



THE UK FILM MARKET AS A WHOLE

CONTENTS

UK filmed entertainment market revenues	04
The evolution of UK film revenues, 2008-2017	05
The UK film market in the global context.....	07

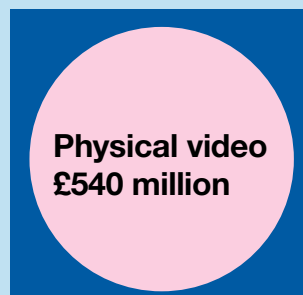
FACTS IN FOCUS

UK FILMED ENTERTAINMENT MARKET REVENUES 2017

Total revenues **£3.4 billion**



40%
UK films



34%
UK films

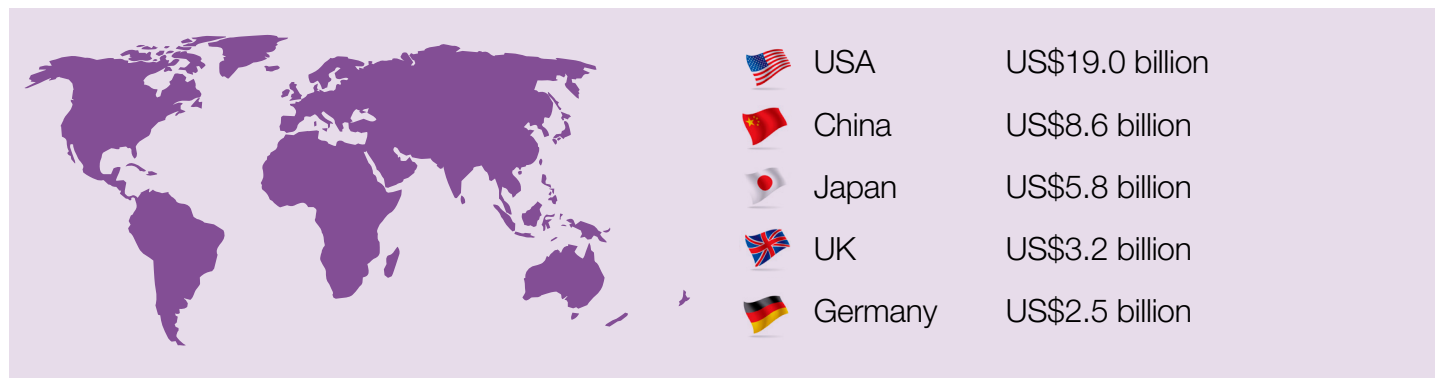
23%
UK films



16%
UK films



FIVE LARGEST FILMED ENTERTAINMENT MARKETS WORLDWIDE 2017¹



PROJECTED FIVE LARGEST FILMED ENTERTAINMENT MARKETS WORLDWIDE 2020¹



¹PwC, Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

THE UK FILM MARKET AS A WHOLE

UK FILMED ENTERTAINMENT MARKET REVENUES

In 2017, theatrical revenues were the most significant component of the film value chain in the UK. As Table 1 shows, the box office (£1.3 billion) accounted for 38% of the total market value in 2017, up from a 30% share in 2016 (£1.2 billion). Revenues from theatrical, digital video and pay TV were up on 2016, while those from physical video rental and retail and terrestrial and multi-channel TV were down. Digital video revenues recorded the largest increase, with a rise in value from £578 million to £681 million, an increase in market share from 17% to 20%.

Gross revenues for UK films in 2017 were estimated to be £998 million, with the share for British films highest in the theatrical market (40%), followed by physical video rental (35%) and physical video retail (34%).

Table 1 UK filmed entertainment market, 2016 and 2017

	2016			2017		
	Total gross value (£ million)	Attributable to UK films (£ million)	UK film as % of total gross	Total gross value (£ million)	Attributable to UK films (£ million)	UK film as % of total gross
Theatrical	1,228	453	37	1,280	515	40
Physical video rental	48	16	33	37	13	35
Physical video retail	589	197	33	503	171	34
Digital video	578	137	24	681	158	23
Pay TV	645	116	18	661	98	15
Terrestrial and multi-channel TV	215	65	30	208	44	21
Total	3,304	964	29	3,370	998	30

Source: comScore, BASE, Official Charts Company, Ampere, ONS, IHS, BFI RSU analysis

Notes:

'Theatrical' is the total gross UK theatrical revenue (including VAT) in the calendar years 2016 and 2017 for all films exhibited in the UK. See Film at the cinema chapter.

'Physical video rental' is the estimated revenue from physical video rental (DVD, Blu-ray, etc) transactions in the calendar years 2016 and 2017. See Home entertainment chapter.

'Physical video retail' is the total revenue from physical video retail transactions in the calendar years 2016 and 2017. See Home entertainment chapter. Digital video revenues are derived from IHS estimates of the combined size of the television and digital video markets. UK share is based on an estimate derived from knowledge of UK film share in the pay TV and video markets. Figures for 2016 have been revised since publication of the 2017 Statistical Yearbook.

The television values are retail equivalent values calculated from the dataset of films shown on UK television. The methodology used this year is different from previous years: values are estimated by dividing broadcaster revenues (from subscriptions, advertising spend and licence fee share) by the percentage of content spend attributed to film. Figures for 2016 have been revised since publication of the 2017 Statistical Yearbook. Television values cover terrestrial, pay TV and other multi-channel TV. See Home entertainment chapter.

The above values are gross values and include distributor and exhibitor margins, VAT, prints and advertising costs, DVD/video retail margins, broadcaster and multi-channel TV operator margins in addition to net returns to the film production sector and film investors.

The revenues shown here are revenues earned by film in the UK market, whether UK or foreign films. The table does not include export revenues for the UK film industry. See UK film economy chapter for UK film export revenues.

THE EVOLUTION OF UK FILM REVENUES, 2008-2017

Figure 1 shows aggregated film revenues for the 10-year period 2008-2017. This year, we have adopted a new methodology for the calculation of value attributable to film on television (see the Home entertainment chapter). Revised data from the new model is available from 2010 onwards which means all the data in the chart is not directly comparable: this is indicated by the gap in the trend.

While aggregate film revenues have fluctuated over the period, the data shows a consistent decline in physical video rental and retail revenues. The combined value of physical video sales and rentals fell from £1.7 billion in 2008 to £0.5 billion in 2017. At the same time, theatrical and on-demand revenues have increased. The rise in the value of the digital video market over the decade has been significant. Digital video revenues represented 2% of the overall film value chain in 2008 but accounted for 20% by 2017.

Figure 1 Gross film revenues, all platforms, 2008-2017



Source: comScore, BASE, Official Charts Company, IHS, Ampere, BFI RSU analysis

Notes:

'Film on television' covers terrestrial, pay TV and other multi-channel TV. On-demand television-based services are included within the digital video total.

2010-2016 figures for film on television have been revised since publication of the 2017 Statistical Yearbook. See notes to Table 1.

2008-2016 figures for digital video have been revised since publication of the 2017 Statistical Yearbook.

Figures may not sum to totals due to rounding.

The revenues shown in Figure 1 are the actual figures; if adjusted for inflation (Figure 2), the decline in revenues from the start of the period is clear, with the 2017 market down 22% from the peak in 2008. (Revenues in 2017 were 16% lower than in 2010.) In real terms, film revenues have plateaued since 2013.

Figure 2 Gross inflation-adjusted film revenues, all platforms, 2008-2017 (expressed in 2017 pounds)



Source: comScore, BASE, Official Charts Company, IHS, Ampere, BFI RSU analysis

Notes:

Actual revenues deflated by the UK GDP deflator, which can be found <https://www.gov.uk/government/statistics/gdp-deflators-at-market-pricesand-money-gdp-march-2017-quarterly-national-accounts-march-2017>.

See notes to Figure 1.

Figures may not sum to totals due to rounding.

THE UK FILM MARKET IN THE GLOBAL CONTEXT

According to PwC's *Global Entertainment & Media Outlook 2018-2022*, in 2017 the UK had the fourth largest filmed entertainment market in the world after the USA, China and Japan. The USA accounted for 30% of the world market, with China accounting for 13% and Japan for 9%. The UK accounted for 5% of the market. The next largest countries in terms of market share were Germany (3.9%), France (3.6%) and India (3.2%).

Table 2 Filmed entertainment revenues by country/region, 2017

Country/region	US\$ million	%
USA	19,041	29.7
China	8,595	13.4
Japan	5,797	9.0
UK	3,273	5.1
Germany	2,500	3.9
France	2,335	3.6
Other Western Europe	2,152	3.4
India	2,072	3.2
Other Asia Pacific	1,950	3.0
Canada	1,800	2.8
Australia	1,632	2.5
Brazil	1,521	2.4
South Korea	1,464	2.3
Italy	1,295	2.0
Russia	1,176	1.8
Taiwan	1,135	1.8
Mexico	1,110	1.7
Other Central & Eastern Europe	971	1.5
Middle East & Africa	942	1.5
Other Latin America	830	1.3
Spain	777	1.2
Netherlands	475	0.7
Poland	455	0.7
Switzerland	439	0.7
Hong Kong	429	0.7
Total	64,165	100.0

Source: PwC, *Global Entertainment & Media Outlook 2018-2022*, www.pwc.com/outlook

Notes:

Information contained in this table was taken from the Cinema segment and the Physical Video and Through TV subscription sections of the Traditional TV and Home Video segment of the PwC *Global Entertainment & Media Outlook, 2018-2022* www.pwc.com/outlook, however, some calculations and categorisation of regions are our own. (The breakdown of sectors by segments in *Global Entertainment & Media Outlook* were changed in 2017; filmed entertainment revenues reported here and in the 2017 Statistical Yearbook have been calculated differently to those in previous editions.)

'Filmed entertainment revenue' comprises cinema revenue (including consumer spending at the box office and advertising spend at the cinema) and traditional TV and home video revenue (including consumer spending on basic and premium TV subscriptions; consumer spending on public licence fees where applicable; physical home video revenue; and on-demand video services via a TV subscription provider.) This revenue is both digital and non-digital.

Other Western Europe comprises Austria, Belgium, Denmark, Finland, Greece, Republic of Ireland, Norway, Portugal and Sweden.

Other Asia Pacific comprises Indonesia, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Thailand and Vietnam.

Other Central & Eastern Europe comprises Czechia, Hungary, Israel, Romania and Turkey.

Middle East & Africa comprises Algeria, Bahrain, Egypt, Jordan, Kenya, Kuwait, Lebanon, Morocco, Nigeria, Oman, Qatar, Saudi Arabia, South Africa and the United Arab Emirates.

Other Latin America comprises Argentina, Chile, Colombia, Peru and Venezuela.

Figures/percentages may not sum to totals due to rounding.

According to PwC forecasts, the USA, China and Japan will remain the world's top three markets for filmed entertainment over the next four years (although the USA will lose significant share to China). However, India will overtake the UK, France and Germany to become the fourth largest market (Table 3).

Table 3 Filmed entertainment revenues by country/region, forecast for 2022

Country/region	US\$ million	%
USA	16,316	24.3
China	13,446	20.0
Japan	5,338	7.9
India	3,230	4.8
UK	2,764	4.1
Other Asia Pacific	2,221	3.3
France	2,188	3.3
Other Western Europe	2,090	3.1
Germany	1,902	2.8
Brazil	1,753	2.6
Canada	1,683	2.5
South Korea	1,678	2.5
Russia	1,511	2.2
Australia	1,460	2.2
Italy	1,379	2.1
Mexico	1,284	1.9
Middle East & Africa	1,254	1.9
Other Central & Eastern Europe	1,068	1.6
Other Latin America	1,040	1.5
Spain	898	1.3
Taiwan	840	1.3
Netherlands	502	0.7
Poland	498	0.7
Switzerland	408	0.6
Hong Kong	397	0.6
Total	67,146	100.0

Source: PwC, *Global Entertainment & Media Outlook 2018-2022*, www.pwc.com/outlook

Notes:

Information contained in this table was taken from the Cinema segment and the Physical Video and Through TV subscription sections of the Traditional TV and Home Video segment of the PwC *Global Entertainment & Media Outlook, 2018-2022*, www.pwc.com/outlook, however, some calculations and categorisation of regions are our own. (The breakdown of sectors by segments in *Global Entertainment & Media Outlook* were changed in 2017; filmed entertainment revenues reported here and in the 2017 Statistical Yearbook have been calculated differently to those in previous editions.)

Figures/percentages may not sum to totals due to rounding.

See notes to Table 2.



Research & Statistics Unit

21 Stephen Street, London W1T 1LN

bfi.org.uk/statistics