



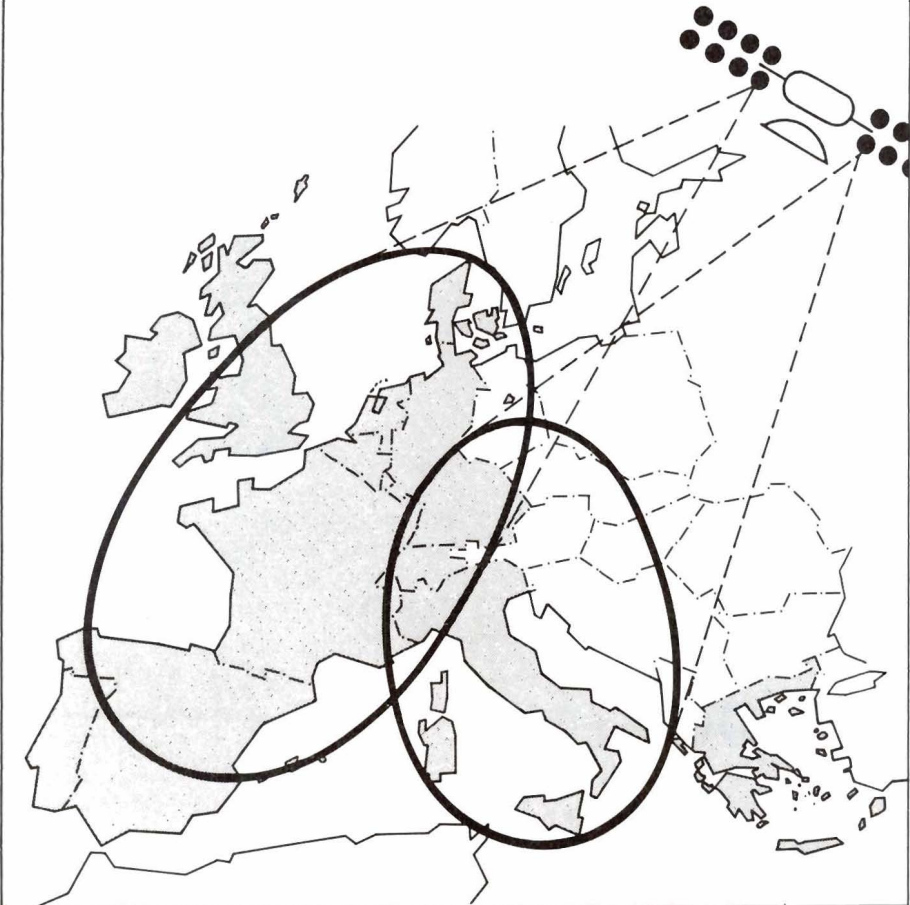
# EUROPEAN FILE

Towards a large  
European  
audio-visual market

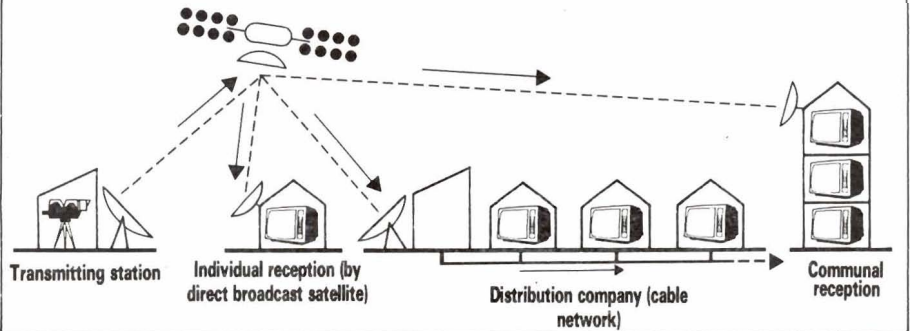


ANNEE EUROPEENNE DU CINEMA ET DE LA TELEVISION 1988  
EUROPEAN CINEMA AND TELEVISION YEAR 1988

1. Approximate reception areas for the two channels from the European direct broadcast satellite Olympus (to be put into orbit in 1989 by the Ariane rocket)



2. Reception chain for satellite television programmes



Nineteen eighty eight, European Cinema and Television Year. Five years before the end of 1992, the deadline set for the establishment of a large European market without frontiers, timely attention is drawn to two media which are important parts of the leisure and cultural life of Europeans and of the overall economy. Like other areas of the economy, the audio-visual sector is directly affected by the establishment of the large market.<sup>1</sup>

The European Community has begun to take up the major challenges which face it in this field. These are to harmonize the technical standards of the 12 Member States for television transmission and reception, to coordinate certain national legal provisions where disparity is obstructing the free circulation of programmes, and to encourage the production of programmes and audio-visual services for cinema and television.

The Community must intervene in this sector in order to develop the European audio-visual industries and to ensure that the European market is not dominated by products coming from third countries. To achieve these aims, the European Commission has undertaken several initiatives, including the proposal of April 1986 for a directive on broadcasting, the launching in 1986 of the MEDIA programme (measures to encourage the development of the European audio-visual media products industry) and the organization in 1988 of European Cinema and Television Year.

Whether the question is one of equipment or programmes, medium or content, there are several arguments to justify Community action in the audio-visual field:

- The development of the electronics and aerospace market. Technological progress is providing the means to broadcast programmes and to offer services simultaneously throughout Europe, from Scandinavia to the Mediterranean, from Scotland to Greece. The new generations of television satellites which can be received in the home and the new parabolic aerials allow us to receive signals from very far away (see diagram).

This development requires the 12 Member States to harmonize their technical standards and establish a single television market. The common market for electronics (materials for transmission and reception) and for aerospace (satellites and launch rockets) must create the conditions for economies of scale to allow European industries to produce in greater quantities, at the lowest possible price, and to recoup their investment costs.

In this way, Community firms shall be better placed to face competition from other industrial countries. In order to strengthen further the international position of European equipment producers, the Community must encourage

---

<sup>1</sup> This file replaces our No 14/86.



research and development in the telecommunications field (of which television is one sector) and negotiate the adoption of international standards compatible with European ones.

- The growth of the market for audio-visual programmes. The increased number of frequencies available for the broadcasting of programmes and services is a second consequence of technological development. In 1992, there may be up to 200 television channels available in Europe. This phenomenon represents an opportunity, but it could equally well be a danger for the Community's audio-visual industry, if this industry is not able to meet the increasing demand. In such a case, the gap left in Europe's audio-visual market would soon be filled by external competitors: American, Brazilian and Japanese producers can offer for sale in Europe numerous programmes the cost of which has already been recouped on their home market.

To guard against this threat, it is essential that, in this field as in others, the 12 Member States provide themselves with a large internal market. A Europe without frontiers means therefore the elimination of all barriers to the buying and selling of audio-visual products and to their transmission and reception in the Community. Concurrently – in view of the weakness of the European sound and picture industry, despite its enormous intellectual and technical potential – there must be concrete measures to encourage the financing, the production and the distribution of European cinema and television productions and co-productions.

The European Commission is therefore ready to consider the possibility of supporting any pan-European television station, provided it combines the following characteristics: a broadcasting organization which is multinational within Europe; multilingual broadcasts; a multinational audience within a wide European area; European programme content. By appealing to a large audience, such broadcasts can help to develop a people's Europe through reinforcing the sense of belonging to a Community composed of countries which are different yet partake of a deep solidarity.

Whether the question is one of broadcasting systems or of programmes, the stakes involved in the Community audio-visual policy are high. The value of the electronics and aerospace market is estimated at close to 15 000 million ECU<sup>1</sup> for the period 1987-92. As for the programmes market, it raises the whole problem of maintaining and promoting the cultural identity of Europe.

---

<sup>1</sup> 1 ECU (European currency unit) = about £0.69, Ir. £0.77 or US \$1.28 (at exchange rates current on 5 January 1988).

To answer the challenges facing the Community, the European Commission has taken several initiatives intended to complete the large European internal market by 1992, in conformity with the provisions of the Single Act which supplements and modifies certain rules of the Treaties establishing the Community.

### **Technical harmonization and research**

Faced with international competition, European industry would be defeated from the start if it had to produce different equipment for different national markets. It is therefore necessary to harmonize a range of technical standards while preparing for the future through a major research effort. This is also the price to pay to enable the public to receive the widest choice of programmes in optimal conditions.

- *The establishment of a European television standard.* In view of the opportunities offered by direct satellite broadcasting, the Community's Council of Ministers has adopted the MAC-packet family of standards for broadcasting and reception. Developed by European industry and the European Broadcasting Union (EBU), these new standards are compatible with each other and allow:
  - The reproduction of improved vision and high fidelity sound.
  - The simultaneous use of one vision channel and several sound channels (for example, the D2/MAC-packets adopted for the French TDF and German TV-SAT direct television satellites allow the use of four sound channels) and thereby the broadcasting of multilingual programmes which can be received by the viewer in the language of his or her choice.
  - The continued progress towards high-definition television, which offers picture quality comparable to that of 35 mm film.

The MAC-packet standards should answer the needs of operators and consumers for a long time. The Directive provides for their immediate and exclusive use for direct broadcasting by satellite, but allows a gradual transition for ground-based transmissions and for cable distribution. During this transition period, viewers who want to get the value from their PAL or Secam television set will be able to go on receiving the traditional channels, as well as taking MAC-packet signals by cable or through a decoder.

- *Preparation of a world standard for high-definition television.* The Commission is also strongly in favour of international agreement on audio-visual technical standards. One of the vital issues is high-definition television, which should establish itself between 1990 and 1995. Japanese industry (Sony) and the Japanese station NHK are finalizing production and broadcasting standards (called NHK and MUSE respectively), which, however, are incompatible with existing television equipment. If these standards were adopted, the costly equipment currently in use would have to be replaced.

European technicians for their part are working on a system which will take into account both the developing nature of the technology and the need to ensure, in

the interests of all, a certain compatibility between existing audio-visual equipment and future high-definition broadcasts. However, some years of study and development are needed to achieve these objectives and to give a fair chance on world markets to European makers of programmes and equipment. To this end, the Commission invited and coordinated European reaction and succeeded, during a May 1986 meeting at Dubrovnik of the International Consultative Committee for Radio Communications, in obtaining a two-year postponement of the decision on a world standard for high-definition television production. At the next meeting of the Committee (October 1988), the Europeans are to present an alternative system of high-definition television; this system is being developed under Eureka project No 95.

- *Stimulating research in telecommunications.* Improving the technological capacity of European industry is a further objective of the Community through its research and development programme RACE (research and development in advanced communication technology for Europe). The RACE programme, based on cooperation between industry and research workers in all the member countries, should in particular perfect the technology for broadband networks, which in the future will carry both telephone traffic and television programmes as well as interactive audio-visual communication services. Linked with the Eureka project, RACE should also contribute to the development of high-definition television.

### **Creating a European audio-visual area**

Following the Green Paper 'Television without frontiers' and a wide-ranging debate with the European Parliament, the Economic and Social Committee, experts from the governments of Member States and the relevant professional circles, the Commission submitted to the Council of Ministers a proposal for a directive to coordinate certain national measures relating to radio and television broadcasting.

The proposal aims to eliminate concrete obstacles to the free circulation of programmes by a minimal coordination of national legislations in specific areas. Coordination here means introducing equivalent provisions into national legislations, so that, with comparable protection in force in all Member States, the reasons for impeding the free circulation of programmes disappear.

Whether directly or through cable distribution, the public will then be able to receive more television channels from other member countries. As a result of such access to broadcasts from other countries, it will be easier to become acquainted with different national cultures and languages, and the circulation of ideas and information will be improved. Thus the sense of membership of a single Community will be strengthened and the impact of that membership will be more readily perceptible in everyday life.



In addition, authors and creators will reach a larger audience. This will not only mean greater fame but also increased income, something many of them could do with.

Coordination is aimed at determining minimal rules in respect of:

- Advertising. Each Member State would determine, for broadcasters established on its territory, the channels entitled to broadcast advertising and the maximum permitted volume of advertising. None the less, Member States would have to allow advertising contained in television programmes coming from other member countries, provided that the volume of advertising does not exceed a certain threshold (15% of broadcasting time). The proposal also provides for the separation of advertising from programmes, general standards in regard to sponsorship and the interruption of programmes for advertising, the banning of tobacco advertising, and limits on advertising for alcoholic drinks.
- The protection of young people against programmes liable to harm their physical, mental, or moral development (pornography, violence, racism).
- Copyright. The aim is to facilitate the simultaneous distribution by cable, complete and unchanged, of programmes coming from other Member States, while respecting the interest of authors, composers, actors and other members of cultural professions in obtaining additional remuneration as a result of the enlarged audience.

The proposed directive also envisages regulations aimed at encouraging the production and distribution of television programmes. For example, television stations would have to reserve a minimum percentage of their total broadcasting time for Community-produced programmes. In addition, and within this general quota, there would also be an obligation to present a certain number of Community programmes that have not yet been broadcast in the Community, which should stimulate new investment in European audio-visual production. To encourage new producers, in particular small and medium-sized producers, a minimum part of the programme budget of television stations would have to be spent on Community programmes from producers independent of the broadcasting stations.

Such measures answer several economic objectives: to ensure new outlets for European production which is currently often sold on a single national market; to encourage employment in cultural industries; to stimulate production by the development of new production sources which will enable European creativity and talents to express themselves adequately. In addition, these measures answer cultural objectives: the richness of different national cultures and of the European identity must be appropriately reflected in television programmes.

In relation to copyright, the European Commission is preparing other initiatives, aimed in particular at preventing and curbing the pirating of audio-visual work. A Green Paper on copyright is intended to present preliminary analyses of this question in order to open up a wide-ranging debate.

## **The MEDIA programme**

American programme producers benefit from the advantages of the large United States market. Paradoxically, they are at the same time the only ones capable of operating in the European market as in a single market. For these reasons, the Commission has decided to stimulate all Europe's creative resources, both cultural and economic. In cinema and television, the Commission wants to support those national producers who can assert themselves.

To this end, the Commission means to develop the European dimension of the distribution, production and financing of audio-visual products. Studies and pilot experiments have been initiated in close cooperation with professionals in the three fields involved. Consultations held over a series of round tables have already produced their first results.

- Distribution.* A priority is to allow national productions to circulate more effectively throughout the Community market. A number of professional bodies are working to establish European networks for the distribution of low-budget films and for the co-distribution of commercial films. The establishment of a European cooperative, partly financed by the Community, is also envisaged: this would provide advances on receipts to films distributed in at least three member countries with costs of less than 2.25 million ECU.

The European Broadcasting Union, through the intermediary of the UER Production Foundation (established end 1987), is examining in detail the techniques necessary for the realization of multilingual programmes suitable for wide distribution, particularly for satellite television.

- Production.* The Commission has given different operators and research institutes the task of examining the possibilities for developing the production of:
  - Computer graphics.
  - Cartoons.
  - Television fiction series (in the field of fiction, the MEDIA programme is already involved in financing the Geneva-Europe prize, intended to encourage scriptwriting).

The Commission services are also examining, in liaison with producers and other members of the industry, ways of strengthening regional production capacity.



- *Financing.* The European Group of Cinema and Audio-Visual Financiers (Egcaf) was established in May 1987; its members include several banks in member countries. This is the first specific result of the MEDIA programme, one year after its launch. The purpose of the Group is to co-finance European co-productions at particularly advantageous rates.

The Commission services responsible have contacted the professional bodies involved in order to examine taxation problems relating to (co-)production and customs difficulties encountered in the circulation of productions.

The MEDIA programme is structured in two phases, each of which comprises two stages:

- Currently under way, the preparatory phase first provides for market studies, consultation with the industries and the formulation of working hypotheses for pilot experiments. These experiments will be launched to test the hypotheses. It is envisaged that the preparatory phase will continue, with the execution of pilot projects, until the end of 1989.
- The implementation phase will begin with the definitive formulation of the programme, based on the results of the preparatory work (studies and pilot experiments), followed by the adoption of the programme by the European Parliament and the Community's Council of Ministers.

## **European Cinema and Television Year**

Taking place in 1988, European Cinema and Television Year is the responsibility of the European Community, in close collaboration with the Council of Europe. International professional bodies play a decisive role in conjunction with the national committees of the 24 member States of the Council for European Cultural Cooperation (CECC).<sup>1</sup> Mrs Simone Veil is chairman of the Steering Committee for the Year. She was President of the European Parliament (1979-82), before presiding over the Parliament's Legal Affairs Committee (1982-84) and being elected President of the Parliament's Liberal and Democratic Group. Mr Gaetano Adinolfi, Assistant Secretary-General of the Council of Europe, is the Steering Committee's vice-chairman.

The aim of the Year is to draw the attention of the public and of professional and political circles to cinema and television and to the cultural, artistic and economic importance of these media. It means promoting Europe's originality and identity, its talents, its creative potential and its industrial vitality, while seeking common measures with regard to legislation and financing.

<sup>1</sup> Belgium, Denmark, Federal Republic of Germany, Greece, Spain, France, Ireland, Iceland, Italy, Cyprus, Liechtenstein, Luxembourg, Malta, Netherlands, Norway, Austria, Portugal, San Marino, Switzerland, Finland, Sweden, Turkey, United Kingdom, Vatican. In September 1987, Yugoslavia deposited its instruments of ratification and became the 25th member country of the CECC.

The MEDIA programme and European Cinema and Television Year are both similar and complementary: they defend the same principles, are pointing in the same direction, are based on the same structures and call on the services of professionals from the same organizations. However, the Cinema and Television Year, as its name indicates, must provide proof within 12 months that joint productions are possible very quickly, that solutions can be immediately implemented (even though long-term efforts may be required for their full effect), that Europe itself means something to the public, even though German, British, Spanish, Greek, Swedish, Turkish, etc. programmes may reflect regional and national characteristics.

For the Year a small number of projects have been adopted from among the many submitted to its secretariat. Where several more or less similar proposals have come from different countries, these have been grouped together in a single project, combining ideas which are naturally complementary and which individually would have had no chance of production.

Among the projects considered to have priority are a certain number of major symposiums, seminars, study days, etc. Apart from a symposium organized by the Community's Economic and Social Committee on the future for the audio-visual industry in Europe (Brussels, March 1988), events of particular note include those devoted to:

- European co-productions: Munich, 24 and 25 June 1988.
- Co-distribution: Brussels, 22 and 23 March 1988.
- Pirating of audio-visual works: Strasbourg, 30 and 31 May 1988.
- Harmonization of cinema/television relations: Venice, September 1988.
- European cinema and world market: Vienna, October 1988.

Major MEDIA projects are also seen as having priority because they will act both as demonstrations of and as vehicles for the future of the European audio-visual industry, for television viewers in 24 European countries. Among these projects are:

- A European cinema night.
- A European film prize (to be awarded in Berlin).
- Awards for the best European films, to be organized in Brussels.
- The inauguration of the museum of the moving image in the United Kingdom.
- The showing at Cannes of the European scriptwriting competition organized by the European Commission.

- Animated films and various promotional spots about European Cinema and Television Year.
- Games, pilot projects for television series, etc.

The European Commission attaches particular importance to the Cinema and Television Year projects to establish a European academy of cinema and the audio-visual arts and to draw up a European charter for the audio-visual industry emphasizing the political and democratic aspects of the rights of creators. The Commission also wishes to make use of the Year in order to encourage the production of the first high-definition television programmes, to enable creativity to keep up with technology.

Throughout the Year, the task force administering it will make available to the public and professionals a large number of documents, including a brochure specifically about the presentation of programmes. The task force hopes that its efforts will help the young and not-so-young, professionals and viewers, to perceive more clearly what Europe can do for cinema and television and also what these media can do for Europe: improving mutual knowledge among our peoples and increasing their consciousness of the life and destiny they have in common ■





---

The contents of this publication do not necessarily reflect the official views of the institutions of the Community. Reproduction authorized.

---

**Commission of the European Communities**

---

**Directorate-General Information, Communication, Culture  
Rue de la Loi 200 — B-1049 Brussels**

---

Information offices (countries fully or partially English speaking\*)

<b>Ireland</b>	39 Molesworth Street, Dublin 2 — Tel. 71 22 44
<b>United Kingdom</b>	8 Storey's Gate, London SW 1P 3AT — Tel. 222 81 22 — 4 Cathedral Road, Cardiff CF 1 9SG — Tel. 37 16 31 — 7 Alva Street, Edinburgh EH2 4PH — Tel. 225 20 58 — Windsor House, 9/15 Bedford Street, Belfast BT2 7EG — Tel. 24 07 08
<b>USA</b>	2100 M Street, NW, Suite 707, Washington DC 20037 - USA — Tel. (202) 862-9500 — 245 East 47th Street, 1 Dag Hammarskjöld Plaza, New York, NY 10017 - USA — Tel. (212) 371-3804

---

\* Offices also exist in other countries including all Member States.

---



Office for Official Publications  
of the European Communities  
L-2985 Luxembourg

ISSN 0379-3133

Catalogue number: CC-AD-88-004-EN-C

**EN**