4 The development of the European film industry between 2017 and 2018

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Introduction

In the new era of increasingly fierce competition and increasingly close contact within Hollywood films, European films have stood out from the challenges and made a difference because of their rich cultural diversity. The diverse performance of films from different countries and regions in Europe has attracted audiences from all over Europe to go to the cinemas. The success of local European films in 2017, with a 2.5 percent increase in attendance, attests to the very important and positive effects of policies and is measured by European governments to promote further prosperity in the film industry as a whole. In recent years, the joint efforts of European governments and related institutions have made European films more appealing to the general public. This is the result of continued significant investment in innovation by film operators and their partners in a variety of ways.

Over the years, Europe has been committed to developing local films, and in recent years it has focused on attracting more audiences to the cinema. Thanks to this long-term plan and continued investment, local films across Europe have shown tremendous growth in popularity. France, Italy, the United Kingdom and a small number of Eastern European countries, represented by the Czech Republic, can be seen as the main drivers of this positive trend in 2017–2018. Then again, the European box office has been primarily dominated by international blockbusters. In terms of audience attendance in 2018, France had about 250 million moviegoers, the UK about 170 million, Spain about 9.2 million, Germany about 9 million and Italy about 7.9 million.

Review of the European film industry, 2017

According to the International Union of Cinemas (UNIC), the number of moviegoers in Europe increased by 2.5 percent compared with 2016, creating a new record of 1.34 billion people and continuing to grow. Europe made a profit of 8.6 billion euros at the box office in 2017, contributing to 23 percent of the global box office, second only to the United States at 26 percent (see Figure 4.1).

Figure 4.1 Global share of European cinema in 2017 (based on box office receipts).

In 2017, the film markets in Turkey, Russia, Poland and Slovakia grew to varying degrees compared to the few under-reported countries and even showed strong momentum. Due to the success of several home-grown films, French national cinema managed to attract 200.94 million viewers that year, which was the third-highest record in nearly 50 years. Due to its policy of pricing movie tickets at less than 4 euros for those under 14 years old, the total number of moviegoers throughout the year remained in the top three in Europe. The market performance boost in Russia (11.4 percent increase in box office revenue, 9.3 percent increase in movie attendance) and Turkey (25.9 percent increase in box office revenue, 22.1 percent increase in movie attendance) can also be attributed to the success of locally produced films. This growth of the Russian and Turkish film markets has been steady since 2016. In addition to the aforementioned countries, the film market in other Eastern European countries also achieved substantial growth in 2017. Even though the markets in those countries were less developed compared to their more progressive cousins, their success is still worth mentioning. For example, the Ukrainian box office grew by 32.2 percent, the Romanian box office by 14 percent and the Croatian box office by 5.8 percent.

As shown in Table 4.1 and Figure 4.2, the film market in southern Europe underperformed in 2017. Spain's total number of moviegoers in 2017 was less than 100 million. The most successful animated feature film, *The Great Adventure Stakes in Peru 2*, took the number five spot at the national box office. Spain's domestic film market share was only 17.1 percent. Due to the poor performance of American international blockbusters, the Spanish film market shrank in 2017. The Italian film market also fell sharply in 2017. Underwhelming domestic films and reduced screening of U.S. blockbusters led to a sharp decline in the market, with box office performance dropping by 11.7 percent and audience attendance down by 12.4 percent. Italy's local film market share in 2017 was only 17.6 percent, significantly less than the

Table 4.1 European countries' box office, 2014–2017 (million, local currency)

	Country	2014	2015	2016	2017	2016 change rate from 2017 (%)
1	Germany (Euro)	1023.0	1149.9	1023	1056.1	3.2
2	Austria (Euro)	123.1	136.0	132.8	130.2	–2.0
3	Bulgaria (Lev)	40.0	45.7	48.4	50.7	4.8
4	Croatia (Kuna)	121.0	135.7	126.8	134.2	5.8
5	Denmark (Kroner)	1055.2	1195.2	1127.5	1080.8	–4.1
6	Spain (Euro)	507.1	569.8	605.5	597.0	–1.4
7	Estonia (Euro)	11.8	15.3	17.7	19.4	9.6
8	Finland (Euro)	75.0	91.0	90.3	98.3	8.9
9	France (Euro)	1250.0	1329.4	1387.7	1380.6	–0.5
10	Greece (Euro)	59.3	63.4	64.4	65.0	0.9
11	Hungary (Forint)	13490.0	17225.6	19845.2	20652.4	4.1
12	Ireland (Euro)	101.9	104.0	107.5	113.8	5.9
13	Italy (Euro)	618.7	636.2	662.0	584.8	–11.7
14	Latvia (Euro)	10.3	11.2	12.2	12.9	5.7
15	Lithuania (Euro)	13.1	15.0	17.7	20.2	14.1
16	Luxembourg (EUR)	9.1	9.4	8.6	8.4	–2.3
17	Montenegro and Serbia (Dinars)	–	1151.5	1374.1	1463.1	6.5
18	Norway (Kroner)	1095.1	1214.3	1375.2	1260.9	–8.3
19	The Netherlands (Euro)	249.5	275.3	287.7	301.9	4.9
20	Poland (Zloty)	665.2	797.2	967.5	1072.4	10.8
21	Portugal (Euro)	65.4	75.0	76.7	81.7	6.5
22	The Czech Republic (Krona)	1424.2	1599.0	2011.0	2004.2	–0.3
23	Romania (Ley)	160.5	201.0	241.6	266.6	10.3
24	The UK (Pound)	1083.5	1240	1246.6	1277.9	2.5
25	Russia (Ruble)	41158.7	43986	47501.4	53289.5	12.2
26	Slovakia (Euro)	18.9	22.5	29.0	34.5	19.0
27	Slovenia (Euro)	11.1	10.2	11.9	11.6	–2.5
28	Sweden (Kroner)	1638.3	1810.0	1931.7	1968.2	1.9
29	Switzerland (Franc)	218.5	227.0	207.9	209.9	1.0
30	Turkey (Lira)	504.3	681.0	696.2	876.2	25.9

Source: UNIC.

market share in 2016 at 28 percent. The only successful Italian film for 2017 was *L'ora legale*.

Overview of the European film industry

As shown in Table 4.2, as in previous years, the European box office was mainly topped by some Hollywood blockbusters, including but not limited to *Despicable Me 3*, *Beauty and the Beast*, *Star Wars: Episode VIII - The Last Jedi*, *Pirates of the Caribbean: Dead Men Tell No Tales*, etc.

Figure 4.2 Number of per capita views in Europe in 2017.

The years 2017 and 2018 witnessed development in the European film market. It should be noted that since 2015, the aim in European countries to encourage people to return to the cinema had been met with positive response by fans. The European film market continues to be stable in terms of its global market share. From 2017 to 2018, the total box office receipts and the total number of moviegoers in the European film market increased slightly. This growth was not only due to the success of some local films, but also to the European film industry's continuous investment and attempts to attract audiences. In the past two years, Hollywood blockbusters have not fulfilled their market expectations. On the contrary, co-productions between European countries have often surprised the market. However, the European film market still had a certain dependence on Hollywood international blockbusters, and this phenomenon continued until 2018. In 2018,

Table 4.2 Top five box office films in major European countries in 2017

Country	1	2	3	4	5
Germany	<i>Suck Me Shakespeer 3</i>	<i>Despicable Me 3</i>	<i>Star Wars: Episode VIII - The Last Jedi</i>	<i>Fifty Shades of Black</i>	<i>Beauty and the Beast</i>
France	<i>Despicable Me 3</i>	<i>Star Wars: Episode VIII - The Last Jedi</i>	<i>R.A.I.D. Special Unit</i>	<i>Valerian and the City of a Thousand Planets</i>	<i>The Boss Baby</i>
Spain	<i>Beauty and the Beast</i>	<i>Despicable Me 3</i>	<i>Tad the Lost Explorer and the Secret of King Midas</i>	<i>Star Wars: Episode VIII - The Last Jedi</i>	<i>The Fate of the Furious</i>
The UK	<i>Star Wars: Episode VIII - The Last Jedi</i>	<i>Beauty and the Beast</i>	<i>Dunkirk</i>	<i>Despicable me 3</i>	<i>Guardians of the Galaxy Vol. 2</i>
The Netherlands	<i>Despicable Me 3</i>	<i>Pirates of the Caribbean: Dead Men Tell No Tales</i>	<i>Beauty and the Beast</i>	<i>Star Wars: Episode VIII - The Last Jedi</i>	<i>The Fate of the Furious</i>
Poland	<i>Letter to Santa 3</i>	<i>Botox</i>	<i>Star Wars: Episode VIII - The Last Jedi</i>	<i>Despicable Me 3</i>	<i>The Art of Love: The Story of Michalina Wislocka</i>
Italy	<i>Beauty and the Beast</i>	<i>Despicable Me 3</i>	<i>Fifty Shades of Black</i>	<i>The Fate of the Furious</i>	<i>It</i>
Norway	<i>Star Wars: Episode VIII - The Last Jedi</i>	<i>Beauty and the Beast</i>	<i>Pirates of the Caribbean: Dead Men Tell No Tales</i>	<i>The Ash Lad: In the Hall of the Mountain King</i>	<i>The Fate of the Furious</i>

Source: UNIC.

the revenue from Hollywood production films was still the highest in the box office in major European movie markets. The production of local films seems to have lost significant growth momentum since 2017. However, the box office income may not be sufficient to explain the overall trend of the film industry as there was a currency value fluctuation caused by the recent stagnation of European economic growth and the downturn of the euro. In this respect, the attendance figures would be a relatively objective measure of the film market.

The year 2017 was a very prominent year for the French film market, especially with France's position as a leader in the overall European film market. According to the statistics of the National Centre for Cinema and the Moving Image (CNC),¹ the total number of moviegoers in the French film market in 2017 was 209.4 million, which was the fourth consecutive year that France had movie attendance of more than 200 million. Among them, the French domestic film market share increased from 34.8 percent in 2016 to 37.4 percent in 2017, and the number of moviegoers reached 78 million. As shown in Table 4.3, the number of per capita attendance in France was 3.3, which was still the highest in Europe. The attendance for Hollywood movies in France decreased by 8.6 percent to 102 million, and the market share dropped to 48.8 percent. In 2017, the performance of the British film market was remarkable. The British film industry also explored the shortcut to catch up with Hollywood international blockbusters; the box office and filmmakers hit a record twice, up 2.5 percent and 1.4 percent, respectively. British and American co-productions blossomed in this year.

In 2017, the most popular movie in the UK was *Star Wars: Episode VIII - The Last Jedi*; the cinema admissions were about £100 million. It also set the fifth-highest record in the history of UK cinema admissions. The second and third placed films were *Beauty and the Beast* and *Dunkirk*, respectively. It is worth noting that the Anglo-American co-productions have indeed injected vitality into the British film market, but the actual profits have flowed to Hollywood. Therefore, the development of European films urgently depends on local quality production and investment.

In 2017, Russia's box office continued to rise, which had been a dark horse in the European film market in recent years. For the first time, audience attendance exceeded 200 million. It is worth mentioning that the movie attendance of Russian domestic films soared by 57 percent and increased by 73.3 percent in 2016–2017. The box office of Russian local films in 2017 was 12.6 billion rubles, accounting for 23.2 percent of the national box office. Judging by the higher box office movies, Russian fans are more willing to watch action films and cartoons.

Interpretation of the film industry data in European countries

France

According to the latest statistics of the National Centre for Cinema and the Moving Image (CNC), the sales volume of French cinema tickets in 2017

Table 4.3 Box office and movie attendance in European countries in 2017

<i>Country and currency</i>	<i>Box office revenue million (local currency)</i>	<i>Growth rate (%)</i>	<i>Viewers (million)</i>	<i>Growth rate (%)</i>	<i>Per capita movie attendance (times)</i>	<i>Share of local films (%)</i>
Albania (Lek)	180.0	7.00	0.3	7.00	0.1	—
Austria (Euro)	130.2	−2.0	14.5	−3.60	1.7	5.1
Bosnia and Herzegovina (convertible Mark)	5.7	21.00	1.1	17.80	0.3	0.2
Bulgaria (Lev)	50.7	4.80	5.6	0.80	0.8	7.9
Croatia (Kuna)	134.2	5.80	4.5	5.70	1.1	2.1
The Czech Republic (Krona)	2004.2	−0.30	15.2	−2.50	1.4	19.0
Denmark (Kroner)	1080.8	−4.10	12.5	−7.40	2.2	20.0
Estonia (Euro)	19.4	9.60	3.5	7.00	2.7	8.0
Finland (Euro)	98.3	8.90	8.9	3.00	1.6	28.0
France (Euro)	1380.6	−0.50	209.4	−1.80	3.3	37.4
Germany (Euro)	1056.1	3.20	122.3	1.00	1.5	23.9
Greece (Euro)	65.0	0.90	10.1	0.70	0.9	10.0
Hungary (Forint)	20652.4	4.10	14.9	1.90	1.5	9.0
Ireland (Euro)	113.8	5.90	16.1	2.10	3.3	—
Israel (NIS)	582.6	7.00	18.2	7.00	2.1	9.1
Italy (Euro)	584.8	−11.70	92.3	−12.40	1.5	17.6
Latvia (Euro)	12.9	5.70	2.5	−2.50	1.3	5.0
Lithuania (Euro)	20.2	14.10	4.1	10.70	1.4	22.0
Macedonia (Denar)	82.0	6.00	0.4	9.00	0.2	—
Montenegro and Serbia (Dinars)	1463.1	6.50	3.8	7.30	0.5	12.0
The Netherlands (Euro)	301.9	4.90	36.0	5.30	2.1	11.1
Norway (Euro)	1260.9	−8.30	11.8	−10.30	2.2	16.1
Poland (Zloty)	1072.4	10.80	56.6	8.70	1.5	23.2
Portugal (Euro)	81.7	6.50	15.6	4.40	1.5	2.6
Romania (Ley)	266.6	10.30	14.5	11.30	0.7	1.7
Russia (Ruble)	53289.5	12.20	212.2	9.30	1.5	23.2
Slovakia (Euro)	34.5	19.00	6.7	18.10	1.2	20.8
Slovenia (Euro)	11.6	−2.50	2.1	−11.20	1	7.9
Spain (Euro)	597.0	−1.40	99.7	−0.50	2.2	17.1
Sweden (Krona)	1968.2	1.90	16.9	−4.10	1.7	16.4
Switzerland (Franc)	209.9	1.00	13.8	0.80	1.6	6.7
Turkey (Lira)	876.2	25.90	71.6	22.10	0.9	56.7
The UK (Pound)	1277.9	2.50	170.6	1.40	2.6	21.2
Ukraine (Hryvna)	2380.0	32.20	29.8	32.20	0.8	3.7

Source: UNIC, CNC.

Table 4.4 Statistics of French film market from 2005 to 2017

Year	Per capita movie attendance (millions)	Box office revenue (million euros)	Box office revenue per capita (Euro)	Times (millions)
2005	175.6	1031.80	5.88	6.09
2006	188.8	1120.65	5.94	6.24
2007	178.5	1061.87	5.95	6.30
2008	190.3	1142.89	6.01	6.58
2009	201.6	1237.24	6.14	6.71
2010	207.1	1309.94	6.33	6.84
2011	217.2	1374.74	6.33	7.04
2012	203.6	1306.48	6.42	7.15
2013	193.7	1250.87	6.46	7.27
2014	209.1	1332.73	6.37	7.58
2015	205.4	1331.7	6.48	7.8
2016	213.1	1387.7	6.51	8.0
2017	209.4	1380.6	6.59	8.2

Source: Centre National de la Cinématographie (CNC).

was 209.4 million, a small decrease of 1.8 percent compared to 2016, but this was the third-highest record for France in 50 years and movie attendances exceeded 200 million for the fourth consecutive year (as shown in Table 4.4). As of 2017, movie attendance in France was still the highest in the EU. In different countries in Europe, the change in the attendance rate of cinemas was very thought-provoking. For example, compared to 2016, Germany grew by 1.01 percent in 2017, the UK grew by 1.4 percent, while Italy experienced a huge decline of 12.4 percent and Spain fell by 0.5 percent. France's box office receipts in 2017 were almost stable compared to recent years, reaching 1,380.6 million euros, the second-highest level after 2016.

Such good movie performance figures in the French film market in 2017 were due to several films that have achieved great market success. The record of non-French films in 2017 was set by *Dunkirk* at 2.55 million euros. In 2017, the number of viewers of Spanish films released in France dropped significantly by 43.55 percent, and the proportion of German films declined even more by 75.31 percent. In 2017, there were 56 movies with more than one million viewers, 18 of which were French native films. In 2017, there were 24 movies with two million people in attendance, and four movies with more than four million people viewers. Five French films attracted two million viewers, and two French films attracted four million viewers: *R.A.I.D. Special Unit* and Luc Besson's *Valerian and the City of a Thousand Planets*. In 2017, two American movies were viewed more than four million times: *Despicable Me 3* and *Star Wars: Episode VIII - The Last Jedi*.

With the number of people watching films breaking through 209.4 million, the attendance rate of the French film market in 2017 had reached another record level in the past 50 years, and two positive things were noticed. First, local French films have been progressively achieving success for many years;

Table 4.5 Film market share by production country in France, 2010–2017 (%)

	2010	2011	2012	2013	2014	2015	2016	2017
French films	34	39.8	39	31.9	43.1	33.8	34.5	36.2
American movies	50.2	47.6	44.6	55.6	46.4	53.4	54.7	50.7
European films	14.6	10.6	12.8	7.7	5.5	9.3	9.2	10.6
Other countries' films	1.2	1.9	3.5	4.7	5	3.5	1.6	2.5

Source: Centre National de la Cinématographie (CNC).

second, it was those films that have increased the share of French-language films in the film market to 37.4 percent in 2017, while the film blockbusters accounted for 36.2 percent (as shown in Table 4.5). The success of the French film industry was also closely related to the youth and the family audiences, thanks to the film promotion policy of “Moins de 14 ans, 4 euros.” This policy reduces the VAT on cinema tickets and stipulates that all teenagers under the age of 14 can watch movies for a price of only 4 euros. Through this policy, film operators encourage young and future audiences to enter the theater. This policy has attracted a large number of young people and families with children to come to the theater. This has become one of the most important boosts to the French film market. According to the statistics of relevant institutions, the number per capita in the French film market in 2017 was 3.3, greatly surpassing the United Kingdom (2.6) and Estonia (2.7) and other European countries, becoming the winner in the 2017 European film market.

Towards the end of 2018, two historical events took place which can be considered major factors that affected movie attendance. According to data released by the National Centre for Cinema and the Moving Image, France's performance in the 2018 World Cup was eye-catching, causing movie attendance rate in France to drop by 14 percent and 22.1 percent respectively during the World Cup in June and July. By the end of 2018, the sudden “yellow vests” riots directly reduced the attendance rate, especially in Paris where cinemas were forced to close at weekends. The movie attendance rate in December dropped by 12.3 percent nationwide.

In 2018, three of the French native comedy films entered the top five of the annual box office list, namely *Les Tuche 3*, *La Ch'tite Famille* and *Le Grand Bain*. It has to be said that the strong performance of local films and the modernization of French cinemas are key factors in maintaining the annual viewing at over 200 million. The enthusiasm for local films and the policy of encouraging viewers of all ages to come to the cinema are still the basis for the high movie attendance rate.

The United Kingdom

In 2017, the British film industry sold a total of 170.6 million movie tickets (as shown in Table 4.6), showing an increase of 1.4 percent over 2016. The attendance

Table 4.6 UK movie attendance and box office revenue, 2001–2017

Year	Movie attendance (millions)	Box office revenue (million pounds)
2001	155.9	645
2002	175.9	755
2003	167.3	742
2004	171.3	770
2005	164.7	770
2006	156.6	762
2007	162.4	821
2008	164.2	850
2009	173.5	944
2010	169.2	988
2011	171.6	1040
2012	172.5	1099
2013	165.5	1083
2014	157.5	1058
2015	171.9	1242
2016	168.3	1228
2017	170.6	1280

Source: British Film Institute (BFI).

rate of British films has remained stable since 2002. In recent years American films no longer monopolize the top 20 spots of the British box office list. The market share of British movies reached a record of 45 percent and Anglo-American films are in the forefront of the rankings. In 2017, this trend continued in the UK, with local films accounting for 21.2 percent. British box office and movie attendance increased by 2.5 percent and 1.4 percent, respectively.

In 2017, a total of 760 movies (15 on average per week) were screened for a week or more in the UK and Ireland, 61 fewer than in 2016, but almost the same as in 2015. These films created nearly £1.4 billion in box office revenues (another record-breaking figure, up 6 percent from the new high set in 2015). Unlike the £1.3 billion mentioned above, the £1.4 billion figure here includes revenue generated from films released in 2017, covering the Republic of Ireland and the United Kingdom.

In 2017, the total annual revenue of box office in the UK and Ireland was £1.38 billion, an increase of nearly 4 percent compared to 2016. As shown in Table 4.7, the most popular movie in the UK in 2017 was *Star Wars: Episode VIII - The Last Jedi*, with a box office revenue of about £100 million, which also set the fifth-highest record in the history of the UK box office. The second and third movies at the UK box office were *Beauty and the Beast* and *Dunkirk*. The top 20 movie box office sales totalled £732 million, accounting for 54 percent of all box office.

According to the official website of the British Film Institute on January 31, 2019, the film market in the UK and Ireland developed well in 2018, with

Table 4.7 2017 box office top 10 films in the UK, Ireland and Malta (US\$)

Ranking	Title	Producer	Box office	Release date
1	<i>Star Wars: Episode VIII - The Last Jedi</i>	Disney	109403018	December 14
2	<i>Beauty and the Beast</i>	Disney	90542359	March 17
3	<i>Dunkirk</i>	Warner Bros	78487166	July 21
4	<i>Despicable Me 3</i>	Universal Studio	62832430	June 30
5	<i>Paddington 2</i>	St canal	57357810	November 10
6	<i>Guardians of the Galaxy Vol. 2</i>	Disney	53060497	April 28
7	<i>Jumanji: Welcome to the Jungle</i>	SONY	43829219	December 20
8	<i>It</i>	Warner Bros	42361659	September 8
9	<i>Thor: Ragnarok</i>	Disney	40928752	October 24
10	<i>Spider-Man: Homecoming</i>	SONY	39582694	July 5

Source: Box office magic.

177 million viewers, an increase of nearly 4 percent from 2017, the highest since 1970. As shown in Table 4.8, the most popular movie in 2018 was *Avengers: Infinity War*, with box office revenue of approximately £70 million. The second and third highest-grossing films at the box office in 2018 were *Mamma Mia! Here We Go Again* and *Incredibles 2*. The top 20 sales totaled £711 million, accounting for 55 percent of all box office in the UK.

For the UK, 2018 was a turbulent year and the political environment can be described as the most intense period in recent years. The UK was making a decision on leaving the European Union: Brexit. As of the end of December 2018, the box office of several films in the UK at the box office grossed over £40 million. The new eye-catching musical film *The Greatest Showman* was called controversial by industry insiders, but the box office indicates that musical films have a bright future in the UK. Although there were no phenomenal blockbuster *Star Wars* movies in 2018, many of the films performed well at the box office. In this context, the box office and the viewer numbers in the UK have withstood the pressure to keep rising. It can be said that 2018 was a very remarkable year for the British film industry. The trend of box office revenue in the UK from 2008 to 2018 is shown in Table 4.9.

Russia

Russia's film market has developed well in recent years. In the past five years, movie attendance and box office have continued to grow steadily. In 2018, the piracy issue began to be partially curbed, the number of cinemas increased, and box office reports were more accessible than in the past few years. The FIFA World Cup held in Russia in 2018 had a certain impact on the box

Table 4.8 2018 box office top 10 films in the UK and Ireland (million pounds)

Ranking	Title	Distribution country	Box office	Producer
1	<i>Avengers: Infinity War</i>	UK/USA	70.8	Disney
2	<i>Mamma Mia! Here We Go Again</i>	UK/USA	65.5	Universal Studio
3	<i>The Incredibles 2</i>	USA	56.2	Disney
4	<i>Bohemian Rhapsody</i>	UK/USA	52.0	20th Century Fox
5	<i>Black Panther</i>	USA	50.6	Disney
6	<i>Mary Poppins 2. Mary Poppins Returns</i>	UK/USA	42.1	Disney
7	<i>Jurassic World: Fallen Kingdom</i>	UK/USA	41.6	Universal Studios
8	<i>Peter Rabbit</i>	Australia/USA/ UK	41.1	SONY
9	<i>Fantastic Beasts: The Crimes of Grindelwald</i>	UK/USA	34.0	Warner Bros
10	<i>Deadpool 2: Once Upon a Deadpool</i>	USA	32.7	20th Century Fox

Source: British Film Institute (BFI).

Table 4.9 UK box office revenue trends, 2008–2018

Year	Total box office revenue (million pounds)	Year-on-year growth rate (%)	Growth rate compared to 2008 (%)
2008	850	—	—
2009	944	11.1	11.1
2010	988	4.7	16.2
2011	1040	5.3	22.4
2012	1099	5.7	29.3
2013	1083	−1.5	27.4
2014	1058	−2.3	24.5
2015	1242	17.4	46.1
2016	1228	−1.1	44.5
2017	1280	4.2	50.6
2018	1282	0.6	50.8

Source: British Film Institute (BFI).

office. The performance of the Russian national team exceeded expectations and they entered the quarter-finals, and this diverted some moviegoers. However, in terms of movie attendance, Russia is now in line with France and is expected to become the largest film market in Europe. In 2017, the audience number reached 212.2 million, and stayed stable in 2018.

In 2018, the Russian Ministry of Culture continued to adopt a protection policy for the local film market share. The Russian government has even been

accused of trying to weaken Hollywood's dominance through age restrictions, prohibiting children from watching certain Hollywood films. At present, even in the context of the protection policy and the resurgence of local production, more than half of the films screened in Russia are Hollywood films. According to preliminary statistics, eight out of ten films on the list of top ten highest-grossing films of 2018 in Russia are American films.

The Russian production companies Central Partnership has continued to grow in recent years and has become a leader in the local film market. At the annual December holiday, Russia released the most anticipated local film, *Three Seconds*, on December 28, 2017. It was based on the real-life basketball finals during the 1972 Olympics in Munich. The Soviet basketball team went up against the US team who were defending their 36-year winning streak. During the last three seconds of the finals, the Soviet team pulled off an unexpected last-minute victory against the American giants, sending the whole of Russia into complete rapture. Since its release, the film has had an extended screening in cinemas and became the highest-grossing Russian film to date, earning more than US\$37 million at the Russian box office in 2018, surpassing *Avengers: Infinity War* which made US\$32.5 million at the domestic box office.

In 2018, Russia expected to have at least 100 films earning more than US\$1 million each at the box office. Russia's film market has room to grow, and the annual local blockbuster can be said to have become the "trampoline" for the Russian box office, which has increased the flexibility of the Russian film market. In 2017, the Russian box office revenue reached US\$841 million. According to preliminary data from 2018, this good momentum continued, with a box office income of about US\$900 million in 2018.

Germany

After experiencing a decline in 2016, the German film market achieved a 3.2 percent increase in 2017 box office growth and a 1 percent increase in 2017 movie attendance. This was mainly due to *Suck Me Shakespeare 3* produced by Constantine Film in 2017. This film surpassed *Despicable Me 3* at the 2017 German box office and became the ace in the hole for Germany. However, good times don't last long, and 2018 was not a good year for the German film market. The Association of German Distributors predicted the overall box office revenue and the year-end results of the audience in Berlin in late November, which was very pessimistic. In 2018, the German box office was about US\$850 million, and the audience numbers were about 86 million.

The German national football team has always been one of the most successful football teams at the FIFA World Cup. It was predicted that the Russian World Cup would have a direct impact on German movie attendance, but the early withdrawal of the German team did not affect

audience attendance. The high temperature of nearly 40°C in 2018 was an important factor in the decline of German cinema revenue and movie attendance. In June 2018, the audience numbers dropped by 45 percent compared to June 2017, while July 2018 showed a 37 percent decline compared to July 2017.

The summer of 2018 was longer than in previous years (May to October), and the swimming pool seemed more popular than the cinema on hot summer days. During the first half of the year, the grossing of movie tickets sold every weekend was no more than 1.3 million. This number can be described as bleak, proving that the weather and special events are important factors for the movie industry. It is worth noting that in 2018, no German domestic film entered the top ten at the box office. Disney's *Avengers: Infinity War* topped the box office with a total revenue of US\$42.7 million. In addition, German viewers were not as enthusiastic about *The Incredibles 2* as viewers in other countries. *The Incredibles 2* had a revenue of only US\$19.8 million in Germany, while it grossed US\$42.8 million in France, and US\$70.6 million in the UK.

There were two local children's films that were relatively successful in 2018: *Jim Button and Luke the Engine Driver* and *The Little Witch*. Since there were no blockbusters like *Suck Me Shakespeer 3* in 2018, the market share of German local films did not exceed 20 percent.

Spain

For a long time, the legal tax rate for Spanish movie tickets stayed at 21 percent, which was the highest in Europe. Spanish moviegoers were hoping for a lower tax rate, which could lead to a reduction in movie ticket prices. In July 2018, the tax rate was reduced to 10 percent, but not all theaters reduced the price, because some theaters found that the price cut did not lead to an increase in movie attendance. As of the end of 2018, the total audience number in Spain decreased by 0.8 percent compared to 2017, and the total box office revenue dropped by 0.3 percent.

In 2018, the market share of Spanish native films was about 17 percent, unchanged from 2017. A total of 19 Spanish local films had a box office of more than 1 million euros (about US\$1.1 million), domestic films grossed 89.6 million euros (about US\$120 million). The sports comedy *Champions*, directed by Javier Fesser, became the highest-selling local film in Spain in 2018 with a US\$22.2 million box office, ranked after the Hollywood film *Jurassic World 2*, *The Incredibles 2* and *Avengers: Infinity War*. The appeal of *Champions* once again proved that Spanish native moviegoers favor comedy. As of now, Spain's highest box office record was still maintained by the Spanish native comedy *Spanish Affair*, which grossed more than US\$70 million in 2014. Despite the lack of growth momentum for several years, Spain is still among the five most important film markets in Europe.

Conclusion

Since 2017, some new measures have been implemented in some European countries to promote movies, such as the cinema carnival in Spain and the “Moins de 14 ans 4 euros” in France. This shows that the theater’s vigorous appeal for the development of potential moviegoers has been implemented. These measures, combined with a diverse marketing strategy involving social media, using big data and mobile services to help the film industry enhance competitiveness. This can increase the audience number during periods when the consumer becomes more cautious.

In 2018, the fairly mature film market in continental Europe faced major challenges: FIFA in Russia, the long, hot summer, and the continued march of Netflix and other streaming media giants. Many factors have caused the overall audience number and the box office in Europe to decline. From the slight decline in Spain to the slump in Germany and Austria, there are a lot of worrying situations in the national film market. Although the performance of the film market in many countries in Europe was not satisfactory, and most European films have always contained strong literary and market-deficient characteristics, when we look at it from the perspective of globalization and cultural diversity, European films still have a lot of room for development as a traditional market for the film industry.

The social and cultural value of European films has been widely recognized by international online platforms such as Netflix, Google and Amazon. In 2018, in an attempt to protect movies shown in cinemas, European Arthouse Cinema Day was organized in collaboration with Europa Cinema and initiated by the International Confederation of Art Cinemas (CICAE), which was composed of the Art Film Associations of ten countries. The “30 percent made in Europe” law was agreed upon by EU lawmakers in Brussels, requiring companies such as Netflix and Amazon to have 30 percent of their overall content consist of films or television series made in Europe. This meant that these international online platforms would increase their investment in the European film industry.

As American production companies increasingly target emerging markets, especially Asia, there is a clear opportunity for European film companies to produce and promote films that local audiences want in Europe. Under the new situation, Brussels lawmakers must be aware of the existence of this opportunity and make “European film success” their base for developing support policies.

Note

- 1 Established in 1946, the Centre National de la Cinématographie (CNC) is an administrative public body with legal and financial autonomy, under the Ministry of Culture and Communication in France, responsible for formulating and implementing various supportive policies for the film industry.