

Documentation of statistics for The economics of Danish feature films 2020



1 Introduction

The purpose of the statistics on the economics of Danish feature films is to shed light on the financing of and costs associated with the production of Danish feature films, ie. where the money comes from and what it has been used for. Later, the statistics will be expanded with an illumination of the feature films' income. The statistics can be used to describe the financial framework conditions for Danish feature films. The statistics have been prepared for the first time in 2021 and cover the period from 2010 onwards.

2 Statistical presentation

The economics of Danish feature films is an annual statement of the framework conditions for Danish feature films by type of financing (public support and private financing), country of financing (Denmark or abroad), target groups (eg. children / young people / families or adults), cost types (salary and other costs) calculated in both mill. DKK and number of films.

2.1 Data description

The statistics detail the financing of and costs associated with the production of Danish feature films, ie. where the money comes from and what it has been used for, and thus provides an insight into the financial framework conditions for Danish feature films. The type of financing describes how the feature films are financed, eg. whether the financing is public support or private financing. A distinction is also made between Danish and foreign funding, and you can see, for example, how much of the funding comes from abroad and how many films have received foreign funding. Costs describe how the financing has been used and distinguish between labor costs and other costs. The target group shows whether the films are targeted at children, young people and families or adults. Both financing and costs can be distributed to the target group.

2.2 Classification system

Type of financing in the statistics bank table FILMFIN1 Total financing, DK - Public financing excl. TV support, DK - Public TV support, DK - Private financing excl. sale of distribution rights, DK -Sale of distribution rights, private financing, DK - Total financing, abroad - Public funding, abroad -Private financing excl. sale of distribution rights, abroad

Type of financing in the statbank table FILMFIN2 - Sale of distribution rights, abroad - Public financing excl. TV support - Public television support - Private financing excl. sale of distribution rights - Sale of distribution rights

Target group: - Children / young people / family - Adults

2.3 Sector coverage

The culture sector.



2.4 Statistical concepts and definitions

Danish feature films: Films that meet the following three criteria: 1) Stand-alone fiction productions of a minimum duration of 75 minutes 2) Productions produced by the Danish main producer, ie. a producer who conducts business through Denmark by establishing a permanent place of business or equivalent 3) Feature films that have received production support from the Danish Film Institute either through <u>Consultant</u> or <u>Market scheme</u>.

Salary costs: The part of the financing that has been spent on the remuneration of the people who have been involved in the production of the film, eg. the director, the A-photographer, the costume designer and the editor.

Target group: The audience that the film is aimed at. It can be children, young people and families or adults.

Public funding excl. TV support: Funds from the Danish Film Institute, Danish and foreign public institutions and foundations (eg Nordic Film & TV Foundation and Eurimages) as well as funds from DR and TV2 for interest.

Public TV support: Pre-sale and sale of public service distribution rights (typically TV shows on DR and TV2).

Other costs: The part of the financing that has been spent on other than salaries. It covers i.a. costs for camera, sound and light equipment, raw films, decorative materials, masks and wigs, location rental and film development.

Private financing excl. sale of distribution rights: Funds from Danish and foreign producers and coproducers.

Sale of distribution rights: Advance leasing payments and sale of private TV shows. In rare cases, Danish feature films are awarded funds from foreign state-owned media houses. These subsidies are considered private financing, as the media houses are not subject to the same obligations as DR and TV2.

Advance leasing payments: Prepayment of rights to distribute films.

Year: The year containing the date of the Danish cinema premiere; may in some cases be determined by an international premiere or premiere on other forms of distribution, eg. streaming services.

2.5 Statistical unit

Feature films

2.6 Statistical population

Danish feature films

2.7 Reference area

Denmark



2.8 Time coverage

The statistics cover the time period 2010 and onwards

2.9 Base period

Not relevant for this statistic.

2.10 Unit of measure

The following units of measurement are used: number of films, financing in million DKK, and costs in million kr.

2.11 Reference period

The statistics are compiled for films released during the calendar year.

2.12 Frequency of dissemination

Annual.

2.13 Legal acts and other agreements

Act on Statistics Denmark §6: Data comes from other public authorities and existing registers.

2.14 Cost and burden

The statistics are based on administrative registers. There is therefore no direct reporting burden in connection with the compilation of these statistics.

2.15 Comment

Other information can be found on the subject page about <u>Cinemas and films</u> or by inquiry to Statistics Denmark.

3 Statistical processing

Data for the statistics are collected by the Danish Film Institute for use in the administration of film support. It is examined whether the number of feature films in the data received matches the number of feature films supported through the Consultant or Market Scheme. Then various sum checks are made for the individual films. In the event of irregularities or questions, the Danish Film Institute is contacted and data edited if necessary. Data is then enriched with information about the target group from Statistics Denmark's Film Register. Finally, data is aggregated to the final tables.



3.1 Source data

The statistics are based on administrative data from the Danish Film Institute and data from Statistics Denmark's Film Register.

Data from the Danish Film Institute is accounting and budget information on individual films that are used in connection with the distribution of and follow-up on the payment of support through <u>Consultant</u> and the <u>Market scheme</u>.

The film projects that are supported under the Consultancy Scheme must have cinematic and artistic qualities. There are no special requirements for genre or audience appeal, and the Consultancy Scheme supports films of all budget sizes. Every year, production support is granted for 10-12 feature films under the Consultancy Scheme.

The film projects that are supported under the Market Scheme must be expected to sell more than an average Danish feature film in cinema tickets in Danish cinemas. Production support is given for 7 - 9 films a year.

As part of the application for support for the two schemes, the producer must submit a financing plan showing how the film will be financed and what the funds will be used for. The financing plan must have an uncertainty margin of at least 5 per cent. and may not exceed 10 per cent. of the budgeted production costs excl. a subset of the other costs. A commitment to support can only be made when the beneficiary has documented that the budget, including any margin of uncertainty, is fully funded. The beneficiary must submit the film's production accounts to the Danish Film Institute for approval within three months of the film's commercial world premiere.

Data from the Danish Film Institute is enriched with information on the target group from Statistics Denmark's Film Register, which contains information on all films that have premiered in at least one Danish cinema since 1976. Reference is made to [cinema statistics] (https://www.dst.dk / en / Statistics / documentation / statistical documentation / cinemas-and-movies) for further information.

3.2 Frequency of data collection

Data is collected continuously.

3.3 Data collection

Data are submitted to Statistics Denmark directly from the Danish Film Institute's administrative registers through a system-to-system solution.



3.4 Data validation

First, it is examined whether there is a correspondence between the number of feature films in the data received and the number of relevant feature films on the Danish Film Institute's <u>official list</u> of grant recipients. The year of the feature films is basically determined on the basis of the date of the Danish cinema premiere, but may in some cases be determined by international premieres or premieres of other forms of distribution, eg. streaming services.

Then various sum checks are made for the individual films: For example, it is examined whether the financing items add up to the production accounts and whether the production accounts are equal to the total costs.

In the event of irregularities and / or questions of doubt, the Film Institute will be contacted and data adjusted if necessary.

3.5 Data compilation

Accounting and financing information from the Danish Film Institute is consolidated and supplemented with information on foreign sales of distribution rights. Data are validated and linked with metadata from Statistics Denmark's Film Register. In rare cases, there are films that have not been shown in Danish cinemas, and which are therefore not found in the Film Register. In these cases, the target group is assessed pba. the film description in <u>Filmdatabasen</u>. Finally, data is aggregated to the final tables.

3.6 Adjustment

No corrections are made, other than what has already been described under Data Validation and Data Compilation.

4 Relevance

The statistics are relevant for industry professionals, researchers, analysts and others with a special or general interest in the economic aspects of Danish film production. It can be used to support analyzes of the development in Danish feature film production and / or be a starting point for political debates and decisions. It can also provide an insight into the framework conditions for Danish feature films for other interested parties.



4.1 User Needs

The overall user need is to create more knowledge about the financial framework conditions for Danish feature films, which can facilitate more fact-based debates and decisions.

Professionals have for a long time demanded statistics that shed light on the economy and cash flows in the audiovisual industry. In collaboration with the industry, the Danish Film Institute and the Ministry of Culture, Statistics Denmark has investigated the possibilities of meeting this demand.

The statistics on the economy of Danish feature films are the result of the collaborative project. At present, the statistics cover the financing of and costs associated with Danish feature film production. It is expected that the statistics will also cover the revenue dimension during 2022.

The economy in Danish feature films is one of many dimensions in the audiovisual industry, and there is a demand for more lighting. At present, it is being investigated whether a statistic can be established that sheds light on fiction (series).

4.2 User Satisfaction

The statistics have been developed in collaboration with the industry, the Danish Film Institute and the Ministry of Culture to ensure user satisfaction.

4.3 Data completeness rate

Not relevant for this statistic.

5 Accuracy and reliability

The data basis is production accounts for Danish feature films that have received support from the Danish Film Institute either through the Consultancy or Market Scheme, but omit feature films that have received other or no support. The statistics are therefore not fully comprehensive and underestimate the financing of, the costs associated with and the number of Danish feature films. The data base comprises an average of 82 per cent of Danish feature films and 94 per cent of the total sales of cinema tickets.



5.1 Overall accuracy

The data basis is production accounts for Danish feature films that have received support from the Danish Film Institute either through the Consultancy or Market Scheme, but excl. Danish feature films that have only received launch support, support through the New Danish Screen scheme or no support. The reason why the statistics do not include the latter types of films is that producers are not obliged to submit the accounts to the Danish Film Institute, and data is therefore not available.

Data cover an average of 82 per cent of all Danish feature films during the census period, when compared with Danish titles in cinema statistics. It is noted that there are minor differences in the definition of resp. premiere year and country in cinema statistics and these statistics. Measured by the accumulated sales of cinema tickets, the coverage is on average 94 per cent. The coverage for the individual years is as shown (share of cinema sales shown in parentheses): - 2010: 83 (93) pct. - 2011: 88 (93) pct. - 2012: 95 (98) pct. - 2013: 84 (96) pct. - 2014: 76 (91) pct. - 2015: 85 (99) pct. - 2016: 78 (99) pct. - 2017: 73 (87) pct. - 2018: 81 (85) pct.

It is estimated that the statistics cover the majority of the economy in Danish feature film production, as several of the titles that are not included in the statistics are films that are supported under the New Danish Screen scheme. The scheme is a talent scheme / scheme for debut films that supports feature films with low budgets. It is not possible to quantify how much the statistics underestimate the financial framework of Danish feature film production.

Costs are divided into wage costs and other costs pba. items that are primarily related to the two cost types. This can lead to overestimation (underestimation) of the labor costs and underestimation (overestimation) of the other costs.

5.2 Sampling error

Not relevant for this statistic.

5.3 Non-sampling error

The statistics underestimate the total financing of, the total costs associated with and the number of Danish feature films, while it overestimates the financing per. movies and the cost per movie.

This is primarily due to the fact that the data base is feature films that have received production support from the Danish Film Institute either through <u>Consultant</u> or <u>Market scheme</u>, but excl. Danish feature films that only receive <u>launch support</u> from the Danish Film Institute, or which receive support through the department's support scheme for talent films <u>New Danish Screen</u>. Films that have not received support from the Film Institute are not included either. The films cover about 82 percent of all Danish feature films and thereby the majority of the economy in the Danish feature film production.

It is assumed that the budget for a given feature film is a good estimate for the feature film accounts. Each budget has an uncertainty margin of about approx. 5-10 per cent, which in most cases will be the uncertainty associated with using the budget for a given feature film as an estimate for the accounts. Since there will be accounts for the vast majority of films, it is estimated that the assumption will have a minor impact on the overall result.

It is assumed that costs that are primarily related to payroll costs are a good estimate of payroll costs, and that costs that are primarily related to other costs are a good estimate of other costs. This can lead to an underestimation (overestimation) of labor costs and an overestimation (underestimation) of the other costs. It is not possible to quantify the uncertainty.



5.4 Quality management

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

5.5 Quality assurance

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

5.6 Quality assessment

The statistics contribute to an overview of the financial framework conditions for Danish feature films, and thus support fact-based debates and analyzes in the film area. The primary data base is production accounts that have been audited by state-authorized public accountants or equivalent, which helps to ensure the quality of the results. As the statistics are based solely on supported feature films, the coverage of the number of films is on average 82 per cent. of all Danish feature films and 94 per cent. of the total sales of cinema tickets. However, the coverage with regard to the economic parameters is assessed to be higher, as the feature films that are not included in the statistics are most often smaller productions. In the start-up phase of the statistics, there is a delay of 2-3 years for the financing and cost tables, but it is expected that the production time will be shorter in the long run. The statistics are comparable to annual reports from the Danish Film Institute, but there are no international guidelines for inventories of feature film economics. The results are presented in StatBank Norway and News from Statistics Denmark and are thus available to everyone. The statistics have a number of sources of error, which are described under point. 5.3. No actual quality assessment of the final results of the statistics has been carried out other than the quality assurance described during data validation.

5.7 Data revision - policy

Statistics Denmark revises published figures in accordance with the <u>Revision Policy for Statistics</u> <u>Denmark</u>. The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

5.8 Data revision practice

The statistics are published two years after the end of the reference period with preliminary figures. As there may be delays in the delivery of production accounts, the figures are updated up to two years after the date of publication.

6 Timeliness and punctuality

The statistics are published two years after the end of the reference period.



6.1 Timeliness and time lag - final results

The statistics are published two years after the end of the reference period with preliminary figures. There may be delays in the delivery of production accounts for individual films, so the figures can only be considered final two years after the date of publication.

6.2 Punctuality

The statistics are usually published without delays in relation to the previously announced time of publication in the publication calendar.

7 Comparability

The time series is comparable throughout the period. The statistics are partly comparable with Statistics Denmark's cinema statistics and can be compared with the Cultural Habits Survey's results regarding films and series. Internationally, the statistics can be compared with UNESCO's feature film statistics. There are no common European or international guidelines in the field, but there are a number of international and European sources for lighting the feature film field.

7.1 Comparability - geographical

There are no common European or international guidelines within the area, but there are a number of international and European sources for lighting the feature film area. One source for European film statistics is <u>a report from the European Audiovisual Observatory</u> and Unesco compiles an <u>international feature film statistics</u>, see under Culture\Feature films.

7.2 Comparability over time

The time series is fully comparable throughout the period.

7.3 Coherence - cross domain

Statistics Denmark's <u>Cinema Statistics</u> highlights films that have had a Danish cinema premiere . Among other things, it provides opportunity to see how many tickets Danish feature films have sold in a given year, and how large the ticket revenue for the films has been.

It is noted that the cinema statistics and the statistics on the economy of Danish feature films are not directly comparable. This is partly due to the fact that the cinema statistics have a different definition of land of origin and include all Danish feature films that have had a Danish cinema premiere, while the statistics on the economics of Danish feature films only include Danish feature films that have either received support through the Danish Film Institute's Consultant or Market Scheme and may also include Danish feature films that have not had a Danish cinema premiere.

<u>The Cultural Habits Survey</u>, which is a questionnaire survey, sheds light on the consumption of films and series. You can see, for example, what proportion of the population has seen films and series, broken down by gender, age and other background variables.



7.4 Coherence - internal

The statistics are partly based on Statistics Denmark's film register, which due to differences in sources and purposes in certain cases has a different delimitation of films than the other data material. In these cases, supplementary questions for data providers are supplemented.

8 Accessibility and clarity

The statistics are published in News from Statistics Denmark. Statistics Denmark publishes figures for the economy of Danish feature films under the topic <u>Cinemas and films</u>. See more on the subject page <u>Cinemas and films</u>.

8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.

8.2 Release calendar access

The Release Calender can be accessed on our English website: <u>Release Calender</u>.

8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

8.4 News release

The statistics are published in News from Statistics Denmark.

8.5 Publications

Not relevant for this statistic.

8.6 On-line database

The statistics are published in the StatBank under the subjects in the following tables:

- FILMFIN1: Financing of Danish feature films by financing type, key figures and time
- <u>FILMFIN2</u>: Financing of Danish feature films by financing type, target group, key figures and time
- <u>FILMOMK1</u>: Production costs of Danish feature films by key figures, target group and time

8.7 Micro-data access

There is no access to Micro-data.



8.8 Other

Not relevant for this statistic.

8.9 Confidentiality - policy

The statistics have been compiled in accordance with Statistics Denmark's <u>Data Confidentiality</u> <u>Policy</u>

8.10 Confidentiality - data treatment

Not relevant for this statistic.

8.11 Documentation on methodology

There are no additional methodology papers available.

8.12 Quality documentation

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

9 Contact

The statistics are located in the office of Research, Technology and Culture, Business Statistics. The person responsible is Henrik Huusom, tel +45 3917 3447, e-mail: cht@dst.dk.

9.1 Contact organisation

Statistics Denmark

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