Jury Prize – Un Certain Regard. See more at: *Candidaturas Admitidas e Apoiadas*. ICA. Accessible at: <https://www.ica-ip.pt/pt/downloads/candidaturas-admitidas-e-apoiadas/pagina-1/>

⁸ *Portugal and Luxembourg join forces to launch the Luso-Luxembourg Fund*. Cineuropa, 14th July 2021. Accessible at: <https://www.cineuropa.org/en/newsdetail/407583/>

1.4.5. Training and Talent Development

The deluge of production globally means that many mature and emerging markets are facing capacity challenges, particularly in below-the-line (BTL) roles. Training provision and talent development schemes are struggling to keep up with demand, and markets are seeking to rapidly upskill their workforce and find new talent.

Portugal has lacked a cohesive and co-ordinated approach to industry skills and talent development and pathways. Formal training pathways do not exist for many BTL roles and there is a need to highlight certain industry roles to create awareness that they exist as a career option.

Consultations have highlighted that there is a limited workforce in Portugal, and that finding sufficient talent in the current market can sometimes be challenging.

To a degree, the ability to draw workers from other markets such as Spain has eased pressure in this area, but as production increases in a growing market, workforce capacity and training provision should be addressed. This is a key opportunity for Portugal and ICA should consider developing this as a strategic priority in line with global market trends.

Recommendations in this area include:

- Building and formalising workforce and talent training. A notable element of best practice from other markets is to implement a nationally co-ordinated approach which addresses formal and informal training pathways across an entire career.
- In a growing global production sector, the ability to identify challenging roles or areas of provision as they arise and react swiftly is also crucial, and ICA should consider developing a film and television sector skills vocational board. This could be used to identify critical areas for skills support, and also set strategy for targeted interventions – for example by partnering with specific quality training institutions, industry bodies, education departments and employment organisations.
- The development of short courses for those already in the industry is also advisable.
- A focus on regions.

1.4.6. Driving Inward Investment

One important area for developing Portugal's cinema and audiovisual sector is the attraction of film and television productions from overseas. Servicing international productions – and delivering associated economic and industrial benefits – is a key focus of strategy for many European markets. This includes Spain, with its stated strategic aim of increasing productions by 30% in four years.

Portugal has recognised this opportunity and has established an incentive system and a national film commission to market the Portuguese production offer to global producers.

ICA should continue to be ambitious in its strategy in this area. Many markets are experiencing capacity constraints and there exists a clear opportunity for Portugal to increase the value of inward production given its attractive production offer. An expansion of international production would also have positive impacts on infrastructure and skills development nationally.

ICA should ensure the continued success of Portugal's incentive through adequate funding and effective administration, as well as enabling the Portugal Film Commission to continue undertaking important global marketing and support functions.

Noting how other markets are developing regional offers, ICA should consider whether there is any scope, through partnerships, for regional selective funds for international projects in Portugal.

1.4.7. *An Effective Monitoring and Evaluation System*

The implementation of a new strategy for Portugal's cinema and audiovisual sector should also be accompanied by a robust monitoring and evaluation system to ascertain progress against the intention of the strategy. This framework should enable assessment of inputs, outputs, and outcomes.

Such a system should develop Key Performance Indicators (KPIs) in relation to each strategy pillar on an annual basis to 2025, based on both qualitative and quantitative data. These KPIs should be designed to measure economic value, cultural value, and stakeholder satisfaction.

ICA should however be realistic that it may not be possible to fully progress some elements of its strategy by 2025, and that interventions may require a longer term to deliver results.

2. INTRODUCTION

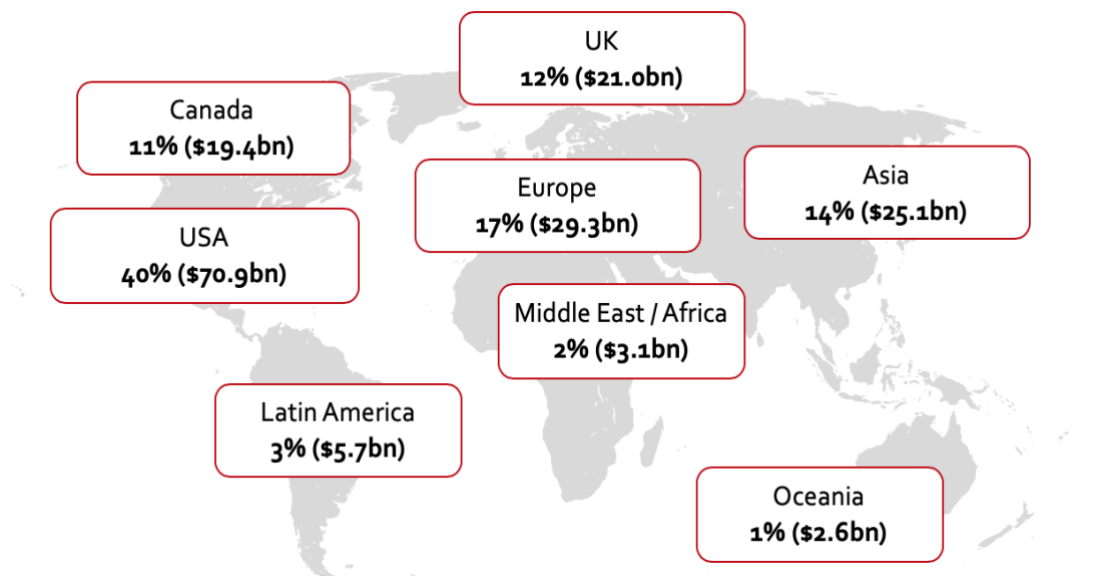
2.1. Context: The Global Production Deluge

In recent years, there has been a huge increase in the quantity of film and television content being produced globally. In 2019, an unprecedented \$177 billion was spent on the production of feature-length films (\$42.6 billion), television films, drama series and documentaries (\$134.4 billion). Of that total amount, 65% or \$135.2 billion originated in the US, which is the base of the major content producing studios and services. Other major regions for production investment are Asia (13% or \$23.7 billion), Europe excluding the UK (14% or \$24.7 billion), and the UK (3% or \$5.2 billion).

However, analysis of where investment is spent in the figure below shows that non-US regions represent a much larger share. While 35% of investment originates outside the US, non-US regions and countries represent 60% of spend – a positive difference of \$42 billion, and a trend that is expected to continue. By the end of 2019, the global production infrastructure offer was already reaching saturation in countries with mature industries that have the ability to handle large budget films and TV series.

While the pandemic temporarily put a halt to this growth, the level of investor and audience demand has seen production already recover rapidly to pre-pandemic levels in some markets.

Figure 2
Map of Global Production Spend for 2019



Source: Olsberg•SPI

For non-US jurisdictions, the investment which originates in these regions is less than the amount spent on screen production. For example, in Europe the positive difference was found to be \$4.6 billion. This highlights the positive impact of the global flow of screen production on economies around the world and the opportunities that exist for building economic and other impacts.

Other sources suggest that global expenditure on production and licensing of new film and television content by streamers, studios and independents increased 16.4% year-on-year

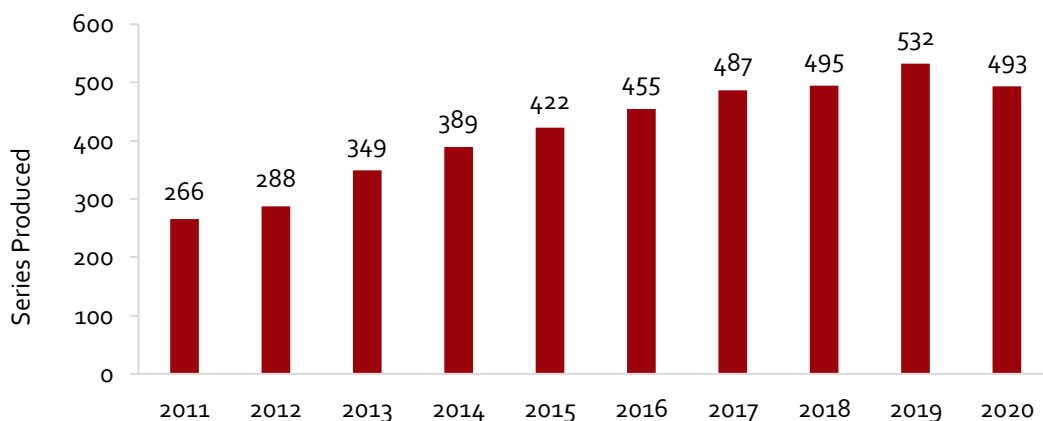
between 2019 and 2020, from \$189.1 billion to \$220.2 billion. Spend is forecast to rise to \$250 billion in 2022.⁹

In the US in 2019, according to calculations by UBS reported in the *Economist*, content spending by 16 companies was roughly equal to the sum invested in America's oil industry in the same year.¹⁰

This increase is being driven by streaming services such as Netflix, which was reported to have increased its content spend to over \$17 billion in fiscal 2021.¹¹ Other new and well capitalized players have entered the market and investment from established studios and broadcasters has increased. Disney, for example, announced at its 2020 Investor Day that it expected its global direct-to-consumer content expense to be between \$14 billion and \$16 billion dollars across Disney+, Hulu and ESPN+ for fiscal 2024.¹²

The global production deluge is being heavily driven by a marked upturn in scripted television series production. Between 2011 and 2019, the number of original scripted series produced in the US doubled, from 266 in 2011 to 532 in 2019. Despite the impact of COVID-19 from 2020 onwards, there was only a drop of 7% from 2019 to 2020. This growth is largely due to the rise of streaming services. The introduction of platforms like Netflix, Amazon Prime Video, and Disney+, and their subsequent transition from licensing-based businesses to original production-focused businesses with widespread influence has generated vast amounts of new production spend.

Figure 3
Scripted Original Series Production in the US, 2011-2020



A significant amount of global production spend is still directed towards feature-length films. In 2018, the most recent year for which data is available, 8,204 feature films were produced (around 700 more than were produced in 2014). This represents a 10% growth over five years; for a mature market, this is considerable. The rising budgets of feature film productions also mean that the overall production spend is likely to have grown at a faster rate.

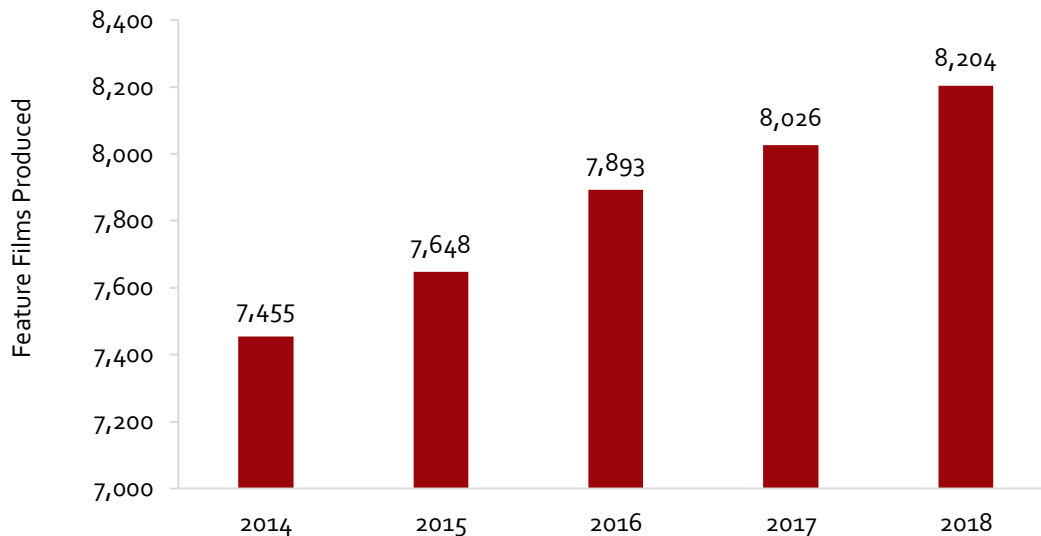
⁹ Streaming drove 16.4% rise in 2020 global production, licensing spend to \$220bn (report). Screen Daily, 28th June 2021. Accessible at: <https://www.screendaily.com/news/streaming-drove-16-4-rise-in-2020-global-production-licensing-spend-to-220bn-report/5160937.article>

¹⁰ *The future of entertainment*. Ibid

¹¹ Netflix Reveals \$17 Billion in Content Spending in Fiscal 2021. Variety, 20th April 2021. Accessible at: <https://variety.com/2021/tv/news/netflix-2021-content-spend-17-billion-1234955953/>

¹² The Walt Disney Company investor day Transcript, 10th December 2020. Accessible at: https://thewaltdisneycompany.com/app/uploads/2020/12/Disney_Investor_Day_2020_transcript.pdf

Figure 4
Worldwide Feature Film Production, 2014-18



Source: EAO

2.2. Current Global Market Trends

The current global market place is shaped by a wide range of factors which include the following:

- Increased focus among governments and legislators on screen production as a highly valuable economic driver. There is a specific focus on sectoral funding and incentives for economic reasons – as in Spain, with the Government’s €1.6 billion investment strategy to create an audiovisual hub.
- The continuing expansion of streaming services across the world.
- Challenges in the theatrical market with cinemas across the world shutting during the pandemic and taking time to recover once they reopen. There is no sign – as yet – of a return to pre-pandemic levels of attendance, despite the recent successful opening of *No Time to Die* and *Spider-Man: No Way Home*. Many expect that it will not be until 2023 or later that will be possible to assess the extent to which the audience has returned.
- Linear broadcasters are experiencing mixed fortunes as a result of changing audience behaviour and the rise of streaming services.¹³ Some reported increased viewing during the lockdowns and have latterly reported increased advertising revenues as a result, for example, Channel 4 in the UK. However, across most territories in Europe for example, there are continuing declines in the number of younger viewers watching linear services. As a consequence, these services are increasingly launching their own VoD platforms although, in the face of intense competition from the US-based streamers, few of these have achieved meaningful success to date.
- The continuing fragility of independent theatrical production and consequently sales and distribution of such films. Independent producers are facing increased production costs as a result of health and safety measures due to the COVID-19 pandemic and

¹³ See for example this analysis published on 30th September 2021 by Standard and Poor: <https://www.spglobal.com/marketintelligence/en/news-insights/blog/lockdowns-impact-european-linear-broadcast-performance>

competition for creative talent. Although Government interventions, notably in Europe, have helped underwrite insurance costs for independent production, this has not mitigated such cost rises.

- In addition, the theatrical market for independent film already faced significant challenges as the traditional broadcast market for film declines due to competition for audiences from high-end television drama from streamers, while the DVD market has experienced huge falls from its peak two decades ago.
- Many territories across the world are experiencing significant skills shortages at all levels as a consequence of the global deluge of production.

The crowded content marketplace means that producers are seeking innovative ways of differentiating their projects and finding audiences. At the top end of the market, budgets have risen as producers undertake larger-scale projects with higher production values in a bid to appeal to audiences. In turn, this has increased the sector's focus on production incentives and costs.

Very often, the first consideration made by large-budget global productions is the availability of a financial incentive in potential production jurisdictions. Creative, location and supply chain considerations can therefore become secondary factors.

This has led to production becoming a truly global market, with most major projects undertaking comparisons of the costs and logistics of producing a project in a range of possible countries and locations/destinations before a final decision is made.

To create distinctive content, producers are also increasingly focusing on striking, unique or unused locations to make their projects stand out. The significant increase in the quantity of tent pole drama, action, adventure and superhero films has led to a high demand for ultra-modern and architecturally arresting location interiors and exteriors, alongside unusual landscapes and historic locations. This provides Portugal with further opportunity to leverage inward investment through the marketing of its locations (and its cash rebate) via the film commission.

2.3. Elements of a Holistic National Strategy

Historically, public policy support for the audiovisual sector usually sat within a government's culture ministry. It was designed to generate a range of cultural and societal benefits. Over the last two decades a significant change has taken place.

Governments in countries of all sizes have increasingly recognised and valued the considerable economic benefits delivered by the sector, in addition to the positive cultural and societal impacts generated. As a type of specialised manufacturing activity, production creates modern, highly skilled, productive and mobile employment. It also typically delivers an attractive return on public investment, evidenced by a variety of economic measures, including greater inward investment, the creation of skilled jobs, increased tourism, an improvement in national branding and enhanced soft power.

Even during the unprecedented times of the pandemic when other areas of the economy needed urgent support (welfare, health, unemployment), governments and legislators chose to invest further in the sector because of its powerful impacts and its ability to help distressed economies recover quickly.

Because public policy for the sector is aimed at creating both cultural and economic value it is advisable to create growth strategies that harness benefits across the board, which is where a 'holistic' sector strategy comes into play. This is where a set of investment, initiatives and interventions are designed to maximise all available benefits.

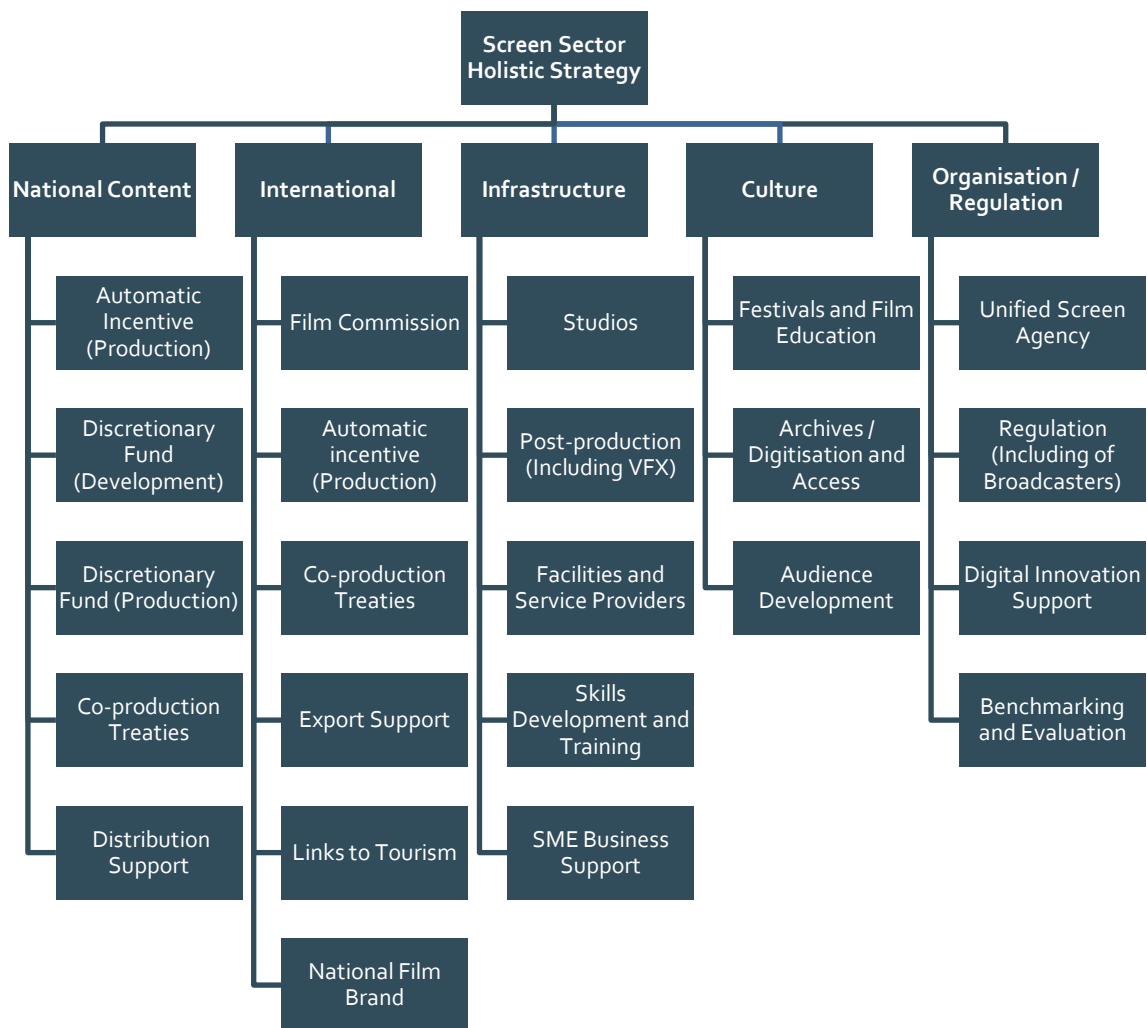
The chart below represents a generic approach to creating such a strategy. It is a blueprint that identifies the various elements of a strategy that could be employed in any country. There are five 'pillars' or 'verticals' to this approach, each representing a particular area of strategic focus:

- National
- International
- Infrastructure
- Culture
- Organisation/regulation.

More detail is provided on these key areas below the figure.

Figure 5

Elements of a Screen Industry Holistic Strategy



Source: Olsberg•SPI

National Content

The strategy elements shown here are aimed at the domestic market and include automatic production incentives (usually also available for international productions), funds that select specific projects (i.e., not automatic) for development or production finance and support for the distribution and exhibition of national content.

International

A range of initiatives are designed to stimulate greater connection with the global audiovisual sector. These include the activities of a film commission in marketing the sector's production infrastructure to global clients, automatic production incentives, establishing co-production treaties with selected countries, support for international distribution of locally-produced content, collaboration with tourism agencies to stimulate screen tourism, and collaboration with international trade and diplomacy ministries to harness soft power benefits.

Infrastructure

Although not always considered the responsibility of the public sector, policies for the development of the audiovisual sector regarding infrastructure are an increasingly important element of strategy, as demand for production facilities grows and spare capacity to handle the volume reduces. The key is to ensure the offer of sound stages and dedicated shooting spaces (studios) is adequate to meet demand, together with policies for the creation of a high quality and experienced talent and crew base.

Further important areas for public policies to stimulate growth are found in the fields of post-production and VFX facilities, and other supply chain provision. Although these areas are often left to the private sector to create capacity, public policies such as co-investment or incentives can effectively leverage such investment.

Culture

This is a substantial and important area for strategic intervention. The rationale for doing so has been set out by the European Film Agency Directors (EFAD) *Vision 2030* paper published in February 2020: "We champion European film across different formats and platforms. Our mission is to enable local cultures and different language communities to see their lives on screen and for powerful, culturally expressive films to affect hearts and minds, to benefit society across Europe. We promote film literacy and storytelling in support of freedom of expression and film culture, to ensure filmmaking, film heritage and film as art are accessible and relevant to the many, not the few."¹⁴

Achieving these objectives is a function of many of the policies mentioned in this article, but primary among them are initiatives to support film festivals, film education in schools and beyond, developing audiences for all audiovisual content and, critically, policies for the preservation and digitization of audiovisual heritage.

Organisation/regulation

Finally, policies are needed to organise several of the initiatives mentioned above. Key areas of support include new legislation to create the policies, with a central regulatory function and the creation of a permanent and thorough database to record and measure activity. The tracking of economic and cultural impacts of the strategies that have been created is critical — impartial evidence is needed of the impacts of policy measures.

2.3.1. *Public Benefits of a Thriving Audiovisual Sector*

Some key benefits and impacts that result from having a healthy audiovisual sector are outlined below.

Generation of Economic Activity

Identifying the economic impact of an audiovisual sector or a funding regime on total economic activity commonly utilises metrics such as Gross Value Added (GVA) and job creation. Also

¹⁴ A Strong, Sustainable and Dynamic European Film Industry and Culture – Our Vision for 2030. EFAD - European Film Agencies Directors association, February 2020. Accessible at: <https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/efad-our-vision-for-2030-v1.pdf>

important is additionality (identifying the increased national economic activity attributable to a specific investment or initiative such as an incentive) and return on investment.

Creation of Highly Skilled, Productive Employment

An expansion of production activity normally creates substantial new employment. This will include full time employees although the majority are likely to be freelance workers. These jobs are normally captured in statistics by calculating the Full Time Equivalent (FTE) jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.

Jobs that are Less Threatened by Robotics and Artificial Intelligence

Unlike most jobs in the manufacturing and some services sectors, the screen production industry requires innovative and creative individuals who are difficult to replace by robots or other forms of Artificial Intelligence (AI). Hence, many countries consider employment in this sector to offer “jobs of the future.”

Creating Substantial Net Inward Investment and Money Flows

Most incentive systems generate positive cash flows into the country and are not a drain on central government finance budgets, due to the substantial inward investment contributing to the production budget and because the rebate is only provided many months after the expenditure has been made. This means the system delivers a cash positive effect for any project that chooses to locate in the country concerned.

Capital Investment in Supply Chain and Infrastructure

Any production infrastructure considered stable is likely to generate an increase in private sector infrastructure investment in production, post-production and other digital facilities and services. This is in addition to investment in constant upgrades in areas such as equipment, facilities, services, camera, lighting, digital labs, audio and sound post-production, and VFX.

Creating Strong Screen Tourism Effects

Audiovisual content has a significant positive effect on tourism as shown by studies from countries around the world. This effect results from experiencing a destination through a shared, filmed entertainment experience, often repeated as the content is seen on streaming and other platforms.

Extending Positive National Branding and Soft Power

The same effects experienced by potential tourists are also found in the international business and trade community. When such individuals enjoy a story set in a particular country, the positive effect can influence their attitude towards future business visits which helps build export markets and strengthens a country’s position as a hub for investment flows.

Driving Economic Activity in Other Creative Industries

Many nations now recognise the substantial economic and cultural benefits to be derived from the expansion of the fast-growing creative industries. In SPI’s view, the screen production sector, which uses the output of more creative industries than any other single creative industry, stands out as the sector’s most potent engine of growth.

Talent Development and Knowledge Transfer

A key attribute of any nation or region is its human capital and in the audiovisual sector this correlates with the talent of the professionals working in it. Film is a powerful medium for the expression of individual views, stories and opinions. The talent that works in screen production has flexible and growing career opportunities, at home and abroad, with an increasing focus on technical talent development as well as traditional writing, directing, producing, performing and other vocational skills.

Developing Creativity and Innovation

The audiovisual production process involves a wide range of creative tasks. In addition to the traditional areas, there are huge developments and opportunities for creativity and innovation in production and post-production, delivered by digital innovations of all types.

Enhancing Media Literacy

Audiovisual production has become a vital tool for education. Many schools worldwide are adapting curricula to include developing students' audiovisual capabilities.

Providing a Heritage/Historical Record of Stories and People

Archived audiovisual material is a critical asset for any culture. Through digital innovation, the archive sector is reinventing itself, gradually moving from a culture of preservation to one of increasing openness.

Connecting with Citizens and Residents

Any positive experience of watching screen content has an emotional, long-lasting positive effect towards the culture and locations on show. There is consequently a 'bonding' effect among citizens (or residents) to a nation/region which also boosts pride, loyalty and citizenship.

2.4. The Impact of the COVID-19 Pandemic

For ICA – or any similar institute – setting strategy in a pandemic provides significant challenges. The global screen sectors have been severely disrupted, to an unprecedented degree, by the COVID-19 pandemic. In particular, the impact of the pandemic on the business of exhibiting films in cinemas is still playing out across the world and it is unclear if or when cinema attendances will return to pre-pandemic levels, and whether a part of the cinema audience may have been permanently lost as a consequence of changing audience behaviour.

This acceleration of changes to the global cinema and audiovisual sector, means that every country must re-evaluate its strengths, weaknesses, and the available opportunities.¹⁵

In October 2021, Digital TV Research published the following forecast: "Global SVoD subscriptions will increase by 491 million between 2021 and 2026 to reach 1.64 billion. China and the US will together account for 49% of the global total by 2026, down from 56% in 2021. Three platforms will control nearly half the world's SVoD subscriptions by 2026. Disney+ will be the biggest winner, overtaking Netflix in 2025. Disney+ will add 140 million subscribers between 2021 and 2026 to bring its total to 284 million. About 121 million of Disney+' subscribers (43% of its total) in 2026 will be in the 13 Asian countries under the Hotstar brand. Netflix will add 53 million subscribers to reach 271 million subscribers by 2026; revealing growth even for the most established platform."¹⁶

While this is a highly uncertain and unpredictable time, the strategy developed for Portugal will certainly need to consider impacts on the industry in the country and how the pandemic will affect the needs and development of all stakeholders going forward. In a pandemic era where audience and industry trends have been accelerated, the strategy must also be sufficiently nimble and flexible to reflect challenges as they arise.

It should also consider any long-term structural effects on the industry. The strategy therefore has an important role to play in assisting the industry progress in this new reality.

ICA has been providing invaluable support to Portugal's cinema and audiovisual sector during COVID-19, developing an exceptional support framework for the pandemic through which it

¹⁵ Yearbook 2020-2021 Key Trends: Television, Cinema, Video and On-Demand Audiovisual Services – the Pan-European Picture. Ibid

¹⁶ *SVoD Forecasts Update*. Digital TV Research, October 2021. Accessible at: <https://digitaltvresearch.com/product/svod-forecasts-update/>

awarded €5.2 million in additional funds to support the sector. These funds were distributed amongst programmes to sustain cinema and audiovisual production, exhibition and distribution, festivals, and other areas relevant to the sector.

The institute also distributed an additional €4.3 million in funds to programmes of support created to address challenges associated with the pandemic. These new lines of support include a programme to strengthen the National Cinema Plan, focused on film education, a campaign to relaunch the exhibition sector, and additional financing for production projects and festivals that had received ICA funds in 2017-19 but had been cancelled, postponed, or suspended.¹⁷

The production sector has shown its resilience and its importance to national economies by bouncing back quickly. But in many markets, after initial pandemic shutdowns, safety protocols have added costs that producers must now incorporate into production planning and execution.

¹⁷ *Apoios Excepcionais No Âmbito Da Pandemia De COVID 19*. Ibid

3. OVERVIEW OF STRATEGIC CONSIDERATIONS

3.1. Introduction

The combination of the impact of profound changes in the audiovisual market, as identified in Section 2, and the damage wrought by the COVID-19 pandemic presents a series of significant challenges to the development of a strategy for the film sector in Portugal.

However, regulatory changes, such as the transposition of AVMSD into Portuguese law, along with a new levy and financial investment obligations also bring opportunities for renewal and transformation for the sector.

SPI has sought to be clear, dispassionate and fair and look at facts and international comparables in recommending strategy to ICA. Such objective analysis, and taking a view beyond the short-term, is more crucial than ever at a time of such turbulent changes.

3.2. The Importance of a Defined Strategy

A clear, medium-term strategy will help both ICA and the Portuguese sector at large to seize opportunities and navigate the challenges which the national and international industry faces at the present moment. It also enables the sector to look beyond the immediate moment and to define what success looks like over time.

In assembling this strategy, comparisons with other territories, especially those of comparable size or those that have tackled priority areas in an innovative way, provide an invaluable benchmark for Portugal and the development of its national film sector.

Both the opportunities which present themselves and the challenges which Portugal faces are similar to those in many other territories, notably across Europe. In particular, there is much to learn from other territories about how they have responded to some of the challenges faced in addressing priority areas for Portugal such as skills and education in the audiovisual sector.

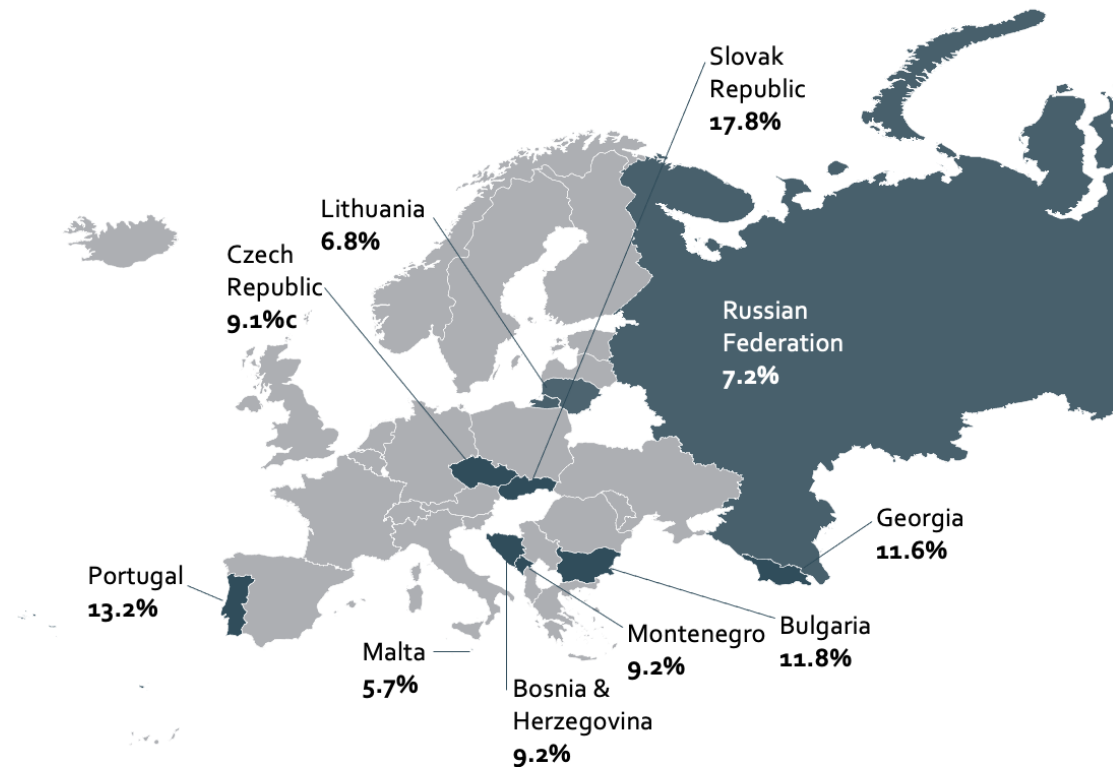
3.3. The Current State of the Portuguese Cinema and Audiovisual Sector

In recent years, Portugal has been grouped within the top 10 fastest growing audiovisual markets in Europe. The country's average recorded growth of 13.2% in between 2015-19 is especially positive given the fact that public funding was essentially reduced to zero in 2012.¹⁸

In consultations undertaken for this Study, 2012 was described as a year zero for the Portuguese cinema and audiovisual sector. The sector depends heavily on public funding in Portugal and in 2012 a new cinema and audiovisual law, n^o 55/2021, was adopted to re-establish public financing for the sector through ICA.

¹⁸ Yearbook 2020-2021. Key Trends: Television, Cinema, Video and On-Demand Audiovisual Services – the Pan-European Picture

Figure 6
Top 10 Fastest Growing Audiovisual Markets by Average Annual Growth, 2015-2019



Source: EAO analysis of EBU/MIS, Warc, Ampere, Lumiere data

With more funds available to the sector, and with the establishment of the cash rebate incentive system in 2018, production activity in Portugal has increased.¹⁹ This growth in production activity is reflected in the country's presence at top tier international film festivals.²⁰ Data published by ICA shows that the presence of Portuguese projects at international festivals increased between 2015-19.²¹

Growth in production activity does not, however, demonstrate that the sector is now in a position of strength. Although ICA has been able to consistently increase the amount of public funding on offer to support the sector, and it has sought to diversify funding by allocating amounts to different priority areas within cinema production in the period 2015-20, Portuguese audiovisual productions are not highly competitive internationally. EAO data show that Portuguese cinema is significantly underperforming at a European level, regarding both the

¹⁹ *Portugal Launches New Rebate Program to Attract Film and TV Shoots*. The Hollywood Reporter, 26th February 2018. Accessible at: <https://www.hollywoodreporter.com/movies/movie-news/portugal-launches-new-rebate-program-attract-film-tv-shoots-1088653/>; Information published by ICA reveals the institute supported 76, 78 and 77 productions in the years 2017, 2018 and 2019 respectively, compared to 50 and 49 works in the years 2015 and 2016. Notably, the production of fiction feature films and fiction television series grew throughout this period, with 22 fiction features and 5 fiction series being produced in 2019, compared to 16 fiction features and no fiction series being produced in 2015. See *Obras Produzidas*. Instituto do Cinema e do Audiovisual. Accessible at: <https://www.ica-ip.pt/pt/apoios/obras-produzidas/?block=166>

²⁰ See *Apoio à Divulgação e Promoção Internacional de Obras Nacionais 2020*. Instituto do Cinema e do Audiovisual, 2020. Accessible at: https://www.ica-ip.pt/fotos/concursos/candidaturas_apoiadas_18_03_2021_17339605314d817281.pdf

²¹ *Candidaturas Admitidas e Apoiadas*. Ibid

number of exports to other European markets and the number of admissions for those releases. Portugal ranks last across both metrics.

One of the key difficulties faced by the sector is that the national market is limited, and the country does not yet appear to have been able to establish significant export links with other significant global Portuguese-speaking markets. Despite production activity having grown, this is not reflected in admissions and the market share of Portuguese films nationally has been consistently low.

Prior to 2019, the market share of Portuguese films nationally had been consistently decreasing. Admissions for local films decreased from 2.6% of total admissions to 1.9% in 2018. The year of 2015 is recorded as an exception, at 6.5%, and this mainly due to the film *The Courtyard of the Ballads* by Leonel Vieira, which generated 603,447 admissions and made \$3,415,695 at the box office. In 2019, *Variações* by João Maia, may have had a similar effect in raising Portugal's market share nationally, generating at least 279,043 admissions and \$1,638,712 at the box office.²² However, these films may be considered notable exceptions to a trend as both are examples of content that have higher commercial potential. Vieira's *The Courtyard of the Ballads* is a remake of a classic Portuguese comedy and *Variações* is a biopic depicting the life of a famous Portuguese singer. Overall, national film production is increasing but not generating strong admissions and box office numbers.²³

This is the case both nationally and internationally, and Portugal is likely to face increasing challenges in the areas of distribution and exhibition in the upcoming years. Already, cinema accounts for less than 3% of revenues within the cinema and audiovisual sector in Portugal. This is comparable to countries such as Bulgaria, Montenegro, and Slovenia. Consultations also suggest that the distribution of cinemas throughout Portugal is very unequal, with a traditional concentration around Lisbon and Porto. While there are notable efforts to establish wider access to cinema throughout the country's rural areas, with the objective of creating and expanding audiences for Portuguese content, these have faced significant challenges including the COVID-19 pandemic.²⁴

In the wake of the pandemic, any strategy implemented by US studios for the distribution and exhibition of their titles will have repercussions in Portugal. This is true also for all of Europe and while it may present an opportunity, it is also a challenge because the lack of US products on cinema screens does not mean necessarily that the Portuguese audience will be more receptive to Portuguese titles. To achieve an increase in market share, Portugal would have to either rapidly increase its production activity at a higher rate than it has in past years or ensure that Portuguese production is diverse enough to appeal commercially to cinema-going audiences.

Otherwise, the lack of US products in Portuguese cinemas might create a very significant challenge for Portuguese distributors and exhibitors. If the release window for films is diminished, with an increased chance of titles being released simultaneously, or in close

²² *O Pátio das Cantigas*. Box Office Mojo by IMDBPro. Accessible at: <https://www.boxofficemojo.com/release/rl1363707137/weekend/>; *Variações*. LUMIERE. Accessible at: https://lumiere.obs.coe.int/web/film_info/?id=83939; *Variações: Guardian Angel*. Box Office Mojo by IMDBPro. Accessible at: <https://www.boxofficemojo.com/title/tt2155399/>

²³ *The ICA shines a spotlight on the state of Portuguese cinema*. Cineuropa, 7th March 2019. Accessible at: <https://cineuropa.org/en/newsdetail/369056/>

²⁴ *Rede de Teatros e Cineteatros Portugueses agora com 81 equipamentos*. Direção Regional de Cultura do Centro, 14th September 2021. Accessible at: <https://www.culturacentro.gov.pt/pt/noticias-e-eventos/rede-de-teatros-e-cineteatros-portugueses-agora-com-81-equipamentos/>

proximity in cinemas and on streaming platforms, the cinema-going experience may lose its key appeal with audiences

The rural areas and small towns of Portugal, albeit less populated, are being excluded from the market to some extent. Initiatives to establish cinemas in these areas, in municipal theatres, are understood to struggle with lack of consistency in programming – a film may be shown only once a week, for example – and also with a lack of access to more modern technology. The consultations held for this Study suggest that several cinemas in Portugal in these areas are only now being digitalized.

To this end, the Portuguese Network of Theatres and Cinema Theatres (RTCP) is working to promote territorial cohesion by eliminating disparities between regions in terms of access to arts and culture in Portugal. As of October 2021, at least 81 artistic entities have become part of this network with the aim of cooperating in the distribution of artistic works all over the national territory. Furthermore, these entities have the opportunity to apply for programming grants offered by the RTCP.²⁵

The RTCP is an example of a strategic effort of the kind needed to ensure Portuguese films become more accessible to national audiences. This is because, even if commercial US titles are not distributed and exhibited in cinemas at pre-pandemic rates, these titles may be more readily available through streaming platforms, of which the most significant are already present in Portugal. Increasing competition in the streaming market may pose a significant challenge to the sustainability of cinemas in Portugal, particularly in the context of COVID-19.

It is understood that the financial setbacks faced by ICA in 2012, tied to a 2010 economic crisis in Portugal and the global financial crisis of 2007-08, were largely because of an overreliance on television advertising revenues. While ICA has diversified its revenue sources and will do so further, it is of concern that advertising revenues still represent over 50% of total audiovisual sector revenues in the country. This is because television and radio advertising are likely to be the segments most likely to hit by the COVID-19-related economic recession.²⁶

There will be, therefore, significant challenges with regards to Portugal maintaining the growth it had been recording and additionally, ensuring overall growth to boost the sustainability of the sector. Global analysis undertaken by SPI suggests various strategic routes that could be implemented in Portugal to further develop the sector and achieve such growth.

While public financing has grown the sector in Portugal, one of the reported challenges faced by the sector is the difficulty in securing alternative revenue sources. This is a challenge applicable not only to ICA, but also local filmmakers in general. For example, Portugal is able to consistently produce animated short films that have gone on to compete at notable international film festivals. However, it has not produced animated feature films at a significant level. In 2019, ICA introduced a funding contest specifically for animated feature films but the funding of €1 million was limited.

Any budgetary constraints would also limit investment into high-end television series. In 2019, the five largest television markets in Europe were also the five main producers of high-end series. Portugal, along with Poland and Greece, produced a high volume of fiction hours for television but there was no meaningful increase in average production budgets. This appears to be because Portugal has not yet made a shift towards producing short-form fiction series for television. Television production, as emphasized in the consultations, consists largely of soap operas for broadcast television. Elsewhere in Europe, due both to declining audiences, and

²⁵ For a list of member entities, see *Rede de Teatros e Cineteatros Portugueses agora com 81 equipamentos*

²⁶ Yearbook 2020-2021 Key Trends: Television, Cinema, Video and On-Demand Audiovisual Services – the Pan-European Picture. Ibid

because public broadcasters are experiencing significant declines in revenue, producers have expanded into the production of shorter form series as this type of content has more export potential.

In considering the development of the Portuguese cinema and audiovisual sector to date, it is important to note that the growth that has been registered, although not applicable to the entire sector, is a positive indicator of the potential of the sector. There are several factors that make Portugal a country in which conditions may be made favourable to development of a strong cinema and audiovisual sector.

However, a clear strategy must be defined so that the sector can adapt and thrive within a global context of change. The implementation of the revised AVMSD along with the stability of the cash rebate incentive system will be important for the cinema and audiovisual sector in Portugal in the upcoming years. The cash rebate, and the international location marketing provided by the film commission, is critical for further development of the Portuguese sector.

In addition, it is likely that the pandemic will accelerate a shift from television advertising to internet advertising. Although broadcasters are launching their own streaming platforms to compensate to some extent for losses in their linear channels, this might not be enough to ensure their competitiveness. The EAO has suggested there will be a shift in Europe towards either a “a production-centric vision”, meaning that policymakers are increasingly focused on regulations that ensure platforms invest in European film and television works, or an “audiovisual services centric vision” in which policy focusses on independent cinemas and helping broadcasters to co-operate with one another.²⁷ But this seems like a false dichotomy – policymakers can, and must, focus on both objectives to secure an industry that flourishes both in production and in the distribution and exhibition of works at cinemas, on VoD ,and on television.

The previous strategic plan implemented by ICA for the cinema and audiovisual sector in Portugal, in the years 2014-18, had taken on a “production-centric vision” to some extent. While the plan did yield results in steadily growing production activity in Portugal, it did not necessarily result in a diverse output of content being produced, in terms of both genre and format. This means that there are avenues for growth that have not been explored within the cinema and audiovisual sector in Portugal.

3.4. Summary of Strategic Priorities for Portugal

This development of a new multi-year strategic plan for the cinema and audiovisual industry in Portugal comes at a critical juncture.

In comparison with larger regional markets – such as Spain, which is now implementing a holistic strategy for the sector – Portugal is at a relatively earlier stage of industry development. Given the opportunities for Portugal in the cinema and audiovisual sector, a strategy for the industry should therefore focus on rapidly developing and broadening capabilities so that Portugal can benefit culturally, economically and socially from the huge opportunities being presented by the screen sector.

Currently, there are fragilities in Portuguese sector. As outlined, the domestic market for local production is weak, there is a lack of sizeable production companies, and the distribution and exhibition sectors have been challenged by the pandemic and uneven development that predated the pandemic. A strategic plan must therefore reflect the broad structural challenges facing the industry.

²⁷ Ibid

It is understood that a key opportunity for the forthcoming strategy is the potential for ICA to utilise €5 million in new funding flowing from AVMSD and secondary legislation. In particular, this should allow ICA to expand its activities in priority areas. The mechanics by which this funding will be generated are explained in Section 4.4.1.

Given challenges presented by both internal and external markets, a strategic plan should reflect the need to:

- Diversify funding and strengthen ICA's offer. The sector is fragile across the value chain, and ICA should widen its funding beyond the current project focus
- Simultaneously diversify content and focus on audience development, strengthening ties between Portuguese content and audiences in Portugal and Portuguese-speaking and other global markets, according to the potential of each type of production
- Develop and diversify talent, with a focus on the needs associated with writing, development and other steps within the phase of pre-production
- Ensure the stability of Portugal's cash rebate incentive system, which is an essential cornerstone for further growth.

This Study has identified six strategic priority areas for further consideration by ICA. These reflect the challenges presented by both internal and external markets, as well as the opportunities presented by global growth. These aim to build capacity, develop the industry and increase the benefits of global sectoral growth for Portugal. They are:

1. Focus of support
2. Diversifying production and funding
3. Consumption and audience engagement in Portugal
4. International consumption and engagement
5. Training and talent development
6. Driving inward investment.

These strategic areas are explored in detail in the rest of this document. Each was developed through the research and consultations undertaken for the Study and is presented along with international comparables and associated measures for consideration by ICA.

As outlined in this Study, Portugal's cinema and audiovisual sector faces a number of key challenges. The global production deluge has meant that competition for audience attention is intense. In national cinema, the festival slots that many of Portugal's films aim for are highly competitive with many nations around the world funding their film sector with the goal of achieving international acclaim. The competition for inward investment is also strong, with many other jurisdictions implementing strategy to attract footloose production.

Note on Implementation: some of the strategic recommendations outlined in this Study are subject to Portugal's legislative framework for successful introduction. Legal advice should therefore be sought by ICA when finalising its new strategy and progressing to its implementation.

3.5. Encouraging Private Investment

ICA's strategy for Portugal should also consider ways in which private investment in the sector could be encouraged, across both projects and wider sectoral infrastructure. Such investment is typically triggered by market opportunities; for example the development of infrastructure should Portugal continue to build its capacity for servicing lucrative international productions. Should Portugal be successful in building more sustainable production businesses, as recommended elsewhere in this Study, there may also be investor interest in sectoral businesses and their projects. Given the current global market, scripted series are likely to provide a particular market opportunity for investors.

Private investment will be crucial to support the creation of film studios, in particular as EU State Aid rules prevent direct support for studios. The General Block Exemption Regulation (GBER) states that “Aid shall not be reserved for specific production activities or individual parts of the production value chain. Aid for film studio infrastructures shall not be eligible under this Article.”²⁸

In a landmark case, the European Commission concluded in 2012 that €265 million of public funding granted by the Valencia Regional Government to the Ciudad de la Luz film studio complex was not provided on market conditions and needed to be paid back by the beneficiary.²⁹ The Commission concluded that no private investor would have agreed to invest on the same terms and that the public funding distorted competition between major European film studios.

As a consequence, it appears very unlikely that a specific incentive to encourage the building of film studios in Portugal would be acceptable under State Aid rules.

Other options might be that the Portuguese Government or local government could help provide support for the planning process and help facilitate planning applications where appropriate. ICA could also support investors by researching potential buildings for conversion, or available land with potential. Nonetheless, a dialogue with the Commission about any proposal to use public resources to support the development of studios would be absolutely essential.

Another potential area to encourage private investment is in projects and companies. ICA could assist with educating Portugal’s financial opportunity in general terms, perhaps by organising a conference to outline the screen production opportunity in Portugal and potential areas of investor opportunity.

3.6. An Effective Monitoring and Evaluation System

The implementation of a new strategy for Portugal’s cinema and audiovisual sector should also be accompanied by a robust monitoring and evaluation system to ascertain progress against the intention of the strategy. This framework should enable assessment of inputs, outputs and outcomes.

Such a system should develop Key Performance Indicators (KPIs) in relation to each strategy pillar on an annual basis to 2025.

These KPIs should be developed in relation to both qualitative and quantitative data to map annual progress and should detail data sources and metrics that will be used. The development of a data dashboard would enable the key strategic areas to be examined on a holistic basis. These KPIs should be designed to measure economic value, cultural value and stakeholder satisfaction.

However, ICA needs to be aware it may not be possible to fully progress some elements of its strategy by 2025. For example, of the five strategic priorities identified in this study, an area such as international consumption and engagement will likely take years to develop, and is linked to the diversification of production and funding outlined previously – a logistical and cultural shift that is unlikely to be resolved rapidly.

²⁸ GBER (Article 54). European Commission, 2014. Accessible at: https://ec.europa.eu/competition/state_aid/legislation/gber_regulation_en.pdf; Note: State Aid is a very complex area of EU competition law. This document provides a research overview of some issues for consideration. Further, qualified legal advice is absolutely essential in relation to any specific studio development or investment

²⁹ Commission Decision on State Aid. European Commission, 8th May 2012. Accessible at: https://ec.europa.eu/competition/state_aid/cases/224304/224304_1396907_301_2.pdf

4. STRATEGIC PRIORITY AREA ONE — FOCUS OF SUPPORT

4.1. Context

ICA's Strategic Plan for 2014 to 2018 offers an analysis of Portuguese market conditions at the time and concludes that, even with the provisions outlined in the strategy, public funding would remain essential for securing consistent national production in Portugal.³⁰ For the Portuguese sector to produce a volume of projects of a certain budget, comparable to countries with similar demographics to Portugal, the state would have to provide at least 50% of funds.

The biggest contextual change between 2014 and the present has been the enormous growth of the streaming market, the implications of the COVID-19 pandemic, and the application of the revised AVMSD.

While many of the challenges identified in the previous strategy remain, there are differences in the current industry landscape. In particular, any strategy for the next five years must now incorporate an international perspective to a larger extent than any previous strategy while still addressing the objectives and challenges identified in 2013.

The objectives and challenges outlined in the Strategic Plan 2014-18 are summarised in this section, along with commentary on how relevant these are as ongoing areas of focus in the current Portuguese context. This section also provides an analysis of new opportunities and areas of focus.

4.2. Focus of the 2014-18 Strategic Plan

4.2.1. Overview

Several objectives are outlined in the Strategic Plan 2014-18, and these can be summarised in two streams:

1. Actual objectives for the sector
2. Outcomes from achieving these objectives.

The plan identifies positive outcomes from meeting the objectives for the sector because these clearly illustrate the potential benefits of a strong cinema and audiovisual sector and thus, justify public funding.

The objectives stated include:

- Securing artistic excellence along with national and international recognition
- Incentivising innovation
- Establishing a connection between the Portuguese people and their national cinema
- Supporting new talent by investing in first projects
- Achieving a larger diversity of cinema and audiovisual projects
- Promoting collaboration between all parties in the sector.³¹

The positive socio-political and economic outcomes of achieving these objectives include the creation of jobs, an increase in exports and profits, the overall sustainability of the sector in Portugal, an affirmation of national identity, and the promotion of the Portuguese language along with the country's image internationally (i.e. soft power).

³⁰ A separate evaluation of the previous Strategic Plan has been undertaken by Dinamia

³¹ *Plano Estratégico para o Cinema e a Produção Audiovisual Independente 2014-2018*. ICA, 18th December 2013. Accessible at: https://ica-ip.pt/fotos/downloads/pl_estrategico_2014_2018_4438256255935b05a7b027.pdf

The role of the state in achieving these objectives, by supporting creation, production and exhibition within the cinema and audiovisual sector, is established in Law n.55/2021. This law provides the financing mechanism for public support for the sector, which was to be funded by a tax on subscription television services along with a direct investment obligation for private television broadcast companies. The funds collected through this tax were expected to reach a peak in 2017, after increasing from 2% to 5%, at which point the division of public funds between the cinema and audiovisual streams was meant to stabilize at 70% and 30% respectively, and the Strategic Plan 2014-18 was to be evaluated. The investment obligation on the part of the private broadcast companies, was expected to generate at least €12 million in funds by 2018.

The plan specifically identified cinema exhibition as weaker than in countries of comparable size to Portugal. The price per cinema ticket in Portugal was said to be lowest in Western Europe, while the theatrical market share of national films was also one of the lowest in Europe in the period 2007-11, at 2.1%. Despite a brief increase in 2012, to 5.3%, US films dominated Portuguese cinemas with a market share of around 90%.

In 2013, the television distribution market was dominated by two broadcasters: SIC and TVI. The establishment of a tax and investment obligation for these broadcasters was then vital to increase ICA's budget. The cinema sector in Portugal was heavily dependent on ICA for financing in 2011, when it had an estimated budget of €11 million. The median budget of a Portuguese cinema production, according to the Strategic Plan 2014-18, was comparable to that of countries including Bulgaria, Finland, Slovenia and Slovakia, with the number of Portuguese national productions, including minority co-productions, being inferior to that of these comparable countries.

4.2.2. Ongoing Relevance of the Previous Plan

The limitations and challenges faced by the Portuguese cinema and audiovisual sector identified in the previous strategy are, to a significant degree, still relevant. As outlined elsewhere in this Study, the Portuguese market share remains very low, for example. This suggests that there were obstacles in the way of implementing strategies to address these challenges and achieve the objectives outlined.

The Strategic Plan 2014-18 not only identified weaknesses characterising the Portuguese cinema and audiovisual sector, but also outlined strengths and areas for potential growth. One strength identified and emphasized was the strong presence of Portuguese films at international festivals, with some having won prizes at very prestigious festivals. An opportunity for growth identified was the large Portuguese language speaking community; as the plan states, the language is the second most spoken in the Southern hemisphere.

The Strategic Plan 2014-18 does not outline provisions for exploring these opportunities for growth but only suggests they could be essential given the limited financing mechanisms available to the industry in Portugal. There is no public support available to the sector from regional entities; support is entirely coordinated by ICA and at the time the plan was ratified it was well below the levels of support provided by other European nations to their national cinema and audiovisual sectors.

Additionally, it was observed that the support provided by Portugal for the initial stages of production, including research, writing and development, was well below that of other European nations such as in Denmark and Norway. The support provided by ICA for these initial stages was said to be below 2% of its total budget at the time of the previous strategic plan, contrasting heavily with the policy best practice identified in the Northern European

countries.³² However, it is understood that ICA's investment in writing and development has increased significantly since 2014 – and was around 7% of ICA's total support budget in 2021.

According to the Strategic Plan, support for co-productions, even given existing bilateral agreements with countries such as Spain, France, Germany, Italy, Brazil, Angola, Mozambique and Cape Verde, was also limited to 4%.³³ Several consultees report only ever being able to have a minority stake in co-productions.

Consultations held as part of this Study suggest that the sector is still overly reliant on ICA for funding, with several consultees reporting difficulty in obtaining private financing. There are particular challenges in funding terms for the animation sector.

Although the duration for the Strategic Plan is not determined in law, ICA had chosen to establish the duration of the plan as five years, running between 1st January 2014 and 31st December 2018. While the plan outlined objectives for the sector, the challenges it was facing, and still faces, and opportunities for growth, it did not specify exactly how these objectives would be achieved. These are outlined in the general regulations, last updated in 2020.

The provisions made for funding, which was expected to hit a peak in 2017, seem to not have been applied as outlined in the plan. The consultations suggest the tax on television services did not reach 5% as detailed, but 4%, and several consultees expressed the need for direct investment obligations which suggests these were not enforced although mentioned in the plan. It also seems that the division of public funds between the cinema and audiovisual streams was not stabilized at 70% and 30%, as the plan determined.

The latest version of the document detailing the general regulations for the awarding of funding by ICA was published on the Institute's website on 8th March 2021.³⁴ This document sheds some light on why several consultees reported that there has not been significant change in what was needed for the sector since the implementation of the Strategic Plan 2014-18.

The regulations place emphasis on the "curriculum," defined as festival presence and awards, of a producer or production company attached to a project. Some consultees argue that this form of evaluation is not suited to the sector.

Furthermore, ICA ranks festivals and, in some cases, awards more or less funding based on these rankings. The festivals ranked in Group 1 are Clermont Ferrand, Anima, Annecy, Berlin, Cannes, Venice, Sundance, Rotterdam, and Locarno.

Again, consultations held as part of this Study suggest that this system places very distinct projects into the "same basket," and over-emphasises the role of the producer, creating challenges for, as an example, screenwriters. Since the sector is highly dependent on public funding, it is understandable that ICA would seek to justify the awarding of public funds on the basis of curriculum. An experienced creative team, including a production company responsible for award-winning work, would logically seem like a wiser investment. However, this system seems to risk overlooking creative talent.

In turn, the challenges faced by screenwriters in Portugal could also become a barrier for international companies seeking to develop original content in Portugal, as these usually place emphasis on the role of writers.

³² Plano Estratégico para o Cinema e a Produção Audiovisual Independente 2014-2018. Ibid

³³ Ibid

³⁴ Regulamento Geral Relativo aos Programas de Apoios Financeiros. ICA, 8th March 2021

Several consultees expressed dissatisfaction with the criteria for evaluation, as well as the jury system.

The jury relies on a general set of criteria, sometimes tailored to different programmes, to justify scores for the projects evaluated. These projects are then submitted to ICA ranked by score, for their consideration. The general set of criteria appear to be (1) the quality and artistic and cultural potential of a project, (2) the director's curriculum, (3) the production company's curriculum, (4) and the producer's curriculum. It appears that this general set of criteria applies also to the programme in support of new talent and first works; however, the criteria are tailored for some sub-programmes. For example, for animation projects the jury also considers (1) innovation, (2) artistic coherence, (3) originality, (4) and production planning.

The regulations also outline criteria for the provision of automatic support. These funds are awarded on the basis of quantifiable results such as box office sales: a numerical benchmark is not specified but in the case of independent producers their work must have been seen by at least 20,000 viewers (per project) in the previous year. A maximum of €350,000 may be awarded per project.

Regarding distribution and exhibition, the regulations specify that funds should be awarded towards distribution and exhibition in Portugal, of both national and European works, or those of other countries, that have less than 5% market share in Portugal. For distribution, more than 25% of the budget for the distribution programme cannot be awarded to a single beneficiary and a single beneficiary also should not receive more than €60,000. For exhibition, more than €25,000 should not be awarded to a single exhibitor and the funds awarded should not exceed 80% of the total cost of the project.

In the audiovisual and multimedia programme, funds may be awarded for either the development of a pilot episode or for continuing a series that has no more than 52 episodes or in the case of animation, 2,000 minutes. For this programme, the jury would evaluate (1) the technical quality of the project, (2) the script, (3) the potential for national and international distribution, (4) the project's economic viability and (4) the adequacy of its budget.

ICA provides multiannual funding over a period of three years. The support cannot exceed 80% of the total costs associated with a project per year. In their applications, an entity must set out the theme of a project, a justification of its importance, a plan of activities, a budget in the model approved by ICA, a declaration of commitment, the curriculum of any partners, and a biography for all those involved. The criteria for evaluation include (1) the pedagogical relevant of the project, (2) its potential impact, (3) the curriculum of the candidate entity, (4) the curriculum of the person responsible for the project in the areas of cinema and audiovisual and artistic formation.

ICA also offers support for internationalisation, to cover the costs during promotional efforts and the participation of national projects in international festivals as long as these are on the list of those approved by ICA. Out of the festivals included in Group 1, for example, the highest value is awarded to feature films in competition at the Cannes film festival (€40,000) followed by feature films in competition in Berlin (€30,000). However, support may not exceed 80% of the costs covered by the beneficiary.

In considering these regulations along with the Strategic Plan 2014-18, it should be noted that the plan concluded that, even with provisions made by ICA, public funding would remain essential for securing a consistent level of national production in Portugal. This remains the case in the current analysis. Indeed, no indigenous film sector in the world – with the exception of India – has been able to operate without public support of some kind.

A goal for ICA, and for this Study, might then be to establish what can ICA realistically achieve that will have the overall largest positive impact on the sector. This identification of priorities might be a more effective manner of establishing clear achievable objectives than identifying, for example, all of the sector's needs. The Strategic Plan 2014-18 recognized that the sector faces challenges in becoming sustainable and self-sufficient. However, this strategy specified actions that mostly address the aspect of the sector already identified as a strength – namely the presence of Portuguese projects in international festivals.

4.3. Challenges

The increasing challenges facing independent film and the impact of the COVID-19 pandemic (which has also exacerbated some of these challenges) must be considered in the creation of any new strategy.

Among the factors which appear to have contributed to these pressures are:

- In Portugal and many international territories there is a relatively flat (and in some cases declining) theatrical market. This market is also challenged by the wake of increased competition for audience attention from other audiovisual media such as streaming services and video games
- Increased costs of the advertising component of prints and advertising (P&A) expenses which are spent getting films into cinemas
- The continuing decline of the value of physical media (DVD) globally and the failure of revenues from digital media – for the most part – to sufficiently offset this decline for films intended for theatrical release. This, in turn, has contributed to a continuing decline in the value of independent films internationally
- The continuing decline in the value of theatrical film to free-to-air broadcasters (public and private) internationally. By the time that many films air on free television they have already been watched by audiences on Subscription Video on Demand (SVoD), Transactional Video on Demand (TVoD) and pay-TV services
- The decline in the value of pay-TV licences in some territories, largely due to the continuing rise of SVoD services
- A decline in the availability of private market finance for the production of independent films, as a consequence of the combined impact of the above factors, resulting in a greatly increased (sometimes total) dependence on the public purse to get such films financed.

Alongside these pressures, there have been other shifts in market dynamics which have created other economic impacts – for example, the business model of streaming services which buy out all rights from independent producers when they finance feature films (as well as high-end scripted series). In such instances, the value of upfront producer fees will usually be greater than would otherwise be the case, while also resulting in a transfer of back-end revenues (where they exist) to those streaming services and thus away from the producer.

4.4. Opportunities

4.4.1. *The Revised Audiovisual Media Services Directive*

The implementation of the revised AVMSD in Portugal represents a significant and potentially transformative opportunity for the local industry, in particular by introducing new sources of funding for ICA through a revised levy which will help fund ICA, as well as reinvestment obligations which will support local production.

These changes, which are specific to Portugal, are permitted by Article 13 of revised AVMSD. In addition, the transposition of AVMSD also imposes an obligation on all Member States to introduce a quota of at least 30% for European works in the catalogues of VoD services which are under their jurisdiction.

Portuguese films and television series qualify for this new quota on VoD services wherever they are based in the EU, including cross-border services based outside Portugal, and this provides an additional revenue opportunity for Portuguese producers.

In particular, works which qualify for the 30% quota – which Portuguese works do – will attract a financial premium as compared to works which do not qualify for the quota, as VoD services now have a mandatory obligation to meet this quota and almost all services, especially cross-border ones, do not yet have 30% of European works in their catalogues.

Following the transposition of AVMSD in Portugal, changes to the Portuguese Cinema and Audiovisual Law were published on 25th August 2021 and entered into force on 1st January 2022.

The principal changes are that:

1. A new SVoD levy (applicable to both domestic and cross border companies) of 1% will be introduced. The levy will go to ICA (estimated revenues: €1 million per year)
2. Direct investment obligations will be applicable to VoD services and extended to cross border services (the rate varies from 0.5% to 4% of revenues generated in Portugal, with an exemption for small operators with a yearly turnover below €200,000)
3. The 4% exhibition fee, applied to advertising in cinemas, television, electronic programming guides and VoD, will also be applicable to operators with jurisdiction in another Member State and to video sharing platforms. No changes were made to the fee on pay-TV packagers (cable/IPTV providers) of €2 per subscription per year (complemented by a contribution of €1.5 per subscription per year by the telecoms regulator).

A new framework of investment obligations for television operators, cinema distributors, DVD and VoD operators (point 2) has been introduced – from 0% to 4% of revenues in Portugal, with increasing amounts per income bracket (<€200,000 per year: exempt; maximum 4% for companies with revenues >€50 million; 30% of the total investment obligation must be fulfilled with independent works, in the Portuguese language; the remaining 70% may be invested in non-independent European production of almost any kind).

SVoDs are required to make 100% of their investment obligation in works in the Portuguese language (of which 30% must be independent). The public service media operator will have to invest 10% (currently 8%) of its tax-funded yearly allowance in the production of Portuguese language films, series, documentaries or animation films.

4.4.2. Creative Europe

Alongside AVMSD, the new iteration of the Creative Europe programme (2021-2027) also provides a potentially significant source of new funding for the Portuguese audiovisual sector. For the period 2021-2027, the budget of Creative Europe is an estimated €2.44 billion, compared to €1.47 billion for 2014-2020.

The MEDIA strand of Creative Europe now consists of four clusters:³⁵

Content Cluster - Supporting the audiovisual industry in content creation

This cluster has been designed to support the industry to:

- Boost the cross-border circulation of European audiovisual works
- Adapt content to new audiences and platforms implement more solid business models, helping to cope with production costs and increased competition.

³⁵ *Creative Europe MEDIA Strand*. European Commission. Accessible at: <https://ec.europa.eu/culture/funding-creative-europe/creative-europe-media-strand>

Business Cluster

Specific groups that drive the internationalisation of the sector will receive targeted support to strengthen cross-border collaboration and boost learning and knowledge-sharing to allow the industry to go beyond its national territories.

Support under the business cluster is designed to:

- Nurture audiovisual talents with activities that have a strong focus on mentoring and digital and greening skills
- Encourage business-to-business exchanges covering all parts of the value chain and aiming at global reach
- Promote transnational distribution of content across borders and platforms.

Training organisations, distributors and sales agents, tech companies, VoD services, aggregators, exhibitors, film markets, etc., are eligible to apply for funding opportunities under the business cluster.

Audience Cluster

The objective of this cluster of the MEDIA strand is to connect European audiovisual works with their audiences and support audience development across Europe and beyond. The programme aims to achieve this by:

- Stimulating audience growth and renewals by increasing audiences on all platforms
- Engaging with younger audiences through multiple educational and promotion tools
- Ensuring access to content through support for subtitling.

The MEDIA strand will support the industry to maximise the opportunities offered by digital transition. Innovative ways of engaging with the audience will be supported to ensure the widest audience possible for European audiovisual works.

Cinema operators, festivals, VoD operators, theatrical distributors, sales agents, heritage institutions, etc., are eligible to apply for funding opportunities under this cluster.

Policy Support Cluster

The aim of the policy support cluster is to promote a holistic European audiovisual policy through:

- Regulatory dialogue
- Sharing of analysis and data
- Forward-looking intelligence on trends
- Consultation with stakeholders
- Promotion and outreach activities.

The new strategy for the Portuguese sector needs to ensure that stakeholders across the sector are fully aware of the opportunities presented by Creative Europe, in particular because of the increased budget available for the programme. The Creative Europe desk in Portugal will have a particularly important role to play here.³⁶

The Policy Support Cluster could be particularly valuable in helping ICA to build its knowledge and data capacity.

³⁶ <https://europacriativa.eu/>

In addition, the EU's proposed MEDIA Invest programme, which is designed to stimulate private investment in the audiovisual sector and which has a planned budget of €4,000 million over seven years also represents a significant opportunity for Portugal.³⁷

4.5. Comparable Jurisdictions and Strategies

The British Film Institute (BFI) is an example of an organisation which is now agnostic about the way in which support from its Film Fund is used. It provides support to "Create films, TV or new formats of storytelling."³⁸ The Centre national du cinéma et de l'image animée (CNC) in France has a dedicated directorate to support television series.³⁹ The Eurimages co-production fund is currently exploring the possibility of extending support from film to television co-production and in early October 2021 held a conference in Budapest dedicated to this topic, following a study it commissioned which addressed this issue.⁴⁰

There are reports that some governments are already proposing to cut funding for film in the wake of the pandemic. For example, in Finland there have been reports of potential cuts to the budget of the Finnish Film Foundation.⁴¹ Likewise in Estonia, there have been concerns that the Estonian Government may not renew in full a one-off boost given for film production in 2021.⁴²

Examples of how budgets are focused at two other national institutes – the Danish Film Institute (DFI) and the BFI – are provided below.

³⁷ European Commission's new private equity platform Media Invest "on track" for launch by end of 2021. Screen Daily, 21st September 2021. Accessible at: <https://www.screendaily.com/news/european-commissions-new-private-equity-platform-media-invest-on-track-for-launch-by-end-of-2021/5163482.article>

³⁸ Create films, TV or new formats of storytelling. BFI. Accessible at: <https://www.bfi.org.uk/get-funding-support/create-films-tv-or-new-formats-storytelling>

³⁹ Television Directorate. CNC. Accessible at: <https://www.cnc.fr/web/en/about/directorates-and-departments/television-directorate>

⁴⁰ Eurimages Conference: "Preserving independent production, diversity and pluralism in TV series in Europe." Hungarian Presidency – Council of Europe, May - November 2021, Main Presidency Events, October. Accessible at: <https://huncoepres.mfa.gov.hu/eng/page/main-presidency-events> ; *Entering the new paradigm of artificial intelligence and series*. Council of Europe and Eurimages, December 2021. Accessible at: <https://rm.coe.int/eurimages-entering-the-new-paradigm-051219/1680995331>

⁴¹ 'It's Idiotic': Finnish Film Foundation CEO Lasse Saarinen Laments Planned Budget Cuts. Variety, 24th September 2021. Accessible at: <https://variety.com/2021/film/global/finnish-film-foundation-lasse-saarinen-1235073471/>

⁴² Estonian Film Institute Director: Series production needs more contribution. ERR, 9th September 2021. Accessible at: <https://news.err.ee/1608332780/estonian-film-institute-director-series-production-needs-more-contribution>

Figure 7
Danish Film Institute Annual Funding, 2020⁴³

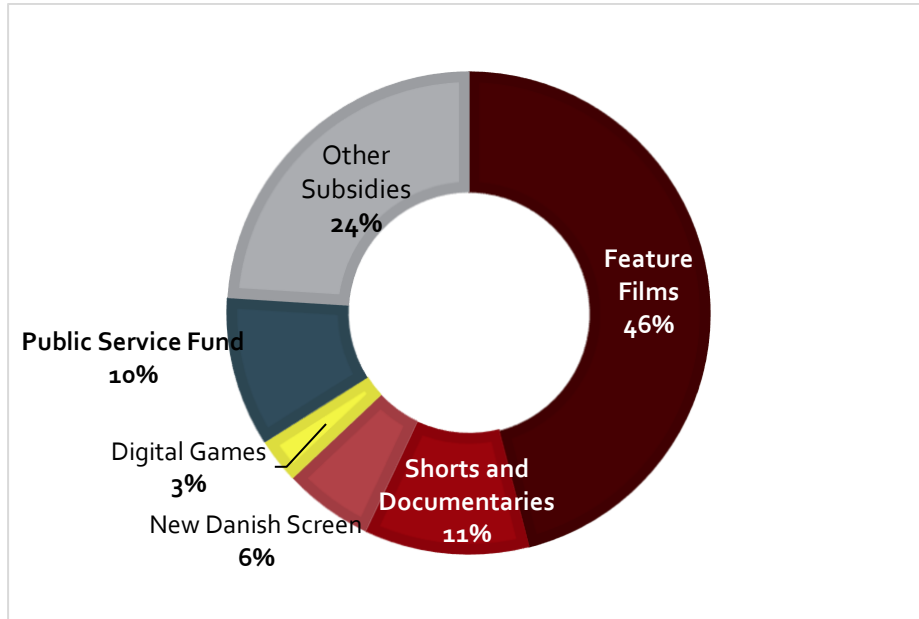
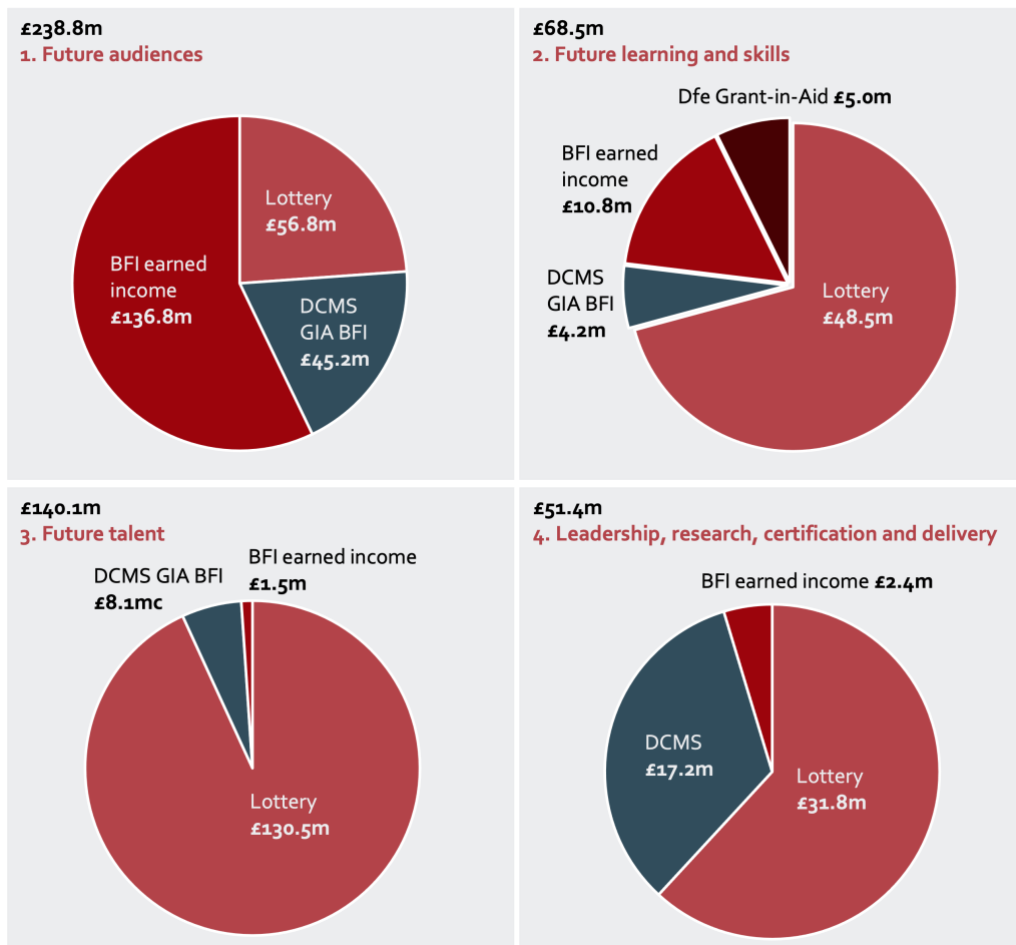


Figure 8
BFI Proposed Budget for 2017-2022



⁴³ Numbers. Danish Film Institute, 2020. Accessible at: <https://www.dfi.dk/en/english/numbers>

4.6. Recommendations and Implementation

It is clear from this Study that many of the areas of strategic focus for ICA are unchanged since 2013.

The reliance on public support will still be key for film production in Portugal and, indeed, is even more critical than a decade ago given the negative structural shifts in the independent film financing market globally.

At the same time, the connection between Portuguese audiences and the national cinema is fragile. Related to this is a theatrical distribution and exhibition sector that is challenged.

While the pandemic and the global rise of streaming services have increased pre-existing challenges, these factors also provide ICA with an opportunity to reset and overcome these challenges. For example, the decline in theatrical US product may provide an opportunity for Portuguese producers.

Therefore, it is recommended that the following elements are encouraged:

- Significantly broader national production of all types, expanded from the arthouse output. This type of production has attracted some acclaim and should continue to be supported as part of a richer content mix. However, there should be a clearer focus between commercial and arthouse funding streams and outcomes
- A balanced funding focus between audiovisual and cinema, to reflect current global opportunities, and a stronger focus on distribution and exhibition – and digital circulation of works. This should include a focus on scripted television alongside film, to seize opportunities in a massively growing international market. ICA's Strategic Plan 2014-18 noted that some 30% of funding should be available for television: according to data from ICA, the funding split in 2021 was 24.2% for audiovisual in 2021, and 75.8% for cinema
- Support for innovative creatives, including new and diverse creative talent. Linked to the above, this will bring new voices and stories and help broaden output
- Stronger training to focus on writing and development, and processes such as writers' rooms
- Build connections between audiences and national cinema. Stronger education offer around Portuguese film and potential marketing campaigns
- Recognise the international production opportunity by ensuring that crew training is adequate, continuing to market Portugal through the film commission, and ensuring the incentive is funded.

5. STRATEGIC PRIORITY AREA TWO — DIVERSIFYING NATIONAL PRODUCTION AND FUNDING

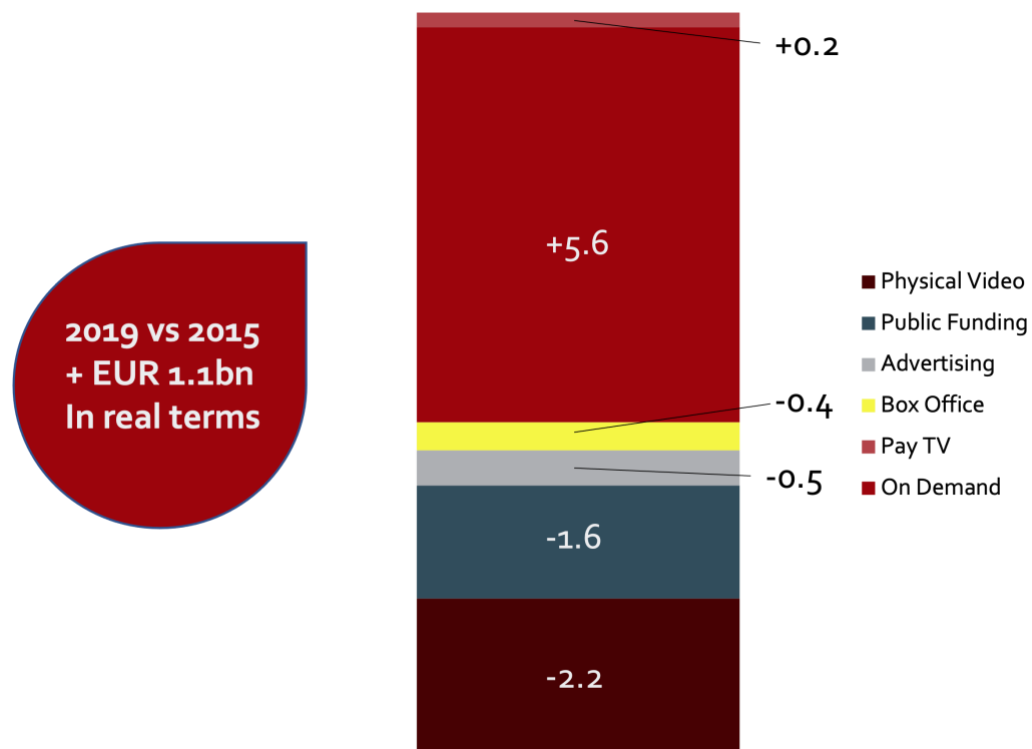
5.1. Overview

The domestic market share of Portuguese films is markedly low, as is the European circulation of national films. While this issue was also addressed by the previous strategic plan, the challenges and opportunities have shifted since then.

A key opportunity is the global production deluge, which has created major opportunities for content creators of all types. Audiences are now more receptive to subtitled works from other countries and, indeed, are highly open to authentic, quality film and television from different parts of the world. Audiences are also keen to consume such stories across a variety of different media, technology and types of storytelling. Across Europe, the television fiction format to have shown the most growth is high-end television series. According to the EAO, high-end television series of two to 13 episodes increased by 54% since 2015.

EAO data also show that on-demand also increased by €1.1 billion in real terms between 2015 and 2019.

Figure 9
Evolution of the EU28 Audiovisual Sector (2015-2018 – €bn in real terms)



Source: European Audiovisual analysis of EBU/MIS, Warc, Ampere, LUMIERE data

Public funding organisations across the world are rapidly adapting to this new landscape, and diversifying the focus of their funding and training provision for new talent in line with market changes. Many national film agencies offer training funds for cross-cutting formats which include gaming and scripted drama in addition to film, especially in the area of writing and show-running.

The DFI, for example, offers funding for new talent to push boundaries and create new audience experiences with genres including 'fiction, documentaries, hybrids, series and cross-media projects'. There is also a new talent funding scheme for Danish television drama and television documentaries in which the application criteria emphasises artistic risk-taking and originality as well as quality. Cross-media production funding and new talent development is made available across a range of diverse and converging screen sectors including video games and television production.

The BFI, meanwhile, provides funding for both development and production, "to support original live action, emerging media and animation feature filmmaking from storytellers demonstrating a bold vision and creative excellence".

In particular, development funding for indigenous films and television series is likely to remain critical: the global streamers rarely invest in the development of national films for example, preferring to acquire the rights once the projects have developed. Public funding will remain an important means of supporting development, since commercial operators believe that the risks are too high relative to the rewards – a relatively small proportion of projects in which development money is invested will make it into production and even then success is not guaranteed.

For many public funders, diversifying production also involves diversifying those coming into the industry and receiving funding to ensure that representative talents are able to tell stories. This is a challenge across Europe where, as one example, there is a marked disparity in gender.

Overall, women only represented 22% of directors with at least one European feature film to their credit between 2015 and 2018. In television fiction, female directors accounted for an even smaller share (19%) of all directors. Women's presence was higher among screenwriters, where they represented 25% of active professionals in film and 34% in television fiction.⁴⁴

5.2. Challenges

In Portugal, the type of productions supported remains narrow and dominated by arthouse projects which are primarily aimed at festival audiences. While such projects are highly important, consultations suggested that the failure to diversify production has significantly inhibited the growth and audience popularity of Portuguese cinema, with little change over the last 30 years.

National television remains dominated by light entertainment rather than drama and this represents a barrier to the development of creative talents who can tell compelling stories which attract broad audiences. As a consequence, the output of the Portuguese film sector in volume terms is low and it is challenging to make a living for many of those working in the industry. Building sustainable businesses is also challenging.

EAO data underline the fact that Portuguese cinema is underperforming at a European level (Tables 1 and 2).

⁴⁴ Women represent less than one film director out of four in Europe. EAO, 31st July 2021. Accessible at: https://www.obs.coe.int/en/web/observatoire/2020-press-releases/-/asset_publisher/O7G4MQBEG423/content/women-represent-less-than-one-film-director-out-of-four-in-europe?

Table 1 – Number of European Film Exports by Country of Origin (2019)

Rank	Country of Origin	Non-nat. releases worldwide	% Share	Non-nat. releases in Europe	% Share	Releases outside Europe	% Share
1	France	942	24%	905	24%	211	29%
2	United Kingdom	521	13%	458	12%	175	24%
3	Germany	414	10%	401	11%	63	9%
4	Italy	330	8%	319	9%	54	7%
5	Spain	160	4%	138	4%	48	7%
6	Sweden	133	3%	130	3%	12	2%
7	Russia	118	3%	105	3%	30	4%
8	Denmark	116	3%	114	3%	15	2%
9	Czech Republic	220	3%	108	3%	3	0%
10	Austria	91	2%	91	2%	6	1%
11	Switzerland	87	2%	84	3%	8	1%
12	Norway	85	2%	82	2%	9	1%
13	Belgium	81	2%	78	2%	14	2%
14	Netherlands	78	2%	75	2%	5	1%
15	Poland	72	2%	72	2%	8	1%
16	Turkey	67	2%	66	2%	5	1%
17	Ireland	63	2%	56	1%	18	2%
18	Finland	51	1%	50	1%	6	1%
19	Soviet Union ⁴⁵	48	1%	48	1%	1	0%
20	Hungary	41	1%	39	1%	5	1%
21	Serbia	40	1%	39	1%	2	0%
22	Croatia	33	1%	33	1%		0%
23	Romania	29	1%	28	1%	6	1%
24	Iceland	25	1%	24	1%	6	1%
25	Yugoslavia ⁴⁶	25	1%	25	1%		0%
26	Slovakia	24	1%	24	1%		0%
27	Greece	23	1%	22	1%	1	0%
28	Portugal	21	1%	17	0%	6	1%

Source for Table 1 and 2: EAO⁴⁷⁴⁵ Films produced until 1991⁴⁶ Films produced until 1992⁴⁷ [The circulation of European films in non-national markets: Key Figures 2019](#). Note: Ranked by total number of films on release in all non-national markets tracked in LUMIERE

Table 2 – Admissions to European Film Exports by Country of Origin (2019)

Rank	Country of Origin	Non-nat. admissions worldwide	% Share	Non-nat. admissions in Europe	% Share	Admissions outside Europe	% Share
1	United Kingdom	79,649,425	44%	27 320 843	32%	52 328 582	56%
2	France	32,391,440	18%	24 487 690	28%	7 903 750	8%
3	Spain	10,869,485	6%	4 810 598	6%	6 058 887	6%
4	Germany	10,792,987	6%	6 307 623	7%	4 485 364	5%
5	Russia	8,458,018	5%	1 707 883	2%	6 750 135	7%
6	Belgium	8,454,617	5%	6 412 964	7%	2 041 653	2%
7	Italy	6,990,164	4%	1 963 458	2%	5 026 706	5%
8	Ireland	4,885,906	3%	1 971 878	2%	2 914 028	3%
9	Norway	3,074,762	2%	1 123 255	1%	1 028 264	1%
10	Poland	2,033,007	1%	1 004 743	1%	1 028 264	1%
11	Denmark	1,840,869	1%	1 473 515	2%	367 344	0%
12	Netherlands	1,794,457	1%	282 958	0%	1 511 499	2%
13	Turkey	1,444,007	1%	1,423,924	2%	20,082	0%
14	Sweden	1,288,428	1%	1,153,087	1%	135,341	0%
15	Czech Republic	1,089,354	1%	1,081,500	1%	7,854	0%
16	Iceland	876,076	0%	669,072	1%	207,004	0%
17	Ukraine	522,913	0%	256,450	0%	266,463	0%
18	Austria	516,593	0%	436,013	1%	80,580	0%
19	Switzerland	408,956	0%	371,900	0%	37,056	0%
20	Luxembourg	318,722	0%	264,824	0%	53,898	1%
21	Hungary	288,169	0%	224,922	0%	63,247	0%
22	Serbia	256,741	0%	253,784	0%	2,957	0%
23	Finland	231,958	0%	154,894	0%	77,064	0%
24	Latvia	199,836	0%	199,836	0%		0%
25	North Macedonia	189,703	0%	110,762	0%	78,941	0%
26	Slovakia	155,901	0%	155,901	0%		0%
27	Soviet Union ⁴⁸	134,053	0%	127,175	0%	6,878	0%
28	Greece	106,191	0%	47,238	0%	58,953	1%
29	Portugal	104,440	0%	76,083	0%	28,357	0%

The diversification of support does not of course mean the exclusion of auteur-driven films, which remain a critical part of the content mix globally. Rather, they should sit alongside support for more mainstream projects aimed at broader audiences in Portugal and overseas. Some consultees suggested that the two streams of funding should be complementary but separate.

In particular, the jury system was singled out as a weakness. While it is noted that film funding systems with limited budgets do commonly attract criticism – not least from those who do not receive support – there were a number of criticisms raised by consultees. For example, some suggested that jury members may not have worked in production and may lack an understanding of financing processes, while concerns about gender balance were raised. Applicants can also contest decisions, which can slow processes down.

On the former point, it is understood that it can be challenging for ICA to find duly skilled jury participants who are available or eligible according to Portuguese administrative law.

⁴⁸ Films produced until 1991.

According to ICA, the gender balance in the composition of juries has improved with more than 40% of jury members currently women.

The application process for funding was also regarded as providing a barrier to diversification. The process is focused on CVs and has an element of subjectivity and, as such, it can be difficult for new entrants and new talents to access funding.

According to ICA, the score assigned to the CV has been lower since 2018 and is 30% of the total score. ICA's regulations posit that evaluation criteria do not exclusively focus on prizes and considers the exploitation of results of the previous works. There are also no obligations for funding recipients to provide training.

It is understood that the law governing public grants for private companies limits the ability of ICA to introduce innovations into the process. However, the current system is not considered optimal.

One challenge is the lack of significant support for television projects, which provide a particular market opportunity given global expansion in this area. ICA's Strategic Plan 2014-18 outlines that some 30% of funding should be available for television: according to data from ICA, the funding split was 24.2% for audiovisual in 2021 (€4.7 million) and 75.8% (€14.7 million) for cinema. The overall share for audiovisual was only slightly higher in 2021 than in 2014, when 22.6% of funding, or €2.9 million, was invested in audiovisual.

The transposition of AVMSD in Portugal allows investment in cinema and in other audiovisual works. The public service broadcaster has an obligation to invest a minimum of 25% in cinematographic works; the remaining 75% are likely to be invested in audiovisual works, which represents a considerable amount (around €12 million). Private broadcasters and VoD providers have no thresholds for investment in cinematographic works, and, taking into account their profiles and current trends, it is expected that they will invest mostly in television/streaming works.

5.3. Opportunities

As noted in Section 4.4, a number of opportunities arise from the transposition of AVMSD. In Portugal. The 30% VoD quota provides major potential for high-end television, although less so for film. As mentioned above, broadening funding for television is therefore a priority – and a significant opportunity.

Given the rapid sectoral and audience shifts since ICA's previous strategic plan, it now has a real opportunity to improve the output of Portugal and its connection to audiences. Broadening funding is critical, as is broadening provision for new and diverse talent.

The appetite from streamers for localised content should also be considered key, which also aligns with the capacity and skill level of some Portuguese producers. For example, Netflix has already produced its first original series in Portugal with *Glória*.

Increasingly, recipients of state support in territories around the globe must meet some training obligations to help develop new talent while they shoot a production in the country.

This talent development strategy is sometimes built into incentives. In Ireland, for example, productions have to submit a skills development plan and in Jordan there is a requirement to employ and pay 20 interns. In Malta, there is an obligation that the qualifying production company will commit to engage five trainees for head of department positions and a minimum of five BTL trainees.

Such provisions should form part of a wider, more rigorous national screen training and skills strategy. There is an opportunity for Portugal to help develop, diversify and bolster its skills development for new talent. Portugal has no such requirements for training, and implementing provisions in this area would strengthen pathways into the industry.

A broader training offer should increase focus on development and screenwriting, and different approaches such as writers' rooms. ICA has a fund for screenwriting, but it is understood that writers must approach a producer to get a letter to access funding.

International companies place strategic value on screenwriting. In Portugal, this is demonstrated by the collaboration between ICA and Netflix on a scriptwriting and development contest.⁴⁹ The company has also collaborated with the Portuguese Academy of Cinema on an initiative to support Portuguese women filmmakers.⁵⁰

There is also a need to consider developing businesses in the sector, alongside focusing on projects.

There is a trend towards new talent training opportunities reflecting the diversification of production, with training courses running across a wide range of roles rather than the typical director, producer and writer roles. Greater breadth, responsiveness to current industry needs and flexibility is required in the area of funding criteria and training opportunities.

5.3.1. Animation

ICA also specifically mentions animation in its regulation for the awarding of funding. Animation film projects have six years to be completed and animation television projects are included in contests for support towards audiovisual and multimedia writing, development, and production.

Consultations suggest that the Portuguese animation sector is struggling. Further attention should be given to animation through ICA's strategy, since such content can be competitive internationally (as it can be easily dubbed) and lends itself well to the formation of talent and technology clusters.

5.4. Comparable Jurisdictions and Strategies

Danish Film Institute

The DFI supports the industry across all areas through its funding, and includes provision for film, television and video games – and for marketing and distribution and education, as well as production and development. The production fund includes provision for international minority co-productions and regional development.

One of the key features of this funding is support for new talent which emphasises cross-cutting format experimentation and artistic risk-taking; with wide production development parameters including 'fiction, documentaries, hybrids, series and cross-media projects'. Funding is made available across a number of diverse and converging screen settings including gaming and television production – and includes funds for distribution and marketing of films as well as development and production.

The DFI has 3 funds supporting over 55 feature films, documentary and short films per year. These are the Film Commissioner Scheme, the Market Scheme and the New Danish Screen talent development scheme:

⁴⁹ Netflix e ICA lançam concurso para apoiar a escrita de séries e documentários em Portugal. ICA, 29th April 2021. Accessible at: <https://www.ica-ip.pt/comunicados/netflix-e-ica-lancam-concurso-para-apoiar-a-escrita-de-series-e-documentarios-em-portugal/>

⁵⁰ Convocatória Aberta para Mulheres Cineastas Portuguesas. Academia Portuguesa de Cinema, 29th July 2021. Accessible at: <https://www.academiadecinema.pt/atividades/convocatoria-aberta-para-mulheres-cineastas-portuguesas/>

1. The **Film Commissioner Scheme** supports scriptwriting, development and production whereby the main criteria are that a project must have unique cinematic ambitions which challenge the audience.
2. The **Market Scheme** is based on content which has broad audience appeal. Evaluation criteria for this fund include audience potential, production value, marketing, distribution and economic viability. Applications are assessed by three internal DFI representatives and three external industry representatives.
3. The **New Danish Screen** fund supports talent development and offers new generations of filmmakers the ability to experiment and create new audience experiences. Funding is aimed at low-budget fiction, documentaries, hybrids, series and cross-media projects.

Other funds include:

- The Public Service Fund, which is aimed at television dramas and documentaries on commercial channels
- The Minority Co-Production Scheme for international films which have Danish production participation
- The Games Fund, which aims to support the development and production of Danish video games as a culture-bearing medium
- Cross-Media Development funding for projects with artistic and cultural value
- Regional funding aimed at production and post-production outside of Copenhagen
- Dissemination of films to children and youth to support
- Funds for workshops, cinemas, festivals and screenings.

[British Film Institute](#)

The BFI has a complex funding offer which is far-reaching, cross-cutting and wide in scope. It is delivered in-house and by partners including ScreenSkills, the British Council, Creative England, Into Film and the BFI Academy. It has four main areas including:

1. Funds for creating film, television or new formats
2. Funds for progressing careers and for business
3. Funds for bringing film to wider audiences
4. International activity funding.

One of the key features of the funding offer is the availability of funding for regional partners which results in the devolution of power and the creation of eight regional film hubs which deliver training, talent development schemes and provide audience development activities relevant to a particular region – and in relevant languages such as Welsh. Funds for the BFI Film Audience Network are managed by leading film organisations and venues.

The second distinctive feature of this funding structure is the focus on inclusion and diversity. The BFI Diversity Standards set out diversity and inclusion funding conditions which aim to make the industry both on and off screen and inclusive and accessible as possible through the use of public money.

Funds for creating film, television or new formats:

- Development, Production and Completion funds
- UK Global Screen Fund: International Co-Production
- Young Audience Content Fund
- Short Form Animation Fund

- Documentary Funding
- BFI Network fund for new talent.

Funds for Progressing Careers and for Business:

- BFI Vision Awards for producers to help develop their development slates
- Step Up fund for under-represented groups in technical roles to help progress their careers.

Funds for bringing film to wider audiences:

- Audience Fund
- BFI Film Audience Network – eight film hubs managed by leading film organisations and venues around the UK
- Culture recovery Fund for cinemas.

International Activity Funding:

- Film Export Fund
- UK Global Screen Fund
- Festivals, markets and other platforms
- COVID-19 support.

[The Greek Film Centre](#)

The Greek Film Centre has a funding structure which supports both the independent sector as well as higher budget features – and a number of roles in the industry. Key features include funding for the digitisation of films already made which is a key industry need for some developing European markets such as Portugal. Funding includes:

- Scriptwriting development funding which emphasises collaborative writing
- Production and development funding programme
- Low-budget film funding with a focus on innovation
- Production funding for children and young people to develop new audiences for Greek cinema. Included within this fund is a portion of film education funding for collaboration with schools
- New directors funding
- Short and documentary film funding programme
- Incentives funding programme to attract foreign productions
- Support for films which have already been made with a focus on digitisation.

[Screen Ireland](#)

In October 2021, Screen Ireland announced that it is launching a new Creative Futures Fund (CFF). The fund is designed “to help support companies strengthen and hone their expert creative capabilities and ambitions and build cultural resilience to enable high quality cultural projects”.

The CFF will be open to audio-visual companies which are developing a slate of narrative projects across film, television, animation and documentary and which are looking to expand and build on their creative ambitions, develop talent, target a diverse and expanding creative slate and support their business with the adequate skills and capabilities needed to enable increased opportunity and growth. This may be in the form of key creative

and expert consultancy (domestically or internationally), or employment of new expert creative personnel.⁵¹

5.5. Recommendations and Implementation

In setting a new strategy, ICA has the opportunity to reset and ensure that its funding can be as effective as possible in helping Portugal's cinema and audiovisual sector to deal with the challenges of the current global landscape, and also help the sector take advantage of opportunities.

As outlined, Portugal has a low base in terms of international circulation and is the lowest in the EU. This suggests that approaches to date have not been effective and should be re-structured.

In particular, the focus on funding should be significantly broadened. While auteurs and festival appearances are still desirable, weaknesses in this market should be reflected in a broader approach to funding that also foregrounds new talent – which currently face significant barriers to entry, including through the jury system.

ICA should consider overhauling the jury system. This could involve the implementation of a new funding system based on individual fund managers overseeing separate streams – such as for new talents, innovative approaches and formats, and commercial content. ICA has advised that such a model could face legal constraints in Portugal, and in this scenario ICA should consider a substantial overhaul of current funding models, with clearly stated aims for different schemes with different areas of focus and criteria, adequate background and skills of panel members and – subject to existing legal/administrative constraints – shorter decision times.

Generally, more priority should also be given to project and story development and screenwriting – regardless of format. Given the global demand for localised, authentic stories this is a significant opportunity for the Portuguese industry and developing the capacity of writers in this area will build a broader range of Portuguese stories for consumption by national and international audiences.

Funding should also be used to ensure training of new entrants, and to establish better pathways into industry. Given the low base of companies of scale in the Portuguese sector, ICA should also consider how to develop stronger businesses. To this end, ICA should keep and improve compatibility and synergies between training, development, and production support in order to help developing business beyond single-project support. Building business capacity will also assist the Portuguese industry in benefitting from current global opportunities.

⁵¹ *Creative Futures Fund*. Screen Ireland. Accessible at: <https://www.screenireland.ie/funding/distribution-loans/creative-futures-fund>

6. STRATEGIC PRIORITY AREA THREE — CONSUMPTION AND AUDIENCE ENGAGEMENT IN PORTUGAL

6.1. Overview

There is a very weak link between national film and audiences in Portugal. Levels of engagement are well below the average for the European Union and compared, for example, with Spain, France, Italy and Brazil.

The reasons for this are numerous, and include the size of the internal market, and the fact that, in some areas of the country, the distribution and exhibition infrastructure is underdeveloped. The prevalence of arthouse production has also meant that some audiences have not built an awareness or knowledge of Portuguese cinema and the country has not developed some commercial film traditions, such as the domestic comedies found in France or Germany. Funding has also focused historically on production, rather than distribution or marketing and releases can be challenged on this front.

Pre-pandemic, there were 565 cinema screens in Portugal, 525 of which are digital and 201 of which were in multiplex cinemas.⁵² In Portugal, film exhibition is territorially asymmetric and concentrated. Larger exhibitors are also dominant, with five main circuits having a 92% market share. This creates challenges for independent operators.

Table 3 – Cinema Admissions in Portugal by Film Origin (2020)

Portugal	2018	2019
Total admissions (m)	14.7	15.5
Cinemas	179	185
Screens	580	583
National	1.9%	4.5%
European non-national	6.5%	7.6%
US	71.3%	74.8%
Other	20.3%	13.1%

Source: Europa Cinemas Network Review #35 Cannes 2020/ICA

The sector has a distinct lack of regional reach, especially during the pandemic when many regional cinemas have closed. The digitisation of regional cinemas may make this easier for distributors and exhibitors, but it is a timely and costly process. There are around 20 film clubs in municipal theatres. However, many are not digitised which again limits programming and, in turn, audience development.

A consortium of Portuguese universities – led by the University of Porto – undertook a study, with the collaboration of ICA, into non-commercial exhibition in the country during the years 2012 to 2014. The study identified through research and a survey of the sector at least 550 entities or instances of non-commercial cinema exhibition in the 308 municipalities of Portugal.

⁵² Key figures. ICA, 6th May 2021. Accessible at: https://ica-ip.pt/fotos/downloads/ica2021_estati_sticas_06_05_2021-oficial_844960950f76bodo2.pdf

It was then established that of these 550 entities / instances, there were 250 entities throughout Portugal regularly exhibiting cinema and organising screenings / festivals.⁵³

Portugal is part of Europa Cinemas – a network of cinemas focusing on European films – which recently published the studies *New Approaches to Audience Building* and *Strategic Investments in the Future of Film*. The survey results emphasise the importance of innovation in the area of audience development – particularly with regard to young audiences, with digitisation and the concept of ‘convergence’ being of most importance. ‘Convergence’ refers to the combination of community social and cultural spaces with cinema spaces. New approaches to marketing were also high on the priority list.

There are provisions for both distribution and exhibition in ICA regulation n.529/2020, which outlines supports for Portuguese, European and other projects that had less than 5% market share in the previous year. It stipulates that support should not exceed 80% of the total cost of a project and that more than €25,000 should not be attributed to a single exhibitor.

Evaluation criteria for awarding funding for exhibition includes location, usual offer, percentage of Portuguese, European and other origin projects that had less than 5% market share exhibited in the previous year, percentage of documentaries exhibited, percentage of shorts and animation projects exhibited, and quality and diversity of programming in the previous 12 months.

ICA also awards automatic support to projects that reached a minimum audience of 20,000 in a previous year, this support would be in the form of funding at a maximum value of €350,000.

6.2. Challenges

Against this backdrop, there are many existing and future challenges regarding consumption and audience development which will require short-long term strategy and implementation. Indeed, the issue of audience development should be fundamental to a holistic strategy for the development of the industry in Portugal.

Data show very low audience consumption of national output in Portugal, which is exacerbated by the uneven nature of production and exhibition. The latter has become even more problematic during COVID-19 with the closure of an already limited number of regional cinemas. Driving development in this area in the current market landscape will be very challenging.

While the existence of a film education plan in place in Portugal – the National Cinema Plan – is highly positive, it is somewhat limited in its selection of films, resources and scope. Successful film education strategy in other regions includes the study of film as an artistic entity, but also as part of an overarching media literacy strategy which encompasses not only the study of film in and of itself, but the study of film as a medium through which learning of any subject can occur; the principle that media literacy (including film) is a key language, and the use of moving images should be employed as a new pedagogical approach.

As mentioned in the previous chapter, the diversification of genre, production and funding is key to audience development.

The large global streamers are increasingly seeking local content for their platforms in the form of television drama. This could be an opportunity for Portugal to increase and diversify audiences, as well as develop approaches to cross-cutting genres and formats to include gaming, high-end television and more commercial film. Consultations highlighted the need for

⁵³ *A Exibição não comercial de cinema em Portugal*. Faculdade de Economia da Universidade do Porto, 2018. Accessible at: <https://exibicaonaocomercialdecinema.weebly.com/etapas.html>

emergence of young talent which is crucial for innovation and to develop the content being produced in Portugal to ensure continued relevance.

In a recent study on how the COVID-19 pandemic has affected film education for 70 national film education organisations, a number of common barriers were identified, which could inform possible areas of focus moving forward.⁵⁴ The study outlines the solutions that are needed if a flourishing and robust film education sector in Europe is to be developed – all these solutions are relevant to Portugal. They include:

Political support

- The study outlines that political support from government departments and funding bodies is required, but generally lacking – support is needed for the idea that film and moving images are an important part of society, communication, infrastructure and culture. Pan-European support is usually aimed at one-off projects and is not helpful in the building of a sustainable industry.

Limited access to film and weak connections with industry

- The engagement of industry in film education appears to be minimal especially in the area of distribution and access to films, which acts as a barrier in bringing films and content of all types to young people in schools and beyond. The exhibition sector is often battling to gather resources for film education and this was exacerbated during the pandemic. Questions arise such as how can the industry be more engaged in film education, and how can distribution rights be made easier for film education?

The place(s) of film in the curriculum

- The place of film and film studies in national and regional curricula is central. A powerful case needs to be made for the educational and cultural benefits of film education in schools.

Lack of long term funding

- Often funding for film education is project-based or not sustainable over the long term. Questions arise such as – what does a sustainable funding model look like? And how can funding duplicity be avoided?

Lack of training

- Lack of training for teachers, educators and practitioners acts as a barrier to film education. Questions arise such as: what areas of film education are important and how to reach teachers and educators.

No strategy, weak infrastructure, few networks

- Many organisations work in a void. The lack of national organisations playing a role to join the dots creates a barrier to development.

Poor understanding of learning outcomes

- The lack of research and data in the field acts as a barrier to achieving good outcomes.

Understanding and developing pedagogy

- Limited research in this area acts as a challenge. There is a need to develop new pedagogical approaches.

The challenges and opportunities of technology

- Barriers include access to technology and how online learning can best work during the pandemic. Issues of copyright affect the delivery of film education online.

⁵⁴ *Film Education After the Pandemic: Issues and Challenges*. Creative Europe Media, January 2021. Accessible at: https://www.visionkino.de/fileadmin/user_upload/projekte/Internationale_Projekte/Film_Education_after_the_pandemic.pdf

Understanding audiences

- There needs to be a closer look at the relation between young people and their experience of film – and the relationship that film education has within this; a deeper understanding of a film journey, and what is considered ‘challenging’.
- Inclusion and diversity in film needs to be a topic within film education
- The relationship between schools and cinemas is also relevant. Since the pandemic many cinemas have closed. More needs to be understood about how online viewing will affect schools’ relationships with cinemas.

In summary, and within the post pandemic context, the study outlines five next steps for the development of film education across Europe which are relevant to this Study:

1. Renewing and restoring film and cinema audiences
2. Innovative ways of learning
3. Responding to diversity
4. Rethinking what is done digitally
5. Resettling the relationship between film and media education.

6.3. Opportunities

The COVID-19 pandemic has accelerated the use of both streaming and online learning and many school curricula have been delivered via remote learning methods. Coupled with this, there exists a generation who are already literate in visual media. This is fertile ground for new film education and audience development strategies.

As noted, the provision of cinemas in Portugal is uneven, and engagement with future generations of cinemagoers should be undertaken via streaming alongside theatrical audience development. Strategic distribution and film education partnerships will be important in developing this.

The pandemic offers a unique opportunity to rethink approaches and develop new ideas to develop audiences.

Another opportunity lies in untapped funding from Creative Europe, especially around the audience cluster. Although it is early days for the programme, it will be important to keep a watching brief on funding calls which may be relevant for Portugal from this audience segment. Despite the challenge of receiving European funding without first securing country or government funding, the development of commercial and strategic funding partners may be an opportunity to solve this.

6.4. Comparable Jurisdictions and Strategies

Successful film education strategies in comparable territories are those which deliver provision from early years through to adulthood and into career development. In this way, these strategies impact industry and crew development – and form part of a wider holistic strategy.

Some strategies also use formats such as video games, high-end television and visual and digital media content in general. This reflects the importance of keeping up with technological, audience and industry trends in strategy. There is also a focus elsewhere on more general matters such as film literacy, digital literacy, and online safety.

Strategies which offer support and access to film via VoD services, and those with strong cinema and audience strategies are important. Successful examples highlight the importance of key commercial and non-commercial strategic partnerships where government support is limited.⁵⁵

⁵⁵ Key Trends in the European Audiovisual Sector.

Two examples from the UK and Denmark are provided below – though there are also interesting examples in territories such as Greece, the Netherlands, France (Cinémathèque Française), Ireland, and Germany (Vision Kino).

6.4.1. Danish Film Institute, Denmark

The government-funded DFI strategy is an example of a successful, comprehensive and well-developed film education programme covering film education provision throughout school life. Notable elements include a VoD platform with 3,000 films available for schools, young people and communities, a fund for support with the distribution of films for children and young people and a national cinema scheme for schools which includes 80% of Denmark and 120 regional cinemas showing specially curated features and shorts.

Film-X is another strong part of DFI's film education offer; these are filmmaking workshops which blend the technical skills of filmmaking alongside film literacy and narrative skills. Film Lexicon is the DFI's film literacy resource centre which can be used for pedagogic purposes for all subjects across the curriculum.

The strategy has a broad scope and includes support for online safety, wellbeing online, security and privacy, and intellectual property (IP); generally covering all aspects of visual media culture for young people. The strategy is also cross-cutting regarding genre and format expanding the definition of 'film' to visual and digital media to include gaming and high-end television. There is also a young person's advisory/steering group and a research and reference bank for reports and information on the topic.

The success of the DFI film education programme with regard to audience development is partly due to the following:

- A national, well-coordinated government-funded approach with a far-reaching film education strategy from kindergarten to high school
- The online platform VoD Film Central containing 3,000 short films and documentaries for schools and for all
- The success of Denmark on Film archives, filtered by region and used in the regional film education program⁵⁶
- The success of the national Cinema for Schools project which connects 80% of the country to a curated cinema-going experience from a young age
- Funding support for the distribution of films to young people for education purposes⁵⁷
- Immersive Film-X film production courses for schools as both a filmmaking and film/media-literacy exercise
- Film education and cinema experiences are embedded in both learning and the school system across the whole of the country.

6.4.2. British Film Institute, UK

The BFI has a comprehensive programme for schools and young people covering audience development, future skills and talent development as well as provision for regional hubs. The overall programme is delivered in-house and by a number of strategic and regional partners. The funding model for film education in the UK is different for each delivery partner, but is generally supported by government alongside National Lottery funding.

The education model is split into four connected stages. It is a lifelong learning programme:

- Schools Programme: 5-18 years

⁵⁶ Denmark on Film Archives. Danish Film Institute. Accessible at: <https://filmcentralen.dk/museum/danmark-paa-film>

⁵⁷ Distribution of Film for Children and Young People. Danish Film Institute. Accessible at: <https://www.dfi.dk/branche-og-stoette/stoette/formidling-af-film-boern-og-unge>

- Film Academy: 16-25 years
- BFI Network and ScreenSkills: for new adult filmmakers
- Provision for independent filmmakers and for crew to develop their careers.

Schools Programme

The BFI delivers a UK-wide schools programme which is partly outsourced to Into Film which is a charitable delivery partner offering all schools and parents across the UK access to films, training, support, resources, pedagogy, research, festivals and networks.

Into Film is 70% National Lottery-funded via the BFI, and was originally started in 2008 with Department of Education funding. The Into Film offer includes the setting up of film clubs in schools to watch films (access to over 3,000 curated films via 7,000 film clubs with 11,000 film reviews from young people), training for teachers (over 5,000 teachers trained), curriculum and non-curriculum related resources. There is also Europe's largest young person's film festival connecting young people to filmmaking and cinemagoing, a skills development/new talent programme, a film and media literacy programme and a commitment to research in the area of media literacy and pedagogy.

Into Film offers schools, parents, young people and communities access to films. It offers a VoD streaming service (via distributor partner Filmbankmedia) which gives all schools in the UK access to over 100 films including commercial features, independent films and short films.

Into Film curates the film catalogue ensuring that schools and young people get a 'balanced diet' of film and experience a journey through film to include British-made films, independent film, world cinema, British archive film and commercial features thus diversifying genres and developing a future audience with a good knowledge of film – as well as ensuring that the programme connects the new generation of cinema goers to the cinema via a strategic partnership with Cinema First, the industry body responsible for promoting UK cinemagoing.

During the pandemic there was a 215% rise in downloadable Into Film resources during home schooling phase which highlights the appetite for materials for teaching both through, and about film.

BFI Film Academy

The BFI Film Academy supports 16-25 year-olds in a number of ways with film education, skills and training via labs, short courses, traineeships, residential programmes and the Future Film Festival. The BFI Academy is industry connected via its traineeship offer.

Most notable is the venue education fund which is a fund which supports regional film hubs and partners, such as cinemas, to deliver the Film Academy programme in the regions.

BFI Network and ScreenSkills

The BFI Network and ScreenSkills is a scheme for new adult filmmakers and offers provision for independent filmmakers and for crew to develop their careers via ScreenSkills, a UK body which works to develop skills and talent. The BFI Network operates regionally out of a number of hubs and funding is available for development. Notably, the funding supports an array of cross-cutting genres including gaming – and both above-the-line (ATL) and BTL roles. It also includes supporting roles in exhibition and distribution.

Provision for independent filmmakers and for crew to develop their careers

The final element supports early to mid-career crew with career development, and independent filmmakers with development funding.

The success of the BFI film education programme with regard to audience development is partly due to the following:

- A nationally coordinated lifelong programme

- Effective strategic partnerships with commercial partners including distributors, studios and streamers, and exhibition partners
- Flexibility and diversity of funding for genres and formats
- An effective strategy to set up and devolve power to regional hubs
- A UK-wide media literacy programme with a wide scope
- Creating a sustainable funding model – non-reliance on government funding solely
- The role of ScreenSkills – overseeing the development of screen skills and training
- Ensuring that all film education programmes are run through a diversity and inclusion lens
- Creating a strong hybrid offer for all schools to access different genres of films which includes a VoD service and a DVD offer to address digital barriers
- Offering high quality online training for teachers and schools
- Tapping into European resources and networks
- Commissioning audience development research such as the BIFA Under 30s Film Insights report about audience habits for those aged 18-30 years creating audience profiles and recommended actions for connecting audiences to independent film (with a focus on British film) via cinemas.⁵⁸

6.5. Recommendations and Implementation

Driving national consumption and driving audience engagement should be a critical element of ICA's strategy. The distribution and exhibition sectors are cornerstones of the cinema and audiovisual industry – alongside production – and ICA should focus on these elements given their importance to the future sustainability of Portuguese production nationally, and its ability to provide value to audiences.

There is a need to address the weakness of the regional cinema offer, as well as challenges in programming and developing a meaningful offer for pop-up cinemas in other municipal spaces. ICA should look to strengthen support in both areas through the lens of audience development. At the same time, the Lisbon and Porto markets should not be overlooked given the national challenges for independent exhibitors.

Supporting exhibition after the pandemic is likely to be beyond ICA's resources given the costs involved, but ICA could take an advocacy role in exploring options for public support for strategic independent operators. This should include support for pop-up cinemas and cine clubs, prioritising digitisation.

Other recommendations are set out by key areas below.

General Strategy for Audience Engagement

- Develop a lifelong film education strategy which links with wider industry strategy such as infrastructure and crew development, exhibition strategy and technological trends (skills for the future). This will help develop audiences who are film literate
- Include film and media literacy (skills for the future) as part of the film education strategy; the idea of learning both through (cross-curriculum) and about film
- Develop a strong strategy for supporting new talent, including in the regions
- Use film and visual media to teach literacy in schools; build a case for developing literacy through the use of film to gain funding and buy-in from schools and teachers. Provide resources for teachers on the topics

⁵⁸ Under 30's Film Insights. BIFA, 14th October 2019. Accessible at: <https://www.bifa.film/news/under-30s-and-film-insights/>

- Build a strategy which encompasses cross-cutting genres and formats – and takes the school or young person on a curated journey through a balanced diet of film using existing research such as the BIFA Under 30s Audience research as guidance
- Create a strategy which contains a curated cinema-going element such as the DFI's cinema for schools project.

Regional Audience Engagement

- A critical element, given challenges with cinema access in some Portuguese regions.
- Create regional hubs which bring together film clubs in schools, cinemas, film festivals, community events and talent development and link into a wider national strategy.

Audience Engagement

- Develop strong strategy funding partnerships with exhibition, distribution and non-commercial bodies with a pragmatic approach
- Tap into European funding, training and knowledge. It is noted that there is a plan to establish a Europe-wide Film Education Network.

Audience Research Development for Better Engagement

- Build audiences via expanded VoD to schools, linked to regional efforts
- Develop a series of focused rights requests which are attainable and are expressed in terms which the industry understands. Large scale requests (e.g. clear all rights for educational use) will stand little chance of success. Rights holders need to see tangible benefits for themselves
- Conduct audience profile research to understand how to connect audiences to film and cinemas. Such as in the BIFA⁵⁹ Under 30s Film Insights report creating audience profiles and relating recommended actions for connecting audiences to independent film (with a focus on British film in this case) via cinemas.

As a cross-cutting measure, ICA could also consider undertaking general communications and market outreach to audiences in Portugal to help drive interest, noting that other institutes undertake such a function. This will help assist with the challenges of promoting and marketing national and diverse cinema generally in Portugal.

⁵⁹ Ibid.

7. STRATEGIC PRIORITY AREA FOUR — CONSUMPTION AND CIRCULATION INTERNATIONALLY

7.1. Overview

ICA regulation n.529/2020 makes provision for the internationalisation of Portuguese cinema, but this is mostly for exhibition/competition in international festivals.

When awarding funding, ICA considers the curriculum of the producer and the production company, with those that have had projects in festivals ranked in 'Group 1' scoring higher. There are other factors that go into scoring, such as quality and artistic and cultural potential of a project, the director's curriculum (also evaluated through festival presence and prizes).

Support for internationalisation functions in a similar manner, but the funding is meant to support costs during the promotion and participation of a national project at a film festival (which must be present on a list published annually by ICA).

This support may not exceed 80% of total costs to attend the festival, and the higher ranked the festival the more funds it may be awarded. For example, if a film is competing at Cannes, it may receive up to €40,000. Cannes receives the highest awards, followed by Berlin, with films competing eligible for €30,000.

Strong evidence emerged during consultations that the entire approach to international promotion and distribution of Portuguese film requires a significant rethink – to help deliver both economic and cultural success, through expanding the presence of Portuguese film internationally.

7.2. Challenges

Although several consultees expressed confidence that Portugal has a good profile internationally, with Portuguese works being regularly featured in international festivals, there is a lack of evidence for this via measures including either international prizes or box office. While information available through the ICA website suggests that Portuguese films do have a presence at top international festivals, including Cannes, Venice, Berlin and Toronto, the country has yet to win any of the main prizes at these events.

Additionally, its growth in this area can largely be attributed to short films which, although positive, can also be taken to indicate the scope for further growth. The short *Cidade Pequena*, for example, won the Golden Bear for Best Short Film in Berlin in 2017.

Animation shorts, meanwhile, are considered a sign of the Portuguese sector's potential; if talent were able to access more diverse funding that would allow the country to produce with more consistency and potentially expand into animation feature production.

An analysis of the presence of Portuguese films at major international film festivals, demonstrated that with regards fiction features, it is often co-productions that are being selected for international festivals. These are not necessarily works that are fully in Portuguese.

This indicates the potential of the Portuguese sector to build further international relationships through co-production while simultaneously promoting Portugal as a filming destination. Over time, more co-productions might be set in Portugal, showcasing the country's culture and perhaps, creating a larger appetite on the part of the audience for Portuguese-language content.

In consultations – and in contrast to what is outlined in the Strategic Plan 2014-18 and what could be assumed based on comparisons with countries such as Spain – consultees argued that it would in fact be difficult for Portuguese content to be exploited by the global Portuguese language community.

However, this assertion fails to recognise that the global audiovisual landscape has changed and that new avenues have opened to reach international audiences including the Portuguese language speaking community – especially through programming that is dubbed or sub-titled on streaming services. There is also a need to obtain more data on audiences, identifying the demand for Portugal's content and the associated market opportunities.

On streaming platforms, fictional television series have proved to be immensely successful, and help drive the internationalisation of content from different countries. If Portuguese content is able to find an audience through streaming platforms, among both national and international audiences, this may also help the performance of Portuguese films at the box office by raising awareness of national production and talent.

Furthermore, in the consultations held as part of this Study, several industry figures expressed discomfort with a false dichotomy within the industry, which asserts that films of artistic value as being inherently films that cannot do well as a commercial product. While there is a place for the argument that artistic value cannot or should not be equated to commercial value, this is not a debate that is helpful when discussing the success of an industry as a whole.

There are many benefits to a strong audiovisual industry, including those potential benefits identified in the Portuguese Strategic Plan 2014-18, that can only be achieved through connection with audiences and so some degree of commercial success. These include:

- Achieving artistic excellence along with national and international recognition, incentivizing innovation
- Establishing a connection between the Portuguese people and their national cinema, supporting new talent
- Achieving a larger diversity of cinema and audiovisual projects, creating jobs, increasing exports and profit
- Achieving an overall sustainability of the sector, affirming national identity and promoting the Portuguese language and country's image abroad.

All of these goals require commercial success which will, in turn feed creativity and innovation and help ensure that Portuguese output is focussed on target audiences.

The role of ICA in this case is not to consider the artistic potential of individual projects but to focus on the overall diversity of content produced in Portugal and its export potential. This should be done in a manner that addresses the challenge of identifying an audience and then engaging that audience to promote cultural consumption. Otherwise, the industry will be stagnant despite the availability of additional public funds.

7.3. Opportunities

Within this context, Portugal should especially focus on the opportunities provided by the following:

- Creative Europe, especially including the content cluster and its objective of increasing the cross-border circulation of national works in Europe
- Ratifying the revised Council of Europe Convention on Cinematographic Co-Production (2017) as a sign of commitment to co-production; at time of writing, Portugal has signed but not ratified the revised Convention
- Developing bi-lateral co-production treaties and developing broader collaborations with countries modelled on the deal signed with Luxembourg at Cannes in July 2021⁶⁰. To develop international capacity and improve the competitive position of their sectors on the international stage, some countries or regions use the 'producer mission' model in order to build contacts and develop knowledge and insights into

⁶⁰ Portugal and Luxembourg join forces to launch the Luso-Luxembourg Fund. Ibid

international markets. For example, Screen Nova Scotia ran such a mission to the 2022 European Film Market (EFM) and Berlinale (in the end the mission had to be run virtually). It advertised the mission in the following way: "Seven producers from across the Atlantic provinces will be selected to further enhance the promotion of co-production, joint-financing, distribution and development opportunities between screen industry producers in the Atlantic Provinces and those internationally. The mission will enhance the group's knowledge of working with producers on an international scale."⁶¹

- Actively participating in plans by Eurimages to extend its funding activities to television series and, at the appropriate moment, encouraging the Government to provide additional funding for Portugal to support this expansion. While these plans are not yet formally agreed, a high-level conference jointly organised by the Hungarian Presidency of the Council of Europe and Eurimages in Budapest between 30th September and 1st October 2021 provided additional momentum for the extension of support by Eurimages to television series and it is widely expected that formal proposals will be tabled by Eurimages in due course.
- Engaging with all streamers entering the European market (HBO Max, Disney+) as well as established ones (Netflix, Amazon Prime, Paramount Plus) to make them aware of the potential of Portuguese works and talent.

⁶¹ <https://screennovascotia.com/producer-mission-efm-2022/>

8. STRATEGIC PRIORITY AREA FIVE — TRAINING AND TALENT DEVELOPMENT

8.1. Overview

Globally, investment in film and television production has been at unprecedented levels, with a deluge of production being undertaken worldwide, reaching US\$177 billion in 2019.⁶² Although COVID-19 has interrupted this growth, there is evidence of very strong returns to production in many markets – underlining the resilience of the sector.

The deluge of production means that many mature and emerging markets are facing capacity challenges, particularly in BTL roles.

Training provision and talent development schemes are struggling to keep up with demand, and markets are seeking to rapidly upskill their workforce and find new talent.

While some key infrastructure elements can be developed and brought online relatively quickly others can take years to develop. This is particularly true of a skilled and experienced BTL workforce. Typically, individuals working in BTL roles develop their abilities over successive productions and development and replenishment of quality crew is now a key challenge for many production markets globally.

Portugal has lacked a cohesive and co-ordinated approach to industry skills and talent development and pathways. Formal training pathways do not exist for many BTL roles in Portugal and there is a need to create awareness that they exist as a career option.

Consultations have highlighted that there is a small workforce in Portugal, and that finding sufficient talent in the current market can sometimes be challenging.

To a degree, the ability to draw workers from other markets such as Spain has eased pressure in this area, but as production increases in a growing market, workforce capacity and training provision need to be addressed. This is a key opportunity for Portugal and ICA should consider developing this as a strategic priority in line with global market trends. Finding a way to support the development of the workforce is critical.

Given the global skills shortage there are a number of key trends of relevance from other markets. These include:

- The need for a national body, committee or organisation to oversee skills and training development, as well as closely aligning provision with areas of specific industry need through tracking
- The importance of developing adequate national vocational 'on-the-job' training which is accredited and standardised in line with other industries
- Informal and reactive industry-based skills strategies delivered by production companies, crew agencies, studios and streaming companies who are keen to implement both bespoke fast-track, and longer-term solutions to help fill capacity and training gaps
- A focus on delivering skills and talent training in the regions
- Training solutions being executed through a diversity and inclusion lens.

In some markets, automatic incentive systems are being used to drive skills.

8.2. Challenges

Investment in the type of industrial skills and training strategy outlined in the previous section will require funding and strategic partnerships. However, the need for a nationally coordinated approach to skills development and training in the screen industry is crucial.

⁶² *The Impact of Film and Television Production on Economic Recovery from COVID-19*. Ibid

As outlined in Section 9, Portugal has opportunities to continue expanding its production output and, to support this, it will be important to ensure that the BTL workforce is trained to a consistent and accredited international standard.

However, there are challenges in this area, one of which is lack of workforce data and the need to create a benchmark with which to measure capacity growth and progress. Another challenge is the ability to attract workers into the sector – including those with transferable skills who are already working in other industries. Some markets are implementing campaigns to attract workers with transferable skills.

The uncertain freelance nature of crew positions, long working hours, lack of training provision and lack of HR support may exist as challenges in finding new talent. Often, the responsibility falls to the BTL crew themselves to ensure that their skills are up-to-date and relevant in the face of a lack of readily available training options.

The freelance nature of such work may also mean that a lot of homegrown talent gets lost to other industries and territories, where skills are transferable. It is worth noting that many freelance BTL crew may leave the industry to seek more stable employment at the stage when they are considering having a family and taking on responsibilities that require more stability.

Diversity and inclusion is at the top of the agenda globally and for incoming productions to Portugal, and should be prioritised.

8.3. Opportunities

Despite the challenges outlined above, there is also an opportunity for Portugal to learn from other markets in this area: workforce capacity, training and skills development is an area of global priority and best practice can be easily identified. There is also an opportunity for Portugal to address this with a new approach.

Portugal could develop a strong progressive strategy which is sufficient for growing and diversifying the industry with up-to-date skills profiling and training provision suitable for the dynamic screen landscape; for example, roles such as digital imaging technicians and large-scale multiple-series production accountants, where there is virtually no current training at all.

There is also an opportunity to develop a diversity and inclusion strategy in tandem with training and new talent development. Developing baseline data and monitoring from the start is crucial.

8.4. Comparable Jurisdictions and Strategies; UK, Spain, Greece, Netherlands, Sweden

Some best-practice examples of training and talent development in similar territories are outlined below.

ScreenSkills (UK)

ScreenSkills is the industry-led skills body for the screen industries – film, television (including children's, unscripted and high-end), VFX (visual effects), animation and games.

The organisation operates a voluntary levy on its film and high-end television tax reliefs, with eligible productions paying a 0.5% share of their UK expenditure – up to a specified cap – into a fund which ScreenSkills uses to invest in training in the production sector. To date, the major producers have been key contributors to this fund, recognising the value achieved through the support of skills development to help grow the UK's production sector.

Funding from the levy funds are disbursed through a number of schemes, which sectoral skills councils – made up of industry participants – prioritise. Such funding can be used to help an individual within a production move up a grade over the course of the project, to support the hiring of trainees into a project (with trainees identified by ScreenSkills), and to access specific

short or longer-form training schemes for individuals. Productions paying into the scheme have access to a stream of funding which they can use to support freelancers working on their projects.

In total, the high-end television levy supported 1,086 individuals in 2017-18 (the most recent year for which figures are available). Within this, 67 were new-entry trainees, 73 were those moving up in grades, 224 were those attending intensive skills boot camps, and 50 were experienced crew provided with a boost to their industry connections.

ScreenSkills also offers industry transfer and specific bespoke training courses as a response to workforce shortages and gaps. Recent examples include short courses (partnering with employment services, industry and training providers) for production accountants, location managers and post-production supervisors to fast-track new entrants. Another example is an industry transfer scheme which re-trained 1000 employees who were laid off from airport work during the height of the pandemic with skills which were transferable to the screen industries.

Screen Skills Ireland

Ireland has a long-standing skills development programme, run through Screen Skills Ireland, which delivers training based on identified industry needs and priorities for the sector. It is focussed on achieving the best cost-benefit balance, and providing a mixture of free and subsidised courses.

In recognition of the freelance model, there is a close liaison with employers in the production sector to ensure people have the time to attend courses.

As part of recent revisions to Ireland's Section 481 production incentive, this scheme has become more formalised. Productions applying for the incentive are required to put skills development plans in place, and to provide time for training towards agreed goals.

EKOME and IEK AKMI (Greece)

Greece has number of paid internship schemes some of which are state supported. EKOME partnered with Nu Boyana Film Studios and the Nu Boyana/Film Forge centre for vocational training to offer paid internships for Greek citizens in 2019. The internships were for three months, based at the Nu Boyana studio in Sofia.

The internships were designed to offer professional and technical skill training on-set while working with industry professionals and using state-of-the-art equipment. Interns were paid monthly by Nu Boyana, with EKOME subsidising part of the accommodation and board expenses for interns. This is part of a larger internship programme run and organised by Film Forge, Nu Boyana's vocational training centre.

IEK AKMI is a state-accredited private vocational training program based across 6 campuses in Greece. It offers vocational training certificates in a number of BTL areas, including: set and costume design, camera operating, and editing. These courses run for two years and incorporate both theory-based and practical classes. Students have access to state-of-the-art equipment and complete one film each semester, leading to a final thesis project. The camera operating course includes subjects such as: lighting, technical workshops, online editing, multi-camera systems.

Netherlands Film Fund (Netherlands)

The Netherlands Film Fund offers film professionals financial support to undertake short-term training in either the Netherlands or internationally. The grant covers training related to production, direction, scenario development, distribution and innovation of the film sector. The training must demonstrate an ability to increase the professional knowledge and skill of the applicant and relate to Dutch film practice. The contribution is a maximum of 75% or €3,000 to the costs for an independent film professional. For professionals employed at a film

company, the maximum contribution is capped at 50%. The funding is cross-cutting as regards genre, and includes distribution and innovation in the sector which is key to growth.

In addition to the training grant noted below, the Netherlands Film Fund offers funding for talent development in the region and has launched a film education hub pilot project for 2019-2020.

Formation of a Vocational Board for Film and TV (Sweden)

In 2019, key stakeholders including film agencies, the employers association and other stakeholders met to discuss the skills shortage in film and television in Sweden. That year also saw the publication of a study proposing the formation of a skills competence structure and professional committee for film and TV in Sweden with a strategy to address skills gaps issues with a systematic approach. This included a qualifications framework, providing an earn-as-you-learn internship model and a recruitment and skills strategy.⁶³ The growth of scripted television content in Sweden may provide an advantage for a national training strategy where on the job training on episodic drama, for example, could offer longer industry training placement than on an individual film.

The first quarter of 2021 saw the formal creation of a new film and television industry vocational board in Sweden. This new body comprises all significant production companies, national media companies, the Swedish Film Institute, regional funds, the employers' association, global streamers such as Netflix and the unions.

8.5. Recommendations and Implementation

Building and formalising workforce and talent training is a key priority for Portugal. As outlined, a notable element of best practice from other markets is to implement a nationally co-ordinated approach which addresses formal and informal training pathways across an entire career.

In a growing global production sector, the ability to identify shortages as they arise and react swiftly is also crucial, and ICA should consider developing a film and television sector skills vocational board. This could be used to identify critical areas for skills support, and also set strategy for targeted interventions – for example by partnering with specific training institutions, industry bodies, education departments and employment bodies. This could include consideration of transferring people from other industries.

The development of short professional courses for those already in the industry will also be advisable.

Strategy in this area should also focus on the regions and given the challenges around regional exhibition could provide additional focus on programming, marketing and exhibition.

Connections could also be made with any future studio developments in Portugal where training might potentially be integrated into development plans.

⁶³ Förstudie på uppdrag av Film&TV-Producenterna, med stöd från Svenska Filminstitutet, om förutsättningarna för att bilda ett nationellt kompetensförsörjningsorgan för den svenska film- och TV-branschen. Charlotte Gimfalk, 16th August 2019. Accessible at: <https://filmtvp.se/wp-content/uploads/2019/10/Yrkesnamnd-Film-och-TV.pdf>

9. STRATEGIC PRIORITY AREA SIX – DRIVING INWARD INVESTMENT

9.1. Overview

One important area for developing Portugal’s cinema and audiovisual sector is attracting film and television productions from overseas – i.e. inward investment.

As outlined, global expenditure is at unprecedented levels and developing a market to service such productions – and deliver the associated economic and industrial benefits – is a key focus of strategy for many European markets. This includes Spain, with its stated strategic aim of increasing productions by 30% in four years.

Portugal has recognised this opportunity and has established an incentive system and a national film commission to market the Portuguese production offer to global producers. These efforts have had some success in attracting attention from international producers and drawing additional investment into the country, and both will be essential to stimulating further growth in the future.

ICA should continue to be ambitious in its strategy in this area. Many markets are experiencing capacity constraints and there exists a clear opportunity for Portugal to drive the value of inward production given its attractive production offer. An expansion of international production would also have positive impacts on infrastructure and skills development, as demonstrated by other markets.

9.2. Challenges

A key challenge in this area for Portugal is competition. As global production has gathered pace, so too have the number of strategies and interventions in other jurisdictions designed to attract high-value production. Currently, there are almost 100 automatic incentive systems on offer worldwide with most European countries now offering such a mechanism.⁶⁴

Given the importance of incentives in attracting and retaining production, a key challenge is that consultations have pointed to some difficulties in the administration of the system. While the model is considered to be good, there are some reported issues – for example, meeting deadlines for payment. Ensuring a well-funded and functional system is critical for success in this area.

In addition to incentives, markets have also been developing their wider production offer at pace. This includes in the development of crew and talent – a priority for Portugal, as outlined earlier in this Study – as well as infrastructure. Some markets are also offering regional selective funding to incoming productions as well as uplifts in the value of the incentive for shooting in the regions.

A further challenge is Portugal’s lack of a major studio. It is not suggested that developing such a site should be a strategic focus of ICA’s, but if successful the wider development outlined in this section would leverage investment in such infrastructure.

Some consultations raised concerns around production costs following the introduction of the incentive. This has not been tested by this Study, but should continue to be examined by ICA. The increased industry training recommended elsewhere in this document will help offset this, by increasing workforce capacity.

⁶⁴ *Global Incentives Index*. Olsberg•SPI, November 2021. Accessible at: <https://www.o-spi.com/projects/blog-global-incentives-index>

9.3. Opportunities

As outlined, the global production deluge is a significant opportunity for Portugal across a number of areas – including the potential to create jobs and deliver enhanced economic impact.

Because the country already has an incentive and a national film commission it is in a strong place to increase growth. To take more advantage of the production opportunity, Portugal should continue to strengthen both of these areas – ensuring that the incentive is stable and well-funded, and that the film commission is able to continue to undertake effective international marketing.

The Portuguese production offer is very good, with a good diversity of locations, low costs and sunlight. It is also a safe and politically stable market within the EU, most especially following the decisive outcome of the elections in January 2022.

9.4. Comparable Jurisdictions and Strategies

Spain

Spain has announced an ambitious sectoral strategy for 2021 to 2025 which aims to establish the country as a leader audiovisual hub in Europe. This strategy emphasises that the global sector has undergone a revolution in recent years, resulting in new business models and drastic shifts in the way audiovisual content is produced and consumed. The main benefit of this process, as recognised in the strategy, is that the “boundaries of national audiovisual consumption markets have blurred”.⁶⁵

The strategy focuses on job creation and the economic benefits delivered by the sector. When announcing the plan, Spain’s Prime Minister recognised that the “audiovisual industry is key in terms of employment and economy [according to the ministry of culture it accounts for 3.2% of Spain’s gross domestic product] as well as our cultural identity and international projection”.

Available funding is far in excess of that available in Portugal. The plan outlines an investment strategy for €1.6 billion, which will be managed with the involvement of the Spanish Ministry of Economy. The strategy is designed to increase production by 30% in four years and is based on four axes to achieve this goal.

Around \$284 million of the funds available are earmarked for the first axis, which aims to encourage the digitization of audiovisual activities which would facilitate the gathering of audience data and in this way, support both Spanish productions internationally and the presence of international companies in Spain. Measures associated with this axis include the design of initiatives to support the country’s participation in festival markets, co-production forums and spaces for the sale and purchase of audiovisual rights with special focus on the Latin American markets. Furthermore, funds will be used towards the implementation of new instruments for international promotion and digital marketing of audiovisual content, along with the distribution of national content abroad.⁶⁶

The biggest outlay, \$1.57 billion, will be allocated towards the incentive system. The goals of this investment include easing access to financing, broadening project eligibility, creating new lines of public support to the audiovisual industry, and narrowing the gender gap. The Spanish incentive system includes a 30% tax rebate on the first million euros of deductible expenses

⁶⁵ *Spain Audiovisual Hub of Europe*. Gobierno de España, March 2021. Accessible at: <https://portal.mineco.gob.es/en-us/TID/hub-audiovisual/Pages/el-plan.aspx>

⁶⁶ Ibid.

and 25% for the other expenses. The Canary Islands offer a 50% tax rebate, and the region of Navarre offers a 35% tax credit.⁶⁷

Beyond the strengthening of the incentive system, this axis will generally aim to improve the financial and fiscal instruments which assist audiovisual production in Spain by creating plans for reimbursable financing and participative loans to be offered by government entities.

The third axis of the plan is focused on the availability of talent and human capital. Around \$17.7 million in funds will be overseen by the Spanish Ministries of Education and Industry. This aims to ensure that studies are adapted to the needs of the industry, as the digitization and convergence processes taking place have resulted in production companies needing professionals with new skills.

The final axis aims to either simplify or eliminate bureaucratic hurdles to facilitate international filming in Spain, with \$21.3m is allocated to this goal.⁶⁸

The discernible impacts of the shift on European production can be summarized as an increase in the production of television dramas, a trend of reallocation of resources from television movies to series, shorter series to retain viewers, increased instances of alliances between companies to increase budgets through co-productions and heightened competition for the best new talent.

Within Europe, Spain was the main producer of television hours in 2019.⁶⁹ Spanish television content has also been recognized for its ability to travel and win audiences outside of its national market. The most notable example of this is *La Casa de Papel*.⁷⁰

It would be relevant for Portugal, in defining the upcoming strategy for its own audiovisual industry, to consider how Spain has taken full advantage of the blurring “boundaries of national audiovisual consumption markets.”⁷¹ Spain has recognised the scale of the opportunity provided by the shift towards digital consumption. The strategy cites a battle to win or preserve audiences, with the recognition that, in Europe, television series are the centre of this battle.

Spain’s focus on the audiovisual sector is evidence of the need to consider audiovisual content in the round. The Spanish plan makes provision for both traditional audiovisual content such as fiction television content production and multimedia and transmedia content, including video games and immersive virtual reality experiences.⁷²

France

In recent years, France has introduced significant changes to its tax incentive as means of establishing itself as a centre for international production, notably in the field of VFX.

Managed by the CNC and paid by the French tax authorities, the French incentive for foreign film productions, the Tax Rebate for International Productions (TRIP) has operated since 2009. It is part of an extensive support system for film in France which is regulated by the state. This system includes long-established levies and quotas on cinemas, broadcasters, pay-TV operators and more recently subscription on video-on demand services. The TRIP acts as the international counterpart to the domestic French *crédit d’impôt* and provides a fiscal incentive

⁶⁷ Pedro Sánchez presents ‘Spain, Audio-visual Hub of Europe’ plan, with over 1.6 billion euros of public investment to 2025. La Moncloa, 24th March 2021. Accessible at: <https://www.lamoncloa.gob.es/lang/en/presidente/news/Paginas/2021/20210324audiovisual-hub.aspx>

⁶⁸ Spain Audiovisual Hub of Europe. Ibid

⁶⁹ Yearbook 2020-2021 Key Trends: Television, Cinema, Video and On-Demand Audiovisual Services – the Pan-European Picture

⁷⁰ Parrot Analytics Global Heat Map for *La Casa de Papel* (August 30 – September 5, 2021). See “*La Casa de Papel*” Becomes the most in-demand TV show in the world. Señal News, 8th September 2021. Accessible at: <https://senalnews.com/en/research/la-casa-de-papel-becomes-the-most-in-demand-tv-show-in-the-world>

⁷¹ Ibid.

⁷² Spain Audiovisual Hub of Europe. Ibid

for non-French qualifying productions. As with the domestic model, it operates as a refundable tax credit with a value of 30% but with an uplift to 40% for VFX. In 2019, 54 projects were approved for support through the TRIP, including 11 live action feature films, one full length animated film, 34 television series (of which 12 were animated), three feature film VFX projects, four television series VFX projects and a VR project.⁷³

A 2014 study for the CNC identified the particularly positive impact of the TRIP on the animation sector as well as on VFX. It stated that 3,171 of the 3,677 FTEs on 2013 TRIP productions were recorded in animation.⁷⁴

The TRIP's VFX uplift was introduced in 2020.⁷⁵ It has attracted international attention and although it is early days, it appears particularly useful in attracting VFX work to France at a time when VFX work is more mobile than ever before (especially in the wake of COVID-19). The objective is to help grow the French visual effects sector, especially as VFX and digital production more generally becomes ever more important.

The VFX uplift is for live-action projects (animated productions do not qualify) which involve a substantial amount of digital visual effects work. The live-action production work does not have to be undertaken in France for the incentive to apply, meaning VFX-only projects are eligible for the 40% VFX incentive. However, projects where the majority of expenses in France are for live-action production are also eligible as long as they meet the VFX uplift requirements below.

Eligible projects must include a substantial amount of digital visual effects (defined as at least 15% of total number of shots, or on average one-and-a-half shots per minute, being subject to digital processing aimed at adding characters, decor elements or objects participating in action, or to modify the rendering of the scene or the point of view of the camera).

The film must include €2 million of eligible expenses relating to the digital processing of shots (carried out by a service provider established in France and corresponds to the definition of "VFX-related").

It must also pass a test. If French expenditure is principally related to digital visual effects, a "VFX" test will be used. Where a greater proportion of French expenditure is not VFX-related, the project is eligible if it passes the "Live Action" test and shoots for at least 5 days in France (including green screen).

For projects which qualify for the uplift, the 40% incentive rate applies to all eligible French production expenses (i.e. including live-action expenses).

9.5. Recommendations and Implementation

As demonstrated by the approach taken by France and Spain, robust funding provided by an automatic incentive system is critical for developing international production throughput.

Portugal has implemented such a system and focus should now be on ensuring its continued success through adequate funding. Ensuring good administration and timely payment is also critical to Portugal being regarded as an effective location for international production and ICA should continue to advocate for this.

⁷³ *Rapport D'activité. CNC, 2019.* Accessible at: <https://www.cnc.fr/documents/36995/168959/Rapport+d%27activite%CC%81+2019.pdf/b800637f-6dd0-4561-8c38-43adb2219959>

⁷⁴ *Evaluation des dispositifs de crédit d'impôt.* EY/CNC, October 2014. Accessible at: [Evaluation des dispositifs de crédit d'impôt](#)

⁷⁵ The law for the VFX uplift was passed in 2018; the European Commission approved it in April 2020; the uplift applies to expenses incurred after 1st January 2020.

While Portugal's production offer is notably good, it operates in a highly competitive market and producer relationships and global marketing should continue to be a priority. The Portugal Film Commission should continue to undertake global marketing in this regard.

Noting how other markets are developing regional offers, ICA should consider whether there is any scope, through partnerships, for regional selective funds for international projects in Portugal.

10. APPENDIX ONE: BIBLIOGRAPHY

- *A Exibição não comercial de cinema em Portugal*. Faculdade de Economia da Universidade do Porto, 2018. Accessible at: <https://exibicaoonaocomercialdecinema.weebly.com/etapas.html>
- *Apoio à Divulgação e Promoção Internacional de Obras Nacionais 2020*. Instituto do Cinema e do Audiovisual, 2020. Accessible at: https://www.ica-ip.pt/fotos/concursos/candidaturas_apoiadas_18_03_2021_17339605314d817281.pdf
- *A Strong, Sustainable and Dynamic European Film Industry and Culture – Our Vision for 2030*. EFAD - European Film Agencies Directors association, February 2020. Accessible at: <https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/efad-our-vision-for-2030-v1.pdf>
- *Candidaturas Admitidas e Apoiadas*. ICA. Accessible at: <https://www.ica-ip.pt/pt/downloads/candidaturas-admitidas-e-apoiadas/pagina-1/>
- *The circulation of European films in non-national markets: Key Figures 2019*. EAO, 2021. Accessible at: <https://rm.coe.int/export-2020-en-final-online-version/1680a1e35f>
- *Commission Decision on State Aid*. European Commission, 8th May 2012. Accessible at: https://ec.europa.eu/competition/state_aid/cases/224304/224304_1396907_301_2.pdf
- *Convocatória Aberta para Mulheres Cineastas Portuguesas*. Academia Portuguesa de Cinema, 29th July 2021. Accessible at: <https://www.academiadecinema.pt/actividades/convocatoria-aberta-para-mulheres-cineastas-portuguesas/>
- *Create films, TV or new formats of storytelling*. BFI. Accessible at: <https://www.bfi.org.uk/get-funding-support/create-films-tv-or-new-formats-storytelling>
- *Creative Europe MEDIA Strand*. European Commission. Accessible at: <https://ec.europa.eu/culture/funding-creative-europe/creative-europe-media-strand>
- *Creative Futures Fund*. Screen Ireland. Accessible at: <https://www.screenireland.ie/funding/distribution-loans/creative-futures-fund>
- *Denmark on Film Archives*. Danish Film Institute. Accessible at: <https://filmcentralen.dk/museum/denmark-paa-film>
- *Distribution of Film for Children and Young People*. Danish Film Institute. Accessible at: <https://www.dfi.dk/branche-og-stoette/stoette/formidling-af-film-boern-og-unge>
- *Entering the new paradigm of artificial intelligence and series*. Council of Europe and Eurimages, December 2021. Accessible at: <https://rm.coe.int/eurimages-entering-the-new-paradigm-051219/1680995331>
- *Estonian Film Institute Director: Series production needs more contribution*. ERR, 9th September 2021. Accessible at: <https://news.err.ee/1608332780/estonian-film-institute-director-series-production-needs-more-contribution>
- *Eurimages Conference: "Preserving independent production, diversity and pluralism in TV series in Europe"*. Hungarian Presidency – Council of Europe, May - November 2021, Main Presidency Events, October. Accessible at: <https://huncoepres.mfa.gov.hu/eng/page/main-presidency-events>
- *European Commission's new private equity platform Media Invest "on track" for launch by end of 2021*. Screen Daily, 21st September 2021. Accessible at:

<https://www.screendaily.com/news/european-commissions-new-private-equity-platform-media-invest-on-track-for-launch-by-end-of-2021/5163482.article>

- Evaluation des dispositifs de crédit d'impôt. EY/CNC, October 2014. Accessible at: [Evaluation des dispositifs de crédit d'impôt](#)
- Film Education After the Pandemic: Issues and Challenges. Creative Europe Media, January 2021. Accessible at: https://www.visionkino.de/fileadmin/user_upload/projekte/Internationale_Projekte/Film_Education_after_the_pandemic.pdf
- Förstudie på uppdrag av Film&TV-Producenterna, med stöd från Svenska Filminstitutet, om förutsättningarna för att bilda ett nationellt kompetensförsörjningsorgan för den svenska film- och TV-branschen. Charlotte Gimfalk, 16th August 2019. Accessible at: <https://filmtvp.se/wp-content/uploads/2019/10/Yrkesnamnd-Film-och-TV.pdf>
- The future of entertainment. The Economist, 14th November 2019. Accessible at: <https://www.economist.com/briefing/2019/11/14/the-future-of-entertainment>
- General Block Exemption Regulations (Article 54). European Commission, 2014. Accessible at: https://ec.europa.eu/competition/state_aid/legislation/gber_regulation_en.pdf
- Global Incentives Index. Olsberg•SPI, July 2021. Accessible at: <https://www.o-spi.com/news/july-2021-update-of-spis-global-incentives-index>
- Global Screen Production – The Impact of Film and Television Production on Economic Recovery from COVID-19. Olsberg•SPI, 25th June 2021. Accessible at: <https://www.o-spi.com/projects/economic-impact-studies-research-and-evaluation-ly9lh>
- The ICA shines a spotlight on the state of Portuguese cinema. Cineuropa, 7th March 2019. Accessible at: <https://cineuropa.org/en/newsdetail/369056/>
- It's Idiotic': Finnish Film Foundation CEO Lasse Saarinen Laments Planned Budget Cuts. Variety, 24th September 2021. Accessible at: <https://variety.com/2021/film/global/finnish-film-foundation-lasse-saarinen-1235073471/>
- Key figures. ICA, 6th May 2021. Accessible at: https://ica-ip.pt/fotos/downloads/ica2021_estati_sticas_06_05_2021-oficial_84496095of76bodo2.pdf
- Key trends in the European audiovisual sector: all the key figures to imagine the post-COVID world. EAO, 19th June 2021. Accessible at: https://www.obs.coe.int/en/web/observatoire/home/-/asset_publisher/wy5m8bRgOygg/content/key-trends-in-the-european-audiovisual-sector-all-the-key-figures-to-imagine-the-post-covid-world
- "La Casa de Papel" Becomes the most in-demand TV show in the world. Señal News, 8th September 2021. Accessible at: <https://senalnews.com/en/research/la-casa-de-papel-becomes-the-most-in-demand-tv-show-in-the-world>
- Lockdowns impact European linear broadcast performance. S&P Global, 30th September 2021. Accessible at: <https://www.spglobal.com/marketintelligence/en/news-insights/blog/lockdowns-impact-european-linear-broadcast-performance>
- Netflix e ICA lançam concurso para apoiar a escrita de series e documentários em Portugal. ICA, 29th April 2021. Accessible at: <https://www.ica-ip.pt/pt/comunicados/netflix-e-ica-lancam-concurso-para-apoiar-a-escrita-de-series-e-documentarios-em-portugal/>

- *Netflix Reveals \$17 Billion in Content Spending in Fiscal 2021*. Variety, 20th April 2021. Accessible at: <https://variety.com/2021/tv/news/netflix-2021-content-spend-17-billion-1234955953/>
- *Numbers*. Danish Film Institute, 2020. Accessible at: <https://www.dfi.dk/en/english/numbers>
- *O Pátio das Cantigas*. Box Office Mojo by IMDBPro. Accessible at: <https://www.boxofficemojo.com/release/rl1363707137/weekend/>
- *Pedro Sánchez presents 'Spain, Audio-visual Hub of Europe' plan, with over 1.6 billion euros of public investment to 2025*. La Moncloa, 24th March 2021. Accessible at: <https://www.lamoncloa.gob.es/lang/en/presidente/news/Paginas/2021/20210324audiovisual-hub.aspx>
- *Plano Estratégico para o Cinema e a Produção Audiovisual Independente 2014-2018*. ICA, 18th December 2013. Accessible at: https://ica-ip.pt/fotos/downloads/pl_estrategico_2014_2018_4438256255935b05a7b027.pdf
- *Portugal and Luxembourg join forces to launch the Luso-Luxembourg Fund*. Cineuropa, 14th July 2021. Accessible at: <https://www.cineuropa.org/en/newsdetail/407583/>
- *Portugal Launches New Rebate Program to Attract Film and TV Shoots*. The Hollywood Reporter, 26th February 2018. Accessible at: <https://www.hollywoodreporter.com/movies/movie-news/portugal-launches-new-rebate-program-attract-film-tv-shoots-1088653/>
- *Rapport D'activité*. CNC, 2019. Accessible at: <https://www.cnc.fr/documents/36995/168959/Rapport+d%27activite%CC%81+2019.pdf/b800637f-6dd0-4561-8c38-43adb2219959>
- *Rede de Teatros e Cineteatros Portugueses agora com 81 equipamentos*. Direção Regional de Cultura do Centro, 14th September 2021. Accessible at: <https://www.culturacentro.gov.pt/pt/noticias-e-eventos/rede-de-teatros-e-cineteatros-portugueses-agora-com-81-equipamentos/>
- *Regulamento Geral Relativo aos Programas de Apoios Financeiros*. ICA, 8th March 2021. Accessible at: https://www.ica-ip.pt/fotos/concursos/info/regulamento_geral_relativo_aos_programas_de_apoios_financeiros_2021-ica-dr_2430260473d546ebcf.pdf
- *Regulamento Geral Relativo aos Programas de Apoios Financeiros*. ICA, 16th June 2020. Accessible at: https://www.ica-ip.pt/fotos/downloads/regulamento_geral_concursos_2020_165105ee89aofc23a8.pdf
- *Resultados: Apoios Excepcionais COVID-19*. ICA, 12th April 2021. Accessible at: <https://www.ica-ip.pt/pt/comunicados/resultados-apoios-excepcionais-covid-19/>
- *Spain Audiovisual Hub of Europe*. Gobierno de España, March 2021. Accessible at: <https://portal.mineco.gob.es/en-us/TID/hub-audiovisual/Pages/el-plan.aspx>
- *Streaming drove 16.4% rise in 2020 global production, licensing spend to \$220bn (report)*. Screen Daily, 28th June 2021. Accessible at: <https://www.screendaily.com/news/streaming-drove-164-rise-in-2020-global-production-licensing-spend-to-220bn-report/5160937.article>
- *SVoD Forecasts Update*. Digital TV Research, October 2021. Accessible at: <https://digitaltvresearch.com/product/svod-forecasts-update/>

- *Television Directorate.* CNC. Accessible at: <https://www.cnc.fr/web/en/about/directorates-and-departments/television-directorate>
- *Under 30's Film Insights.* BIFA, 14th October 2019. Accessible at: <https://www.bifa.film/news/under-30s-and-film-insights/>
- *Variações.* LUMIERE. Accessible at: https://lumiere.obs.coe.int/web/film_info/?id=83939
- *Vitalina Varela by Pedro Costa.* Locarno Film Festival News, 17th August 2019. Accessible at: https://www.locarnofestival.ch/en/LFF/news/2019/day-11/Pardo_d%E2%80%99goro_VITALINA-VARELA
- *The Walt Disney Company investor day Transcript,* 10th December 2020. Accessible at: https://thewaltdisneycompany.com/app/uploads/2020/12/Disney_Investor_Day_2020_transcript.pdf
- *Women represent less than one film director out of four in Europe.* EAO, 31st July 2021. Accessible at: https://www.obs.coe.int/en/web/observatoire/2020-press-releases/-/asset_publisher/O7G4MOBEG423/content/women-represent-less-than-one-film-director-out-of-four-in-europe?
- *Yearbook 2020-2021 Key Trends: Television, Cinema, Video and On-Demand Audiovisual Services – the Pan-European Picture.* EAO, May 2021. Accessible at: <https://rm.coe.int/yearbook-key-trends-2020-2021-en/1680a26056>