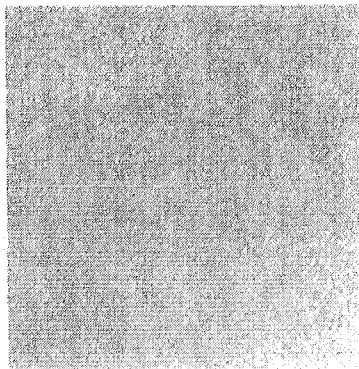
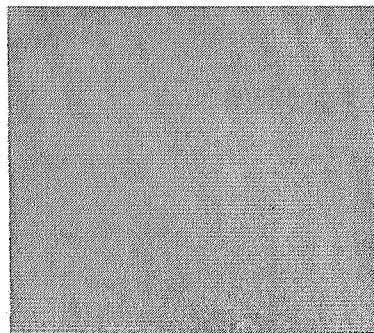




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OPENING SESSION

I would like to welcome you to this European Audiovisual Conference. Allow me to greet the European institutions present here today: the Presidency of the Council of Ministers, the European Parliament, the Council of Europe, the Economic and Social Committee and the Committee of the Regions. I convey a warm welcome to the representatives of the EFTA countries participating in the European Economic Area and of the Member States of the European Union, also extended to the delegates of the Central and East European countries with whom the Union has signed Association agreements covering the audiovisual sector. Last but not least, I hail the professionals themselves to whom this conference is addressed and whose presence and role are indeed essential for a positive outcome.

I would like to thank very deeply the President of the European Parliament, Dr Egon Klepsch, who unfortunately cannot be here with us today, for having granted us these magnificent new installations, allowing for the notable representation we have in this hemisphere.

A special word of thanks to the members of the Think tank and to the chairmen of the Forward Planning Group and of the thematic hearings who contributed in a decisive way to make this conference a reality.

AUDIOVISUAL IS NOT A MERCHANDISE LIKE ANY OTHER

It has often been said that audiovisual is not a merchandise like any other. I cannot but concur with this view. Audiovisual products, that is films and television programmes, have a specificity of their own. First of all, because of their undeniable cultural content; secondly, because of their major

PROFESSOR JOÃO DE DEUS PINHEIRO MEMBER OF THE COMMISSION, RESPONSIBLE FOR INFORMATION, COMMUNICATION, CULTURE, AUDIOVISUAL

economic importance and their potentiality for job creation and, finally, because of the ever-changing technology that is used both to produce and distribute them. I have to underline the cultural dimension of audiovisual which is a very unique and distinctive trait and which clearly sets it apart from other sectors. In short, we are dealing with a specific, I dare say, an exceptional product from several points of view

If these characteristics are widely known, we need to have a sound policy for the sector. This policy must be redefined in light of the swift mutations we are witnessing at the turn of this century and it must be consistent with other ongoing European Union policies.

NEED TO ACT NOW

Why do we need to act now? Let me give you a brief outlook.

The end of 1993 was a decisive cornerstone for rendering the strategic importance of the audiovisual sector clearly transparent and revealing the importance of defining the basic direction of the future policy of the EU in the communications sector.

Two main factors have acted almost simultaneously to encourage a major change in attitude in the way we Europeans look at the audiovisual sector. These factors have been the negotiations of services in the framework of the Uruguay Round and the adoption by the European Council of the White Paper on growth, competitiveness and employment.

The analysis of the final accord after the GATS negotiations leads the Commission to express two fundamental considerations which define the scope of any reflection on future action in the audiovisual sector:

(a) the audiovisual sector is not excluded from GATS and it has been accorded no special status, cultural or otherwise. As such it is subject to the provisions of the accord relative to progressive liberalization.

(b) The EU's obligations are limited to assuring transparency on any possible new measures adopted. Beyond this we have succeeded in maintaining a free hand with regards to the different aspects of our audiovisual policy.

The White Paper opened the debate on the major trends in our society on the eve of 21st century, and underlined the important potential of the European audiovisual sector, mainly in terms of employment, and the need to improve its competitiveness making effective use of the new information and communication technologies.

The first visible consequences of the White Paper were duly appraised by the Commission and concrete actions were envisaged. Thus, the need for a strategy regarding the content, i.e. the programmes, and we ventured into the Green Paper exercise. Thus, the need for a strategy on infrastructures and applications and the Bangemann Group produced its report on the 'Global Information Society', presented at the recent European Council in Corfu. Moreover, one of the conclusions of this Summit was the need to underline the importance of the linguistic and cultural aspects in this context.

To summarize, Europe is now in a transitory phase of limited duration. We have a brief respite in the audiovisual field. And our fundamental political option is either to use this respite to create efficient industries that match our ambitions or to give up and take the economical and cultural consequences that lack of action would entail. The definition and implementation of a European policy for the programme industry is therefore most urgent. We have to act now.

That is the main reason why I consider 1994 to be the European audiovisual year. Therefore, on my political calendar I have set some clear objectives and corresponding deadlines. I shall come to these points a little later on.

COMMISSION STRATEGY

In the light of the above analysis, the Commission undertook a vast and ambitious re-examination of policies in Europe in order to render the European audiovisual sector competitive inside the Union and with the aim of making its products attractive to foreign markets.

In this context the Commission adopted the Green Paper on strategy options to strengthen the European programme industry in the context of the audiovisual policy of the European Union. It was based on numerous contributions from the industry and from professionals of the sector, on submissions by Member States and on a report by a Think-tank of highly esteemed European experts.

Let me emphasize that in my own view one could say that the Green Paper exercise can be seen as being composed of two parts. What I might call a part A which is the Commission's official document with institutional implications and which has been duly submitted to the Council of Ministers and to the European Parliament, among other institutions. And a part B which is the Think-tank report. Although commissioned by the Commission in order to obtain direct input from a selected group of professionals into the Green Paper drafting process it is an autonomous document of the sole responsibility of the Think-tank and its members. I must point out that its conclusions and proposals, daring as they may be, are indeed very relevant to nourish the ongoing debate regarding the European audiovisual sector.

In other words in the Green Paper, after a brief explanation of the current state of play in the audiovisual sector, we mention the challenges facing the European programme industry, the existing instruments and we refer to the options for the future in terms of open questions. We hope these

are the right ones. The Think-tank report has a more detailed diagnosis of this situation, calls for a strategic transformation of the sector and puts forward concrete recommendations.

It must be stressed once again that a clear line separates both documents, as their respective status, objectives and methodologies are different.

GREEN PAPER — BRIEF ANALYSIS

Allow me, now, to give you an overall view of the Green Paper. It starts off with two basic premises:

- A. Films and television programmes are important vectors of culture conserving their specificity amongst new types of audiovisual products.
- B. The programme industry is more and more a strategic element in the audiovisual sector insofar as it is deemed necessary to provide content to render the newly available facilities and services meaningful to the consumers. That is the reason why the most powerful operators (constructors of equipment or cable and telecommunication operators) try to control the most important catalogues of programmes.

The initial contributions and discussions have shown that there exists a virtual consensus on the following four points confirming the need for a wide-ranging debate on the future of the audiovisual industry in Europe:

(i) the audiovisual industry is a special case amongst high-growth industries, in particular with possibilities it offers for job creation;

(ii) the safeguarding of the diversity of national and regional cultures, often expressed in terms of maintaining the choice available to the public, is now clearly linked to the development of a predominantly European programme industry which must be profitable;

(iii) digital compression technology is seen as revolutionary because it appears set to transform the sector, accentuating the strategic role of the programme industry;

(iv) if the European Union wants to strengthen its audiovisual policy, it must act quickly, otherwise it will be overtaken by the rapidly developing technology and the unavoidable liberalization of the industry at international level.

The essential problem can therefore be summed up as follows:

How can the European Union contribute to the development of a European film and television industry which is competitive on the world market, forward looking and capable of radiating the influence of European culture and of creating jobs in Europe?

In view of the importance of the issue, I convened this gathering which consists of a wide consultation of European professionals based on the Green Paper. It goes without saying that the themes and recommendations of the Think-tank report, as well as other submissions from the profes-

sionals, from the European institutions and from the Member States, will also be very much in the centre of the debate.

EUROPEAN AUDIOVISUAL CONFERENCE — ORGANIZATION

As you are aware, the Conference is organized around two modules: the first, regarding the operational themes of the Green Paper, that is to say the rules of the games, pan-European perspectives, support mechanisms on the European level and the convergence of national systems of support, and the second consisting of a wide debate on the grand issue to which shall be confronted the European programme industry in the beginning of the 21st century.

EUROPEAN AUDIOVISUAL CONFERENCE — OBJECTIVES

On the basis of the conclusions of this conference and the numerous written contributions it has received, the Commission should be able to propose and implement a sound, effective and efficient policy based on the following strategic elements:

(i) remove barriers between national markets;

(ii) ensure genuine choice for the European public;

(iii) optimize opportunities for an industry with a future;

(iv) in the long term ensure the profitability of a sector in deficit.

Besides these long-term strategic objectives, this Commission will be in a position to put forward concrete proposals, for the short term, namely the possibility of setting the MEDIA programme on a new course after 1995 and the revision of the 'Television without frontiers' directive. These specific questions will be addressed and hopefully solved in the autumn. Deadlines will have to be met imperatively by the latter part of the year.

We do hope that within the framework of this conference the questions of the Green Paper will be able to find the appropriate answers from all concerned parties. I believe that is basically the purpose of this conference: to take stock of the reactions of representative European professional organizations and individual practitioners to this questions raised by the Green Paper. As the conference also has an institutional dimension it might also be considered as a forum for debate on possible Commission proposals for action at European Union level. Therefore, Union institutions will take part in the proceedings as well as the Member States and other interested parties.

OTHER ISSUES — THEMES NOT COVERED BY THE GREEN PAPER AND RELATIONS WITH THIRD COUNTRIES

At this stage, there are two issues on which I feel I should provide you with a brief explanation.

First of all, I have to acknowledge that perhaps we did not cover the whole terrain or all the possible themes when dealing with the audiovisual sector in our Green Paper. I'll have to argue that some of those themes are already covered or will be included in other Commission exercises and initia-

tives. We focused on the audiovisual programme industry, but we are quite open to any suggestions or ideas related to this central theme.

Secondly, being unable to invite everyone with an interest on audiovisual policy and acknowledging that this conference is mainly targeted at European professionals, I intend to brief third countries on the outcome of the conference, as it is also my intention to maintain and reinforce a dialogue with them, namely with those with which we enjoy a privileged relationship.

Finally, I would like to stress, that we are always open to submissions from each and everyone with an interest on audiovisual issues, irrespective of their nationality or whatever interests they might represent.

EUROPEAN AUDIOVISUAL CONFERENCE — EXPECTED OUTCOME

What is the expected outcome? Ideally we would be aiming at a consensual response regarding the essential questions put forward by the Green Paper. I firmly believe that this goal is achievable, provided there is sufficient will on your side to move ahead. At the very least, I believe that we can all benefit from a recognizable added-value for a consistent and coherent European audiovisual policy, as a detectable result of this reunion. But this would be the 'minimum minimorum' and we surely have to be more ambitious than that. We shall make efforts, to the maximum extent possible, to sort out differences and move forward. What we cannot and we shall not accept is that we have met here to make public our divergences, that we have agreed to disagree.

The Commission has the right of initiative but it will take into account the conclusions of the conference, in as far as possible.

Thus, it is paramount to have tangible and substantive results. Otherwise, you will leave us with no other choice but to act on our own.

I appeal to your good sense, and to a spirit of goodwill and compromise in order to attain the desired goals. Indeed, you will be the first beneficiaries.

CONCLUDING REMARKS

I believe that the right policies for the audiovisual sector can only be pondered, delineated and implemented within the framework of a permanent consultation.

We encourage, therefore, all contributions that may enrich our perception and shed further light for the future course.

At this stage it is important to stress the following points:

- (a) the bottom-up approach of this exercise;
- (b) that it will be conducted in total openness and transparency;
- (c) That the Commission policies must be consistent and coherent. To this end, all coordination efforts have been undertaken and we shall continue to do so at all levels, up to now and in the future;

(d) The conference does not preclude further discussion, namely at the political level;

(e) Besides the compliance with our own calendar, I understand that there will be a follow-up of the conference in many undertakings all over Europe. I do wish they will bear fruit;

(f) It is needless to say that this conference is aimed at you, the professionals. Therefore its successful outcome is basically in your own interests;

(g) And, last but not least, it is clear that the cooperation and the engagement of all European institutions is not only desirable, but indispensable for the success of our objectives. The Commission has indeed the role of a catalyst by promoting positive measures fully in tune with the policies to be pursued by each and every Member State of the Union.

MR JACQUES DELORS PRESIDENT OF THE EUROPEAN COMMISSION

Ladies and gentlemen, let me start by thanking you, on behalf of the European Commission, for taking part in this exercise, which we have every reason to believe is vital. Let me also thank the European Parliament and the Greek Presidency for their part in this conference, of which we have high hopes. Mr Pinheiro, who is responsible for these matters in the European Commission, has already outlined the state of play and the sort of questions that arise in a world of rapid change. You will have understood that the principles remain constant. Two of these are worth reiterating here.

The first is that culture is not a piece of merchandise like any other. I made this point at the first Audiovisual Conclave on 2 October 1989, and we shall repeat it here today. This principle was certainly a fundamental factor behind our firmness in the Uruguay Round negotiations, over and above the commercial interests at stake, for of course we are also well aware that the audiovisual sector is an important producer and exporter in many countries. But the fact remains that it is not a piece of merchandise like any other, and our thinking and policies continue to be based on this principle.

The second principle is equally self-evident: the need to preserve the diversity of our cultures and ways of life. Hence the insistence

on subsidiarity and the rejection of uniformity. Whatever the demagogues may say, the European Commission *is* concerned about this issue and is trying to reassure the various parties. It is a commonplace to say that ordinary people are disorientated by the pace of change, the globalization of problems, the internationalization of the economy. They need points of reference and a sense of belonging, but until now European integration has been seen as contributing to this complexity and anxiety. Culture, as the ultimate point of reference, can calm these fears. It encapsulates the sense of belonging. In an endeavour common to all of us we try, through contemporary works, to express our collective memory, our history and traditions.

How can we put these principles into practice today? This is the question you have to consider. For my part I should like to place it once again in the context of European integration. Whatever the complacent optimists may say, the European economies have reached a crossroads: survival beckons in one direction but decline threatens in the other. We have been warning the governments of the 12 Member States of the dangers of decline for the past year. You are meeting here to discuss these issues at a time when, to be perfectly frank, the European

Union faces a latent political crisis. Why is this? Plagued with self-doubt as we are, we fail to endow ourselves with the means to fulfil our stated ambitions. The nomination issue at the Corfu Summit was a prime example: the Member States cannot agree among themselves about the the purposes of European action. If this situation were allowed to continue, the result would be a loss of influence for Europe and, whatever some people might think, regardless of the form national introversion might take, an erosion of the diversity which we value so dearly.

Of course I recognize that artistic creation is not inevitably crushed by the weight of dictatorship. I admit that it is not necessarily affected by economic decline. How else can we explain the flowering of Latin American literature over the last 30 years, which predates the return of democracy and the economic revival. These conditions alone cannot guarantee the prosperity of the cultural industry. For this is also an industry which must disseminate European culture, contribute to economic and social development and job creation. The cultural pole and the industrial pole are both important. This is why Mr Pinheiro was so insistent that the audiovisual industry should feature in the debate about growth, employment and competitiveness and contributed these ideas to the White Paper. The three issues raised by the White Paper are indeed of interest to you. How can we make ourselves more competitive? How can we control technical progress? And how can we create more jobs? These questions are aimed at the leaders and workers in the creative audiovisual industry as much as those in other industries.

Turning first to competitiveness: in your field — to put it bluntly — it is measured by box-office sales and television audience ratings, but this does not stop the authori-

