

# Export of Norwegian Film – 2002/2006

## Memorandum for Norsk filminstitutt

Senior Manager Arild Kalkvik

14.12.2007

# Introduction

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- PricewaterhouseCoopers AS, by senior manager Arild Kalkvik, has been hired by the Norwegian Film Institute (NFI) to update an analysis of the export of the Norwegian film industry.
- This memorandum for 2006 is an update of former analysis for the years 2002 to 2005.
- The analysis focus on:
  - *Total export of Norwegian films release for cinema screenings during the year*
  - *Value of presales and sales after release*
  - *Number of films with export above 1 MNOK*
  - *Average export per film*
- The export value is generated from international sales, excluding commission to sales agents.
- Some films might need 2 to 3 years to see the full potential for international sales. Some of the films in this study has not generated export to their full potential yet.
- For all years high budget films made primarily for an international market is not included.
- For this English version of the analysis, the currency used is 1 Euro = 8 NOK. The English version only contains extracts from the full report.

Arild Kalkvik

Trondheim, 14. December 2007



*From the location of "Kautokeinoopprøret" at Filmcamp Målselv*

## Export of Norwegian films released at the cinema in 2006

Film - 2006	Producer:	Sales agent:
The Bothersome Man	Tordenfilm	Bavaria
Cold Pray	Fantefilm	SF Int. Sales
Comrade Pedersen	Motlys	NonStop Sales
It's hard to be a Rock'n Roller	Speranza	-
Hearts	Øy film	NFI
Cold Feet	Nordisk Film	Nordisk Film Int. Sales
The Art of Negative Thinking	Maipo	Nordisk Film Int. Sales
Long Flat Balls	Zwart Arbeid	NonStop Sales
The Lion – Henrik Ibsen	Tellus Works	-
Maria's Men	Maipo	Nordisk Film Int. Sales
Miracle	Nordisk Film	Nordisk Film Int. Sales
Ole Bull	Visions	CCV (Norden) + others
The Rich Country	Fenris Film	-
The Junior Olsen Gang and the Silver Mine Mystery	Nordisk Film	Nordisk Film Int. Sales
Reprise	4 1/2	Nordisk Film Int. Sales
Free Jimmy	Storm Studio	The Works Int.
Svein and the Rat	Maipo	Nordisk Film Int. Sales
Sons	Tordenfilm	Bavaria
Trigger	Cinenord	SF Int. Sales
Uro	Friland	Rezo Film Int.

20 films were released for cinema distribution in 2006, of which 5 were documentaries.

Free Jimmy is an animation film with a high budget compared to other Norwegian films. As earlier years, the report do not include high budget films made for an international market.

So far 8 of the films have export income above 1MNOK (125.000 Euro).

Total value of the export of Norwegian films released for cinema in 2006 is so far 2,5M Euro (20 MNOK).

Presale and sales after release has close to equal shares of the total export.

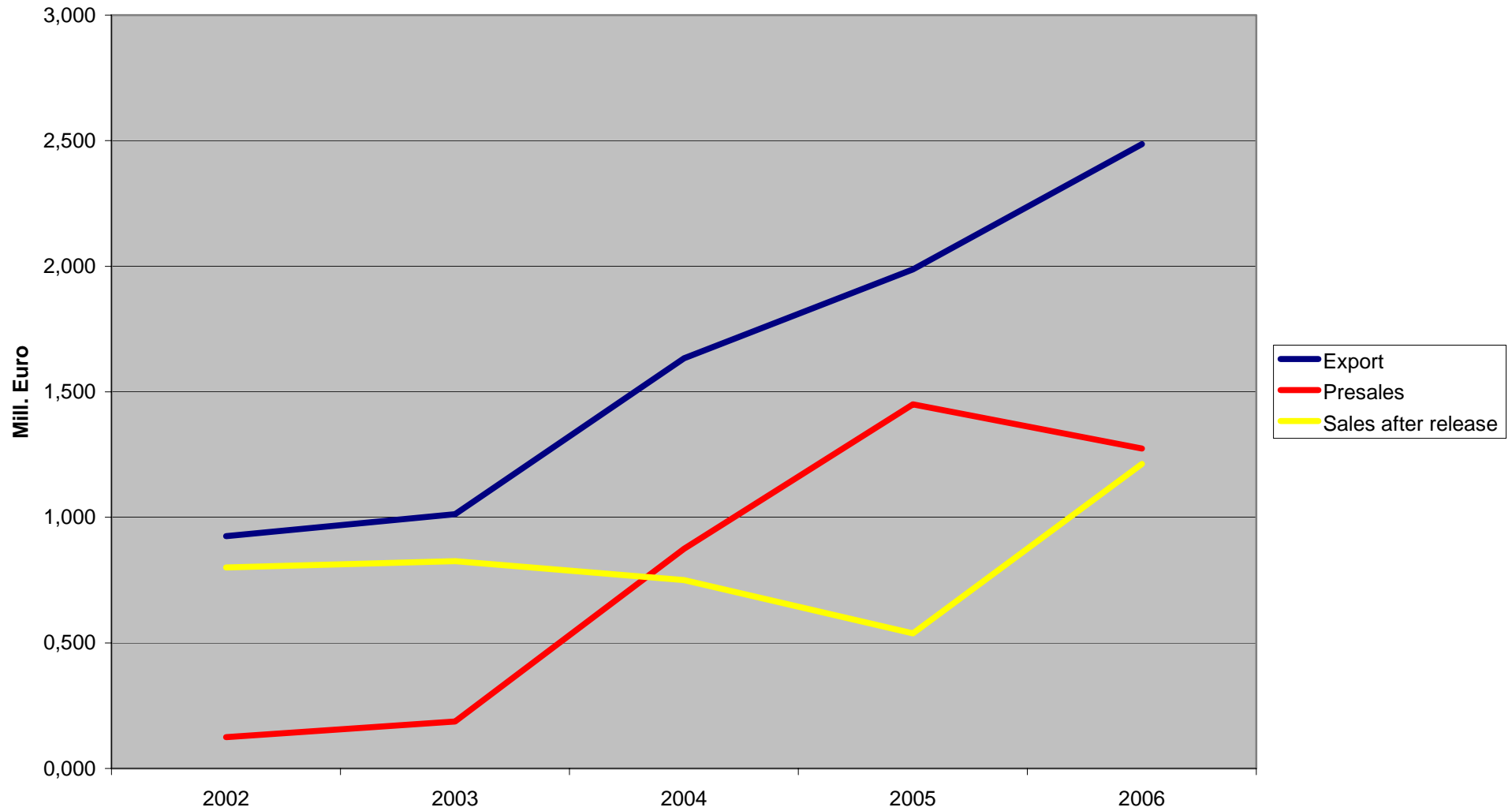
Documentaries for cinema from 2006 has so far an export value of 153.000 Euro.

3 of the 20 films so far have no international sales agent, and one of the documentaries are sold by the Norwegian Film Institute (NFI).

20% (4 films) of the films are represented by non-Nordic sales agents.

# Export Norwegian Films – 2002/2006

DEVELOPMENT EXPORT 2002-2006



## Development Export 2002-2006

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The total export of Norwegian films for cinema release is low compared to many other countries, but export has increased significantly every year since 2002.

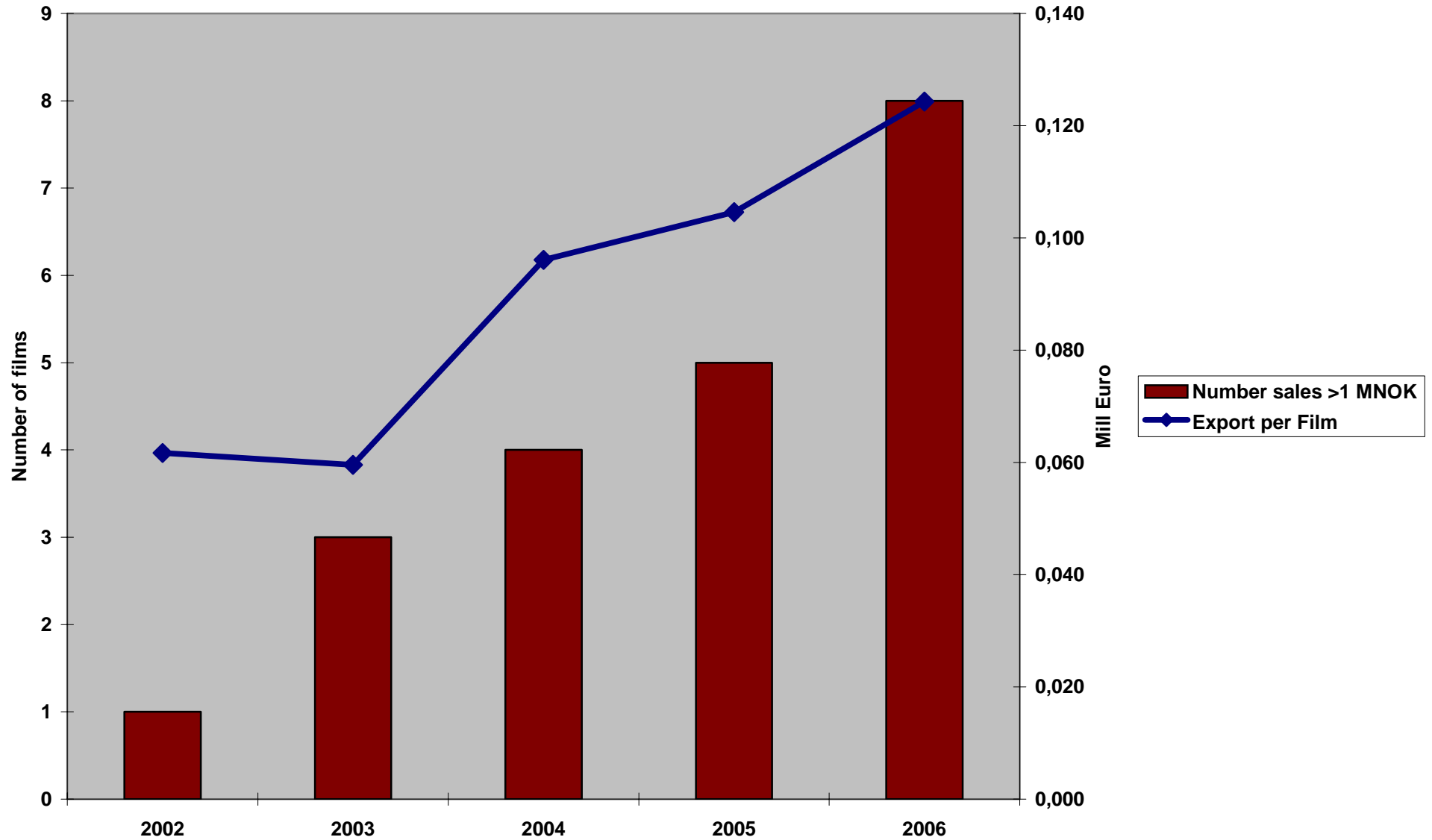
From 2002 to 2006 the total export has tripled and the export per film has doubled.

Export value is very much generated by single films and their success in the international market. From 2002 the number of films generating export value of more than 125.000 Euro (1MNOK) has increased from 1 film in 2002 to 8 films in 2006.

The distribution of sales on presales and sales after release vary from year to year. In 2006 the share of presale and sales after release did not differ significantly.

<b>Mill Euro</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Export value</b>	<b>0,925</b>	<b>1,012</b>	<b>1,634</b>	<b>1,988</b>	<b>2,486</b>
<b>Presales</b>	<b>0,125</b>	<b>0,188</b>	<b>0,875</b>	<b>1,450</b>	<b>1,274</b>
<b>Sales after release</b>	<b>0,800</b>	<b>0,825</b>	<b>0,750</b>	<b>0,538</b>	<b>1,212</b>
<b>Number sales &gt;1 MNOK</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>8</b>
<b>Export Value per Film</b>	<b>0,062</b>	<b>0,060</b>	<b>0,096</b>	<b>0,105</b>	<b>0,124</b>

# Export Norwegian Films – 2002/2006



# Markets for Norwegian films

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The other Nordic countries are not surprisingly an important export market for Norwegian films. This is mainly due to public support through Nordisk Film- & TV-Fond, which is subject to Nordic distribution, or Nordic distributors buying the Nordic rights.

For most of the producers, Nordic pay-tv is an important part of the export generated. If the sale is a presale, the final price will be regulated by the success at the domestic cinema market.

Outside the Nordic region it is mainly German speaking countries (Germany, Austria and Switzerland), Benelux and pay-tv in Eastern and Central Europe that generates export for Norwegian producers. In addition large markets like France, Spain and Italy has historically shown interest in Norwegian films.

In most cases the films have no cinema release, but are distributed on DVD and pay-tv.

An increasing number of films are distributed in the US, but mainly on DVD, pay-tv and digital distribution.

It is interesting to see some new markets outside Europe showing interest for Norwegian films. Among the markets importing Norwegian films the last 2 years, you find markets like India, China, Republic of the Philippines, Hong Kong, Taiwan, Japan, Thailand and South-Korea. Films have also been sold to the Middle East, South- and Latin-America, South-Africa, Australia and New Zealand.



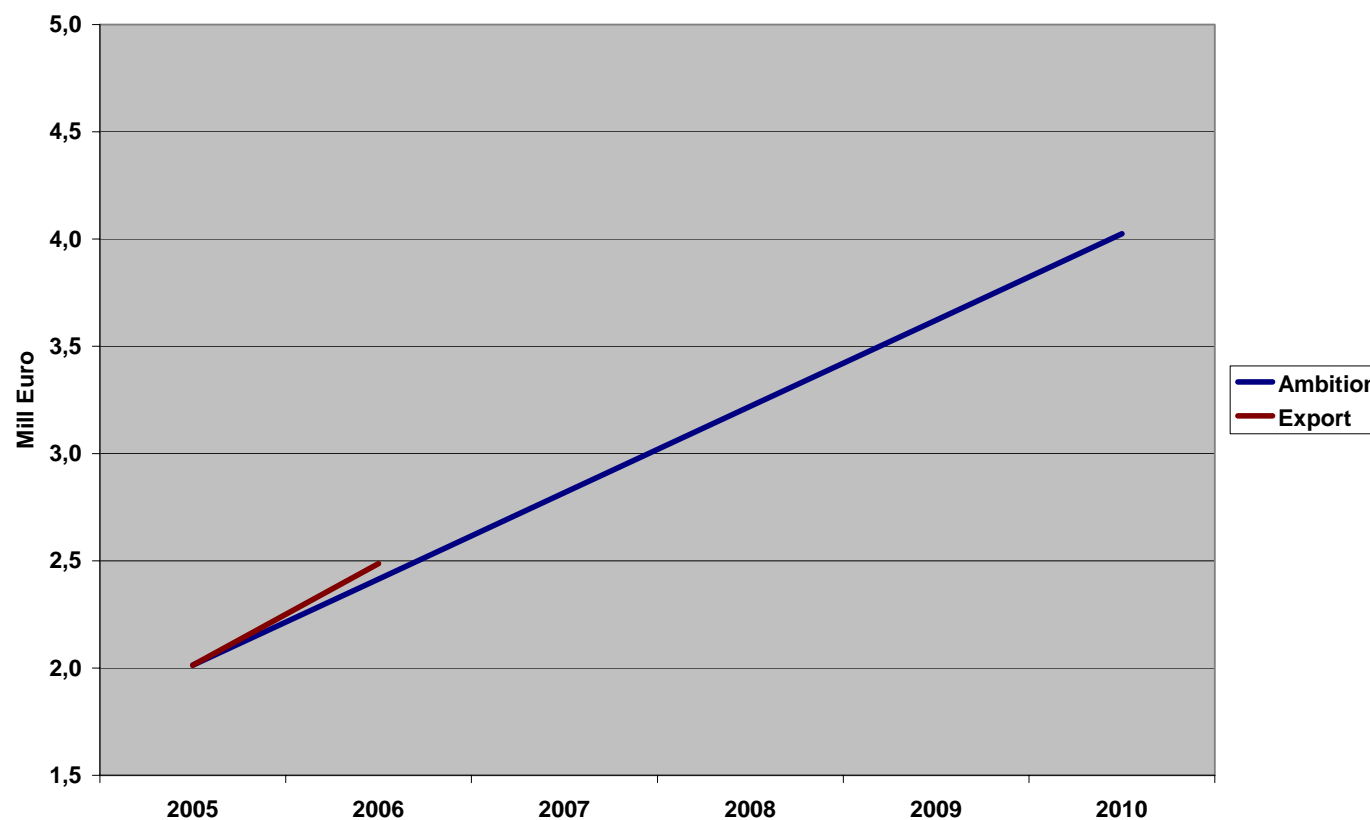
## Increased Export vs Political ambitions

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According to the political ambitions outlined in the recent White Paper on film (St.meld. Nr. 22 (2006-2007) Veiviseren for det norske filmløftet), the export of Norwegian films is predicted to double by 2010.

When the White paper was published, the last known numbers for export was from 2005. Doubling the export value from 2 million Euro in 2002 means an export value of 4 million Euro in 2010. Based on a linear growth from 2005 to 2010, the annual growth will be 400.000 Euro.

From 2005 to 2006 the growth is estimated to 480.000 Euro. So far the required growth to double the export value by 2010 has been generated for 2006.



## For questions:

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