



# The Wide Angle

## The BFI's International Strategy

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# The Wide Angle: The BFI's International Strategy

The BFI's international strategy aims to help UK film achieve maximum economic growth and cultural reach. The strategy is the result of detailed consultation and research with the BFI's partner agencies and industry stakeholders.

## Why have a strategy?

### Film: a global business

Despite the economic downturn, and as the world wakes up to the inexorable and tectonic shift in international economic forces, film has proven itself to be a truly global business. UK film's continued success and growth depends entirely on its ability to maintain a strong global position, as is demonstrated by two key figures:

- UK production volume worth on average over £1bn a year is 70% financed by the US.<sup>1</sup>
- Exports of UK film are now worth £1.7bn per year almost three times that of ten years ago. Export income for the typical UK independent British film accounts for an average of two-thirds of total revenues.<sup>2</sup>

These two pillars of the UK film economy require the underlying conditions for success and growth not only to be protected, but continually improved, which is why they are at the core of the BFI's International Strategy.

### Global reach needs local strength

A strong global position requires a strong creative and cultural foundation in the home territory. The BFI, as the UK's lead organisation for film, and whose purpose is to support the film industry and the understanding and enjoyment of film, is ideally placed to lead on the UK's economic and cultural film growth internationally. From educating young audiences, developing filmmaking talent, supporting local and international distribution, to promoting and preserving our film culture, the BFI makes a vital contribution to the health of UK film.

### Film contributes to UK plc

Film is a major component of the UK's creative industries, which represent a growing part of the UK's economy.<sup>3</sup> Film is a powerful cultural tool, and has been used successfully by the GREAT campaign through its association with James Bond and *Skyfall* in 2012. Tourism has benefitted greatly from the visual promotion of the UK and 'UK plc' overall receiving a perceptual boost from such initiatives, as well as potentially supporting understanding of cultural difference and diversity.

## What will the Strategy achieve?

The Strategy will be in place for the duration of *Film Forever*, the BFI's five year plan to support UK film which runs until 2017. During this time we expect to have achieved:

- a year on year increase in film inward investment into the UK
- a year on year increase in the value of UK film internationally, including the export of UK talent
- an improved offer for the UK as a co-producing partner and an improved perception of the UK as a creative and commercial partner of choice
- to set a cultural agenda engaging with the best of world cinema and build UK audiences for a rich and diverse range of programming
- to help the Foreign and Commonwealth Office (FCO) and Department for Culture, Media and Sport (DCMS) engage more effectively on the world stage through UK film's cultural value
- a skills base that remains world class in its expertise and with the breadth and depth to respond to domestic and international production requirements
- an ability to inform and influence policy for the benefit of film at a European and international level

### How will it be funded?

Support for the strategy is key to the health of UK film and the BFI has dedicated £1.5m of Lottery funding per year to allow it to make effective interventions. However, the success of the strategy cannot solely rely on the internal resources of the BFI and of the International Fund. The BFI therefore seeks to pull together all internal and external resources for international

film promotion so that our coordinated efforts can be more effective. DCMS, UK Trade & Investment (UKTI) and the British Council's ongoing funding and resource commitments to film, remain essential, along with that of the many partner organisations and commercial companies active in the international marketplace.

### Working together

The BFI and external partners have agreed that there is a need to focus on the key priorities and territories and for greater coordination across the agencies and organisations supporting UK film.

### We Are UK FILM

The BFI launched an internationally facing collective identity We Are UK FILM first at Berlinale 2013 and in full at Cannes 2013 to bring coherence and professionalism to the work of the UK's film agencies and partners. The BFI will continue to raise the profile of the We Are UK FILM family and has committed support for a UK presence at Berlin, FILMART, Cannes and Toronto.

### GREAT

The BFI will continue to work with the UK Government's GREAT campaign, both to seek ways in which film can contribute to GREAT, and to use GREAT to maximise international commercial opportunities for UK film.

<sup>1</sup> Five year average 2008-2012; An inward investment film is substantially financed and controlled from outside the UK (Source: BFI Statistical Yearbook 2013, forthcoming).

<sup>2</sup> Office for National Statistics/BFI Statistical Yearbook 2013 (forthcoming).

<sup>3</sup> The UK film industry's direct contribution to UK GDP in 2011 was £3.8 billion.



## The strategic priorities

The BFI's International Strategy group has identified two sets of priorities.

### Sectoral priorities

The strategy group identified the areas of international engagement which support the UK film economy as **audiovisual policy, co-production, cultural exchange, export, inward investment and skills.**

### Priority territories

In 2012, the BFI commissioned Olsberg SPI to undertake a review of the opportunities for UK film across a range of international territories, to identify which of these should be prioritised for active engagement through the International Strategy.

The full priority territory report can be read [here](#)

The priority territories were collated into three tiers.

#### Tier One

**US, China and Brazil**

These were considered the most important territories, due to their having the

greatest convergence across all areas of the strategy, where there was greatest evidence of opportunities for growth, and where public intervention could unlock opportunities and effect change.

The BFI is now progressing specific interventions in these three territories.

#### Tier Two

**Germany, France and Australia**

These were considered to be the UK's current strong key relationships and ongoing engagement with these territories – across all areas of the International Strategy – should be supported.

#### Tier Three

**Nordic Countries, Ireland, Russia, India, South Africa, Japan, South Korea, Turkey and Canada**

Tier Three represents a number of territories where the UK already has an existing and productive relationship and where consolidation and growth is possible for some of the sectoral objectives. A Tier Three territory may represent an important relationship for a particular area of the strategy and may offer tactical opportunities for sector-specific growth.

## Strategy into action

Leading on from the identification of the priority territories, areas and objectives, the BFI identified a number of key areas for support and intervention on which the BFI will lead, and which will encompass and inform the activity of our funded partners and other agencies. These include the British Film Commission, the British Council, BAFTA, Creative Scotland, Creative England, Film Agency For Wales, Northern Ireland Screen, Film London and Film Export UK. We will continue to work closely with our sponsor department in Government, the DCMS, as well as with other departments such as HM Revenue and Customs (HMRC), FCO, Number 10, Treasury and UKTI.

The strategic interventions outlined below are necessarily ambitious and forward thinking in order to achieve growth in a challenging economic climate. They are, however, eminently achievable where the BFI can continue to foster a spirit of partnership, collaboration, clarity of direction and purpose.

### Inward investment

**The BFI funds - and works in partnership with - the British Film Commission, and film agencies across the UK to deliver economic growth through inward investment.**

The UK's world-class crew, talent, facilities, studios and infrastructure, coupled with an attractive film tax relief, allow it to compete for large budget international film production.

In recent years this part of the UK film economy has represented between £650m and £1bn a year in production volume. The US is by far the most significant inward investment client for UK production, each year since 2008 representing between £430m and over £1bn.

**The BFI's objective is to increase this volume year on year.**

The BFI International Fund has committed £200k per annum to support the BFC to attract film inward investment from the US. This is in addition to c£400k Grant-in-Aid (GIA) funding from the BFI, and a further £200k from UKTI to help it attract High End TV inward investment and, possibly, film inward investment from emerging markets.

### Production growth from other territories

Whilst the inward investment model from the US studios currently dominates the UK's production volume, the consultation did not identify significant inward investment growth opportunities for film in other territories. However, many international territories offer co-production opportunities whether established partners such as Europe, Australia, Canada or growth territories such as China and Brazil. These relationships require a creatively and culturally driven approach, a commitment to pool resources and talent and a shared ambition to grow audiences. UK producers need to be tasked with the knowledge, understanding and relationships necessary to operate in a such a landscape and to be able to bring an attractive UK offer to bear when negotiating such relationships. See the co-production section of this document for more information.



*Audience with Alfred Hitchcock masks at screening of Blackmail in Shanghai, China*



## Export

The BFI's International Strategy is committed to growing the value of UK film exports year on year.

The contribution of film exports – primarily international sales of film rights, but also the export of skills, talent and expertise is essential to the film value chain, and yet faces challenges from high fixed costs, a fragmented value chain, models in flux and changing economic fortunes of key sales territories.

Beyond the international sales figures, our talent exports keep the value of UK film high through the international profile of UK stars, directors, writers and other talent.

Moreover, producers and other talent need to be able to engage with international financiers and other partners at an early stage in a film's gestation in order to secure co-financing.

The BFI International Strategy will therefore put in place a number of

interventions to understand and enhance the value of UK film exports:

- Building on the success of the BFI Film Export Fund, we will increase its budget to £275k to encourage innovation; encourage sales and relationship building in the identified Priority Territories; encourage collaboration and data sharing
- A commitment to a UK presence at key international festivals and markets (Berlin, FILMART, Cannes, Toronto) in addition to other targeted initiatives where they make an exceptional contribution to strategic objectives
- Strategic work to improve the quality and availability of data around the value of international sales by territory
- A review of international buyer behaviour and decision-making, across the annual cycle of festivals, markets and other trade platforms; and the role of talent promotion, digital technology and other innovations which can enhance the value of sales for UK film



## Co-Production

An effective co-production landscape enhances opportunities for growth as it opens up streams of international finance, removes trade barriers, and increases audience.

However, UK producers looking to co-produce have fewer sources of finance available to them, and a less sympathetic commercial and regulatory landscape than do their European neighbours and certain other international partner countries.

UK film travels further than the output of our regular co-producing partners, thanks largely to our exceptional talent pool, high profile actors, engaging storytelling, rich cultural heritage and the commercial and creative acumen of our producers.

The International Strategy seeks to promote the UK's creative and commercial strengths, whilst allocating funding from the BFI Film Fund to encourage international production to consider co-producing with the UK for creatively driven reasons.

We have therefore identified 3 key interventions:

- As of 1st April 2013, the BFI Film Fund committed up to £1m per annum to encourage creative excellence in co-production where the majority creative input comes from outside of the UK
- We will support ways to help connect UK producers to international counterparts, and to explore international co-production opportunities. This may include bespoke delegations and individual bursaries to priority territories. Track record and quality of the relevant project will be a key feature of the selection process.
- We will look at funding key festivals, markets and other platforms where there is a demonstrable commitment to help

UK producers and other talent engage internationally

Moreover, taking into account the performance of the BFI's co-production funding, we will keep under review the question of membership of Eurimages, as well as of the impact of the UK film Tax Relief on co-production.

## Cultural exchange

Film has a powerful ability to open windows of understanding on other cultures, to open hearts and minds, and thus effect change.

Building UK audiences for international cinema is a core BFI objective. We will do more to offer a real diversity of films to UK audiences to see the world through other eyes, for people to connect with their own cultural identities beyond being British.

The BFI also increases the knowledge and understanding of British film, history and culture through its international touring programmes, which play each year in 200 venues around the world. Our international cultural programme is supported hugely by the British Council, who are essential partners for the strategy.

The BFI's high quality film programming, curatorial and archiving expertise gives the UK a global leadership position. We have a very wide range of international visitors who want to learn from our expertise.

The International Strategy will help maximise the cultural, creative and diplomatic impact of our cultural programme through greater co-ordination with our partner agencies, and increased resource to help increase the scope of the BFI's international cultural exchange activity.



## Audiovisual policy

The international political and regulatory environment has a huge impact on the conditions for success and growth in film.

The BFI takes a lead role in shaping policy and advocacy on such issues as:

- IP protection
- State Aid
- International free trade agreements
- Co-production agreements
- Sustainability
- Access to finance

The BFI will continue to lead on these issues through effective engagement with its partner agencies and government departments, both in the UK and internationally.

## Skills and talent

The BFI will work in partnership with Creative Skillset and partner agencies to identify and develop the best of UK's film talent and skills base, equipping it to compete, innovate and lead in a global environment.





