

the **spanish film industry**

trends



Instituto de la Cinematografía
y de las Artes Audiovisuales

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The Spanish Film Industry: 1996–2003

Trends

It is helpful to consider the development of Spanish cinema over an extended period, specifically from 1992 to 2003, since in such a span of time we can see that the Spanish film industry has grown substantially in terms of both production and exhibition, according to most indicators.

The figures alone attest to a spectacular change in Spanish cinema in all spheres, and particularly exhibition in theatres. The renovation and remodelling of venues and the steady increase in the number of screens throughout the country, offering increasing quality and comfort to film audiences, has prompted a public response that is reflected in a notable increase in attendance. The number of people attending Spanish films rose from **8,355,413** in 1992 to more than 21 million in 2003, having reached a record **26,205,964** in 2001.

With regard to the production of Spanish films, the great capacity for innovation and the creation of original works was amply demonstrated. There were films in more genres, including feature-length animated cartoons. The growth trend was constant in both periods mentioned, from **52** feature-length films in 1992 and **44** in 1994, to **110** in 2003, with a record **137** feature-length films in 2002; likewise the number of international co-productions rose from **14** in 1992 and **8** in 1994, to **57** co-productions in 2002 and **43** in 2003, plainly indicating an expansion of the international scope of the Spanish film industry.

In terms of **distribution** a noteworthy development was the appearance in the market of independent distributors who import quality products that are a great success with audiences, despite the difficulties posed by a market in which they must compete at a disadvantage with the major multinational distributors.

Many factors contributed to the growth of Spain's film industry during the 1990s, but without a doubt the most outstanding was the dedication of Spanish film-goers. Despite the significant development of the segments of the audio-visual industry in recent years (video games, the Internet, digital television, the replacement of analogue video with DVD, and home cinema equipment), for Spaniards, attendance of traditional cinema remains one of the most popular leisure options outside the home, especially on weekends.

In the following pages we shall examine the development of the film market in Spain in terms of production, distribution, and exhibition, from 1992 through the 2003 season. In addressing the most pertinent issues we shall mention the trends of the period from 1996 to May, 2000 and that of May, 2000 to December, 2003.

Production

Table 1 shows the trends in the number of feature films produced in Spain, both Spanish and international co-productions. As can be observed, the number more than doubled in 10 years, from **52** in 1992 to **110** in 2003, with a record **137** films made in 2002.

Table 1
Number of Spanish Productions in 1992-2003

Year	Spanish Films	Co-Productions	Total Films	Films Released
1992	38	14	52	41
1993	41	15	56	50
1994	36	8	44	32
1995	37	22	59	48
1996	66	25	91	73
1997	55	25	80	81
1998	46	19	65	63
1999	44	38	82	74
2000	64	34	98	93
2001	66	40	106	102
2002	80	57	137	122
2003	67	43	110	106
Total	640	340	980	885

Source: ICAA

Also noteworthy was the large increase in the number of film premières with Spanish participation, which rose from **41** in 1992 to **122** in 2002 and **106** film premières in 2003. The average number of releases in this period was 73.8 titles per year, although it should be stressed that the number rose sharply in the last three years, surpassing 100, and that the number of new productions that were not released was negligible.

Likewise, the increase in the number of Spanish film productions is linked to the major growth of digital television as of the second half of the 1990s. The appearance of new channels led to the proliferation of contents with which to fill broadcasting time, which led most broadcasters to take part in large numbers of projects in exchange for broadcasting rights in their territories, and also in compliance with their legal obligation to invest under the law of 9 July, 2001.

Another important trend in Spanish film production is the increase in the number of **Documentaries**, financed largely by public subsidies and television broadcasters. Here follows a list of the documentaries which received project grants in the 1996-2003 period:

Title	Director
A propósito de Buñuel	Jose Luis López-Linares Javier Rioyo
Alzados del suelo	Andrés Linares Capel
Après le trou (Después de la evasión)	Antonio Llorens Sanchís
Babaouo	Manuel Cusso
Balseros	Carlos Bosch, Josep M. Domenec
Buenos días	Mercedes Álvarez La Mata
Cajas españolas, Las	Alberto Porlan
La casita blanca (La ciudad oculta)	Carlos Balagué
Cineastas contra magnates	Carlos Benpar
Cravan vs Cravan	Iñaki Lacuesta
De Asturias a Vietnam, un viaje en el tiempo	Juan C. Garcia-Sampedro

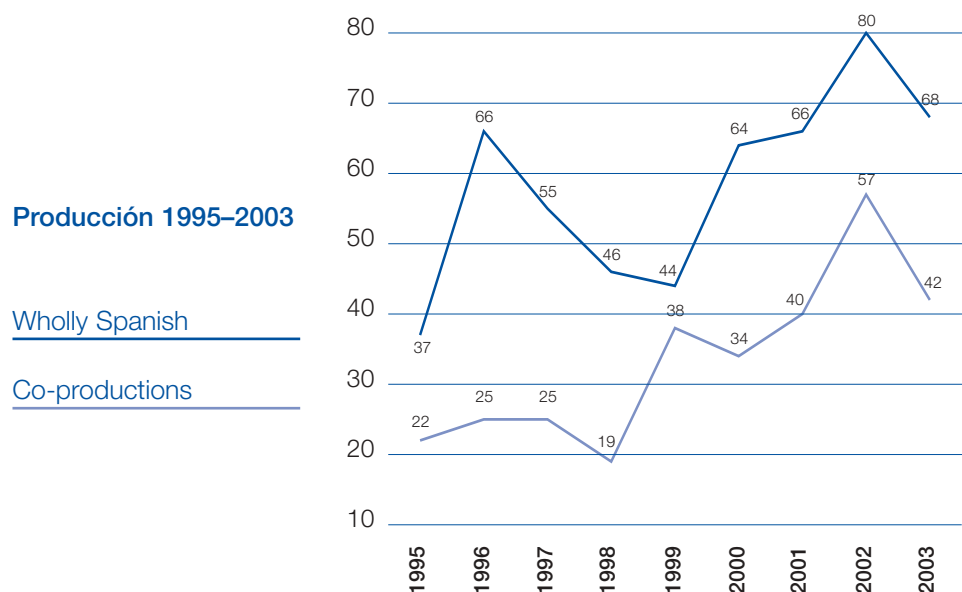
De niños (T.A. El Caso Raval)	Joaquín Jordá
De Salamanca a ninguna parte	José M ^a De la Peña
En construcción	José Luis Guerín
Escuela viva	Julián Pavón Fuentes
Extranjeros de sí mismos	Javier Rioyo, José Luis López-Linares
La guerrilla de la memoria	Javier Corcuera
Monos como Becky	Nuria Villazán Martín
	Joaquin Jordá
Los niños de Rusia	Jaime Camino Vega de la Iglesia
Sara, una estrella	José Briz Mendez
Sombras y luces	Antonio Giménez-Rico
(Cien años de cine español)	
El tren de la memoria	Ana Pérez de la Fuente
	Marta Arribas Veloso
Un instante en la vida ajena	José Luis López-Linares
(T.A. : Los Placeres y los Días)	
Val del Omar audiovisionario	Eugeni Bonet

Spanish Film Production and International Co-Productions

Co-productions have certain advantages for film producers in Spain, chiefly the possibility of completing funding of the budget, and access to territories that are difficult to reach without the help of local producers or distributors. In 2003 a total of 43 co-productions were made, and in 2002 a new record of 57 co-productions was set, which isn't a bad formula if we consider that year after year some of these titles appear amongst the ten best-attended Spanish films (considering only those films in which Spanish participation is 50% or larger).

The trend is toward an increasingly world-wide audio-visual market, so it may be predicted that the number of co-productions will continue to rise in coming years, thanks in part to the maintenance of the current system of subsidies and pan-European and pan-Latin America training programmes which lead to greater collaboration between producers from different countries.

The number of co-productions in the 1992-2003 period amounted to an average of **30%** of domestic feature film production, with a total of 340 titles in the period.



Evolución of Spanish Film Production and International Co-Productions Increase in Co-Productions 2000–2003

With regard to production in 1996-2003, it should be pointed out that between 1996 and 1999 a total of 211 all-Spanish films and 107 co-productions were completed, for an annual average of 52.75 Spanish films and 26.75 co-productions. Between 2000 and 2003, productions of all-Spanish films amounted to 279, while the number of co-productions was 173, for an annual average of 69 all-Spanish films and 43 co-productions, which is an indication of the sharp increase in international co-productions in this period.

Co-productions were fostered by such international programmes as EURIMAGES in the European Union and IBERMEDIA in the Latin American sphere.

Projects with Spanish Participation Approved by EURIMAGES in 1996-2003

Year	Total Films	Total subsidies Co-Spanish Productions	Total subsidies received by Spanish co producers
1996	13	3,994,164.25 €	1,248,557.45
1997	13	3,574,929.45 €	1,446,741.17 €
1998	16	5,500,360.54 €	2,114,162.97 €
1999	9	2,965,133.39 €	826,121.22 €
2000	10	3,700,000.00 €	1,849,685.00 €
2001	7	3,222,000.00 €	1,382,515.00 €
2002	5	3,16,619.00 €	977,060.00 €
2003	8	3,820,000.00 €	1,149,000.00 €

Projects approved by Ibermedia (1998–2003)

	1998	1999	2000	2001	2002	2003	Total
Co-productions	15	15	23	26	26	30	135
Development	30	30	21	23	15	26	145
Distribution	22	48	22	13	13	16	134
Training	25	27	49	32	35	6	174

Increase in Average Cost of Spanish Films

In Table 2 we see the average annual cost of Spanish film productions since 1996 and starting in 1999 we see the average cost of co-productions.

Table 2	Average Annual Cost of Productions	Average Annual Cost of Co-Productions
1996	1,246,500	–
1997	1,370,800	–
1998	1,531,080	–
1999	1,624,300	3,118,118
2000	1,803,000	3,821,572
2001	2,259,130	3,452,978
2002	2,369,680	3,349,560
(provisional) 2003	2,450,000	3,557,868

Certainly the most striking fact is that the average cost of making a film has increased by 153.1% since 1992, from an average of 967,629 € per all-Spanish film in that year to the average of 2,450,000 € registered in 2003. Not only has the number of productions doubled, but also the average budget per film, taking into account that, in order not to distort the calculations, we have excluded from consideration those films costing more than 6,010,121 euros (1,000 million pesetas).

As can be observed in Table 2, the average cost of co-productions has also risen in recent years, although perhaps the most significant thing is the difference between the average cost of an international co-production and a domestic production, which in 2001 came to 1,193,848 euros in favour of the co-production, whose average cost was 3,452,978 euros.

Trend Towards the Concentration of Production Companies

Table 3 shows the number of companies participating in the production of feature-length films since 1995. As can be observed, many more have taken part in the production of a single film than in that of two or more. This attests to the fragmentation of Spanish production companies, which focus their efforts on the making of a single feature film (75.21% in 2003). In 2003, of the 30 companies involved in the production of two or more films, only five produced more than five, and 25 made between two and four. (20.66%).

Table 3
Activity of Film Production Companies

Year	Companies	Companies producing a single film	%	Companies producing 2-4 films	%	Companies producing 5 or more films	%
1996	91	75	82.42	12	13.19	4	4.39
1997	79	64	81.01	12	15.19	3	3.80
1998	64	57	89.06	6	9.38	1	1.56
1999	62	46	74.19	10	16.13	6	9.68
2000	90	71	78.89	17	18.89	2	2.22
2001	93	70	75.27	18	19.35	5	5.38
2002	141	106	75.18	30	21.28	5	3.54
2003	121	91	75.21	25	20.66	5	4.13

In 1996-1999 an average of 74 companies per year produced feature-length films, while in 2000-2003 this figure reached 111, thanks in part to the large growth in the number of production companies with projects underway.

Increase in the Protection Fund

As regards the funding of Spanish titles, Table 4 shows the performance of the Spanish film Protection Fund since 1996. In 1992 the Fund reached 18,751,577€ and in 1995 17,940,211, and it increased substantially during the period under consideration, which was in keeping with the number of new films produced in the period, which, as we have seen, also more than doubled. The Fund increased most in the 2000-2003 period, exceeding 31 million euros in each of the three years, although one must take into account the increase in production budgets for Spanish titles as of the year 2001, as shown in Table 2.

It should be mentioned that the final amount of the Fund in 2002 was 40,651,000€, and that the following year it reached 60,699,840 € thanks to an extraordinary transfer of 27,802,096 €.

Table 4
Changes to the Initial Endowment of the
Film Production Protection Fund in 1996-2003

Year	Euros
1996	18,030,000
1997	18,030,000
1998	21,040,000
1999	29,570,000
2000	31,670,000
2001	31,200,000
2002	40,651,000
2003	60,699,840

Distribution and Exhibition

This major change experienced in the feature film production sector during the 1990s had repercussions in the exhibition of films, which also underwent an important transformation in this period. The number of venues increased considerably, from **1,791** screens in 1993 to **4,253** screens in 2003, representing a growth of more than 125% in only eleven years. Table 5 shows the changes since 1996.

Table 5
Cinemas and Screens in Spain in 1996-2003

Year	1 Screen	2 Screens	3 a 5 Screens		6 a 8 Screens		More than 8 Screens		Total Screens	
	Cinemas	Cinemas	Cinemas	Screens	Cinemas	Screens	Cinemas	Screens	Cinemas	Screens
1996	867	92	168	628	66	445	24	248	1,217	2,372
1997	841	92	181	683	79	535	33	341	1,226	2,584
1998	884	106	194	726	94	636	51	567	1,329	3,025
1999	854	101	200	755	108	739	71	804	1,334	3,354
2000	801	98	196	751	120	822	83	930	1,298	3,500
2001	739	88	189	721	136	944	102	1,190	1,254	3,770
2002	693	86	180	696	140	976	124	1,502	1,223	4,039
2003	645	83	174	672	149	1,039	143	1,731	1,194	4,253

Source: ICAA

In the past decade Spanish cinemas have undergone a profound transformation, with the renovation and remodelling of old cinemas in city centres and the building of new leisure centres in suburbs, in which cinemas play a very important role. The table above shows how the number of cinemas with a single screen, generally in urban centres, has gradually declined, while megaplex cinemas with more than eight screens, typical of suburban zones where land is cheaper and which are undergoing substantial demographic development, are increasing considerably, rising from just two in 1993 to 102 in 2001. The advent of this type of complex has led to the addition of 1,190 screens in the period under review, which was more than half of the total number of new screens installed in the period.

The largest increase took place in the 1996-1999 period, when the number of cinemas rose by 982 in just four years. It should be mentioned that competition among cinemas is excessive.

The increase in the number of screens is reflected by the number of tickets sold, which grew by more than 53 million between 1993 and 2001. The number of spectators diminished slightly in 2002 and this trend continued in 2003. Thus the number of spectators in general increased from 1993 to 2001, and subsequently diminished. However, the number of spectators of Spanish films rose substantially in 2003. Table 6 shows annual box office receipts and total spectators of Spanish and foreign films since 1996.

Table 6
Box Office Receipts and Spectators of Spanish and Foreign Films in 1996–2003

	Box Office Receipts (Euros)	Spectators
1996		
Spanish Films	31,547,589	10,394,001
Foreign Films	308,839,232	96,319,870
Total	340,386,821	106,713,871
1997		
Películas Españolas	46,686,686	13,948,157
Foreign Films	313,175,905	93,163,956
Total	359,862,591	107,112,113
1998		
Spanish Films	51,084,047	14,117,253
Foreign Films	378,722,609	105,772,517
Total	429,806,656	119,889,770
1999		
Spanish Films	69,341,094	18,152,855
Foreign Films	426,518,350	113,195,220
Total	495,859,444	131,348,075
2000		
Spanish Films	53,748,065	13,422,006
Foreign Films	482,584,528	121,968,507
Total	536,332,594	135,390,513
Año 2001		
Spanish Films	110,182,724	26,205,964
Foreign Films	506,245,569	120,604,530
Total	616,428,293	146,810,494
2002		
Spanish Films	85,470,879	19,018,156
Foreign Films	540,433,585	121,698,198
Total	625,904,464	140,716,354
Año 2003		
Spanish Films	100,861,602	21,731,317
Foreign Films	538,569,582	115,740,684
Total	639,431,184	137,472,001

Source: ICAA

In the period under study, total box office receipts grew steadily from 225 million euros in 1992 to 639 million in 2003. Receipts from foreign films grew more uniformly, while those from Spanish films varied from year to year, though always increasing. The year 2003 was the second best in terms of box office receipts and the number of spectators in the past decade, surpassed only by the figures of 2001, where the increase was driven particularly by the success of two titles, *Los Otros* and *Torrente*. There was a considerable increase in receipts from Spanish films in 2003, when a total of 21 million spectators attended Spanish films, as compared to just 8.6 million in 1993 and 10.3 million 1996. In 2003 five Spanish films were seen in theatres by more than one million people each: *La Gran Aventura de Mortadelo y Filemón*, *Días de Fútbol*, *Carmen*, and *Planta 4ª*.

Turning to film distribution, we observe that Spanish films are distributed both by multinational firms and by wholly Spanish companies, the latter having achieved major successes in the Spanish cinema market.

Spanish Film Distributors with the Largest Gross Receipts

Year	Company	Titles	No. in Ranking
2000	Lolafilms Distrib. S.A.	La Comunidad	22nd
	Aurum Producc. S.A.	Año Mariano	24th
2001	Warner Sogefilms AIE	Los Otros	1st
	Lolafilms Distrib.	Torrente 2	2nd
2002	The Walt Disney Co. Iberia, S.L.	El otro lado de la cama	9th
	Warner Sogefilms AIE	Los lunes al sol	17th
2003	Warner Sogefilms AIE	Gran Aventura de Mortadelo y Filemón	1st
	The Walt Disney Co. Iberia, S.L.	Días de Fútbol	9th
		Carmen	22nd

Table 7 shows the films released in Spain each year by their nationalities. As can be observed, in the three most recent years there was little variation in the number of titles distributed, although we should note the significant increase in the number of copies put into circulation for exhibition in cinemas, which is related directly to the progressive increase in the number of venues in recent years. In 2003 a total of 38,382 copies of foreign titles were distributed, along with a total of 7,500 copies of Spanish titles. In 2002, the figures were 35,416 and 7,774, respectively.

Table 7
Annual Film Releases by Nationality in 2000-2003

Year	Total Titles	Spain	U.S.A.	E.U.	Other Nationalities
2000	518	93	257	138	30
2001	512	102	224	151	35
2002	556	122	238	149	47
2003	525	106	232	137	50
Total	2,111	423	951	575	162

Consolidation of the Market Share of Spanish Films

Table 8
Market Share of Feature-Length Films Exhibited in Spain in 1996-2003
1996-2003

Year	Market Share Spanish Films %	Cuota Mercado U.S. Films %	Market Share EU (including Spain) %
1996	9.33	78.92	21.08
1997	1.17	69.05	30.95
1998	12.00	79.52	20.48
1999	14.35	64.22	33.26
2000	10.03	82.70	17.27
2001	17.87	62.21	31.55
2002	13.66	66.07	26.46
2003	15.82	67.25	25.63
Media Período	13.3	71.2	25.8

Source: ICAA

Table 8 shows market share trends since 1996. In the most recent years the market share of Spanish films rose above the average for the decade, while the share of U.S. titles dropped to below the average, with the exception in both instances of the year 2000, in which the trends were reversed. Between 1996 and 1999, the market share averaged 12.26%, rising to 14.34% in the 2000-2002 period.

Table 9 shows the top ten Spanish films in box-office terms each year since 1996, and we can observe the large proportion that they represent of total releases each year. This has a direct impact on market share, which varies each year in accordance with the box office results of a very small number of titles.

Table 9
Ten Top Spanish Films each year by Box Office Receipts in 1996-2003

RK	Title	Release date	Receipts Euros	Spectators
1996				
1	Two much	28/11/95	2,217,968	754,303
2	El día de la bestia	16/10/95	2,108,556	732,481
3	Libertarias	18/04/96	1,851,512	576,874
4	Aquí llega Condemor	27/06/96	1,628,095	556,177
5	Malena es un nombre de tango	10/04/96	1,127,570	338,580
6	La Celestina	04/11/96	1,079,597	320,972
7	Hola ¿Estás sola?	24/11/95	982,612	294,850
8	Éxtasis	08/02/96	927,016	288,004
9	El perro del hortelano	07/10/96	993,291	287,094
10	El efecto mariposa	28/11/95	753,179	263,755
1996 Total			13.669.396	4.413.090
Receipts from Spanish Films in 1996			31.547.589	10.394.001
PCT. of Top Ten Over Total			43,32	42,45

RK	Title	Release date	Receipts Euros	Spectators
1997				
1	Airbag	26/05/97	6,925,452	2,105,521
2	Carne trémula	29/09/97	4,750,808	1,346,577
3	El amor perjudica seriamente la salud	29/11/96	3,589,966	1,045,994
4	Secretos del corazón	10/03/97	2,945,605	822,371
5	Perdita Durango	30/10/97	2,324,460	684,539
6	El perro del hortelano	07/10/96	2,035,364	634,980
7	Abre los ojos	15/12/97	1,811,881	481,010
8	Tesis	22/01/96	1,798,197	584,010
9	La buena estrella	30/05/97	1,603,936	452,099
10	Martín Hache	24/09/97	1,556,901	429,804
1997 Total			29,342,569	8,586,905
Receipts from Spanish Films in 1997			46.686.686	13.948.157
PCT. of Top Ten Over Total		62,84	61,56	
1998				
1	Torrente, El brazo tonto de la ley	17/02/98	10,254,169	2,840,925
2	Abre los ojos	15/12/97	4,576,930	1,297,686
3	La niña de tus ojos	11/11/98	4,772,270	1,234,242
4	Cha-Cha-Cha	30/06/98	2,769,332	778,048
5	Los amantes del círculo polar	19/08/98	2,393,175	640,553
6	Barrio	17/08/98	2,007,276	533,690
7	Los años bárbaros	02/09/98	1,734,353	468,573
8	El abuelo	25/09/98	1,775,715	459,713
9	Secretos del corazón	10/03/97	1,288,875	367,782
10	Cosas que dejé en La Habana	19/12/97	1,337,581	359,548
1998 Total			32,909,676	8,980,760
Receipts from Spanish Films in 1998			51,084,047	14,117,253
PCT. of Top Ten Over Total		64,42	63,61	
1999				
1	Todo sobre mi madre	05/04/99	7,336,553	1,908,819
2	Muertos de risa	04/03/99	6,298,063	1,668,694
3	La novena puerta	19/08/99	4,990,314	1,311,140
4	La niña de tus ojos	11/11/98	4,139,154	1,113,205
5	La lengua de las mariposas	10/08/99	3,678,048	918,569
6	Nadie conoce a nadie	24/11/99	3,611,312	900,459
7	Entre las piernas	12/01/99	3,450,561	918,020
8	El milagro de P. Tinto	18/11/98	2,909,857	793,482
9	Sobreviviré	11/11/99	2,607,496	675,250
10	Manolito Gafotas	18/06/99	2,543,378	685,665
1999 Total			41,564,737	10,893,303
Receipts from Spanish Films in 1999			69,341,094	18,152,855
PCT. of Top Ten Over Total		59,94	60,00	

RK	Title	Release	Receipts	Spectators
2000				
1	La comunidad	29/09/00	5,825,941	1,382,21
2	Año Mariano	11/08/00	5,354,196	1,376,493
3	El arte de morir	31/03/00	3,234,057	818,241
4	Todo sobre mi madre	16/04/99	2,597,138	671,677
5	You're the one	14/10/00	2,375,746	550,165
6	Segunda piel	19/11/99	2,182,748	546,089
7	Nadie conoce a nadie	26/11/99	1,838,212	487,53
8	Sobreviviré	19/11/99	1,461,197	390,201
9	Solas	05/03/99	1,507,499	386,157
10	Lista de espera	02/06/00	1,525,883	360,145
2000 Total			4,642,605,208	6,968,917
Receipts from Spanish Films in 2000			53,748,065	8,942,925,630
PCT. of Top Ten Over Total			51,91	51,92
2001				
1	Los otros	31/08/01	26,560,672	6,242,330
2	Torrente 2: Misión en Marbella	16/03/01	22,050,842	5,297,953
3	Juana la loca	11/09/01	7,185,574	1,630,645
4	Lucía y el sexo	22/08/01	5,305,757	1,258,919
5	No te fallaré	22/02/01	3,147,126	776,724
6	El espinazo del diablo	26/03/01	2,981,037	705,531
7	El bola	04/10/00	2,586,447	642,559
8	Tuno negro	16/07/01	2,284,859	575,471
9	Gente pez	27/07/01	2,264,464	563,568
10	Sin noticias de Dios	18/10/01	2,288,206	500,142
2001 Total			76,654,984	18,193,842
Receipts from Spanish Films in			110,182,724	26,205,964
PCT. of Top Ten Over Total			69,57	69,42
2002				
1	El otro lado de la cama	09/04/02	12,554,299	2,810,661
2	Los lunes al sol	12/09/02	9,442,471	2,022,244
3	El hijo de la novia	14/11/01	7,228,462	1,573,949
4	Hable con ella	28/02/02	6,050,075	1,330,799
5	Darkness	04/10/02	4,040,440	900,095
6	La caja 507	08/02/02	2,331,166	509,782
7	A mi madre le gustan las mujeres	08/01/02	1,933,944	430,758
8	Kamchatka	23/10/02	2,802,160	585,889
9	Lugares comunes	16/09/02	1,937,898	412,797
10	800 Balas	15/10/02	1,776,002	402,858
Total			50,096,917	10,979,832
Receipts from Spanish Films in 2002			85,470,879	19,018,156
PCT. of Top Ten Over Total			51,73	50,94

RK	Title	Release date	Receipts Euros	Spectators
Año 2003				
1	La gran aventura de Mortadelo y Filemón	30/01/03	22,827,620	4,979,991
2	Días de fútbol	03/09/03	11,615,526	2,424,620
3	Carmen	22/08/03	6,298,525	1,353,522
4	El oro de Moscú	28/01/03	5,807,869	1,259,269
5	Planta 4ª	03/10/02	4,492,457	930,970
6	Te doy mis ojos	08/02/02	3,289,523	682,267
7	Mi vida sin mí	05/02/03	2,499,392	530,500
8	Al sur de Granada	07/01/03	2,352,662	506,539
9	Los lunes al sol	12/09/02	2,072,174	472,649
10	Soldados de Salamina	11/03/03	2,023,967	424,967
2003 Total			63,279,720	13,565,294
Receipts from Spanish Films in 2003			100,833,622	21,724,801
PCT. of Top Ten Over Total		62,76	62,45	

Source: ICAA

As we see in Table 10, during the period analysed the average obtained by the ten top-grossing Spanish titles reached 57.68%, which is high with respect to the total of Spanish films released each year. This proportion of total box office receipts was as high as 70% in some years, such as 2001, thanks to the popularity of the two films mentioned.

Table 10
PCT. Represented by Ten Top-Grossing Spanish Films of Each Year's Total

	% Receipts	% Spectators
1996	43,32	42.45
1997	62,84	61.56
1998	64,42	63.61
1999	59,94	60.00
2000	51,91	51.92
2001	69,57	69.42
2002	51,73	50.94
2003	62,82	63.00
Media período	57,68	57.12

Source: ICAA

Spanish Films Surpass One Million Spectators

As mentioned above, in recent years it has become common for Spanish titles to be seen by more than one million people, but in order to gross 6 million euros at the box office a film must be attended 1.5 million people, and this is achieved by very few films.

These figures show that a few Spanish titles typically outperform new Spanish films in general. Films grossing more than six million euros tend to be the work of the most nationally and internationally renowned Spanish directors, like Pedro Almodóvar, Juanma Bajo-Ulloa, Fernando Trueba, Alejandro Amenábar, Vicente

Aranda, Alex de la Iglesia, Santiago Segura, Emilio Martínez Lázaro and Fernando León de Aranda, and new directors such as Javier Fesser and David Serrano.

The following tables show the titles that have been seen by more than a million people and that have grossed more than six million euros at the box office in the period under consideration, when, as we can see, a few titles grossed a disproportionate share of total receipts.

Table 11
Films with More than One Million Spectators in 1997-2002

RK	Título	Release date	Receipts Euros	Spectators
1997				
1	Airbag	26/05/97	6,925,452	2,105,521
2	Carne trémula	29/09/97	4,750,808	1,346,577
3	El amor perjudica seriamente la salud	29/11/96	3,589,966	1,045,994
Total 1997			15,266,226	4,498,092
1998				
1	Torrente, El brazo tonto de la ley	17/02/98	10,254,169	2,840,925
2	Abre los ojos	15/12/97	4,576,930	1,297,686
3	La niña de tus ojos	11/11/98	4,772,270	1,234,242
Total 1998			19,603,370	5,372,853
Año 1999				
1	Todo sobre mi madre	05/04/99	7,336,553	1,908,819
2	Muertos de risa	04/03/99	6,298,063	1,668,694
3	La novena puerta	19/08/99	4,990,314	1,311,140
4	La niña de tus ojos	11/11/98	4,139,155	1,113,205
Total 1999			22,764,085	6,001,858
2000				
1	La comunidad	29/09/00	5,825,941	1,382,216
2	Año Mariano	11/08/00	5,354,196	1,376,493
Total 2000			11,180,137	2,758,709
Año 2001				
1	Los otros	31/08/01	26,560,672	6,242,330
2	Torrente 2: Misión en Marbella	16/03/01	22,050,842	5,297,953
3	Juana la loca	11/09/01	7,185,574	1,630,645
4	Lucía y el sexo	22/08/01	5,305,757	1,258,919
Total 2001			61,102,845	14,429,847

RK	Título	Release date	Receipts Euros	Spectators
2002				
1	El otro lado de la cama	09/04/02	12,554,299	2,810,661
2	Los lunes al sol	12/09/02	9,442,471	2,022,244
3	El hijo de la novia	14/11/01	7,228,462	1,573,949
4	Hable con ella	28/02/02	6,050,075	1,330,799
Total 2002			35,275,307	7,737,653
2003				
1	La gran aventura de Mortadelo y Filemón	30/01/03	22,773,794	4,967,345
2	Días de fútbol	03/09/03	11,530,747	2,406,165
3	Carmen	22/08/03	6,246,496	1,340,818
4	El oro de Moscú	28/01/03	5,786,818	1,254,871
5	Planta 4 ^a	03/10/03	4,446,801	920,536*
Total 2003			50,784,656	10,889,731

* Reached the one-million mark in January, 2004.

Source: ICAA

As we can see, in recent years there has been an increase in the number of Spanish films seen by more than one million people, which indicates the potential of certain Spanish titles in comparison with U.S. films. The 25 films surpassing one million spectators, and the 15 grossing more than 6 million euros, make up a varied lot, so there is no single criteria to define what genre or type of product is most widely accepted by audiences.

Table 12
Films Grossing More than 6 Million Euros (1 Billion Pesetas) in 1996-2003

RK	Título	Release date	Receipts Euros	Spectators
1995 & 1996				
1	Two much	28/11/95	6,951,104	2,141,860
1997				
1	Airbag	26/05/97	6,925,452	2,105,521
1998				
1	Torrente, El brazo tonto de la ley	17/02/98	10,254,169	2,840,925
1999				
1	Todo sobre mi madre	05/04/99	7,336,553	1,908,819
2	Muertos de risa	04/03/99	6,298,063	1,668,694
Total 99			13,634,617	3,577,513

2001				
1	Los otros	31/08/01	26,560,672	6,242,330
2	Torrente 2: Misión en Marbella	16/03/01	22,050,842	5,297,953
3	Juana la Loca	11/09/01	7,185,574	1,630,645
Total 2001			55,797,088	13,170,928
2002				
1	El otro lado de la cama	09/04/02	12,554,299	2,810,661
2	Los lunes al sol	12/09/02	9,442,471	2,022,244
3	El hijo de la novia	14/11/01	7,228,462	1,573,949
4	Hable con ella	28/02/02	6,050,075	1,330,799
Total 2002			35,275,307	7,737,653
2003 *				
1	La gran aventura de Mortadelo y Filemón	30/01/03	22,773,794	4,967,345
2	Días de fútbol	03/09/03	11,530,747	2,406,165
3	Carmen	22/08/03	6,246,496	1,340,818
Total 2003			40,551,037	8,714,328

* Data as of 31/12/03

Source: ICAA

Cinema Industry Legislation

1. Royal Decree 1039, 27th June, 1997

Extends automatic aid to most Spanish film production, providing incentives for the incorporation of new professionals and the production of documentaries and projects of cultural value. At the same time it encourages co-productions.

Revoked by Royal Decree 526, 14th June, 2002

2. Law 15, 9th July, 2001

Cinematographic and audiovisual creation is an important part of current culture and plays a keen role in maintaining cultural diversity.

This law provides a stronger legal footing for state aid to cultural activities, while obliging television networks to invest 5% of their turnover in the production of feature films and films made for television. It considers audio-visual production on a more global basis.

The aids established cover the principal stages of project, production, distribution, and commercial exhibition. These aids mainly take the form of non-reimbursable subsidies.

Aid is linked to the public response to films in order to ensure their quality and competitiveness. It is granted in accordance with objective and automatic criteria, although a small proportion consists of selective aids to projects.

Productions receive general aid equivalent to as much as 15% of box office receipts in the first year after release, and this is increased to as much as 33% of the production costs when a set number of spectators is reached.

The practice in Europe for fostering the production of films that are popular successes is to link general aids solely to box office performance. In Spain the complementary aids established serve to promote creativity and the renewal of Spanish cinema, and the variations of the minimum thresholds set makes it possible to accentuate the policies to be implemented, making the system more effective in every instance.

3. Royal Decree 526, 14th June, 2002

This decree consolidates independent film production by obliging production units linked to television broadcasters to co-produce films with independent production companies. It strengthens market transparency through stricter box office accounting rules and the creation of a Committee of Market Monitoring and Analysis.

4. Order 2240, 22nd July, 2003

By setting a single standard it establishes simplified procedures for applying for the various aids and subsidies.

[For the complete text of the Order, see the ICAA website:
www.cultura.mecd.es/cine-legislación.]

Tax Exemption Policies

Law 50, 30th December, 1998, on Fiscal, Administrative and Social Measures It modifies the company income tax law, raising tax exemptions for film production companies to 20%, and creating the figure of financial co-producer for non-production companies that invest in feature films and films for television (which amounts to some 18 million euros each year).

Credit Policies

The lending policy is crucial for film production. Each year's agreements are established with the Official Credit Institute (ICO), which remits funds to the banks from which producers apply for loans, and the ICAA pays the interest on these loans. In recent years such loans have amounted to an annual average amount of 30 million euros.

International Promotion Initiatives

As of 1996 the Spanish film industry has taken part in an annual average of 162 international film festivals and similar events, principally in Latin America, the United States, and Europe. These are complemented by the staging of "Spanish Film Week" events. In Spain support is given to the largest film festivals and events are organised to promote Spanish films.

The ICAA promotes Spanish films abroad by disseminating information, promoting sales, and participating in festivals.

Aid and cooperation with Spanish festivals and other cinema events

San Sebastian, Valladolid, Malaga, Sitges, Gijón, Valencia, Huelva, Huesca, Cinema Jove, Las Palmas, Alcalá de Henares, Bilbao (Documentaries and Shorts), among others.

Goya Awards, Forqué Awards, Foro Iberoamericano de Coproducciones, MEDIMED

Participation in International Organisations and Programmes

Eurimages
European Film Promotion (EFP)
European Film Academy (EFA)
Association des Cinemathèques Européenes (ACE)
Conferencia de Autoridades Cinematográficas Iberoamericanas (CACI)
Federación Internacional de Archivos Filmicos (FIAF)

Promotion of Films at International Festivals

Subsidies are provided to promote Spanish films at the following international festivals: San Sebastian, Valladolid, Cannes, Berlin, Venice, Mar del Plata, Montreal, Lugarno, Karlovy Vary, Moscow

128 films in the past four years

Support in the selection of films

Cooperation with Other Festivals

Information, support in the selection of films, supply of copies and printed material to an annual average of 180 film events.

Organisation of Showings of Spanish Films Abroad

New York:

“Spanish Cinema Now” at the Walter Reade Theatre (Lincoln Center)
20 films and a retrospective lasting 3 weeks in December. Eleven consecutive years.

Los Angeles:

“Recent Spanish Cinema” at the Egyptian Theatre (American Cinemathèque)
20 films and a retrospective for two weeks in February. Ten consecutive years.

South America:

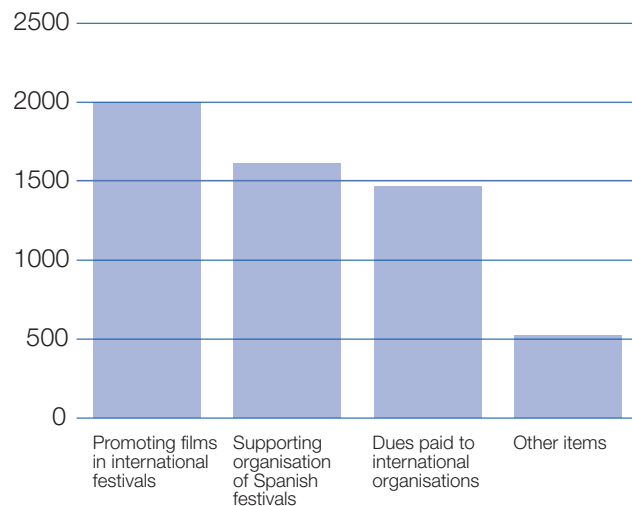
“EFI” (Spain-France-Italy). With Unifrance and Italia Cinema
5 films from each country. Four consecutive years.

Europe:

“Cinespaña” (Toulouse)
Cinemas of Spain and Latin America Latina (Brussels)

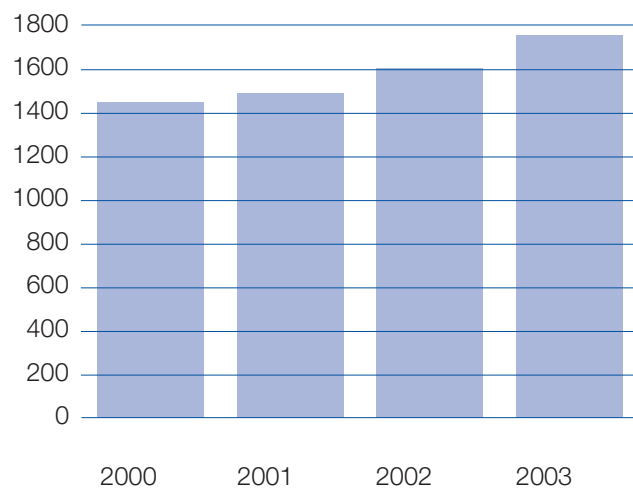
What does ICAA promote?

(thousands of euros)



Aids to Organisation of Film Festivals in Spain and other Cinema Events in Spain

(thousands of euros)



Cinema Markets

Stands:

Berlinale and Cannes Festival markets
Support for Spanish stand at Clermont Ferrand
European stand in Toronto and AFM

Screenings of Spanish films in Lanzarote

5 editions:

206 films sold

66 films under negotiation

18 pre-releases of Spanish films

Cooperation in European Film Promotion Activities through EFP (European Film Promotion)

Presentation of European actors to the press and industry (“Shooting Stars”), and the Berlin Film Festival (Fele Martínez, Eloy Azorín, Enrique Alcides, Goya Toledo, Elena Anaya).

Meeting of independent European producers (“Producers on the Move”) in the Cannes Film Festival (Mate Cantero, Isona Passola, Thomas Skipper, Antonio Saura).

European cinema at Karlovy Vary selected by “Variety critics” (“Variety Critics’ Choice”): “Yoyes” (Helena Taberna), “El otro barrio” (Salvador García Ruiz), “En construcción” (José Luis Guerín).

European Directors Panel at Toronto Festival: Laura Mañá, Daniel Calpasoro, Cesc Gay.

Other Cooperation

Media Business School

Media Desk

The Media Desk Foundation was established in 2003 by ICAA, EGEDA and FAPAE to cooperate with the European Commission in the diffusion of the MEDIA Programme.

Organisation of the National Cinematography Awards

Félix Murcia (1999), José Nieto (2000), José Luis Guerín (2001), José Luis Borau (2002), Mercedes Sampietro (2003)

Participation in the Organisation of Events and Seminars

“Digital Symposium 2002” (two editions: 30-31 March, 2001 in Las Palmas (Canary Islands) and 8-9 November, 2002 in Tenerife (Canary Islands))

Support was provided for other meetings organised by film professionals, such as the “Film Marketing Workshop”, and “Expocine” (Ibero-American Film Exhibitors Trade Fair)

Reporting of Spanish Film Production in the *Anuario del cine español* [“Spanish Film Yearbook”]

Among other noteworthy activities of the past four years were the following:

Exhibition: “The Secret World of Luis Buñuel”, at the Cannes Film Festival in 2000.
Commemoration of the centenary of Buñuel’s birth.

Professional meetings during the Spanish presidency of the European Union (first half of 2002):

“Conference on the film and audio-visual industry in the European Union, Latin America, and the Mediterranean: cooperation between the European Union and third countries”. Madrid, 18-19 April, 2002

“Seminar in the monitoring of film communication about the future of the film and audio-visual industries: issues related to the conservation of the digital heritage, film education, and film ratings”. Seville, 6-7 May, de 2002.

Remodelling works have been undertaken to equip the building on Zurbano, 3, in Madrid, to serve as the headquarters of the Spanish Academy of Cinematographic Arts and Sciences.

European Programmes

EURIMAGES

Spain is a founding member of Eurimages, a fund dedicated to aiding the co-production, distribution and commercial screening of European films. Today 29 European countries participate in the fund, which was established by the Council of Europe in 1989. The aim of EURIMAGES is to promote the European film industry, fostering the production and circulation of films, and cooperation among European film professionals. To achieve this aim it has an annual budget of some **19,000,000 euros**. **Spain** contributes **7.35%** of this amount.

EURIMAGES aids the film industry in three ways:

Aids for Co-production of feature films, cartoons, and documentaries with a minimum duration of 70 minutes. Financial aid, in the form of a cash advance that is repaid from box-office receipts, can now amount to 15% of total production costs (up to 20% for projects with budgets under 1.5 million euros) to a maximum of 700,000 euros. At least two co-producers must participate in these projects.

Aids for Distribution. These aids, which are in complement to those supplied by the MEDIA programme, are intended for film distributors and films of countries which do not take part in the MEDIA Plus programme. Distributors may request aid for the distribution of films from any EURIMAGES member state except their own.

Aids to Cinemas. These aids are also intended for countries without access to the MEDIA programme.

EURIMAGES has an **Executive Committee** which sets aid conditions policy and selects those projects it finds most worthy of aid. Each participating country designates a member of this committee. In Spain, the member is named by the ICAA (Cinema and Audiovisual Arts Institute), which belongs to the Ministry of Education, Culture and Sport. From its own members the committee elects five people who, along with the chairman and deputy chairman, make up the **Advisory Council** for a two-year term. Spain has held a seat on this council on two occasions during the 1996 –2003 period.

The Executive Committee meets about six times each year, six weeks after each deadline for the submission of projects.

Aids Granted to Projects with Spanish Participation

In the **1996 – 2003 period**, there was an increase in the number of co-productions with Spanish participation that were selected to receive aid from Euroimages. The total came to **78 films, 36 with majority Spanish participation**. The aids

amounted to **29,793,206.63 euros**, of which **10,993,842.81 euros** went to Spanish producers, which represented a **66.67 %** increase from previous years.

	Total Films	Total Aid to Spanish Co-Productions	Total Aid to Spanish Co-Producers
1996	13	3,994,164.25 €	1,248,557.45 €
1997	13	3,574,929.45 €	1,446,741.17 €
1998	16	5,500,360.54 €	2,114.162.97 €
1999	9	2,965,133.39 €	826,121.22 €
2000	10	3,700,000.00 €	1,849,685.00 €
2001	7	3,222,000.00 €	1,382,515.00 €
2002	5	3,016,619.00 €	977,060.00 €
2003	8	3,820,000.00 €	1,149,000.00 €

In the same period, Euroimages aids for **distribution** were granted to **64 Spanish films**.

In addition, in 1998 **two Spanish distributors** received aids from Eurimages to distribute two Hungarian films and one Bosnian film in Spain.

MEDIA Programme

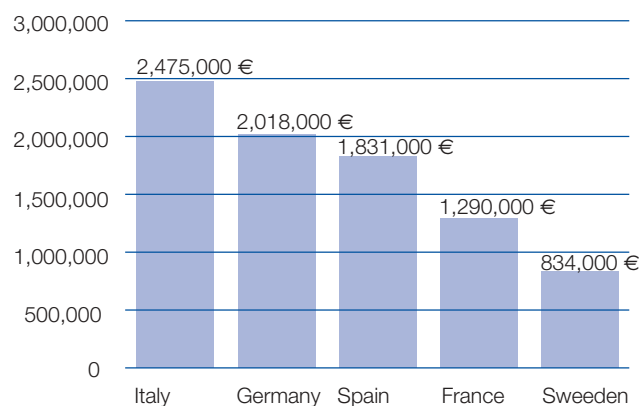
The 1996-2003 period covers two phases of the European Commission's MEDIA Programme. The first was known as MEDIA II 1996-2000, and the second comprised the first two years of MEDIA Plus 2001-2005.

Accordingly, in order to appraise the impact of this European initiative on the Spanish film industry, one must refer to two different moments of MEDIA, in which the programme itself was altered to adapt it to the needs of the audiovisual industry it was developed to strengthen.

However, we can see that Spain was in fourth place, behind France, the United Kingdom, and Germany as recipient of aid for film development projects, first as recipient of automatic aids to distribution, and third as recipient of selective aids to distribution, as can be seen in the following graphs:

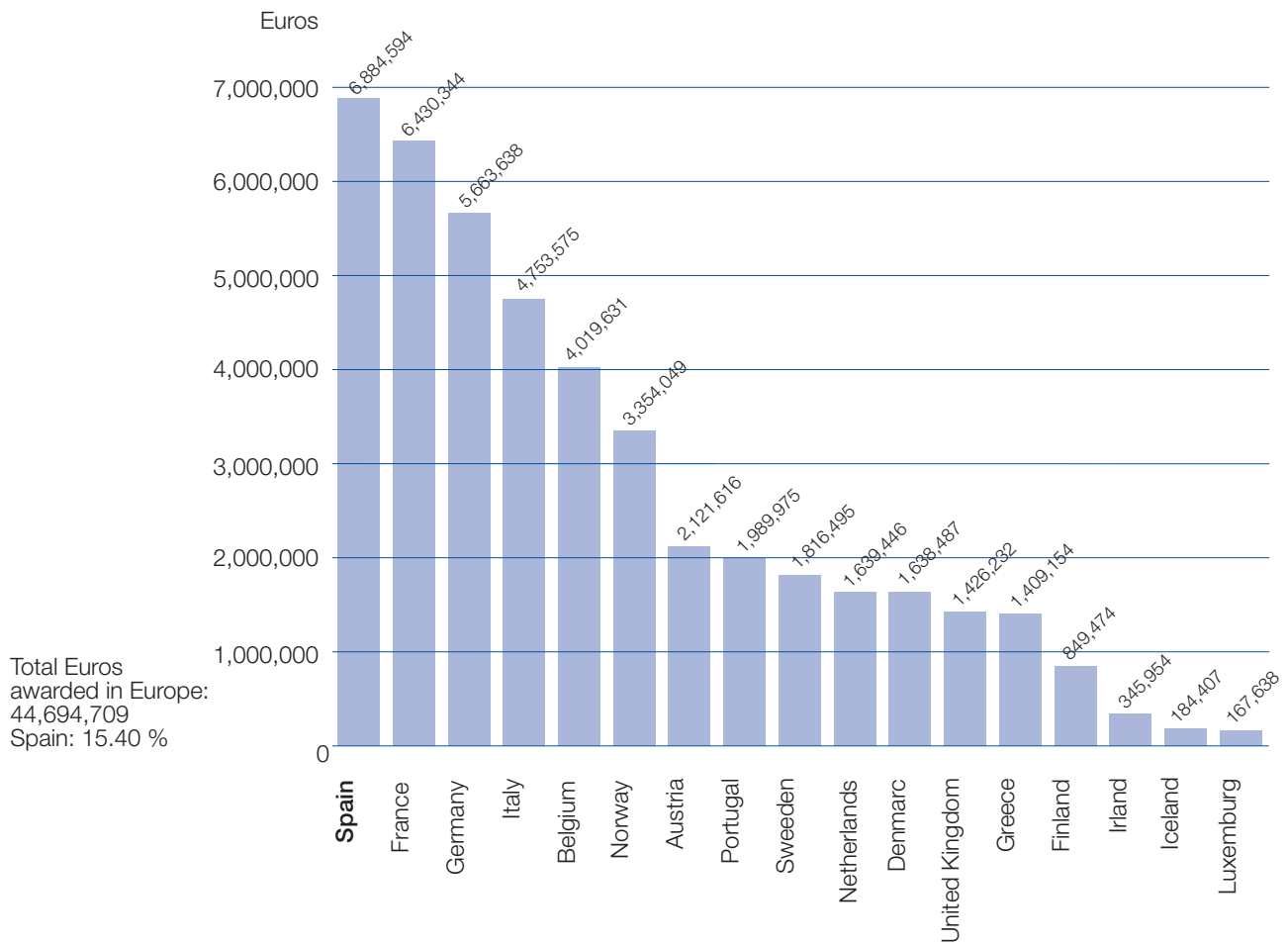
Selective Scheme 2002: 11,969,000 €

Amount granted in the "Big 5" countries



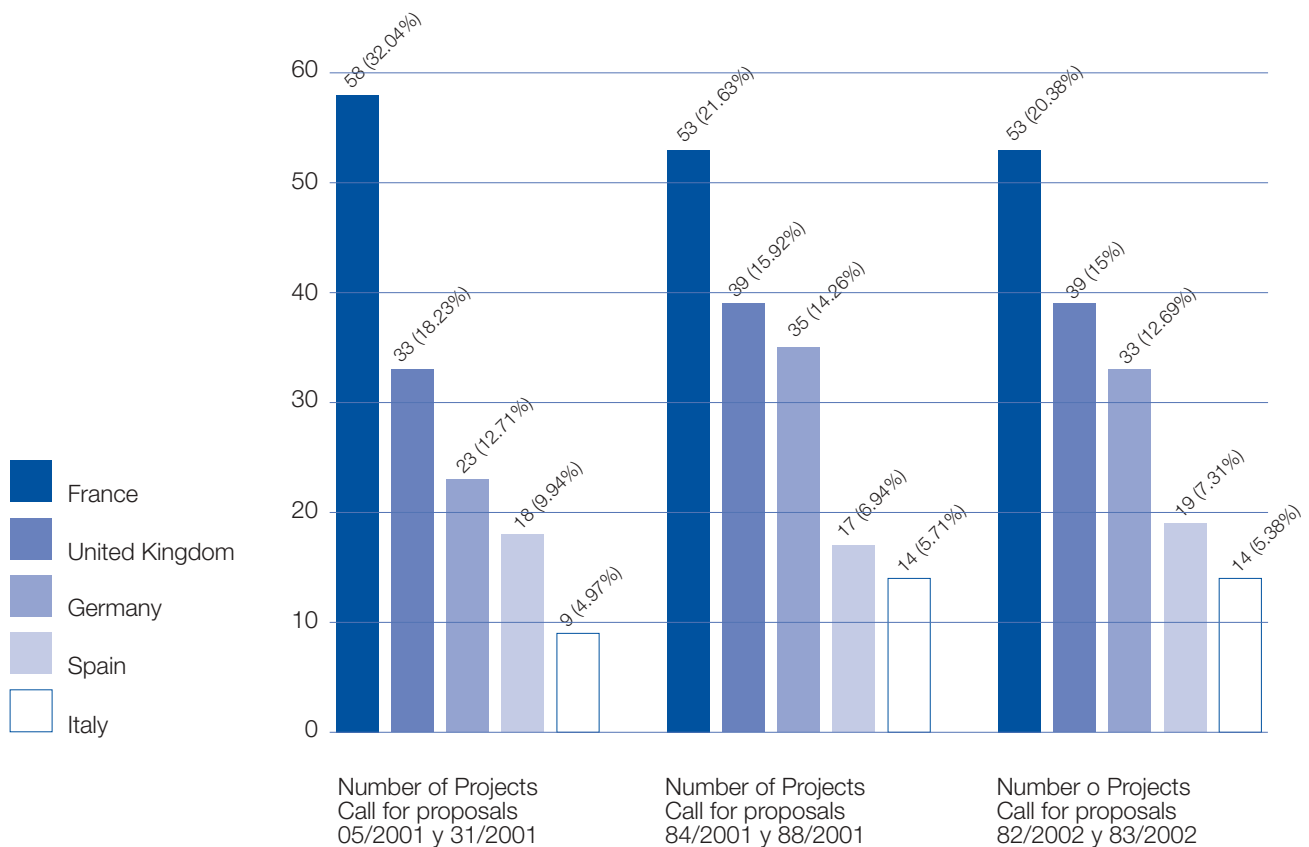
Media II – Distribution

Cinema-“Automatic” Scheme. Grants awarded (1996-2000)



Development

Selected projects in the “Big 5” countries. 05/2001-31/2001, 84/2001-88/2001 y 82/2002-83/2002



Film Conservation

As regards Spain's film heritage, in addition to the acquisition of important films and collections, the Palacio Perales, an important 18th century building by the architect Pedro de Ribera, was remodelled to serve as the headquarters of the *Filmoteca Española* in Madrid. Its floor space of 6,700 square metres now houses the film archives, the library, and the museum collection. In December, 1999, a temporary joint venture by Victor López Cotelo and José Antonio Valdés Moreno was awarded a public contract to build a film conservation and restoration centre, with floor space of 8,000 square metres.

The Library's collection includes more than 25,000 books, and nearly 1,000 magazines, film scripts, brochures, etc. The graphic archive preserves more than a million documents, including photographs, film posters, hand programmes, billboards, etc., and the audio library has more than 5,000 recordings on a variety of supports.

Restoration Work

In the summer of 1996, and with the sponsorship of the Sogecable network, a Spanish/language version of *Las Hurdes* (Luis Buñuel, 1993) was made, narrated by Francisco Rabal. From private collections the Filmoteca acquired copies of three important Spanish films: *Dos mujeres y un rostro* (Adolfo Aznar, 1946), *Lluvia de hijos* (Fernando Delgado, 1947) and *Las últimas banderas* (Luis Marquina, 1954).

That same year several Spanish films were restored, most notably *El ciego de aldea* (Ángel García, 1906); *Alma torturada* (Magín Muriá, 1916) and *El beso de la muerte* (Magín Muriá, 1916) –the two Magín films in collaboration with the Filmoteca of Valencia; *Doña Francisquita* (Hans Behrendt, 1934); *El gato montés* (Rosario Pi, 1935); *María de la O* (Francisco Elías, 1936), and *La honradez de la cerradura* (Luis Escobar, 1950).

The films restored in 1997 included *Te quiero para mí* (Ladislao Vajda, 1944); *La venenosa* (Roger Lion, 1926) and *Sierra de Teruel* (André Malraux, 1939). The cataloguing and archiving of the collections of the defunct Escuela Oficial de Cine (1947-1976) was also completed in that year.

In 1998, *La revoltosa* (Florián Rey, 1924) and *Frivolinás* (Arturo Carballo, 1927), were restored, and the original musical scores used with them were found.

The year 1999 brought the restoration of the original nitrate copies of *Curro Vargas* (José Buchs, 1923); *Luna de sangre* (Francisco Rovira Beleta, 1951) and *Gran casino* (Luis Buñuel, 1946).

In 2001 the restored versions were shown of *El 2 de mayo* (José Buchs, 1927); *¡Viva Madrid que es mi pueblo!* (Fernando Delgado, 1928) and *Romancero marroquí* (Carlos Velo, 1939).

In 2002 a copy was found of the silent film *La secta de los misteriosos* (Alberto Marro, 1916), which had been lost.

Events at the Cine Doré

In 2003, in collaboration with the *Sociedad Estatal de Conmemoraciones Culturales*, the Filmoteca celebrated the 50th anniversary of the Cine Doré with a series of chronological film cycles and other monographic exhibitions of Spanish cinema. Screened with live musical accompaniment were the restored films *Curro Vargas* (José Buchs, 1923) and *La casa de la Troya* (Alejandro Pérez Lugín, 1925).

In 1999, in Madrid, the Filmoteca organised the FIAF Congress, and since 1992 it has also hosted the annual Film Restoration Workshop Seminars.

Each year the Filmoteca stages some 1,200 events at the Cine Doré, screening some 800 films, of which 20%-30% are from its own collections. A total of some 200,000 spectators attend these events.

Publications

Publications by the Filmoteca in collaboration with the San Sebastián Film Festival include the books *El carnaval de las tinieblas. El mundo secreto de Tod Browning, Maestro de lo macabro en el cine de Hollywood; Mitchell Leisen; Mikio Naruse; John M. Stahl; Carol Reed; Frank Borzage: Sarastro en Hollywood; Michael Powell & Emeric Pressburger. Flechas de deseo*. In collaboration with Cátedra the Filmoteca published *Catálogo general del cine de la guerra civil; Directores artísticos del cine español; Antología crítica del cine español; Guionistas en el cine español; Filmografía Española. Películas de ficción 1941-1950; NO-DO. El tiempo y la memoria; Tomás Gutiérrez Alea; Fernando Birri; Nelson Pereira dos Santos; Arturo Ripstein; Patricio Guzmán; Glauber Rocha*. The periodical ***Cuadernos de la Filmoteca*** was also published.

Museum

The *Museo del Cine* collection includes more than 20,000 pieces relating to the creation and practise of cinematography. Outstanding among them are 254 pieces relating to Charles Chaplin, acquired by the Secretary of State for Culture.

Amongst others, the museum organised the following exhibitions: ***Soñar el cine*** (which travelled to several Spanish cities between 1999 and 2002),

Constructores de quimeras. Directores artísticos del cine español, and in 2003, ***50 años de la Filmoteca Española, el cine español en los 50***.

The museum also played a part in such exhibitions as ***Buñuel, la mirada del siglo*** (at the Reina Sofía museum of contemporary art), and ***Tierra sin Pan. Luis Buñuel y los nuevos caminos de la vanguardia***, organised by the IVAM.

Summary of Findings

A. Production

1. The average number of films produced in Spain from 1992 to 2003 is 83, and it has increased by a factor of 2.63 since 1992. Noteworthy developments in the period were the increase in the number of productions of feature films, the growing participation in international co-productions, and the higher quality and more diverse genres of Spanish films.

2. There was a substantial increase in cooperation with the Latin American film industry. The ICAA proposed and promoted the IBERMEDIA programme, in which it plays an active role. Sponsored by Spain's Ministry of Foreign Affairs, in six years it has awarded more than 500 grants for co-productions, project development, distribution, and training.

3. This period brought a rise in the production of documentaries intended for cinema exhibition and of experimental films, which are now covered by project subsidies.

4. There was a decline –from 82.42% in 1996 to 75.21% in 2003– in the number of production companies involved in a single film per year. In 2003, a record 30 companies were involved in more than one production.

5. Endowment of the cinema industry protection fund, which supplies the principal financial support for the large majority of medium-budget Spanish film projects, was more than doubled, from 18 million euros in 1992 to 40,651,000 in 2002. An extraordinary transfer raised the endowment to 60,699,840 € in 2003.

B. Distribution and Exhibition

1. In ten years the number of commercial screens increased by a factor of 2.15. The number of spectators of Spanish films rose by a factor of 2.27 in the period under review.

2. Since 1997 the market share of Spanish films has reached double digits, and it stood at an average of 13.3% between 1996 and 2003.

3. Since 1996, and with the sole exception of 2000, each year has brought at least one Spanish film seen by more than two million people in a single season or two consecutive seasons.

4. Twenty-five Spanish films were seen by more than one million spectators, and fifteen grossed more than six million euros at the box office.

Indicators 1996-2003

Indicator	1996/1999	2000/2003
Films Produced	318	451
Avg. Annual Production Costs	1,443,170	2,215,452*
No. of Production Companies	296	445
No. of Screens	3,354 (1999)	4,253 (2003)
Avg. Market Share Spanish Films	12.26	14.34
Spanish Films with more than 1 Million Spectators	10	15
Spanish Films Grossing more than 6 million Euros	5	10

Current Situation

Key Spanish Cinema Data in 2003

For another year the Spanish film industry has shown a capacity for innovation and the creation of original works. Audiences are generally satisfied by the quality of Spanish films.

This situation calls for two types of measure. One is to continue to promote creativity, and the other is to strengthen production companies. Since most subsidies became automatic and based on objective criteria in 1997, there has been progress in both of these spheres.

The performance of the industry in 2003 was favourable with regard to earlier years.

Production

The trend remains stable and once again more than 100 feature-length films were made. In 2003 the figure came to **110 feature-length films**. Of these, more than 40 are now in post-production and will be released in 2004.

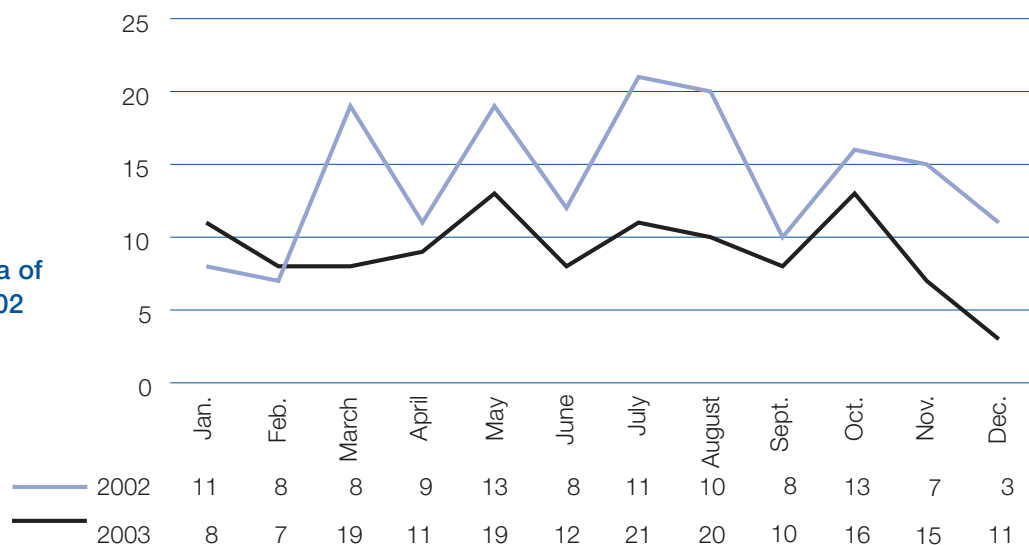
Year	1998	1999	2000	2001	2002	2003
Feature-length films	65	82	98	106	137	110

A total of 43 co-productions with other countries were made in 2003. Spain's main European co-production partners were France and the United Kingdom, while its key Latin American partners are Argentina and Cuba.

More than **90 co-production projects** were approved in the year. This production formula was the most used to diversify costs, facilitate funding, and open new markets. Co-productions are again gaining importance in the European Union as a means of increasing film production. But Spain is also particularly interested in cooperating with the Latin American film industry.

The number of films which began shooting in 2003 was larger than that of 2002. Production companies have reported the beginning of shooting of 169 films, as compared to 109 in 2002. This could indicate a larger crop of films in 2004. The number of **short films** produced in 2003 came to 137, while in 2002 the number had reached 171.

Comparative Data of Films Shot en 2002 and 2003



Financing

The financing of film projects is still heavily dependent on the **agreement between the ICAA and the ICO** [Official Credit Institute], whose total lending in 2003 climbed by about 10 million euros to nearly 40 million euros. The interest on these loans is subsidised by the ICAA, and the amount of these subsidies came to about 1,800,000 euros in 2003.

In 2003, as in previous years, two agreements were signed with the ICO to maintain financing arrangements for production and infrastructures. At the end of 2003, the agreements for 2004 were signed, introducing improvements in access and repayment conditions.

Participation of Companies

The number of companies involved in feature film production declined to 121 in 2003 from the 141 registered in 2002.

In 2003 75.21% of these production companies (91) made a single film, while 20.66% (25) made between two and four, and only 4.13% (5) took part in more than five film projects. These proportions were similar to those of the previous year.

Distribution

A total of 106 Spanish films were released in 2003, as compared to 122 in 2002.

The distribution of **foreign films** showed a pattern similar to that of the previous year. Of the total of 419 foreign films shown in Spain last year, 232 were made in the United States, 137 in European Union countries, and 50 from other countries. In 2002, 434 foreign films were shown in Spain, and in 2001 the figure was 410.

The number of copies of each film distributed continues to rise. Copies of foreign films in circulation climbed from 35,416 in 2002 to 38,382 last year. A total of 26 films were marketed with more than 300 (and three with more than 500), while in 2002 the number of films with more than 300 copies in circulation was 23.

As regards **Spanish films**, the total number of copies of those released last year was 7,500. The three films with more than 300 copies in 2003 were *La Gran Aventura de Mortadelo y Filemón*, *El Oro de Moscú*, and *Atraco a las tres y media*. In 2002 there were 7,774 copies of new releases, and two of them had more than 300 copies. These were *El crimen del Padre Amaro*, and *OT la película*.

With respect to **non-theatre film exploitation**, a total of 4,098 titles were marketed as videos or DVDs in 2002, 8.96% more than in the previous year. Of this total, 675 were Spanish (+22.28%), while 1,633 were U.S.-made (+5.08%), and 1,243 were from other European Union countries (+4,19%). Spanish titles made up 16.47% of the total.

The latest available data for sales of videos and DVD's, referring to the first half of 2003, shows a steep decline (-31.5%) from sales in the same period of the previous year. Spanish films accounted for 2.80% of total sales in the first half of 2003.

These figures reflect the rise in sales of pirate copies of videos and DVDs that was reported by both the Unión Videográfica Española (UVE) and the Federación Antipiratería (FAP) .

The decline in total copies sold was most acute in Spanish films, reaching 59.58% in the first half of 2003. This was partly due to sales of pirate copies, but also to the absence of major releases of Spanish films in the period.

Exhibition

The number of cinemas rose from 4,039 in 2002 to 4,253 in 2003. Multiplex cinemas continue to gain ground against traditional theatres.

Market Share

The market share of Spanish films climbed to 15.8% in 2003, from the 13.6% registered in 2002. It is noteworthy that a large number of Spanish film accounted for the rise in box office receipts.

Spanish films seen by more than one million paying customers were *La Gran Aventura de Mortadelo y Filemón*, *Días de Fútbol*, *Carmen*, *El Oro de Moscú*, and *Planta 4^a*. In addition, throughout 2003 the top twenty films each week consistently included at least five Spanish titles.

However, U.S. films continued to dominate the market, with a market share of 67.3% (provisional figure).

Market Share	1998	1999	2000	2001	2002	2003
of Spanish films	12%	14.3%	10%	17.8%	13.6%	15.8%

European films together had a 25.6% market share in 2003, slightly below the 26.46% posted in 2002.

The **total number of spectators** in 2003 again surpassed 137 million, though it fell short of the 140 million registered in 2002. However, in the same period the number of spectators of Spanish films grew from 19 million to **21,731,317 in 2003**, the second-best result in the past 10 years, after 2001.

Total **box office receipts** were up from 625.9 million euros in 2002 to 638 million in 2003, but this reflected the rise in ticket prices. Most significant was the **higher gross of Spanish films, up from 85.5 million euros in 2002 to more than 100 million euros in 2003**, the second-best result in a decade, after 2001.

Aids and Subsidies

Aid was granted in 2003 for 15 feature-length film projects, 32 projects for short films, 94 short films produced, 54 distribution subsidies for EU films, 10 aids for scripts by individual screenwriters, 9 aids for screenwriters associated with production companies, and 71 aids for the conservation of negatives. In addition, 27 subsidies were granted to help producers enter their films in international festivals.

Meanwhile, a total 52.7 million euros was granted to subsidise payments on loans for film production.

Total aid granted to the film industry in 2003 amounted to 32,861,843.63 million euros initially, which was expanded by another 27,812,096.66 to reach a total of 60,673,940.29 euros.

The excellent results of Spanish films, a reflection of the capacity of those who write, produce, direct, distribute, and exhibit them, make this a good time to strengthen the measures which have led to these results, and to implement others aimed at bringing more private investment to the industry and to widen the international scope of Spanish films. The Protection Fund must be consolidated, but it would be wise to explore non-protectionist initiatives to ensure the long-term future of the industry.

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Contacto para insertar publicidad en salas de cine

PUBLICINE SOCIEDAD COOPERATIVA

Paseo Landabbarri, 4
Edificio Gobelas
Escalera 1, 4º dcha.
48940 Leioa (Bizkaia)

Teléfonos:
902-102-316
94-480-30-11

Fax: 94 431 60 16

publicine@publicine.es

web: www.publicine.es

Persona de contacto: Iker Lasaoa (teléfono móvil: 656787553)



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