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FACTS IN FOCUS

The UK film industry is a valuable sector of the British economy. In 2019 (the last year for which data are available), its direct contribution to Gross Domestic Product was £8 billion. Between 2016 and 2020, the number of companies involved in the industry increased by 22%. In 2020, film production companies represented 51% of companies and 29% of turnover.

- ► In 2019, the UK film industry had a turnover of £18.8 billion.
- The UK film industry's direct contribution to Gross Domestic Product (GDP) represented 7% of the GDP of all the creative industries.
- The industry exported £2.3 billion worth of services in 2019, made up of £1.7 billion in royalties and £600 million in audiovisual and related services.
- ➤ The value of exports in 2019 was the second highest of the period 2010-2019.
- ► The UK film trade surplus in 2019 was £1.28 billion.

- In 2020, there were over 8,600 film production companies and over 3,000 post-production companies in the UK.
- There were 405 film distributors and 270 film exhibitors.
- The majority of companies were small (turnover under £250,000).
- The production, post-production and distribution sectors were concentrated in London and the South East, while the exhibition sector was more dispersed.

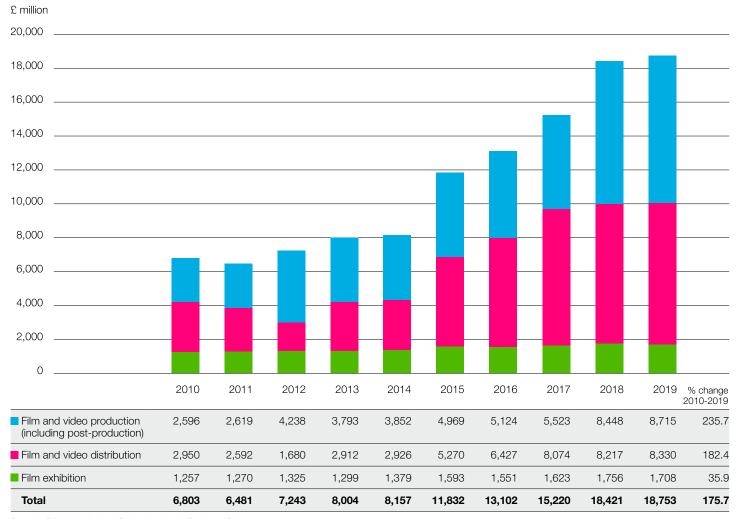
The UK film economy

Film industry turnover, 2010-2019

Figure 1 shows the total turnover of the UK's three main film industry sectors (film and video production, film and video distribution and film exhibition) for the 10-year period 2010-2019. Each of the three sectors has shown growth over the decade, with total industry turnover increasing by 176% from £6.8 billion in 2010 to £18.8 billion in 2019, largely due to an increase in production and distribution turnover. (Current data show total industry turnover increased by 1.8% between 2018 and 2019. However, this is likely to be amended upwards: the previously published figure for 2018 – £16.7 billion – has been revised to £18.4 billion.)



Figure 1 Total turnover of UK film industry by sector, 2010-2019



Source: Office for National Statistics Annual Business Survey

Notes

'Total turnover' is expressed in current values, i.e. not adjusted for inflation.

Standard Industrial Classification (SIC) codes are used to classify businesses according to the type of their economic activity. The classifications were last revised in 2007. The SIC codes can be found at https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic.

We define film and video production as the sum of 2007 SIC codes 59111 (film production), 59112 (video production) and 5912 (film, video and TV post-production), film and video distribution is the sum of 59131 (film distribution) and 59132 (video distribution) and film exhibition is 5914 (film exhibition).

For 2011 and 2012, only film is included in the distribution sector as the data for video distribution are confidential.

Data for 2017 and 2018 have been revised since publication of the 2020 Statistical Yearbook.

Table 1 provides a more detailed breakdown of industry turnover by sub-sector, showing data for film production and distribution separately from video production and distribution. The figures underscore the high sunk costs associated with the production and marketing of feature films.

Table 1 Total turnover of UK film industry by sub-sector, 2019

Sub-sector	Turnover (£ million)	% of total
Film production	5,436	29.0
Video production	2,021	10.8
Film, video and TV post-production	1,258	6.7
Film distribution	8,064	43.0
Video distribution	266	1.4
Film exhibition	1,708	9.1
Total	18,753	100.0

Source: Office for National Statistics Annual Business Survey

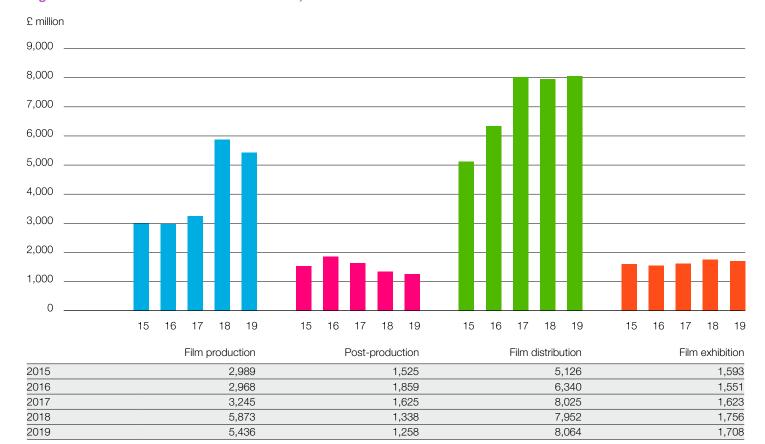
Notes:

Data based on 2007 SIC codes; see notes to Figure 1.

Companies in the post-production sector usually work on films, commercials, videos and television programmes, and therefore have a combined statistical classification.

Figure 2 shows the annual turnover of film production, film, video and TV post-production, film distribution, and film exhibition from 2015 to 2019. Film distribution had the highest annual turnover of all film industry sub-sectors throughout the period and was the only sub-sector to see an increase in turnover (1%) between 2018 and 2019.

Figure 2 Total turnover of film sub-sectors, 2015-2019



Source: Office for National Statistics Annual Business Survey

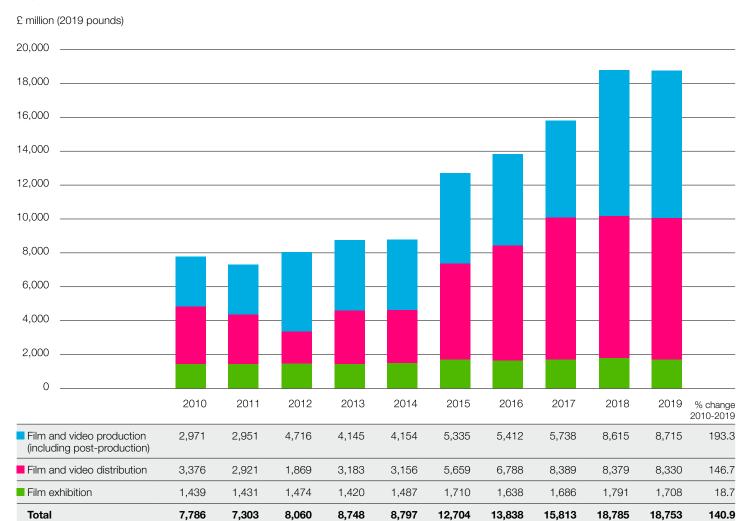
Notes:

See notes to Table 1.

Data for 2017 and 2018 have been revised since publication of the 2020 Statistical Yearbook.

Total industry turnover between 2010 and 2019 expressed in real terms, i.e. with the effects of inflation removed, is shown in Figure 3. The real increase since 2010 was 193% for film and video distribution, 147% for film and video production (including post-production) and 19% for film exhibition. Overall, in real terms, turnover in 2019 was 141% higher than in 2010.

Figure 3 Inflation-adjusted turnover of UK film industry by sector, 2010-2019



Source: Office for National Statistics Annual Business Inquiry and Annual Business Survey, HM Treasury Notes:

The deflator used to calculate real values is the UK whole economy deflator, which can be found at https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-september-2021-quarterly-national-accounts.

Values expressed in constant 2019 pounds.

For sector classifications, see notes to Figure 1.

For 2011 and 2012, only film is included in the distribution sector as the data for video distribution are confidential.

Figures may not sum to totals due to rounding.

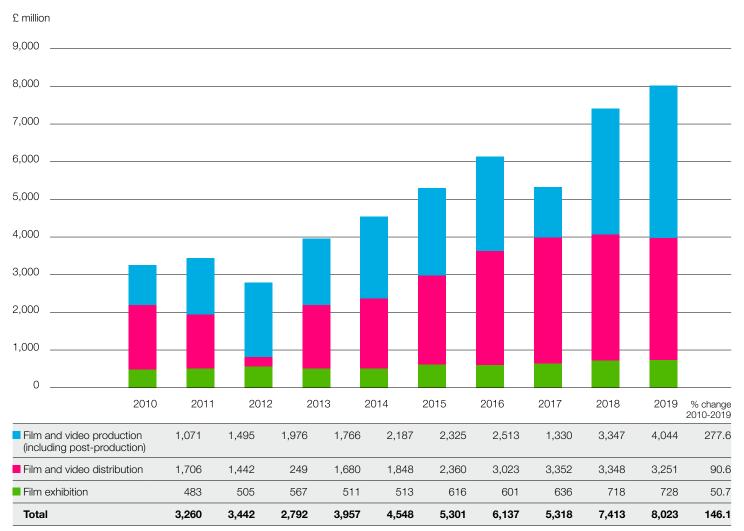
Film industry contribution to GDP, 2010-2019

The direct contribution an industry makes to UK Gross Domestic Product (GDP) is measured by its gross value added (GVA). 'Value added' is industry turnover minus the cost of inputs bought from other industries. The main components of value added are wages and salaries, interest and company profits. Value added is therefore a measure of an industry's ability to generate income for its workers, company owners and investors.

The UK film industry's GVA in 2019 was £8 billion (Figure 4). According to the Department for Digital, Culture, Media & Sport's Economic Estimates 2019 report, the GVA for all UK creative industries in 2019 was £115.9 billion, so film accounted for 7% of all creative industries' value added.

In 2019, distribution accounted for 50% of total film industry GVA, production (including post-production) accounted for 41% and exhibition for 9%. Between 2010 and 2019, total GVA for the film industry increased by 146%.

Figure 4 UK film industry gross value added, 2010-2019



Source: Office for National Statistics Annual Business Inquiry and Annual Business Survey Notes:

'Gross value added' is expressed in actual values, i.e. not adjusted for inflation.

For 2011 and 2012, only film is included in the distribution sector as the data for video distribution are confidential.

Table 2 shows the GVA breakdown in 2019 by film industry sub-sector. Film distribution was the highest single contributor, with a GVA of £3.2 billion (40% of the total), followed by film production with a GVA of £2.4 billion (30% of the total). These figures differ from those in Figure 4 as they show film distribution separately to video distribution and film production separately to video production and film, video and TV post-production.

Table 2 UK film industry gross value added by sub-sector, 2019

Sub-sector	GVA (£ million)	% of total
Film production	2,416	30.1
Video production	768	9.6
Film, video and TV post-production	860	10.7
Film distribution	3,175	39.6
Video distribution	76	0.9
Film exhibition	728	9.1
Sector total	8,023	100.0

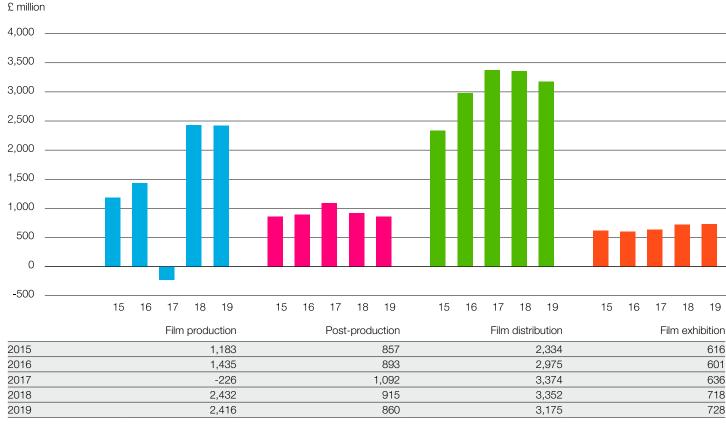
Source: Office for National Statistics Annual Business Survey

Notes:

Companies in the post-production sector usually work on films, commercials, videos and television programmes, and therefore have a combined statistical classification.

Figure 5 shows the breakdown of GVA by sub-sector from 2015 to 2019. As with turnover, film distribution consistently had the highest value added over the period. Film production saw the greatest increase in GVA from 2015 to 2019, rising from £1.2 billion to £2.4 billion, while film distribution also saw a significant increase, rising from £2.3 billion to £3.2 billion. GVA for film, video and TV post-production and film exhibition was broadly constant over the period.

Figure 5 Gross value added of film sub-sectors, 2015-2019



Source: Office for National Statistics Annual Business Survey

Notes:

See notes to Table 2.

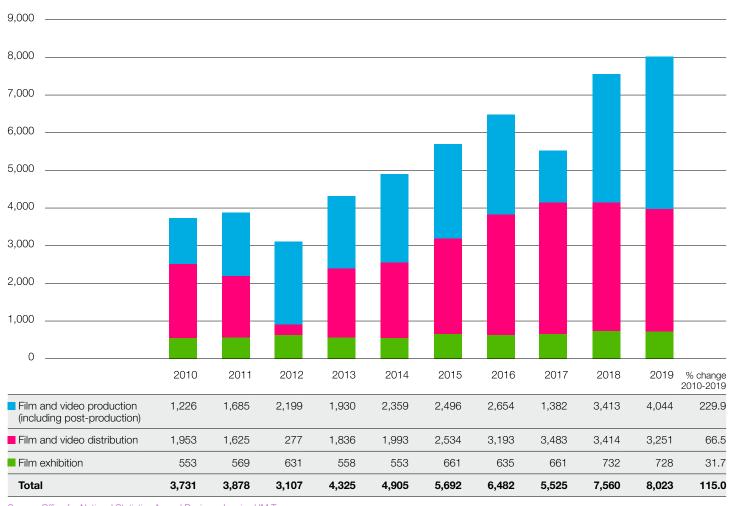
The Office for National Statistics reports a negative GVA for film production in 2017 (-£226 million) which was primarily due to investments in projects that would show returns in later years.

Data for previous years have been revised since publication of the 2020 Statistical Yearbook

Figure 6 shows the industry's value added expressed in real terms, i.e. with the effects of inflation removed. In real terms, GVA for the film industry as a whole in 2019 was 115% higher than its value in 2010.

Figure 6 UK film industry real gross value added, 2010-2019

£ million (2019 pounds)



Source: Office for National Statistics Annual Business Inquiry, HM Treasury

Notes:

The deflator used to calculate real values is the UK whole economy deflator, which can be found at https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-andmoney-gdp-september-2021-quarterly-national-accounts.

Values expressed in constant 2019 pounds.

For 2011 and 2012, only film is included in the distribution sector as the data for video distribution are confidential.

Film exports, 2010-2019

The UK film industry exported £2.3 billion worth of services in 2019 (the latest year for which data are available), of which £1.7 billion (73%) comprised royalties earned overseas from the exploitation of UK intellectual property and £0.6 billion (27%) comprised the sale of UK-based audiovisual and related services to foreign investors. As Figure 7 shows, the value of exports in 2019 was the second highest of the 10-year period 2010-2019.

Figure 7 UK film industry exports, 2010-2019



Source: Office for National Statistics Annual Survey of International Trade in Services

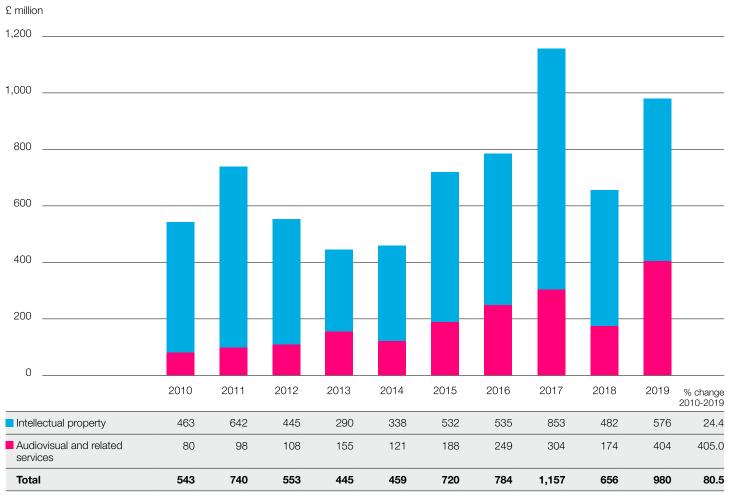
Note: This chart shows the results for film companies only.

Film imports, 2010-2019

The UK film industry imported £980 million worth of services in 2019, of which £576 million (59%) comprised intellectual property and £404 million (41%) comprised audiovisual and related services (Figure 8). As with the value of exports, total imports in 2019 were the second highest of the period.

While royalties from intellectual property made up the majority of imports between 2010 and 2019, the share of imports associated with audiovisual and related services saw an increase in the most recent years. The reasons for this are unclear as the reported level of imports for services is relatively high in relation to total UK film production for these years. One possible explanation could be the categorisation of the non-UK spend of UK/USA inward investment productions as imports of services by the UK subsidiaries of major US studios. However, this explanation cannot be confirmed as the survey returns are confidential.

Figure 8 UK film industry imports, 2010-2019

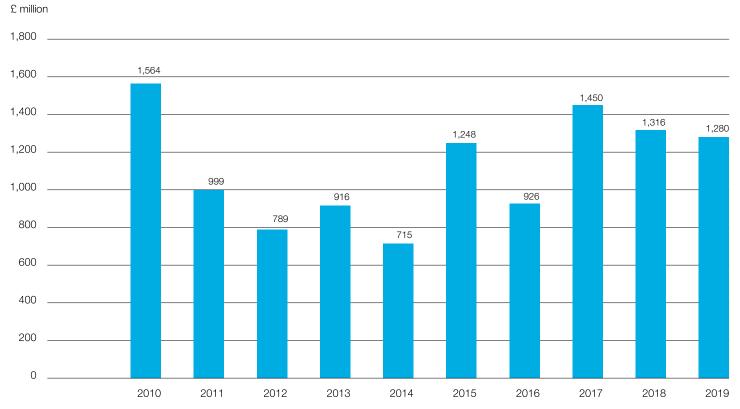


Source: Office for National Statistics Annual Survey of International Trade in Services See notes to Figure 7.

The film trade balance, 2010-2019

The film industry made a continuous positive contribution to the UK balance of payments between 2010 and 2019 (Figure 9). The trade surplus (positive balance of exports over imports) in 2019 was £1.28 billion, the fourth highest recorded surplus of the period.

Figure 9 Trade surplus of UK film industry, 2010-2019



Source: Office for National Statistics Annual Survey of International Trade in Services

Note: 'Trade surplus' equals exports minus imports. Where a company (e.g. the UK subsidiary of a US major) receives income from another country on behalf of its parent company and subsequently passes it on to its parent company, this is recorded both as a receipt and a payment, leaving the measure of the trade surplus unaffected.

Film export markets

Figure 10 shows the geographic distribution of UK film exports for the years 2015-2019. The leading export destination for the period was the European Union (EU) with a 43% share of exports, followed by the USA (24%). This is the third consecutive five-year period to see the EU surpass the USA as the primary export destination for UK film, and the fourth since our records began.

Figure 10 Destination of UK film exports as percentage of the total, 2015-2019

Rest of the world Total	9.5 100.0
Asia	17.5
USA	24.2
Other Europe	5.5
EU	43.3
	%

Source: Office for National Statistics Annual Survey of International Trade in Services



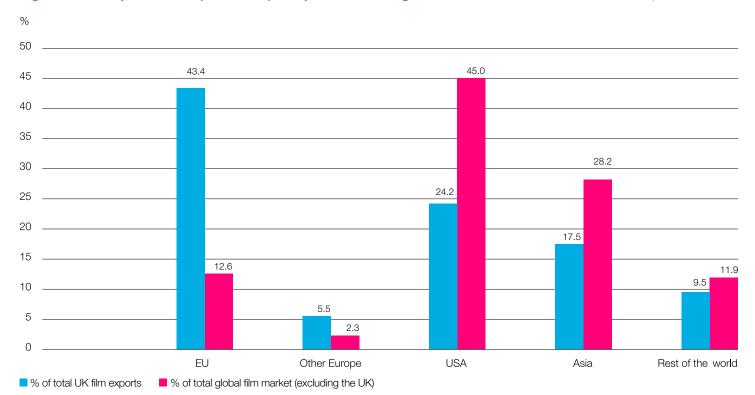
UK film exports compared with the global market for filmed entertainment

A useful comparison can be made between UK film export shares and the geographical distribution of the global market for film (Figure 11). For the EU, 'other Europe' and 'rest of the world' the shares of UK exports were higher than the shares of the ex-UK global filmed entertainment market in those regions, whereas the reverse was true for the USA and Asia. The differences that stand out are:

- The higher proportion of UK exports to Europe (43% of the UK's film exports were to the EU compared with the EU's 13% share of the ex-UK global filmed entertainment market, and 5.5% of film exports were to 'other Europe' compared with a 2.3% ex-UK global market share);
- The lower proportion of UK exports to the USA (24%) compared with the USA's share of the ex-UK global market (45%); and
- The lower proportion of UK exports to Asia (17.5%) compared with the Asian countries' share of the ex-UK global market (28%).

The latter two cases reflect the strength of the USA and main Asian countries (China, India, Japan and South Korea) in their own markets and the consequent lower market shares for UK films.

Figure 11 UK export shares (2015-2019) compared with the global market for filmed entertainment, 2019



Source: Office for National Statistics Annual Survey of International Trade in Services, Omdia, BFI

The geographical distribution of the UK's film trade surplus

The geographical distribution of the UK's film trade surplus was different from the export pattern, as shown in Table 3. In the years 2015-2009, while 50% of the average surplus came from the European Union, the UK's next largest film trade surplus was with Asia (21%), while the USA accounted for 12%.

Table 3 International transactions of the UK film industry by geographical area, annual average, 2015-2019

	Exports (£ million)	Imports (£ million)	Balance (£ million)	% balance
European Union	912.4	295.6	616.8	49.6
Other Europe	115.4	25.6	89.8	7.2
USA	508.0	355.2	152.8	12.3
Asia	367.0	101.4	265.6	21.4
Rest of the world	199.8	81.6	118.2	9.5
Total	2,102.6	859.4	1,243.2	100.0

Source: Office for National Statistics Annual Survey of International Trade in Services Note: Figures may not sum to totals due to rounding.



Film industry companies, 2016-2020

This section details the size, turnover and geographical distribution of film industry companies in the UK. The data and date range differ from the estimates shown in the previous section as they are drawn from different sources.

Data on turnover

The data in this section are from the Inter-Departmental Business Register (IDBR), which is maintained by the Office for National Statistics (ONS). These data differ from the estimates shown in this chapter's first section above, which are based on the ONS's Annual Business Survey (ABS). The ABS collects data from a sample of businesses across the UK, whereas the IDBR is a comprehensive list of businesses in the UK, compiled by combining several data sources, including VAT and PAYE data from HMRC as well as data from other business surveys conducted by the ONS. The differences between the estimates are due to variances in the sources, sample size and the time periods during which the data are collected. The estimates derived from the ABS are National Statistics and considered by the ONS to be the more robust data. These estimates tend to value down turnover compared to the IDBR.

Number of companies in the film industry

The number of companies involved in the film industry increased by 22% between 2016 and 2020, compared to the UK all-industries average of 8% (Table 4). The majority of the growth is the result of an expansion in the number of companies working in the production sector: the number of video production companies increased by 53%, while there was a 17% increase in the number of film production companies. The growth in the former may partly be explained by the rise in demand for online audiovisual content over the period, while the latter increase may reflect the number of special purpose vehicles (SPVs) created for specific productions but which remain in existence as companies after the completion of those titles. (These SPVs will usually only be involved in the production of one film.)

In 2020, there were over 8,600 film production companies, over 3,000 post-production companies, 405 film distributors and 270 film exhibitors.

Table 4 Number of companies by sub-sector, 2016-2020

Sub-sector	2016	2017	2018	2019	2020	Growth 2016-2020 (%)
Film production	7,420	8,115	8,165	8,415	8,660	16.7
Video production	2,980	3,390	3,735	4,185	4,570	53.4
Film, video and TV post-production	2,870	2,965	2,915	2,970	3,005	4.7
Film distribution	380	395	420	430	405	6.6
Video distribution	75	80	90	105	110	46.7
Film exhibition	255	255	270	275	270	5.9
Total	13,980	15,200	15,595	16,380	17,020	21.7
UK all industries	2,554,510	2,668,810	2,669,440	2,718,435	2,749,700	7.6

Source: Office for National Statistics Inter-Departmental Business Register

Notes:

Data as at March 2020.

All figures are rounded to the nearest 5 to avoid disclosure.

Companies in the post-production sector usually work on films, commercials, videos and television programmes, and therefore have a combined statistical classification. For details of the Standard Industrial Classifications (SICs) see notes to Figure 1.

As Table 5 shows, total turnover for film industry companies increased by 80.5% over the period, rising from £11.5 billion to £20.7 billion.

Table 5 Turnover of companies by sub-sector, £ million, 2016-2020

Sub-sector	2016	2017	2018	2019	2020	Growth 2016-2020 (%)
Film production	3,833.1	4,509.4	6,102.6	6,062.1	6,103.6	59.2
Video production	397.6	477.4	534.5	624.2	1,523.7	283.2
Film, video and TV post-production	1,309.1	1,800.6	1,844.1	1,370.4	1,374.6	5.0
Film distribution	4,306.2	4,871.3	6,788.4	9,069.5	9,803.1	127.7
Video distribution	233.5	190.8	129.5	152.8	142.8	-38.8
Film exhibition	1,405.0	1,593.1	1,614.9	1,704.1	1,779.9	26.7
Total	11,484.4	13,442.6	17,013.9	18,983.0	20,727.7	80.5

Source: Office for National Statistics Inter-Departmental Business Register

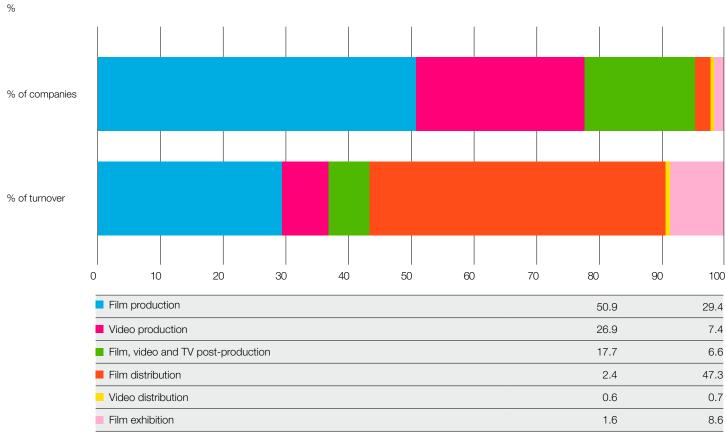
Notes:

Figures may not sum to totals due to rounding.

See notes to Table 4.

Film distributors represented 2% of film industry companies in 2020 but accounted for 47% of industry turnover (Figure 12). This reflects the dominant position of the UK subsidiaries of the major US studios in the film value chain. Film production companies represented 51% of companies and 29% of turnover.

Figure 12 Percentage of film and video companies and turnover by sub-sector, 2020



Source: Office for National Statistics Inter-Departmental Business Register See notes to Table 4.

Size distribution of film companies

The size distribution of film companies in 2020 is shown in Tables 6 to 9. In most sectors the majority of companies had an annual turnover of less than £250,000. Excepting the film production sector, where data have been made confidential, 93% of turnover was accounted for by the 100 companies with turnover of £5 million or greater. The concentration was particularly high in film distribution (Table 8) where the 35 largest companies accounted for 99% of turnover.

Table 6 Size distribution of film production companies, 2020

Turnover size band (£ million)	Number	%	Turnover (£ million)	%
≥5.0	205	2.4	С	С
1.0-4.99	460	5.3	928.2	15.2
0.5-0.99	310	3.6	С	С
0.25-0.49	740	8.5	251.8	4.1
0.1-0.24	3,165	36.5	468.1	7.7
0.05-0.09	1,960	22.6	146.5	2.4
<0.05	1,820	21.0	37.9	0.6
Total	8,660	100.0	6,103.6	100.0

Source: Office for National Statistics Inter-Departmental Business Register

Notes:

Data as at March 2020.

Table 7 Size distribution of post-production companies, 2020

Turnover size band (£ million)	Number	%	Turnover (£ million)	%
≥5.0	50	1.7	766.1	55.7
1.0-4.99	110	3.7	240.8	17.5
0.5-0.99	100	3.3	68.9	5.0
0.25-0.49	180	6.0	63.7	4.6
0.1-0.24	1,210	40.3	159.5	11.6
0.05-0.09	825	27.5	61.8	4.5
<0.05	530	17.6	13.7	1.0
Total	3,005	100.0	1,374.6	100.0

Source: Office for National Statistics Inter-Departmental Business Register

Notes:

Data as at March 2020.

^{&#}x27;c' indicates the data have been made confidential by the Office for National Statistics to avoid disclosing details of individual companies.

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

Table 8 Size distribution of film distribution companies, 2020

Turnover size band (£ million)	Number	%	Turnover (£ million)	%
≥5.0	35	8.6	9,661.4	98.6
1.0-4.99	35	8.6	79.6	0.8
0.5-0.99	40	9.9	25.6	0.3
0.25-0.49	50	12.3	17.6	0.2
0.1-0.24	75	18.5	12.0	0.1
0.05-0.09	75	18.5	5.4	0.1
<0.05	95	23.5	1.6	<0.1
Total	405	100.0	9,803.1	100.0

Source: Office for National Statistics Inter-Departmental Business Register

Notes

Data as at March 2020.

'c' indicates the data have been made confidential by the Office for National Statistics to avoid disclosing details of individual companies.

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

Table 9 Size distribution of film exhibition companies, 2020

Turnover size band (£ million)	Number	%	Turnover (£ million)	%
≥5.0	15	5.6	1,620.6	91.1
1.0-4.99	50	18.5	105.7	5.9
0.5-0.99	40	14.8	27.7	1.6
0.25-0.49	45	16.7	13.9	0.8
0.1-0.24	55	20.4	8.5	0.5
0.05-0.09	35	13.0	2.8	0.2
<0.05	30	11.1	0.7	<0.1
Total	270	100.0	1,779.9	100.0

Source: Office for National Statistics Inter-Departmental Business Register

Notes:

Data as at March 2020.

National/regional distribution of film companies in the UK

Tables 10 and 11 show the national/regional distribution of film companies and film company turnover in 2020. In total, 70% of film companies were concentrated in London and the South East, and 87% of turnover was generated by companies located in these two regions. The London concentration was particularly strong for distribution (59% of companies and 99% of turnover) but the exhibition sector was more widely spread across the UK, with 72% of companies and 42% of turnover associated with companies based outside London.

While London and the South East dominate in production and post-production, there are significant regional centres, particularly in the East of England, the South West and the North West.

Table 10 National/regional distribution of film companies, 2020

	Film produ	uction	Post-prod	uction	Film distri	bution	Film exhil	oition	Total UK	film
	Number	%	Number	%	Number	%	Number	%	Number	%
England	8,155	94.1	2,830	94.2	385	95.1	230	85.2	11,600	94.0
London	4,685	54.1	1,520	50.6	240	59.3	75	27.8	6,520	52.8
South East	1,445	16.7	560	18.6	80	19.8	40	14.8	2,125	17.2
East	645	7.4	230	7.7	20	4.9	25	9.3	920	7.5
South West	495	5.7	190	6.3	10	2.5	25	9.3	720	5.8
North West	280	3.2	125	4.2	10	2.5	20	7.4	435	3.5
Yorkshire and The Humber	210	2.4	60	2.0	5	1.2	15	5.6	290	2.3
West Midlands	185	2.1	70	2.3	10	2.5	15	5.6	280	2.3
East Midlands	150	1.7	55	1.8	5	1.2	10	3.7	220	1.8
North East	60	0.7	20	0.7	5	1.2	5	1.9	90	0.7
Scotland	245	2.8	85	2.8	10	2.5	15	5.6	355	2.9
Wales	170	2.0	65	2.2	5	1.2	15	5.6	255	2.1
Northern Ireland	95	1.1	25	0.8	5	1.2	10	3.7	135	1.1
UK	8,660	100.0	3,005	100.0	405	100.0	270	100.0	12,340	100.0

Source: Office for National Statistics Inter-Departmental Business Register

Notes

Data as at March 2020. The overall total differs from that in Table 4 as it excludes figures for video production and distribution.

Count of companies is rounded to the nearest five for disclosure reasons.

Table 11 National/regional distribution of film company turnover, 2020

	Film production		Post-production		Film distribution		Film exhibition		Total UK film	
	Turnover (£ million)	%								
England	5,848	95.8	1,317	95.8	9,789	99.9	1,719	96.6	18,672	98.0
London	4,234	69.4	1,049	76.3	9,670	98.6	1,032	58.0	15,985	83.9
South East	414	6.8	123	8.9	51	0.5	17	0.9	605	3.2
East	828	13.6	38	2.8	36	0.4	29	1.6	931	4.9
South West	152	2.5	42	3.0	3	<0.1	31	1.8	228	1.2
North West	98	1.6	С	С	3	<0.1	С	С	101	0.5
Yorkshire and The Humber	58	1.0	12	0.9	С	С	С	С	70	0.4
West Midlands	27	0.4	10	0.7	С	С	5	0.3	42	0.2
East Midlands	27	0.4	С	С	С	С	С	С	27	0.1
North East	9	0.1	3	0.2	С	С	С	С	12	0.1
Scotland	51	0.8	21	1.6	С	С	20	1.1	92	0.5
Wales	51	0.8	31	2.3	С	С	С	С	82	0.4
Northern Ireland	154	2.5	С	С	С	С	37	2.1	191	1.0
UK	6,104	100.0	1,375	100.0	9,803	100.0	1,780	100.0	19,061	100.0

Source: Office for National Statistics, Inter-Departmental Business Register

Notes:

Data as at March 2020.

^{&#}x27;c' indicates the data have been made confidential by the Office for National Statistics to avoid disclosing details of individual companies.

The geographic distribution of turnover is given by the location of the company, not its local units, so a London concentration may be overstated for companies such as cinema chains which have local units around the UK.

The overall total differs from that in Table 5 as it excludes figures for video production and distribution.

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



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