

## ***A vision for Europe's independent production sector***

### **Who is CEPI?**

The European Coordination of Independent Producers (CEPI) was founded in 1990 to organise and represent the interests of independent television and film production companies in Europe. Today, CEPI represents 19 national trade associations across Europe, and is the only European organisation to include members from both the television and film sectors.

Our members create a wide range of diverse television and film content, from standalone documentaries and special event programming to game shows, animation, light entertainment and high-cost drama series. They are behind some of the most creative, innovative, popular and challenging television and film content in Europe today, helping to create the visual memories of Europe's citizens.

### **A changing landscape**

The environment in which the creative industries operate has been revolutionised in recent years. Digital platforms are emerging and innovative television services are increasingly available. The range of new options now available to consumers has made it crucial that CEPI's members continue to widen the amount of legal offers to European viewers.<sup>1</sup> Viewers' choices are ever wider and richer, but **what remains unchanged is our members' desire to create diverse high-quality content that consumers can enjoy on a daily basis.**

**CEPI's producers are embracing the changing audiovisual environment, and understand the importance of ensuring all relevant stakeholders at the national and European level are engaged in and committed to fostering a strong independent production sector.**

#### **What does an independent producer do?**

The producer is central to the creation of a film or television programme from beginning to end: From conception of the idea and format through development and shooting to delivery. The producer is indeed financially and creatively responsible for a project, and must bear the financial risk that the project may never be realised. As the driving force for the development and production of a television programme or film, he is key convincing parties to invest in the project. The producer must:

- Come up with the inspiration for a project and develop the format
- Source financing for the project, calculate the budget and ensure it is not exceeded
- Resolve all questions concerning copyright
- Select and/or approve scripts as well as possible directors, co-producers, casting directors and other artistic employees
- Negotiate contracts and ensure fair remuneration for all who contribute to the production
- Act as the primary point of contact for the broadcaster
- Supervise shooting and cutting

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<sup>1</sup> European citizens have access to more than 3,600 audiovisual online services and consumer spending on online video transactions has increased by more than 2000% since 2007, doubling in 2012 alone (European Audiovisual Observatory, Mavise Database).

## What does CEPI stand for?

CEPI supports the activities of its television and film production companies, helping them to shape and engage with the European policy landscape and promoting the importance of sustainable cultural and economic growth in the European audiovisual sector.

In particular, the majority of production companies represented by CEPI are SMEs. CEPI thus stresses the importance of the cultural and creative industries in creating an environment in which SMEs can flourish in line with the objectives of the Europe 2020 Strategy.<sup>2</sup>

We strongly believe in:

- **Supporting and Facilitating the work of European SMEs:** Producing audiovisual works is an expensive risky business. Even in successful productions, the financing of local/national content is increasingly suffering. Investment returns might take years to materialise and they do not guarantee an automatic recoup of the money invested if the TV/Film prove not to be successful. European consumers prefer national content over foreign European productions, delimiting even more the boundaries of the market. Pre-selling the distribution rights for linear and non-linear services in a time where austerity measures are in place and cultural budgets are cut, put SMEs in a condition to directly finance up to 30-40% of the total budget of a project. As such, access to grants and loans as well as the availability of national Film/TV funds in support of the work of the production companies, remains vital not only to protect Europe's cultural diversity but also increasingly to address European consumers' demand at the national level.
- **Developing and protecting intellectual property rights.** Copyright is a vital element in allowing the creative industries to thrive and continue to produce exciting and innovative economic growth, particularly job creation<sup>3</sup>, and even in times of economic downturn Europe must contribute to invest in culture and creativity. The existing copyright framework provides essential support to the creative industries, while allowing creators to embrace the opportunities of the digital age.
- **Strengthening and protecting the ownership of rights.** While independent producers are embracing the digital shift and adapting to the changes brought about by the new digital market, they need to ensure they can retain their rights for secondary exploitation. We welcome constructive partnerships with new digital actors, but well-established dominant platforms present a clear challenge for the work of independent producers unless new opportunities to work together are explored.
- **Fighting Piracy.** If the audiovisual industry is to continue flourishing in Europe, it is essential to step up the fight against online piracy. Illegal downloading undermines the cultural and creative industries, results in huge losses of income for right-holders and ultimately affects creators' ability to recoup their investments and put money back into the audiovisual value chain.

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<sup>2</sup> In 2010 the European Commission launched the ten-year 'Europe 2020' strategy, to boost the European economy and promote smart, sustainable and inclusive growth.

<sup>3</sup> **The European digital economy generates 7 million jobs, contributes approximately EUR 509 billion to EU GDP and produces a trade surplus (OHIM Study, 2013). Furthermore, 4.2% of Europe's employment (more than 9.3 million direct and indirect jobs) comes from Europe's cultural and creative industries.**

- **Valuing and guiding our artistic staff.** Independent producers must calculate a realistic budget and ensure fair remuneration of the artists in front of and behind the camera, guiding and working with them throughout the whole process of creative development and beyond. It is important for producers to have all the necessary rights to allow their works to be successfully exploited and remunerated.
- **Preserving and promoting Europe's linguistic and cultural diversity.** The majority of audiovisual content is created for specific cultural and linguistic markets, in accordance with consumer preferences. Nevertheless, our producers work hard to promote European audiovisual content both across European borders and globally. Support for the promotion of European productions across borders (such as support for script writing, subtitling or dubbing) is essential to allow European audiovisual content to fulfil its competitive potential.

## Our mission

Our mission is to:

- 1) **Be a trusted and representative voice for Europe's independent production sector.**
- 2) **Work constructively with the EU institutions and Member States to foster a market for audiovisual content in Europe which is healthy, competitive and growing.** We believe in embracing the opportunities presented by the digital age and supporting our members as they develop new formats and series in response to these opportunities. The creative industries and cultural diversity are one of the EU's greatest strengths, and it is essential that European audiences are provided with diverse, innovative content
- 3) **Fostering creative commercial and contractual freedom.** Creating a television programme or film requires producers to make high-risk artistic and financial investments. Commercial and contractual freedom allows producers to recoup their investments, which are then re-invested in the development of new films and television programmes, providing long term benefits to the value chain.
- 4) **Support the development of a market in and outside Europe where SMEs can flourish and compete.** Europe should look to nurture and develop those markets where European content is already being successfully exported. Where exportation of content is not occurring we must explore why this is not the case (e.g. is there a lack of investment that prevents creative sector SMEs from succeeding in international markets?) in order to assess how we can promote European content internationally.
- 5) **Promote available legal offers and the importance of protecting copyright.** The existing copyright framework provides essential support for the creative industries. The production companies represented by CEPI are working hard to ensure that legal offers are made available in order to provide consumers with a wide range of innovative content.
- 6) **Address the skills gap.** It is essential to foster in both young people and established professionals the skills necessary for the audiovisual value chain in the 21<sup>st</sup> century, and to encourage enhanced co-operation between educational institutions and the industry to ensure that talented individuals in the audiovisual sector have the right skill-set for the field.
- 7) **Encourage new market players to contribute to the creation of audiovisual content.** We believe it is essential to encourage new digital platforms and commercial broadcasters to invest in the creation of new audiovisual content in order to boost growth and jobs in the audiovisual sector.

- 8) **Raise awareness of available funding opportunities and facilitate synergies between national and European television and film funds.** Funding is crucial for the audiovisual sector, and CEPI warmly welcomed the EU's new Creative Europe programme. Funding for local production and tax incentives are essential to the survival of our SMEs. Our TV production companies are experiencing lower levels of PSBs investment in television programming with a significant impact on the producers' ability to continue creating high-quality content. It is essential that production companies are able to tap into other sources of finance to enable them to continue producing and developing innovative television programmes and films for Europe's citizens. We call on the EU institutions to play an active role in keeping the European creative ecosystem alive and competitive.

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