Film in the UK 2002
Statistical Yearbook

UK FILM | COUNCIL

The UK Film Council is the lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad.

We invest Government grant-in-aid and Lottery money to deliver lasting benefits to the industry and the public alike by supporting:

- **talent** – encouraging the development of new talent, skills, and creative and technological innovation in UK film and assisting new and established film-makers to produce successful and distinctive British films;

- **enterprise** – the creation and growth of sustainable businesses in the film sector, providing access to finance and helping the UK film industry compete successfully in the domestic and global marketplace;

- **education** – promoting an appreciation, understanding and enjoyment of cinema by giving UK audiences access to the widest range of UK and international cinema, and by supporting film culture and education

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UK Film Council, 2003

Foreword

Sir Alan Parker CBE launched the UK Film Council's strategy to help build a sustainable UK film industry in November 2002. The industrial focus is on three key issues: distribution, training and infrastructure. He called on the industry to see itself as part of a global film market in which the UK acts as a film 'hub', creating British films that attract worldwide distribution and large audiences, while still using subsidy to support indigenous culturally-led film production, new talent and skills training.

One of the key requirements for making such a strategy a reality is to have access to hard facts that allow us to see the current dynamics of the industry and the emerging trends. The statistical base needs to cover the global, as well as the UK, film market, and to reflect all parts of the film value chain – workforce, production, theatrical distribution and exhibition, video/DVD and television – for the profitability of British films depends on international and downstream sales as well as the UK box office.

The importance of the complete film value chain comes to the fore in this Yearbook:

- The UK box office in 2002 was £755 million, but film on video generated revenues of £2.55 billion and film on TV an estimated £1 billion.
- The total UK cinema audience in 2002 was 176 million, whereas the total audience for films shown on peak time terrestrial television in 2002 was 1.3 billion.
- UK films (including co-productions) earned over twice as much at the USA box office (£429 million) in 2002 as they did at the UK box office (£197 million).

The success of UK films must therefore be measured not only in terms of their UK theatrical performance, but across the full value chain, both domestically and internationally. We also need to collect information on government support for film (both in the UK and internationally) and the cultural achievements of British film.

For a body like the UK Film Council, the challenge is how best to identify and marshal the available information and gather new data in order to meet its, and the Government's, objectives for film. To this end the UK Film Council established the Research and Statistics Unit in 2001, which is in the process of identifying sources and gathering a wide array of UK and international film data.

This Yearbook presents a selection of these data. They demonstrate the positive contribution of the film industry to the UK economy (including the overseas balance of payments). In 2002 the industry contributed more than £560 million worth of production to the UK economy and employed between 30,000 and 50,000 people.

Within this broadly positive picture there is scope for improvement across the board. To take one example, the employment statistics presented in Chapter 13 challenge the film industry to create better career opportunities for people from minority ethnic groups, who made up less than 5% of the film production workforce.

Evidence-based policy is key to achieving our objectives for the UK film industry. But we want to do more than inform our own strategic thinking. We want to provide an information service to the industry. Last year we published an industry statistical summary on our website (www.ukfilmcouncil.org.uk, 2001 Key UK Industry Facts). This year we have extended the publication, and I am delighted to present this first Yearbook to you.

Inevitably it comes as a work in progress to some extent, and the aim is to refine the contents over coming years. The UK Film Council therefore welcomes any feedback from industry professionals and suggestions for future data capture and research. So please feel free to email (rsu@ukfilmcouncil.org.uk) with any comments or suggestions.

John Woodward, Chief Executive Officer

About this Yearbook

The purpose of this Yearbook is to publish in one place as much information as possible about the UK film industry in 2002, from the wide variety of public and private sector sources available. It is part of the UK Film Council's brief to make this information widely available to enable the industry and public policy makers to understand the film industry and to help shape its development.

The breadth of the information reflects the value chain for film. We begin with the box office results for 2002, then cover exhibition, distribution, production and the labour force, as well as the other main film markets – VHS/DVD and television. On the way, we look at the top films of 2002, the genre, language and classification of 2002 films, the audience appeal of different types of film, the international theatrical market and the overseas trade results for the UK film industry.

Of the questions directed to the Research and Statistics Unit, one of the most frequent relates to the commercial and artistic results for UK films. To that end we have included a number of tables that focus on the performance of UK films: top UK films in the UK market, top UK films in the North American market, and top UK films in some European territories.

How one defines a UK film is often a matter of circumstance. In this report we have assigned UK country of origin on the basis of the Department for Culture, Media and Sport (DCMS) definition of UK-qualifying films (as described in Chapter 1). This means that co-productions involving production companies based overseas are included in our table of UK films provided they meet the UK content and participation requirements of the DCMS definition.

As with all such statistical digests, it is a challenge to organise the information on the basis of consistent definitions and time periods. Some data purchased by the UK Film Council are commercially confidential and we have only been able to publish headline figures or examples. Some official data are based on sample sizes that are too small to allow fine distinctions in analysis. Some data that would be of interest to the industry are not yet collected in a systematic way by anyone. We have tried, wherever possible, to make clear such limitations where they arise in the text.

Nevertheless, the information presented in this report covers many aspects of the film industry's commercial, economic and creative performance in 2002. We hope readers will find it useful and interesting, and we look forward to feedback and suggestions for future information gathering priorities.

This Yearbook does not contain details of production funding provided by the UK Film Council. Those interested can find full details in the Film Council Annual Review 2001/2002 and the Group Lottery Report and Accounts for the year ended 31 March 2002. These are available on request from the UK Film Council Communications Unit (+44 (0)20 7861 7884, communications@ukfilmcouncil.org.uk) or from the UK Film Council website: www.ukfilmcouncil.org.uk.

Sean Perkins, Research Executive
David Steele, Senior Research Executive
Jim Barratt, Head of RSU

May 2003

About the Research & Statistics Unit

The UK Film Council created the Research and Statistics Unit (RSU) in 2001 to originate research and gather film industry data to contribute to evidence-based policy and strategy.

The RSU is responsible for disseminating authoritative information about film in the UK to film industry professionals, government and the wider research community.

The RSU also conducts longer-term research, often in partnership with other interested organisations, to improve understanding of the economic and social context of film production, distribution, exhibition and ancillary markets (eg VHS/DVD, TV).

Research enquiries should be directed to RSU (+44 (0)20 7861 7503, rsu@ukfilmcouncil.org.uk).

All other enquiries should be made to the UK Film Council Communications Unit (+44 (0)20 7861 7884, press@ukfilmcouncil.org.uk).

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Films and their UK cinema audiences

1

The box office

2002 was a record-breaking year at the UK box office with 176 million cinema admissions, a 13% increase on 2001. This chapter looks at total admissions and box office figures, and the UK's share of films in this vibrant market.

Facts in focus

- Cinema admissions were the highest for 30 years.
- Total box office receipts were £755 million, a 17% increase on 2001.
- 369 films (on release for a week or more) were released in the UK and Republic of Ireland, an increase of 5% on 2001.
- UK films, including co-productions, accounted for one fifth of film releases in the UK and Republic of Ireland and almost 25% of box office earnings.

1.1 Admissions

The 176 million cinema admissions recorded in 2002 were the highest admissions figure for 30 years. They represented an increase of 13% on 2001, and 79.5% on 1992 as shown in Table 1.1. This compares with an increase in admissions in the USA of 10.2% in 2002, to 1.64 billion (source: Motion Picture Association of America).

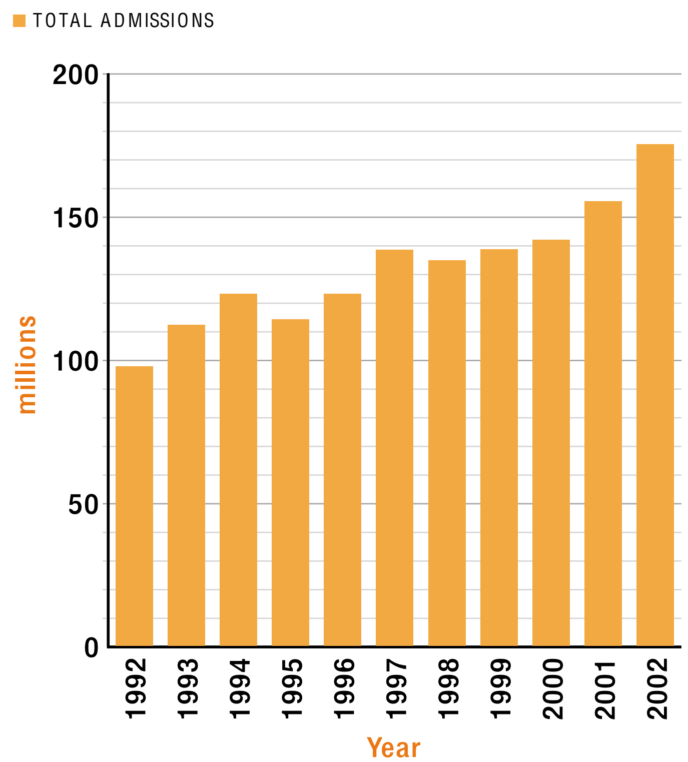
Table 1.1 Annual admissions 1992-2002

YEAR	TOTAL ADMISSIONS (MILLIONS)
1992	98.0
1993	112.6
1994	123.5
1995	114.6
1996	123.5
1997	138.9
1998	135.2
1999	139.1
2000	142.5
2001	155.9
2002	175.9

Source: CAA, Nielsen EDI

Figure 1.1 illustrates the upward trend in admissions over the last ten years, the progress of which faltered in 1995 and 1998, gathering momentum again in 2001.

Figure 1.1 Annual admissions 1992-2002



1.2 Box office earnings

The total UK box office for 2002 was £755 million, a 17% increase on 2001, and a 176% increase over the last decade (Table 1.2). This figure represents the UK only, and covers all box office earnings during the calendar year 2002 for films exhibited in that year.

Table 1.2 UK box office trends 1992-2002

YEAR	BOX OFFICE GROSS (£ MILLION)	% +/-	CUMULATIVE % +/-
1992	275	–	–
1993	315	14.5	14.5
1994	356	13.0	29.4
1995	356	0.0	29.4
1996	411	15.4	49.5
1997	489	19.0	77.8
1998	547	11.8	98.8
1999	563	3.0	104.7
2000	583	3.5	112.0
2001	645	10.6	134.5
2002	755	17.0	174.5

Source: CAA, Nielsen EDI

In 2002, UK gross box office takings grew at a higher rate than the USA box office, which increased by 13%. At £6.3 billion ($9.5 billion), the USA box office gross was over eight times the size of the UK's (source: Motion Picture Association of America).

1.3 Film releases and box office revenues

369 films (on release for a week or more) were released in the UK and Republic of Ireland in 2002, an increase of 5% on 2001. They generated £809 million in box office revenues, an increase of 8% in the same period.

As can be seen in Table 1.3, there was a marked polarity in the UK and Republic of Ireland box office. The top 20 releases of the year (representing 5.4% of all releases) accounted for 60% of the total box office gross earnings. Conversely, the vast majority of theatrical releases, 269 (ie 73% of all releases), accounted for only 5.6% of the box office. There was a slight increase in the share of the top 20 films in 2002, but the figure has fluctuated between 54% and 60% in the last five years.

1.4 Country of origin of film releases

In today's trans-national film industry, there are particular difficulties in assigning a country of origin to a film. We apply the Department for Culture, Media and Sport (DCMS) definition of a UK film under the Films Act (1985) for our analysis. To qualify under schedule 1 of the Act, a film must meet certain criteria in relation to the proportion of the film's budget spent in the UK and the proportion of labour costs paid to qualifying individuals. A film may also qualify if it satisfies the terms of one of the UK's co-production treaties. The DCMS website contains a full list of qualifying criteria (http://www.culture.gov.uk/creative/index.html).

As Table 1.4 indicates, USA films dominated the UK theatrical market in 2002 in terms of box office share. Of all films released last year, 43% were of USA origin (excluding UK co-productions), and these films accounted for almost three quarters (73.4%) of the total box office earnings.

UK films, including co-productions, accounted for one fifth of releases (21%) and 24.4% of the box office. Significantly, although UK/USA co-productions represented 6% of releases, they accounted for 18% of the box office.

Films whose country of origin lies outside the UK and USA accounted for over a third (36%) of releases, but only 2.2% of box office earnings. Indian films alone now represent 16% of releases, and 1% of box office revenues.

Table 1.3 Summary of results at the UK and Republic of Ireland box office 1998-2002*

	1998	1999	2000	2001	2002
Releases	327	391	383	352	369
Combined gross £ million	543.5	610.5	635.8	744.1	809.4
Top 20 (%)	54.9	60.0	54.3	59.3	60.3
Top 50 (%)	83.2	82.2	80.8	84.1	82.3
Top 100 (%)	95.9	94.5	93.7	95.6	94.4

Source: Nielsen EDI

*Table 1.3, and all subsequent analysis on the theatrical market, includes all titles released in 2002. Although *Chicago* was released in 2002, it opened on one screen only on the 27 December, so that particular title does not feature in this year's overview, but will be included next year. The combined gross reflects the territorial gross (ie including Republic of Ireland), and covers those titles released in 2002, but also making money into 2003, up to and including the weekend of 28 Feb-2 March 2003.

Table 1.4 Country of origin of films released in the UK and Republic of Ireland, 2002

COUNTRY OF ORIGIN	NO OF RELEASES IN 2002	% OF ALL RELEASES	2002 BOX OFFICE (£ MILLION)	2002 BOX OFFICE SHARE (%)
USA solo	122	33	415.84	51.4
USA co-productions (other)	38	10	178.13	22.0
Sub total	**160**	**43**	**593.97**	**73.4**
UK and UK co-productions (non USA)	54	15	50.55	6.2
USA/UK	22	6	147.01	18.2
Sub total	**76**	**21**	**197.56**	**24.4**
Europe	47	13	5.93	0.7
India	60	16	8.16	1.0
Rest of the world	26	7	3.74	0.5
Total	**369**	**100.0**	**809.36**	**100.0**

Source: Nielsen EDI, RSU analysis
Box office gross = cumulative total up to 2 March 2003

2

Top films, 2002

The 'chart-toppers' are always eagerly awaited and there were few surprises that the top two films were the much-heralded *The Lord of the Rings: The Two Towers* and *Harry Potter and the Chamber of Secrets*. The latter topped the charts for the top 20 UK films, followed by Bond's latest adventure, *Die Another Day*. Other UK films featured in the top 20 included *About a Boy*, *Gosford Park* and *Bend it like Beckham*.

Facts in focus

- *Harry Potter and the Chamber of Secrets* recorded the biggest-ever opening weekend, with earnings of £18.9 million (includes previews).
- US films dominated the top 20, with 13 of the top films, excluding co-productions.
- The top 20 UK films grossed £185 million at the UK box office, almost 23% of the total.

2.1 The top 20 films

Sequels and franchises dominated the UK box office in 2002. The second instalments of the *Harry Potter* and *The Lord of the Rings* series shot to the top of the charts, together with new films in the *James Bond*, *Star Wars* and *Austin Powers* franchises. Major UK successes included *About a Boy*, *Gosford Park* and *Bend it like Beckham*. *Harry Potter and the Chamber of Secrets* took £18.9 million in its opening weekend (including previews), the UK's biggest-ever opening total.

Table 2.1 Box office results for the top 20 films released in the UK and Republic of Ireland, 2002

Title	Country of origin	Box office gross (£ million)	Number of cinemas	Opening weekend gross (£ million)	Distributor
1 **Lord of the Rings: The Two Towers***	USA/NZ	56.47	501	13.06	Entertainment
2 **Harry Potter and the Chamber of Secrets***	UK/USA	54.65	524	18.87	Warner Bros
3 **Monsters, Inc.**	USA	37.91	503	9.20	Buena Vista
4 **Star Wars II: Attack of the Clones**	USA	37.54	467	11.39	20th Fox
5 **Die Another Day***	UK/USA	35.98	430	9.12	20th Fox
6 **Spider Man: The Movie**	USA	29.03	509	9.43	Columbia TriStar
7 **Ocean's Eleven**	USA	26.47	433	5.10	Warner Bros
8 **Austin Powers in Goldmember**	USA	23.43	446	5.59	Entertainment
9 **Scooby-Doo**	USA/Aus	22.60	472	5.13	Warner Bros
10 **Men in Black 2**	USA	22.21	512	6.19	Columbia TriStar
11 **Minority Report**	USA	20.69	426	4.51	20th Fox
12 **About a Boy**	UK/USA	16.94	446	3.75	UIP
13 **Signs**	USA	16.25	443	3.77	Buena Vista
14 **Ice Age**	USA	15.06	423	3.03	20th Fox
15 **My Big Fat Greek Wedding**	USA	13.57	341	1.50	Entertainment
16 **Lilo & Stitch**	USA	13.03	280	1.52	Buena Vista
17 **Gosford Park**	UK/USA/Ger/Ita	12.26	156	0.84	Entertainment
18 **Bend it like Beckham**	UK/Ger	11.55	384	2.00	Helkon SK
19 **XXX**	USA	11.51	435	3.44	Columbia TriStar
20 **Stuart Little 2**	USA	11.19	473	1.34	Columbia TriStar

Source: Nielsen EDI, RSU analysis
Box office gross = cumulative total up to 2 March 2003.
Films with asterisk (*) were still being exhibited on 2 March 2003, therefore their gross will grow further.

2.2 The top 20 UK films

The top three UK films were *Harry Potter and the Chamber of Secrets*, *Die Another Day* and *About a Boy*, as shown in Table 2.2. UK co-productions (particularly with the USA) were prominent. Table 2.2 also illustrates the importance to UK producers of links with international distributors such as Warner Brothers, 20th Fox, UIP, Buena Vista and Pathé.

The top 20 UK films had a combined gross of £184.6 million, which was 22.8% of the total UK box office.

Table 2.2 Box office results for the top 20 UK films released in the UK and Republic of Ireland, 2002

	TITLE	COUNTRY OF ORIGIN	BOX OFFICE GROSS (£ MILLION)	DISTRIBUTOR
1	**Harry Potter and the Chamber of Secrets***	UK/USA	54.65	Warner Bros
2	**Die Another Day***	UK/USA	36.03	20th Fox
3	**About a Boy**	UK/USA	16.94	UIP
4	**Gosford Park**	UK/USA/Ger/Ita	12.26	Entertainment
5	**Bend it like Beckham**	UK/Ger	11.55	Helkon SK
6	**Ali G Indahouse**	UK	10.30	UIP
7	**The Guru**	UK/USA	6.50	UIP
8	**28 Days Later**	UK/Neth/USA	6.24	20th Fox
9	**40 Days and 40 Nights**	UK/USA/Fra/Can	5.26	UIP
10	**Iris**	UK/USA	4.23	Buena Vista
11	**The Importance of Being Earnest**	UK/Fra/USA	3.52	Buena Vista
12	**Reign of Fire**	UK/USA/Ire	3.37	Buena Vista
13	**Resident Evil**	UK/Ger/Fra	2.77	Pathé
14	**My Little Eye**	UK/USA/Fra	2.69	Momentum
15	**Dog Soldiers**	UK/Lux	2.07	Pathé
16	**Thunderpants**	UK/Ger/Ita	1.97	Pathé
17	**Anita & Me**	UK	1.85	Icon
18	**Long Time Dead**	UK	1.77	UIP
19	**Charlotte Gray**	UK/Ger/Aus	1.57	FilmFour
20	**The Count of Monte Cristo**	UK/USA	1.43	Buena Vista
UK top 20 Total			**186.97**	

Source: Nielsen EDI, RSU analysis
Box office gross = cumulative total up to 2 March 2003
Films with asterisk (*) were still being exhibited on 2 March 2003, therefore their gross will grow further

2.3 Best weekend performances of UK films

Films usually open at the weekend, when people are more likely to go to the cinema, in order to maximise their impact at the box office. The performance of a film during its opening weekend is a factor in deciding how long the film will remain on release. Opening weekend data are therefore important in negotiations between distributors and exhibitors.

Table 2.3 shows the UK films that topped the weekend box office charts (all films) during 2002. Seven films achieved this distinction, with a combined total of 14 number one weekends.

Table 2.3 UK films at number one in the weekend box office charts, 2002

RELEASE DATE	TITLE	OPENING WEEKEND GROSS (£ MILLION)	BOX OFFICE GROSS (£ MILLION)	DISTRIBUTOR	NO OF WEEKS AT NO 1
22 Mar 02	**Ali G Indahouse**	3.23	10.30	UIP	1
12 Apr 02	**Bend it like Beckham**	2.00	11.55	Helkon SK	2
26 Apr 02	**About a Boy**	3.75	16.94	UIP	3
23 Aug 02	**The Guru**	1.52	6.50	UIP	1
1 Nov 02	**28 Days Later**	1.50	6.24	20th Fox	2
15 Nov 02	**Harry Potter and the Chamber of Secrets***	18.87	54.65	Warner Bros	1
22 Nov 02	**Die Another Day***	9.12	36.03	20th Fox	4

Source: Nielsen EDI
Box office gross = cumulative total up to 2 March 2003
Films with asterisk (*) were still being exhibited on 2 March 2003, therefore their gross will grow further

3

Top films, 1993-2002

How did the top films of 2002 compare with the favourites of other years? Did 2002 produce any films that can hold their own among the ‘box office greats’ of recent years? This chapter shows that the *Harry Potter* films and *Lord of the Rings* series came close to challenging the huge popularity of *Titanic*.

Facts in focus

- Six films from 2002 entered the list of top 20 films at the UK box office between 1993 and 2002.
- Four of the top ten films are UK/USA collaborations (*Harry Potter and the Philosopher’s Stone*, *Harry Potter and the Chamber of Secrets*, *The Full Monty* and *Bridget Jones’s Diary*).
- Five of the top six films were based on stories and characters created by UK writers.

3.1 Top films in the UK, 1993-2002

The sequels in the *Harry Potter* and *Lord of the Rings* series of films have now taken their place in the top five of the last ten years and are still being exhibited. The first instalments came close to challenging the huge box office total for *Titanic*. British comedies *The Full Monty* and *Bridget Jones’s Diary* are in the top ten, with *Notting Hill* and *Chicken Run* in the top 20. The highest grossing Bond film of all time, *Die Another Day*, is at number 14.

2002 was a strong year for high grossing films. Six films released in 2002 entered the top 20 box office performers (the figures in Table 3.1 have not been inflation adjusted).

Table 3.1 Top 20 films at the UK box office, 1993-2002

	FILM	COUNTRY OF ORIGIN	UK BOX OFFICE TOTAL (£ MILLION)	UK DISTRIBUTOR	YEAR OF RELEASE
1	**Titanic**	USA	68.99	20th Fox	1998
2	**Harry Potter and the Philosopher’s Stone**	UK/USA	66.07	Warner Bros	2001
3	**The Lord of the Rings: The Fellowship of the Ring**	USA/NZ	63.00	Entertainment	2001
4	**The Lord of the Rings: The Two Towers**	USA/NZ	56.47	Entertainment	2002
5	**Harry Potter and the Chamber of Secrets**	UK/USA	54.65	Warner Bros	2002
6	**The Full Monty**	UK/USA	52.23	20th Fox	1997
7	**Star Wars Episode I: The Phantom Menace**	USA	51.06	20th Fox	1999
8	**Jurassic Park**	USA	47.89	UIP	1993
9	**Toy Story 2**	USA	44.31	Buena Vista	2000
10	**Bridget Jones’s Diary**	UK/USA	42.00	UIP	2001
11	**Monsters, Inc.**	USA	37.91	Buena Vista	2002
12	**Star Wars Episode II: Attack of the Clones**	USA	37.54	20th Fox	2002
13	**Independence Day**	USA	37.13	20th Fox	1996
14	**Die Another Day**	UK/USA	36.03	20th Fox	2002
15	**Men in Black**	USA	35.82	Columbia TriStar	1997
16	**Gladiator**	USA/UK	31.20	UIP	2000
17	**Notting Hill**	UK/USA	31.00	Universal Pictures	1999
18	**Chicken Run**	UK/USA	29.51	Pathé	2000
19	**A Bug’s Life**	USA	29.45	Buena Vista	1999
20	**Spider-Man: The Movie**	USA	29.03	Columbia TriStar	2002

Source: Nielsen EDI, RSU analysis

Language, genre and film classification

By delving deeper into the box office figures we can build up a picture of the performance of films in 2002 according to their language, genre and the certificate given to them by the British Board of Film Classification. Foreign language films have a significant niche in the market. As for genre, UK audiences have a passion for comedy.

Facts in focus

- 131 films, 36% of the total released, were foreign language films.
- Hindi was the dominant foreign language in terms of both releases and market share.
- Comedy was the most popular genre, with 26% of the box office from 23% of releases.
- Films with the new BBFC classification 12A or lower rating attracted 50% of the box office.

4.1 Foreign language films

In 2002, 131 foreign language films were released in the UK and Republic of Ireland (36% of releases), earning around 2.2% of the box office. In terms of both titles and market share, Hindi was the dominant foreign language, followed by French (Tables 4.1-4.3).

Table 4.1 Top 20 foreign language films released in the UK and Republic of Ireland, 2002

	TITLE	COUNTRY OF ORIGIN	BOX OFFICE GROSS (£ MILLION)	DISTRIBUTOR	LANGUAGE
1	**Devdas**	India	1.74	Eros	Hindi
2	**Y Tu Mama Tambien**	Mexico	1.62	Icon	Spanish
3	**Talk to Her**	Spain	1.41	Pathé	Spanish
4	**Mujhse Dosti Karoge**	India	0.80	Yash Raj Films	Hindi
5	**Hum Tumhare Hain Sanam**	India	0.67	Eros	Hindi
6	**8 Women**	France/Italy	0.52	UGC	French
7	**The Closet**	France	0.44	Optimum	French
8	**Nine Queens**	Argentina	0.41	Optimum	Spanish
9	**Haan Maine Bhi Pyar Kiya**	India	0.41	Shree Krishna	Hindi
10	**Kaante**	India	0.40	Bollywood Pictures	Hindi
11	**Sex and Lucia**	France/Spain	0.38	Metro Tartan	Spanish
12	**Italian for Beginners**	Denmark	0.37	Pathé	Danish
13	**Read my Lips**	France	0.36	Pathé	French
14	**Dil Hai Tumhaara**	India	0.31	Sovereign Sirroco	Hindi
15	**Shakti – The Power**	India	0.31	Eros	Hindi
16	**The Son's Room**	France/Italy	0.29	Momentum	Italian
17	**Saathiya**	India	0.29	Yash Raj Films	Hindi
18	**Mere Yaar Ki Shaadi Hai**	India	0.26	Yash Raj Films	Hindi
19	**Na Tum Jaano Na Hum**	India	0.23	Eros	Hindi
20	**Aankhen**	India	0.21	Gurpreet Video	Hindi
Total			**11.43**		

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as of 7 March 2003

Table 4.2 Top Indian films released in the UK, 2002

	TITLE	BOX OFFICE GROSS (£ MILLION)	DISTRIBUTOR
1	**Devdas**	1.74	Eros
2	**Mujhse Dosti Karoge**	0.80	Yash Raj Films
3	**Hum Tumhare Hain Sanam**	0.67	Eros
4	**Haan Maine Bhi Pyar Kiya**	0.41	Shree Krishna
5	**Kaante**	0.40	Bollywood Pictures
6	**Dil Hai Tumhaara**	0.31	Sovereign Sirroco
7	**Shakti – The Power**	0.31	Eros
8	**Saathiya**	0.29	Yash Raj Films
9	**Mere Yaar Ki Shaad Hai**	0.26	Yash Raj Films
10	**Na Tum Jaano Na Hum**	0.23	Eros
Total		**5.42**	

Source: Nielsen EDI, RSU analysis. Figures as of 7 March 2003

Table 4.3 Films released in the UK and Republic of Ireland by language, 2002

MAIN LANGUAGE	NUMBER OF FILMS RELEASED 2002	% OF ALL UK RELEASES	GROSS BOX OFFICE (£ MILLION)	% OF GROSS BOX OFFICE
English	238	64	792.3	97.9
Hindi	55	15	8.2	1.0
French	27	7	2.9	0.4
Other European	23	6	5.4	0.7
Other International	26	7	0.6	0.1
Total	**369**	**100**	**809.4**	**100.0**

Source: Nielsen EDI, BBFC, RSU analysis

4.2 Genre

Genre is a difficult issue to address because of the subjective nature of genre allocation. Allocating a high earning film like *Harry Potter* or *Lord of the Rings* to a particular genre category such as fantasy inflates the market share of that category.

Table 4.4 is not intended as the definitive picture of genre at the UK box office, rather it offers an indication of the relative popularity of various types of film. Most films cross several genres. We have classified films by the genre category that in our opinion captures the main character of the film, drawing upon standard sources of film information such as Internet Movie Database (IMDB) and *Sight and Sound*. Each film is counted only once.

As can be seen from Table 4.4, drama accounted for the most releases (34.7%), but only 8.7% of the gross box office. In terms of market share, comedy was the most popular genre, with 26.5% of the box office from 22.8% of releases. Fantasy was the next most popular with 14.2% from only six films (including *Lord of the Rings: The Two Towers* and *Harry Potter and the Chamber of Secrets*).

Table 4.4 Films released in the UK and Republic of Ireland by genre, 2002

GENRE	NO OF RELEASES	% OF ALL RELEASES	% BOX OFFICE SHARE	BOX OFFICE POSITION
Action	30	8.1	12.5	3
Adventure	5	1.4	2.3	10
Animated	12	3.3	9.4	5
Biopic	5	1.4	2.2	11
Comedy (including romantic comedy)	84	22.8	26.5	1
Crime	15	4.1	3.2	8
Documentary	13	3.5	0.3	14
Drama	128	34.7	8.7	6
Family	4	1.1	0.1	15
Fantasy	6	1.6	14.2	2
Horror	13	3.5	3.5	7
Music/dance	6	1.6	0.1	15
Romance	16	4.3	0.6	13
Sci-fi	11	3.0	11.9	4
Thriller	12	3.3	2.8	9
War	9	2.4	1.7	12
Total	**369**	**100.0**	**100.0**	

Source: Nielsen EDI, RSU analysis

Language, genre and film classification

4.3 Film classification

All films in the UK must carry a certificate indicating their age suitability for exhibition in premises licensed by local authorities. The British Board of Film Classification (BBFC) classifies the majority of films for theatrical release, although local authorities may grant their own classification if they decide to.

Table 4.5 BBFC film classifications

U **(Universal)** – Suitable for all

PG **(Parental Guidance)** – Unaccompanied children of any age may watch. A PG film should not disturb a child aged around eight or older. However, parents are advised to consider whether the content may upset younger or more sensitive children.

12A **(from 30 Aug 02)** – No-one younger than 12 may see a 12 film in a cinema unless accompanied by an adult.

12 **(until 30 Aug 02)** – No-one younger than 12 may see a 12 film in the cinema

15 – No-one younger than 15 may see a 15 film in the cinema.

18 – No-one younger than 18 may see an 18 film in the cinema.

Source: BBFC website

2002 was a significant year in terms of film classification in the UK, as the 12A certificate was introduced by the BBFC in August, replacing the 12 classification (introduced in 1989).

Films with 12A certificates or lower (ie PG and U) accounted for 36% of titles, but half of the box office, as shown in Table 4.6.

Table 4.6 Releases in UK and Republic of Ireland by film certificate, 2001-2002

CERT	NO OF RELEASES 2001	NO OF RELEASES 2002	% OF ALL RELEASES 2001	% OF ALL RELEASES 2002	% GROSS BOX OFFICE 2001	% GROSS BOX OFFICE 2002
U	25	29	7	8	10.2	13.4
PG	65	84	19	23	28.8	22.4
12A	n/a	19	n/a	5	n/a	15.4
12	64	54	18	15	30.3	24.1
15	140	149	40	40	23.5	21.1
18	53	34	15	9	7.3	3.6
Total	**347**	**369**	**100**	**100**	**100.0**	**100.0**

Source: BBFC, Nielsen EDI, RSU analysis

Distribution

Film distributors are the crucial link between product and consumer. They are responsible, sometimes in collaboration with the producer, for major decisions such as release dates and patterns, advertising expenditure and publicity. All of these factors influence the outcome at the box office. The top distributor in 2002 was 20th Century Fox, with a market share of 17.9% from 28 films, and the top UK distributor was Entertainment, with a market share of 16.6% from 19 films.

Facts in focus

- The top six distributors had a 90% share of the market.
- Opening weekends accounted for 24% of the total box office.
- Higher earning films (£30 million+) took nearly 28% of their total box office in their opening weekend.
- Estimated total advertising spend was £131 million.

5.1 Distributors in 2002

As shown in Table 5.1, the top six distributors had a 90% share of the market. The remaining 48 distributors handled a total of 253 titles (60% of the total), but gained only a 10% share of the box office.

Table 5.1 Distributor share of box office, UK and Republic of Ireland, 2002

DISTRIBUTOR	MARKET SHARE (%)	FILMS ON RELEASE 2002	BOX OFFICE GROSS (£ MILLION)
20th Fox	17.9	28	146.08
Entertainment	16.6	19	135.89
Warner Bros	15.4	24	126.11
Buena Vista	15.2	36	124.62
UIP	12.5	29	102.55
Columbia TriStar	12.3	31	100.94
Pathé	2.1	22	17.39
Momentum	1.9	20	15.53
Helkon SK	1.8	4	14.66
Sub total	**95.7**	**213**	**783.77**
Others (45 distributors)	4.3	207	33.82
Total	**100**	**420**	**817.59**

Source: Nielsen EDI
Box office gross = cumulative box office total for all films handled by the distributor in the period 4 January 2002 to 2 January 2003 (ie includes films released in 2001 and still showing in 2002)

5.2 Distributors, 1998-2002

Table 5.2 shows that the top six distributors form a stable leading group, though their individual market shares vary considerably from year to year, depending on the particular mix of films distributed each year. Distributors are ranked by their 2002 box office share.

Table 5.2 Distributor market share as percentage of box office gross, 1998-2002

DISTRIBUTOR	1998	1999	2000	2001	2002
20th Fox	25.0	14.5	9.9	8.7	17.9
Entertainment	8.5	6.0	4.6	9.7	16.6
Warner Bros	9.2	11.8	7.8	16.5	15.4
Buena Vista	18.5	21.5	22.6	14.1	15.2
UIP	23.2	23.2	26.9	31.7	12.5
Columbia TriStar	6.0	5.5	12.8	6.6	12.3
Pathé	0.6	3.5	7.1	2.1	2.1
Momentum	0.2	0.05	1.1	2.5	1.9
Helkon SK	–	0.03	0.6	1.6	1.8
Icon	–	0.3	2.8	3.6	0.9
FilmFour	1.0	2.9	1.6	0.3	0.9
Eros	0.1	0.5	0.5	0.3	0.4
Metrodome	0.2	0.5	0.16	0.3	0.4
Optimum	–	0.04	0.1	0.3	0.3
Yash Raj Films	0.3	0.2	0.3	0.3	0.2
Universal/PolyGram	5.9	7.9	0.04	–	–
Top 15 total	98.7	98.4	98.9	98.6	98.8
Others	1.3	1.6	1.1	1.4	1.2
Total	**100**	**100**	**100**	**100**	**100**

Source: Nielsen EDI

5.3 Opening weekends

In 2002, two-thirds of the box office was taken at the weekend. This was an increase of 5% on 2001.

Table 5.3 Box office percentage share by weekday/weekend, 2001-2002

	2001	2002
Friday	16.1	16.9
Saturday	26.3	29.4
Sunday	19.9	21.3
Weekend	**62.3**	**67.6**
Monday	8.7	7.2
Tuesday	9.0	8.5
Wednesday	9.9	8.6
Thursday	10.0	8.1
Weekday	**37.6**	**32.4**
Total	**100**	**100**

Source: Nielsen EDI

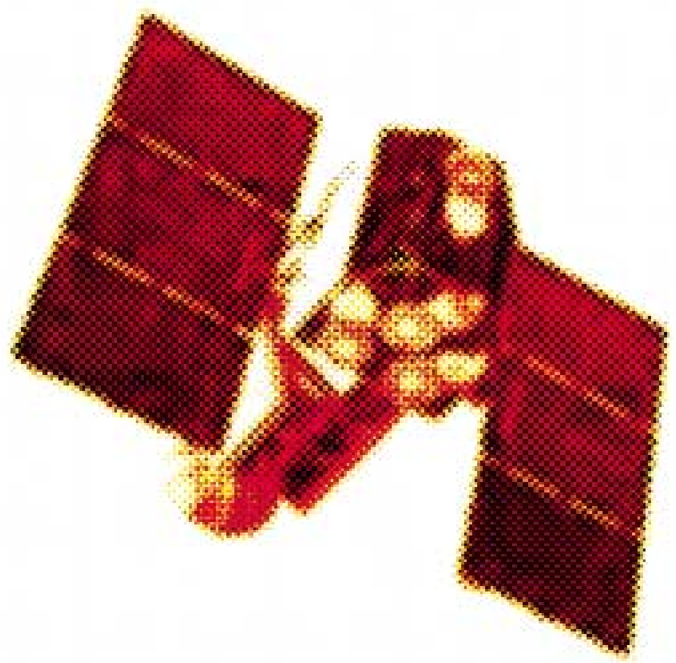
Opening weekends accounted for 24% of the total box office in 2002. The higher earning films took 27.7% of their final gross in the opening weekend (Table 5.4).

Table 5.4 UK opening weekend as percentage of total box office, 2002

RANGE OF BOX OFFICE RESULTS	% OF TOTAL IN OPENING WEEKEND
All films	**24.1**
More than £30 million	27.7
£20 million-£30 million	24.9
£10 million-£20 million	18.5
£5 million-£10 million	21.9
£1 million-£5 million	22.9
£200,000-£999,000	29.5
Less than £200,000	29.8

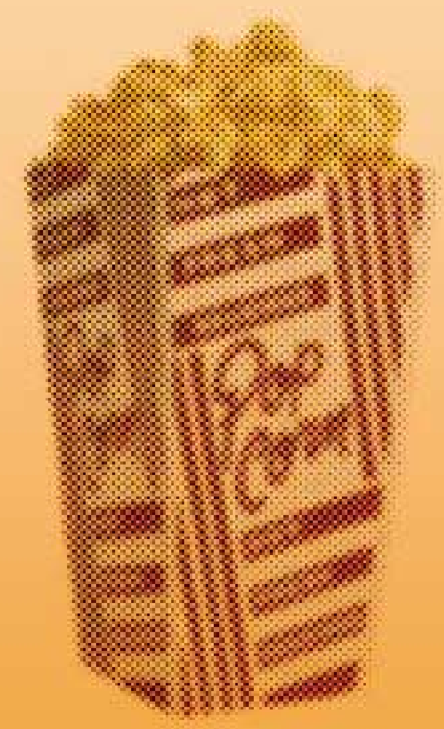
Source: Nielsen EDI

The opening weekend is crucial to the lifetime of a film, and to its success on VHS/DVD and television, so distributors invest heavily in advertising in order to raise a film's profile across all media (eg posters, print media, TV and radio). From data provided by Nielsen MMS, we estimate the total advertising spend in 2002 was £131 million.



6

Exhibition



The UK exhibition sector has undergone a transformation since the mid 1980s, and the UK now has more screens than at any time since the early 1960s. However, the UK still has substantially fewer screens per capita than France, Spain, Australia and the USA.

Facts in focus

- The UK had 3,258 screens in 668 cinemas.
- The average ticket price was £4.29.
- The six largest exhibitors operated almost 70% of screens. Odeon Cinemas topped the list.
- There were 5.4 screens per 100,000 of the population, lower than many countries.
- 70% of screens were in multiplexes – that is cinemas with five or more screens.
- Four UK cinemas had digital projection out of 113 in the world.
- There was an increase in the number of screens in and around city centres, and a decrease in suburban, out of town and rural locations.
- Only 5% of screens were dedicated to specialised (ie non-mainstream) programming, with less than 0.5% dedicated to showing Asian films.

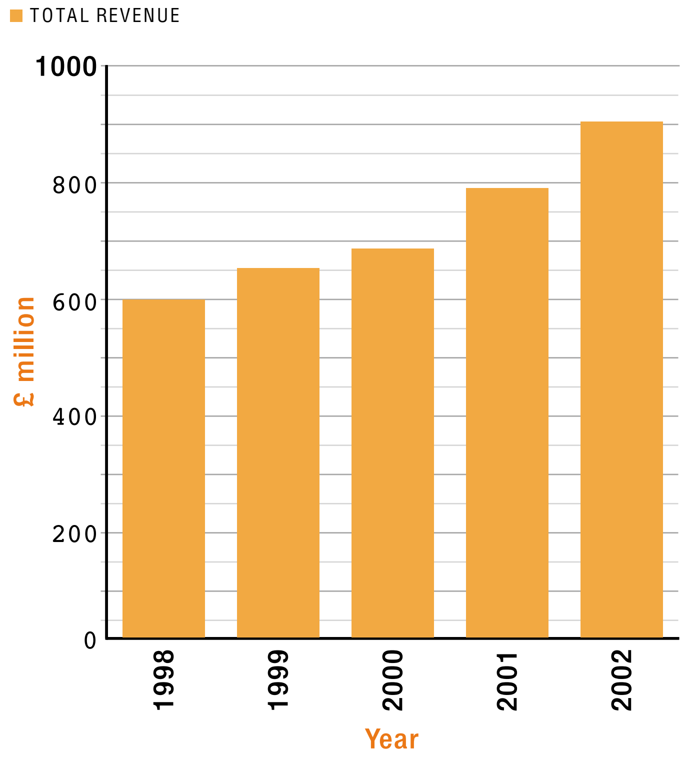
6.1 Exhibition landscape

The number of screens in the UK exceeded the 3,000 mark in 2001, the highest level since the early 1960s. By 2002 the total had risen by 2.9% to 3,258 screens in 668 cinemas. The analysis does not include screens operated outside the commercial exhibition sector such as schools and private screening rooms. According to industry estimates, a further 167 screens are planned to open by the summer of 2004.

Although screen numbers increased in 2002, there was a sharp increase in site closures over the same period: 63 sites closed in 2002, at a loss of 130 screens. This compares with the closure in 2001 of 44 sites (123 screens).

The increase in screen numbers is mirrored by a rise in total exhibition revenue (including box-office, advertising and concession revenue). The graph below illustrates this trend over the last five years.

Figure 6.1 Total revenue, 1998-2002



Source: Dodona Research

Cinema advertising revenue continued to rise. Gross advertising revenue increased from £164 million in 2001 to £185 million in 2002. This compares with £97 million five years earlier in 1998.

Meanwhile, average ticket prices (including discounted admissions) rose from £4.22 in 2001 to £4.29 in 2002 (an increase of 16% since 1998).

6.2 Exhibitors

The exhibition sector is dominated by a small number of companies. The six largest exhibitors operated approximately 70% of UK screens in 2002.

Table 6.1: Leading exhibitors, 2002

EXHIBITOR	NO OF SITES	NO OF SCREENS
Odeon Cinemas	99	613
UGC Cinemas	42	396
Warner Village	36	405
United Cinemas International	34	372
Cine-UK	29	319
National Amusements	18	243
Other	410	910
Total	**668**	**3,258**

Source: Dodona Research. Note: owned screens only

Table 6.2: Leading exhibitors by screens 1998-2002

EXHIBITOR	1998	1999	2000	2001	2002
Odeon Cinemas	452	460	627	603	613
ABC Cinemas	208	180	n/a	n/a	n/a
Warner Village	192	266	319	373	405
UGC Cinemas	266	303	350	396	396
United Cinemas International	294	317	345	355	372
Cine-UK	116	146	210	276	319
National Amusements (Showcase)	197	211	224	243	243
Other	856	875	879	927	910
Total	**2,581**	**2,758**	**2,954**	**3,173**	**3,258**

Source: Dodona Research. Note: ABC was acquired by Odeon Cinemas during 2000; figures include programmed screens as well as those owned

6.3 Screen access and location

In 2002 there were 5.4 screens per 100,000 of population in the UK, up from 5.3 the previous year. This compares favourably with Italy and Germany, but falls well below the levels seen in France, Spain, Australia and the USA, as shown in Table 6.3.

Table 6.3 Screens per 100,000 of population, 2001-2002

	UK	FRANCE	GERMANY	ITALY	SPAIN	AUSTRALIA	USA
2002	5.4	8.9	5.7	5.4	9.8	9.5	12.9
2001	5.3	8.8	5.8	5.1	9.5	9.5	13.2

Source: Dodona Research, RSU analysis

Outside Greater London, 25 cities had more than 20 screens operating in 2002, led by Manchester, Edinburgh and Sheffield.

Table 6.4 Cities with more than 20 screens, 2002

CITY	NO OF SCREENS
Manchester	80
Edinburgh	72
Sheffield	55
Birmingham	54
Bristol	49
Glasgow	49
Belfast	47
Liverpool	45
Leeds	41
Nottingham	32
Cardiff	31
Bradford	29
Kingston-upon-Hull	28
Bolton	27
Leicester	27
Norwich	26
Coventry	24
Portsmouth	24
Newcastle	23
Derby	22
Dundee	21
Basingstoke	20
Southampton	20
Swindon	20
Greater London	498
London West End	53

Source: Dodona Research, RSU analysis

The urban/rural split in screen provision is clearly evident in Table 6.5, which shows an increase in the number of screens in and around city centre locations, and a decrease in suburban, out of town and rural locations.

Table 6.5 Screens by location, 2001-2002

LOCATION	2001	2002	CHANGE
City centre	1,404	1,466	(+4.4%)
Edge of centre	410	456	(+11.2%)
Suburban	46	34	(-26.1%)
Out of town	1,207	1,199	(-0.7%)
Rural	107	103	(-3.7%)

Source: Dodona Research, RSU analysis

6.4 Cinema type

In 1998 the number of multiplex screens outstripped the number of screens in traditional sites for the first time. The trend has continued, and by 2002 70% of screens in the UK were found in multiplexes. Table 6.6 presents figures for the last five years.

Table 6.6 Cinema screens by type, 1998-2002

YEAR	MULTIPLEX	TRADITIONAL	TOTAL
1998	1,357	1,224	2,581
1999	1,624	1,134	2,758
2000	1,874	1,080	2,954
2001	2,115	1,049	3,164
2002	*2,299	959	3,258

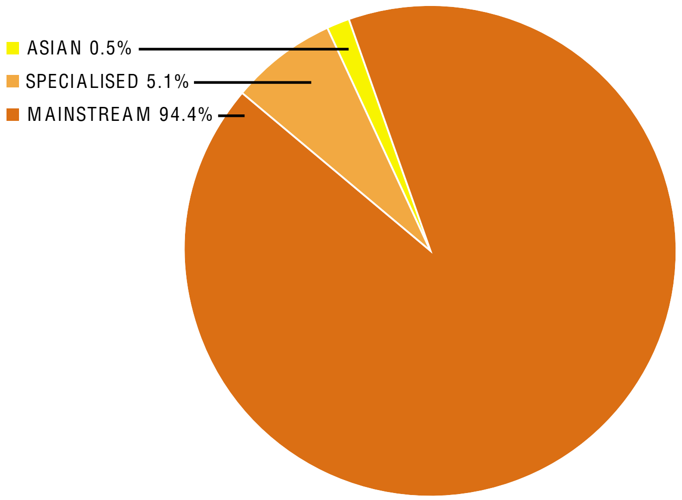
Source: Dodona Research
*Includes four megaplexes with 20+ screens
Note: Dodona Research defines multiplex sites as purpose-built with five or more screens

Overall, there was an increase of 184 multiplex screens (+8.7%) in 2002 compared with 90 fewer traditional screens (-9.4%), which suggests multiplexes are not simply displacing traditional screens.

6.5 Programming

In 2002 there were seven cinemas dedicated to Asian programming (15 screens), 108 offering specialised (ie non-mainstream, including art house) product (167 screens) and 553 with mainstream offerings (3,076 screens). Table 6.7 compares figures for 2001 and 2002.

Figure 6.2 Proportion of screens by programme, 2002



Source: Dodona Research, RSU analysis

Looking at the location pattern of programme content, 2002 saw a dramatic fall in the number of screens dedicated to Asian product in its city centre and suburban heartlands (Table 6.8).

The number of screens offering specialised programming saw a small drop during 2002 in city centre locations (where it tends to be concentrated), with a marginal increase in rural areas.

Meanwhile, mainstream programming continues to dominate in city centre and out of town locations. 2002 saw an increase in mainstream screens in city centre and edge of centre locations, and a decrease in screen numbers for out of town and rural locations.

Table 6.7 Sites and screens by programme, 2001-2002

	NO OF SITES		NO OF SCREENS	
PROGRAMME	2001	2002	2001	2002
Asian	15	7	39	15
Specialised	110	108	172	167
Mainstream	567	553	3,002	3,076

Source: Dodona Research, RSU analysis

Table 6.8 Screens by location and programme, 2001-2002

	ASIAN		SPECIALISED		MAINSTREAM	
LOCATION	2001	2002	2001	2002	2001	2002
City centre	24	12	150	143	1,230	1,311
Edge of centre	–	–	2	2	408	454
Suburban	15	3	7	7	24	24
Out of town	–	–	7	7	1,200	1,192
Rural	–	–	6	8	101	95
Total	**39**	**15**	**172**	**167**	**2,963**	**3,076**

Source: Dodona Research, RSU analysis

6.6 Digital projection

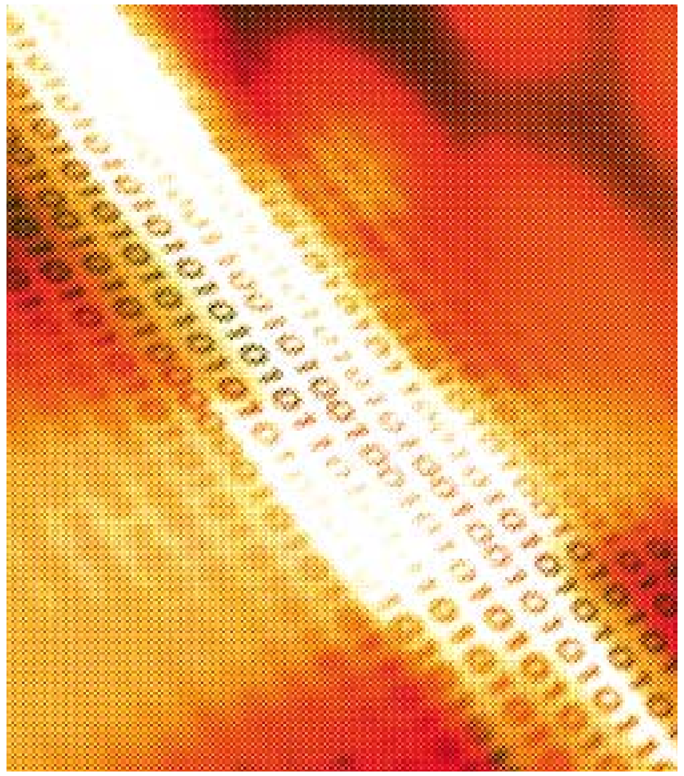
The number of sites offering digital projection remains extremely small.

Across the world in 2002 a total of 113 sites (with 125 screens) offered digital projection, and just four of these were located in the UK: Odeon Leicester Square, UCI The Filmworks (Manchester), Warner Village (West End), and Warner Village Star City (Birmingham) (Source: Texas Instruments). Table 6.9 lists those countries with more than one digital cinema.

Table 6.9 Countries with more than one digital cinema, 2002

COUNTRY	NO OF SITES	NO OF SCREENS
USA	61	71
China	13	13
Japan	10	12
Brazil	4	4
Canada	4	4
UK	4	4
France	3	2
Germany	2	2
Spain	2	2

Source: Dodona Research



7

Looking at cinema audiences

Who goes to the cinema in the UK and which films do they watch? This chapter analyses cinema audiences in terms of gender, age, socio-economic status, region and frequency of cinema attendance. There are also some tentative findings on film consumption by disabled people and people from minority ethnic groups. Overall, the film audience has a roughly even male/female split, but particular films often appeal more to one gender than the other. Some films attract larger audience shares from particular socio-economic groups. Cinema audiences are predominantly young – over 60% are under the age of 35. Some films have a particular regional appeal, while the London area has an above-average audience for many films.

Facts in focus

- For the top 20 films at the UK box office in 2002, the cinema audience was:
  - Predominantly young, with 69% under the age of 35;
  - Drawn disproportionately from the AB social group (professional, business and white collar) with 21% of the population accounting for 28% of the cinema visits;
  - Over-represented by Londoners, with 20% of the population aged seven and over accounting for nearly 25% of visits. The South West, Wales, the North East and Yorkshire were under-represented.
- The cinema audience for the top 20 UK films:
  - Was also predominantly young, though to a lesser degree than the overall top 20 audience (61% under the age of 35, compared with 69% for the overall top 20);
  - Was more skewed towards the AB social group than the audience for the overall top 20 films (21% of the population accounted for 32% of the UK top 20 film audience compared with 28% of the overall top 20 audience).
  - Had a slightly stronger London skew (27%) than the overall top 20 audience (25%). Eight out of the top 20 UK films had a pronounced London audience-bias, including *Iris*, *My Little Eye*, *About a Boy* and *Gosford Park*.
- We are a nation of cinema-goers: most people in the UK – 71% – went to the cinema at least once a year, and 26% went once a month or more.

7.1 Film preferences by gender

Although cinema-going appealed equally to both sexes, some films attracted more of one gender than the other. In broad terms, men preferred action, science fiction and horror films, making up 60% of audiences for these in the overall top 20 films. Women's preferences were for relationship dramas, romantic comedies and films with family or young children appeal. Among the overall top 20 films, women made up 60% of audiences for relationship films, and were a slight majority for family films. One exception was *Gosford Park*, which had a 50/50 audience gender split.

The UK top 20 shows a more marked pattern of gender preference than the overall top 20 audience: five UK films had a predominantly female audience, while six UK films had a male majority audience (more than 60% in both cases). Men showed a preference for a certain type of humour (*Ali G Indahouse*).

7.2 Film preferences by age group

Broadly speaking, animated children's stories appealed most to the 7-14 age group, action and science fiction films to the teen and young adult group, and drama to the over-35 age group.

There were some significant differences between the age appeal of the top 20 UK films and all top 20 films:

- The overall age profile for the top 20 UK films was older than for all top 20 films.
- Very few UK films had an above-average appeal to the 7-14 age group. This largely reflects the absence of animated children's stories from the UK film portfolio in 2002.

In general, there was a stronger age skew in the audiences for the top 20 UK films. Four UK films (including *Ali G Indahouse*) gathered 60% or more of their audience from the 15-24 age group. Over-35s made up 70% or more of the audiences for UK period dramas and biopics. *Gosford Park* had a particularly strong appeal to the over-35s, who made up 78% of its audience. One UK film (*Charlotte Gray*) gathered only 7% of its audience from the under-25s.

7.3 Film preferences by socio-economic group

The audiences for some films were skewed towards particular socio-economic groups. In most cases, the skew was moderate, but among the overall top 20, *Gosford Park* had a particularly strong appeal to the AB group (professional, business and white collar). The skew towards AB audiences was stronger (32%) for the top 20 UK films than for the overall top 20 (28.4%). Three top 20 UK films gathered around half their audience from the AB group: *Gosford Park*, *Iris*, and *The Importance of Being Earnest*.

Three UK films gathered almost half their audience from the C1 group: *My Little Eye*, *Long Time Dead* and *Charlotte Gray*.

The film *Dog Soldiers* achieved a particularly high DE audience share.

Definitions of socio-economic groups:
AB: Professional, business and white collar
C1: Higher skilled manual
C2: Lower skilled manual
DE: Semi and Unskilled manual

Definitions
Top 20 films refers to the top 20 films of any country of origin at the UK box office in 2002.
Top 20 UK films refers to the top 20 UK solo or UK co-production films at the UK box office in 2002.
Regions are defined as non-overlapping TV areas.

7.4 Film audiences by region

Some films attracted higher than average audiences in particular regions. As with the socio-economic data, the regional effect was moderate in most cases and the majority of films in the overall top 20 did not have a significant regional skew. London had the greatest number of films with regionally-skewed audiences. The top 20 UK films were more skewed towards a London audience than the overall top 20 films, with London accounting for 27% of the audience, compared with 25% of the audience for the all top 20. Eight out of the top 20 UK films had a pronounced London audience-bias.

Data Source
The data underlying sections 7.1 to 7.4 come from the Quarterly Film Monitor commissioned by the Cinema Advertising Association (CAA) and conducted by BMRB. The RSU selected the top 20 films at the UK box office in 2002 (all countries of origin) and the top 20 UK films at the UK box office in 2002 for detailed analysis. The CAA has kindly given us permission to use the titles mentioned in the text as examples. For more information contact CAA, 12 Golden Square, London W1F 9JE, Tel: +44 (0) 20 7534 6363, Fax: +44 (0) 20 7534 6227.

7.5 Frequency of cinema-going

According to the 2002 CAVIAR survey, most people in the UK (71%) went to the cinema at least once a year, and 26% went once a month or more. For the population as a whole, the most common frequency was from two to six times per year, as shown in Table 7.1.

The frequency varied considerably by age. For children and teenagers the most common frequency was once every two to three months. For young adults, it was once a month; for the 35-44 age group, two to three times per year; and for people aged 55 and over, never was the most common answer (41% of that age group).

Table 7.1 Frequency of cinema-going by age group

	ONCE A WEEK+	2-3 TIMES A MONTH	ONCE A MONTH	ONCE EVERY 2-3 MONTHS	2-3 TIMES A YEAR	ONCE A YEAR	LESS OFTEN	NEVER	TOTAL
ALL AGES	2%	8%	16%	**18%**	**18%**	9%	11%	18%	100%
Child									
Age 7-9	–	5%	16%	**36%**	29%	7%	3%	3%	100%
Teenage									
Age 12-14	5%	18%	26%	**28%**	15%	3%	3%	2%	100%
Young adult									
Age 20-24	4%	19%	**26%**	17%	17%	6%	7%	4%	100%
Mature adult									
Age 35-44	2%	9%	15%	18%	**20%**	13%	11%	11%	100%
Older adult									
Age 55+	1%	2%	5%	10%	15%	8%	18%	**41%**	100%

Source: CAVIAR 20 (2002), CAA/BMRB
The age groups shown are examples. Modal frequencies (the most common frequency for each age group) are shown in **bold type**.

7.6 Access and participation

In light of its ambition to promote full access and participation in film audiences, the UK Film Council has begun work with the market research firm Taylor Nelson Sofres to identify and study the cinema-going patterns of disabled people and people from minority ethnic groups, and their access to film via television and VHS/DVD. At this stage, fully representative data are not available, but we have some initial findings for 2002.

7.6/1 Disabled people

Within the TNS survey panel, 12.2% of individuals between the ages of 12 and 74 identified themselves as having a disability. However, only 9.3% of film consumers on the panel were disabled people. This difference was statistically significant, and suggests that disabled people were under-represented among consumers of film. The TNS survey separates film consumption into the categories of cinema, rental VHS/DVD, retail VHS/DVD and pay-per-view TV. Disabled people were under-represented in rental of VHS/DVD and cinema attendance, and in the case of cinema attendance made a level of purchases that was lower again. For retail VHS/DVD, access for disabled people was similar to that for non-disabled people (the market buyer difference recorded in the table below is not large enough to be statistically significant).

7.6/2 People from minority ethnic groups

The initial survey results did not pick up a statistically significant difference between the ethnic minority share of the survey panel and the ethnic minority shares of film consumers and market volume. There was an indication that people from ethnic minorities might have been slightly over-represented in the rental video/DVD market, but this result should be regarded as tentative.

During 2003, the UK Film Council will continue to work with TNS to improve the survey coverage of disabled people and people from minority ethnic groups, in order to present a more complete report next year.

Table 7.2 Film consumption by disabled people, 2002

DISABLED PEOPLE AS...	% OF SURVEY PANEL	% OF MARKET BUYERS	% OF MARKET VOLUME
Total film market	12.2	9.3	10.6
Rental VHS/DVD	12.2	9.3	10.5
Retail VHS/DVD	12.2	11.1	12.5
Cinema	12.2	10.0	8.7

Source: Taylor Nelson Sofres. The sample size for pay-per-view TV (PPV) was not large enough for the PPV result to be included in the table.

UK films abroad and the international picture

UK films internationally

This chapter looks at the performance of UK film in the USA, the biggest single global market for film, the European Union and at the worldwide box office for the top UK films. *Harry Potter and the Chamber of Secrets* was the top UK performer at the USA box office, followed by the latest Bond film, *Die Another Day*. They also topped the worldwide box office list for UK films in 2002.

Facts in focus

- UK films represented 9.3% of releases at the USA box office.
- The market share of UK films at the USA box office was 7.2%, at a value of £429.2 million.
- All top ten performing UK films at the USA box office were co-productions.
- *Harry Potter and the Chamber of Secrets* was the best performing UK film at the worldwide box office, taking $728.2 million.

8.1 UK films in the USA

As shown in Table 8.1, the 45 UK films (including co-productions) on release in the USA and Canada represented 9.3% of releases at the USA box office last year, with a box office share of 7.2%. In value terms, this was $643.8 million (£429.2 million at an exchange rate of 1.5 dollars to the pound).

Harry Potter and the Chamber of Secrets was the top UK performer at the USA box office last year, followed by *Die Another Day*. As shown in Table 8.2, all top ten UK films at the North American box office were co-productions, and only one (*Resident Evil*) was made without USA involvement.

Table 8.1 Country of origin of films in the USA and Canada, 2002

COUNTRY OF ORIGIN	NO OF RELEASES	% OF ALL RELEASES	BOX OFFICE SHARE GROSS	BOX OFFICE ($ MILLION)
UK and UK co-productions (non USA)	29	6.0	0.6	58.5
USA/UK	16	3.3	6.6	585.3
Sub total	45	9.3	7.2	643.8
USA solo	266	55.2	73.0	6,523.0
USA co-productions (other)	48	10.0	18.4	1,643.2
Rest of world	123	25.5	1.4	123.5
Total	**482**	**100**	**100**	**8,933.5**

Source: Nielsen EDI, RSU analysis

Table 8.2 Top ten UK films at the USA and Canada box office (including co-productions), 2002

	TITLE	COUNTRY OF ORIGIN	BOX OFFICE GROSS ($ MILLION)
1	Harry Potter and the Chamber of Secrets	UK/USA	261.1
2	Die Another Day	UK/USA	160.6
3	The Count of Monte Cristo	UK/USA	54.2
4	Reign of Fire	UK/USA/Ire	43.1
5	About a Boy	UK/USA	40.7
6	Resident Evil	UK/Ger/Fra	39.7
7	40 Days and 40 Nights	UK/USA	38.0
8	The Hours	UK/USA	33.0
9	The Importance of Being Earnest	UK/Fra/USA	8.4
10	Death to Smoochy	UK/USA/Ger	8.4

Source: Nielsen EDI, RSU analysis

8.2 UK films in the European Union

Table 8.3 shows that in those EU territories where data are available, the UK market share was over 10%, with the highest share outside the UK occurring in Germany.

Table 8.3: UK market share in selected EU territories, 2002

COUNTRY	POPULATION *(MILLION)	BOX OFFICE FOR UK FILMS (£ MILLION)	UK SHARE (%)
Germany	82.86	147.8	16.5%
UK	59.75	288.4	24.4%
France	59.41	21.3m *(admissions)*	12.3%
Spain	39.64	74.5	12.2%
Austria	8.11	17.5	15.0%

Source: Nielsen EDI, RSU analysis
*forecast data

The top 20 UK performers between 1998-2002 recorded a total of 316.3 million admissions across the EU (Table 8.4).

Table 8.4: Top 20 UK films in EU 1998-2002

TITLE	COUNTRY OF ORIGIN	YEAR OF UK RELEASE	EU ADMISSIONS
1 **Harry Potter and the Philosopher's Stone**	UK/USA	2001	51,653,452
2 **Harry Potter and the Chamber of Secrets**	UK/USA	2002	39,651,450
3 **Notting Hill**	UK/USA	1999	27,432,686
4 **Bridget Jones's Diary**	UK/USA	2001	26,565,380
5 **The World is not Enough**	UK/USA	1999	24,478,369
6 **Die Another Day**	UK/USA	2002	18,616,042
7 **The Mummy Returns**	UK/USA	2001	17,396,205
8 **Shakespeare in Love**	UK/USA	1999	17,338,034
9 **Chicken Run**	UK/USA	2000	16,295,495
10 **Lara Croft: Tomb Raider**	UK/USA/Jap/Ger	2001	12,688,413
11 **Billy Elliot**	UK/Fra	2000	12,047,785
12 **About a Boy**	UK/USA	2002	8,744,433
13 **Chocolat**	UK/USA	2001	8,042,158
14 **Sliding Doors**	UK/USA	1998	6,849,781
15 **Lost in Space**	UK/USA	1998	6,783,164
16 **Snatch**	UK/USA	2000	5,105,944
17 **Gosford Park**	UK/USA/Ger/Ita	2002	4,938,785
18 **East is East**	UK	1999	4,201,291
19 **Captain Corelli's Mandolin**	UK/USA	2001	3,762,819
20 **Enemy at the Gates**	UK/USA/Ger/Ire	2001	3,726,726

Source: European Audiovisual Observatory Lumiere Database, RSU analysis.

8.3 UK films worldwide

The pre-eminence of *Harry Potter and the Chamber of Secrets* and the Bond film *Die Another Day* at the USA box office was mirrored at the worldwide box office for UK films in 2002 (see Table 8.5). *About a Boy* also made a significant impact on the world's screens.

Table 8.5 UK films worldwide, 2002

TITLE	COUNTRY OF ORIGIN	WORLDWIDE GROSS ($ MILLION)
1 **Harry Potter and the Chamber of Secrets**	UK/USA	728.2
2 **Die Another Day**	UK/USA	322.3
3 **About a Boy**	UK/USA	129.8
4 **Resident Evil**	UK/Ger/Fra	103.2
5 **40 Days and 40 Nights**	UK/USA	94.8
6 **Gosford Park**	UK/USA/Ger/Ita	88.0

Source: Nielsen EDI, *Variety*

Overseas trade and the UK film industry

Overseas trade in UK films and film services is of relevance not only to the film industry but to all with an interest in the prosperity of the UK economy. The most up to date trade figures available are those for 2001 and they show that the UK film industry exported £700 million worth of services in that year, making a positive contribution to the UK balance of payments.

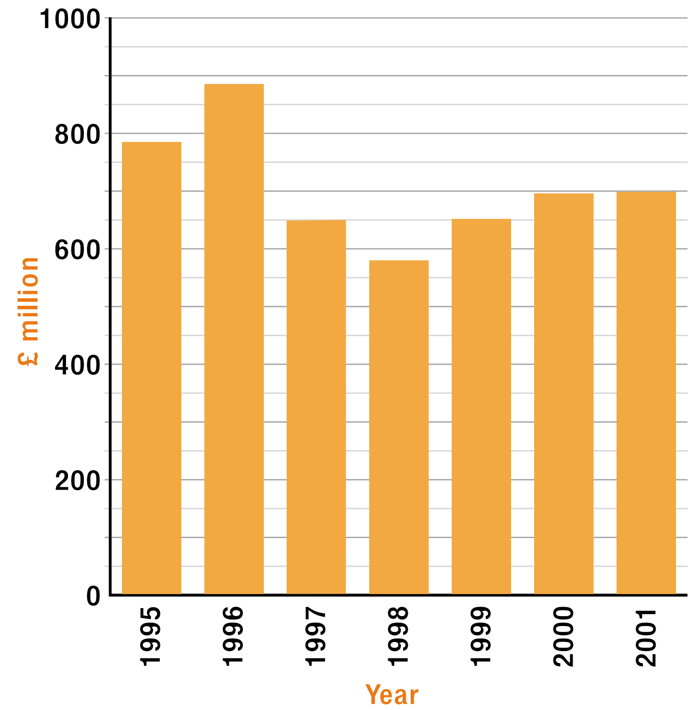
Facts in focus

- Film exports were made up of £468 million in royalties and £232 million in film production services in 2001.
- The 2001 trade surplus for film was £245 million.
- The USA was the largest market for UK film exports, taking 48% of total exports in 2001.
- The UK had an investment income surplus of $468 million in the recreational, cultural and sports industries in 2001. Data are not available separately for the film industry.

9.1 Film exports 1995-2001

Of the £700 million worth of film exports in 2001, £468 million came from royalties and £232 million from film production services. Film exports have fluctuated between £650 million and £888 million over the period 1995-2001, as shown in Figure 9.1.

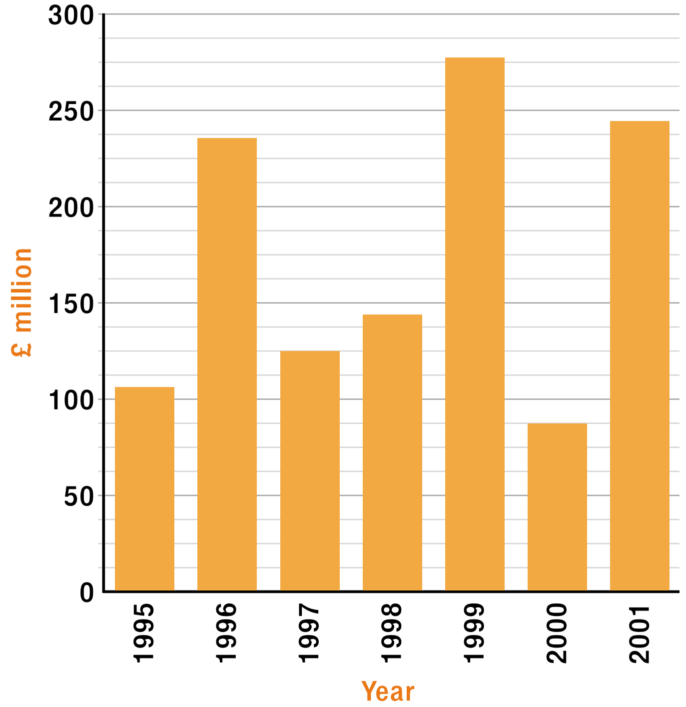
Figure 9.1 Exports of the UK film industry, 1995-2001



Source: ONS
Data for 2002 will be available in October 2003

The film industry has been making a positive contribution to the UK balance of payments, with a trade surplus (positive balance of exports over imports) in 2001 of £245 million, the second highest for the period 1995-2001.

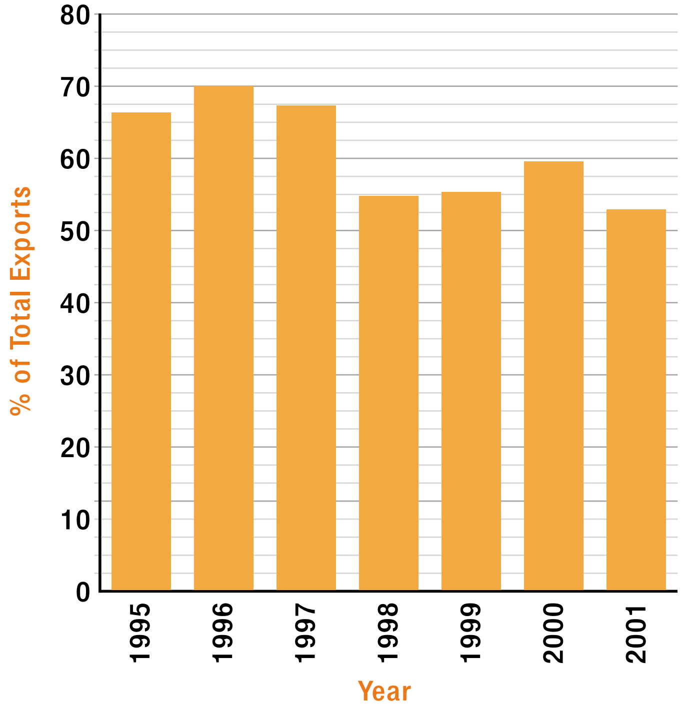
Figure 9.2 Trade surplus of UK film industry, 1995-2001



Source: ONS
Note: Trade surplus equals exports minus imports. Where a company (eg the UK subsidiary of a USA major) receives income from overseas that it subsequently pays to its parent company, this is recorded both as a receipt and as a payment, leaving the measure of the trade surplus unaffected.

The share of UK film exports accounted for by the UK subsidiaries of major USA film companies declined from 70% in 1996 to 53% in 2001, as shown in Figure 9.3.

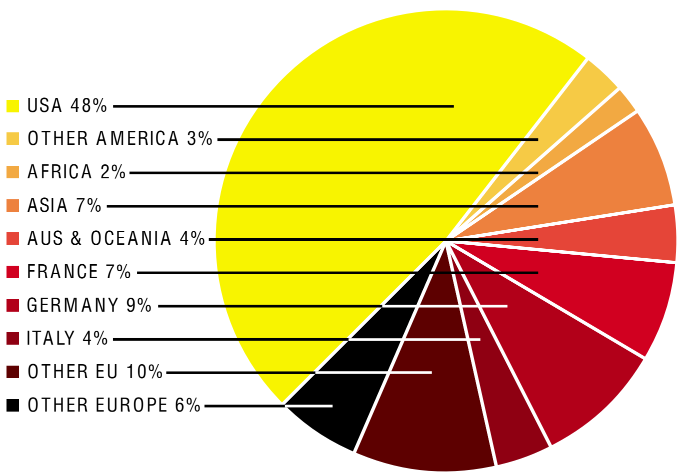
Figure 9.3 Exports by UK subsidiaries of major USA film companies as % of total UK film exports, 1995-2001



Source: ONS

The USA was the largest market for UK film exports, taking 48% of total exports in 2001. The European Union was the second largest market (taking 30% in total) with Germany, France and Italy being the largest EU country markets, as shown in Figure 9.4.

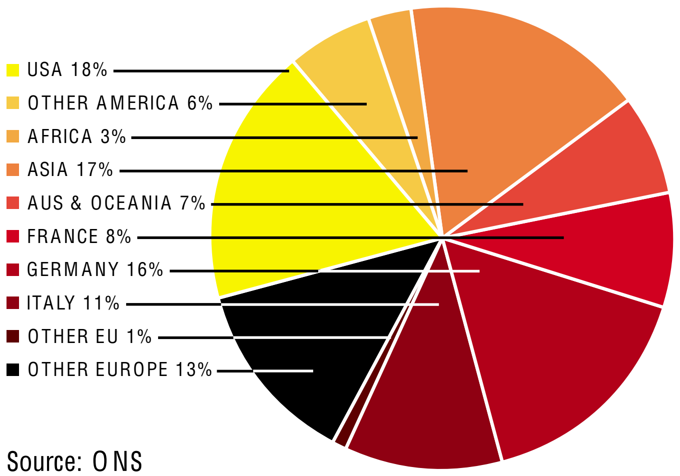
Figure 9.4 Destination of UK film exports as % of total exports, 2001



Source: ONS

The geographical distribution of the UK's film trade surplus was different from the export pattern, as shown in Figure 9.5. The USA's share was relatively lower, at 18.5%, while the EU accounted for 36% and Asia for 17%. This reflects the higher proportion of film imports from the USA in the UK's total film imports.

Figure 9.5 UK film trade surplus by geographical area, 2001, % of total trade surplus



Source: ONS

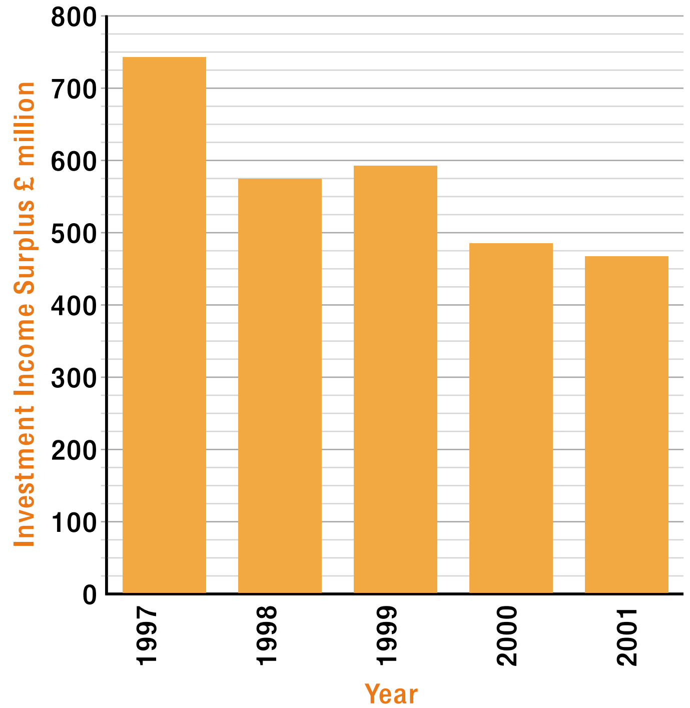
9.2 International investment earnings

In addition to the overseas trade data, an important component of the current account of the balance of payments is investment income, that is the inward and outward flows of profits.

Unfortunately, international investment income data are not available at a detailed level (the Standard Industrial Classification (SIC) four digit level), so we do not know the precise figure for the film and video industries. The Office for National Statistics presents combined data for recreational, cultural and sporting activities, category SIC 92, which covers film along with video, radio, TV, live entertainments, libraries and museums, sports and gambling. In 2001, the UK earned £501 million in international investment income from overseas UK assets in these industries. In the same year, overseas investors in the recreational, cultural and sports industries in the UK earned £33 million, giving the UK an investment income surplus in these industries of £468 million.

Over the period 1997-2001, the recreational, cultural and sports industries earned a surplus each year, though the surplus has declined in that period, as shown in Figure 9.6.

Figure 9.6 International investment income surplus, recreational, cultural and sports industries (SIC 92), 1997-2001



Source: ONS Source: ONS

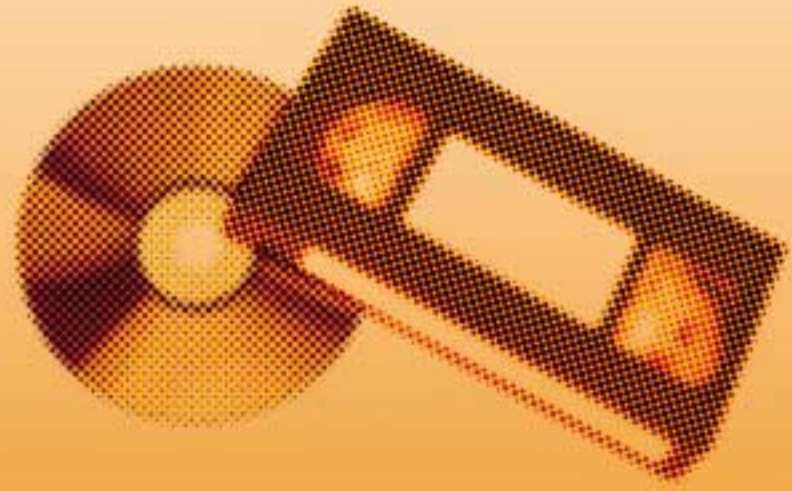
Over the period 1997-2001, international investment income leaving the UK from the SIC 92 industries varied between £27 million and £118 million, while the corresponding inflow from overseas varied between £501 million and £791 million.

While the film industry totals are not separately identified, the relatively small size of the flow of investment income to overseas owners from the SIC 92 industry group shows that the film industry's positive trade balance is not being offset by a large profit outflow.

Films on VHS/DVD and television

10

Film on VHS and DVD



Two decades ago, the home video market was seen as a threat to cinema going. That is no longer the case. It is now viewed as an important revenue stream, and an additional format for viewing film. Video (VHS and DVD) provides an opportunity to capitalise on exposure from a film's cinema release and to build the total revenues earned by the film. In fact, the home video market is often the most lucrative revenue stream for many titles. The top-selling VHS and DVD titles of the year also suggest that many people who saw films at the cinema then went on to purchase their own copy to enjoy it all over again.

Facts in focus

- 176 million videos and DVDs were rented in 2002. 169 million videos and DVDs were sold in 2002, with DVD sales increasing by 111% since 2001.
- The top rental title on video/DVD was *The Others*, while *The Lord of the Rings: The Fellowship of the Ring* was the most popular purchase.
- 3.7 million DVD players were sold in 2002. DVDs have been the fastest selling electronic product of all time.
- 3.65 million video cassette recorders were sold in 2002.

10.1 Film in the rental video market

According to the British Video Association (BVA), the total value of the UK's rental and retail businesses was £2.55 billion in 2002, an increase of 26% on 2001. This is over three times the value of the UK theatrical market. This rise can be attributed to the increase in DVD sales, and in particular the DVD release of the two major theatrical releases of 2001: *Harry Potter and the Philosopher's Stone* and *Lord of the Rings: The Fellowship of the Ring*.

The video (VHS and DVD) rental market represents the next element of the film value chain after theatrical release. 176 million videos and DVDs were rented in 2002, approximately seven rentals per household, with an average value of £2.71. UK feature films account for around 19% of all rental transactions on video and DVD.

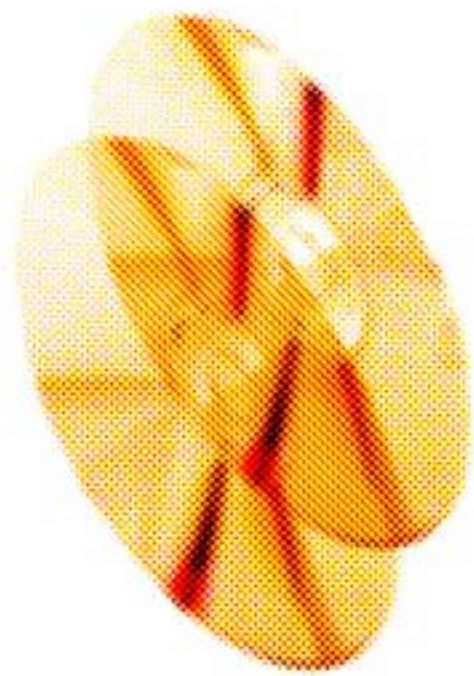
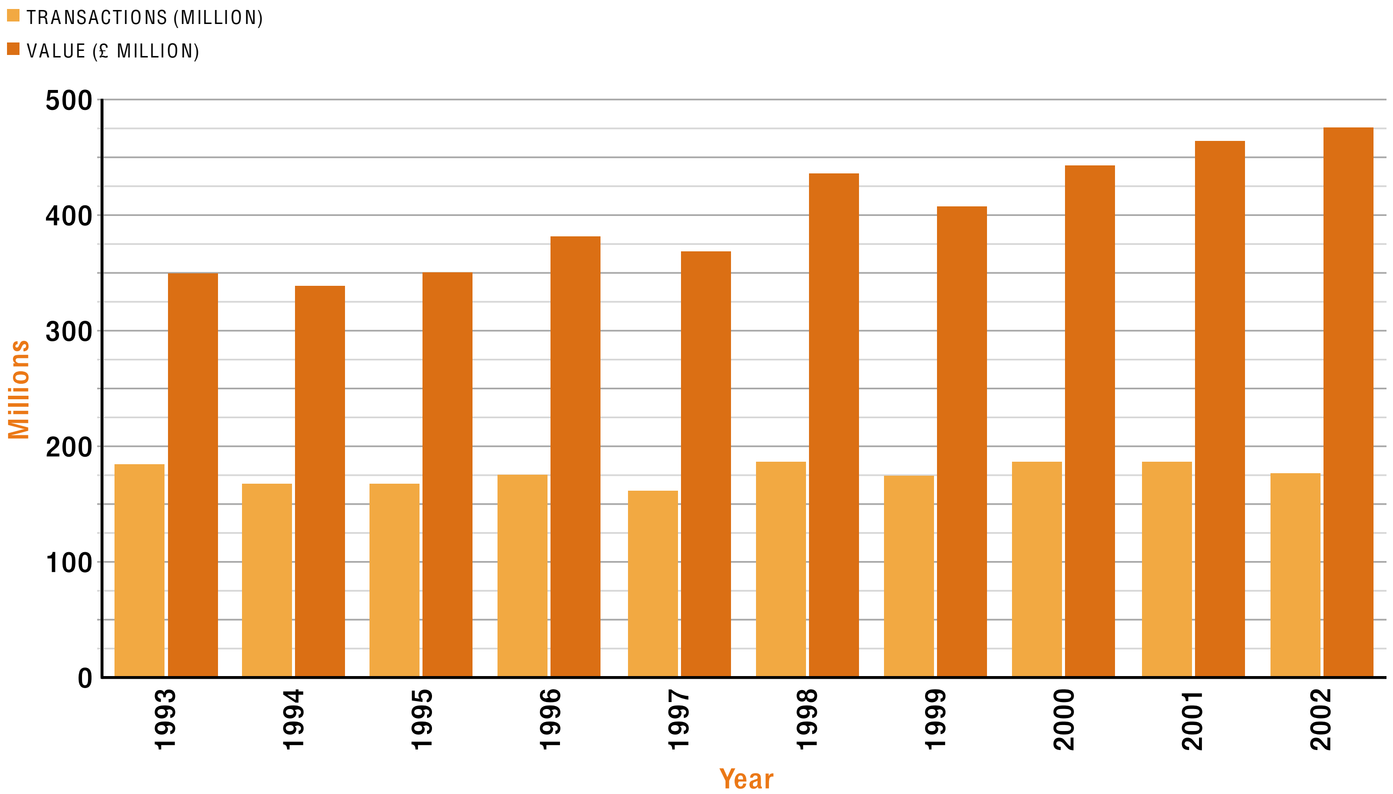


Figure 10.1 shows that the video rental market has grown steadily in value over the last ten years, but that the number of transactions fell by ten million from 2001.

Figure 10.1 Rental video consumer market, 2002



Source: MRIB, BVA

Table 10.1 highlights the ten most rented titles of 2002. Thrillers and comedies dominate this selection. Rather than mirror the list of the top theatrical performers of 2002, the table shows that several titles that may have experienced only a modest return at the box office do very well on home video. Conversely, the top ten film releases from the first half of the year, all available to rent, do not appear in the top ten rental titles of the year. According to the BVA, this is due to the simultaneous retail release of those titles, with DVD purchases having a direct impact on rental performance.

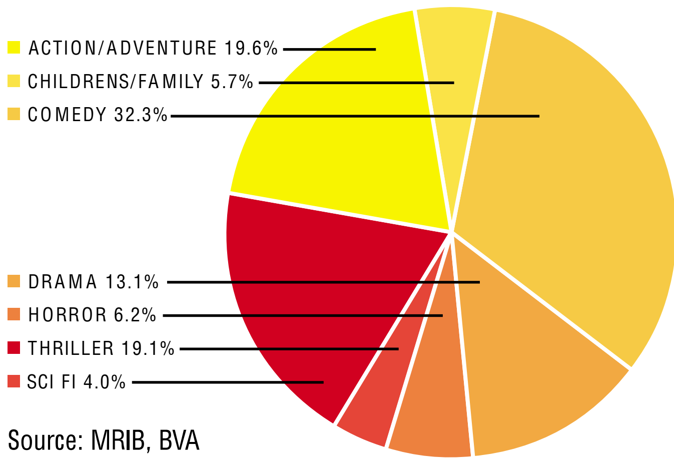
Table 10.1 Top ten rental titles VHS and DVD, 2002

	TITLE	COUNTRY OF ORIGIN	DISTRIBUTOR
1	**The Others**	USA/Spa	Buena Vista
2	**Swordfish**	USA	Warner Bros
3	**American Pie 2**	USA	Universal
4	**The 51st State**	UK/USA/Can	Momentum
5	**Legally Blonde**	USA	MGM
6	**Jurassic Park III**	USA	Universal
7	**The Fast and the Furious**	USA	Universal
8	**Shallow Hal**	USA	Fox Pathé
9	**AI: Artificial Intelligence**	USA	Warner Bros
10	**A Knight's Tale**	USA	Columbia TriStar

Source: MRIB, RSU analysis

Figure 10.2 shows the genre split of titles rented in 2002. The most popular genre is comedy which accounted for almost a third of transactions. Action/adventure titles represent one fifth of rentals, with thriller titles following closely with 19% market share. Please note that these categories, as defined by MRIB, differ from the genre categories assigned to the theatrical market by RSU elsewhere in this report.

Figure 10.2 Video rental share by genre, 2002



Source: MRIB, BVA

Tables 10.2 and 10.3 examine the top UK titles in the rental market. Again, comedies and thrillers largely dominate the chart.

Table 10.2 Top ten UK rental VHS titles, 2002

	TITLE	COUNTRY OF ORIGIN	DISTRIBUTOR
1	**The 51st State**	UK/USA/Can	Momentum
2	**Spy Game**	USA/UK	Entertainment
3	**Harry Potter and the Philosopher's Stone**	UK/USA	Warner Bros
4	**About a Boy**	UK/USA	Universal
5	**Mean Machine**	UK	Paramount
6	**The Parole Officer**	UK	Universal
7	**Bend it like Beckham**	UK/Ger	Helkon SK
8	**Bridget Jones's Diary**	UK/USA	Universal
9	**Captain Corelli's Mandolin**	UK/USA	Buena Vista
10	**Gosford Park**	UK/USA/Ger/Ita	Buena Vista

Source: MRIB, RSU analysis

Table 10.3 Top ten UK DVD rental titles, 2002

	TITLE	COUNTRY OF ORIGIN	DISTRIBUTOR
1	**The 51st State**	UK/USA/Can	Momentum
2	**About a Boy**	UK/USA	Universal
3	**Spy Game**	UK/USA	Entertainment
4	**Mean Machine**	UK	Paramount
5	**Bend it like Beckham**	UK/Ger	Helkon SK
6	**Harry Potter and the Philosopher's Stone**	UK/USA	Warner Bros
7	**Ali G Indahouse**	UK	Universal
8	**The Parole Officer**	UK	Universal
9	**Dog Soldiers**	UK/Lux	Fox Pathé
10	**Long Time Dead**	UK/Fra	Universal

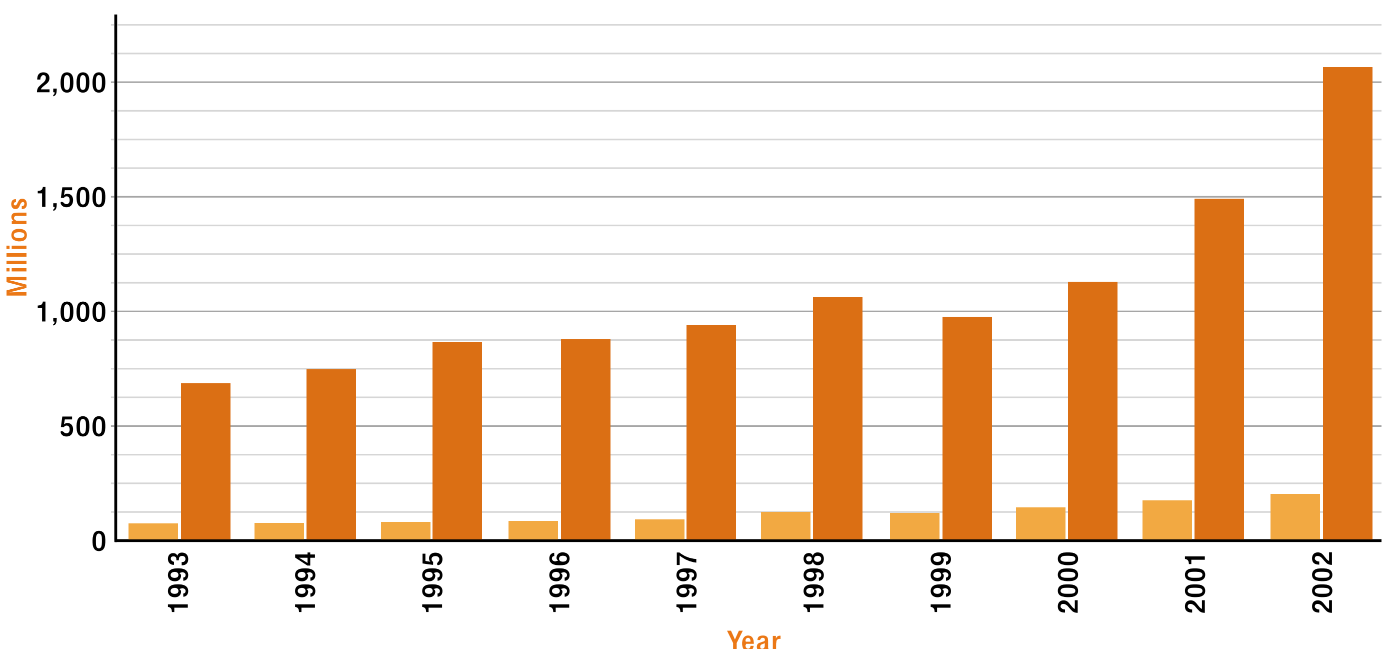
Source: MRIB, RSU analysis

10.2 Film in the retail video market

The emergence of DVD over the last few years has revolutionised the video retail market. In total, 169 million VHS and DVD videos were sold in 2002, with a market value of £2,050m. DVD sales increased by 111% in 2002. According to the BVA, eight out of every ten DVDs sold in 2002 was a feature film. Clearly, film on DVD is the main market driver. Including VHS, feature film comprises over 70% of the total (including theatrically released films in the Children's genre as defined by the Official UK Charts Company). UK films accounted for around 19% of VHS and 15% of DVD sales.

As Figure 10.3 demonstrates, the retail video sector has expanded considerably over the last two years, fuelled by the boom in DVD sales.

Figure 10.3 Retail video consumer sales, 2002



Source: Official UK Charts Company, BVA

Table 10.4 shows the top-selling films on DVD and VHS in 2002. Unlike the rental chart, this chart almost wholly duplicates the list of top grossing box office films of 2001/2. Please note that this table includes theatrically released films listed in the Children's genre category by the Official UK Charts Company.

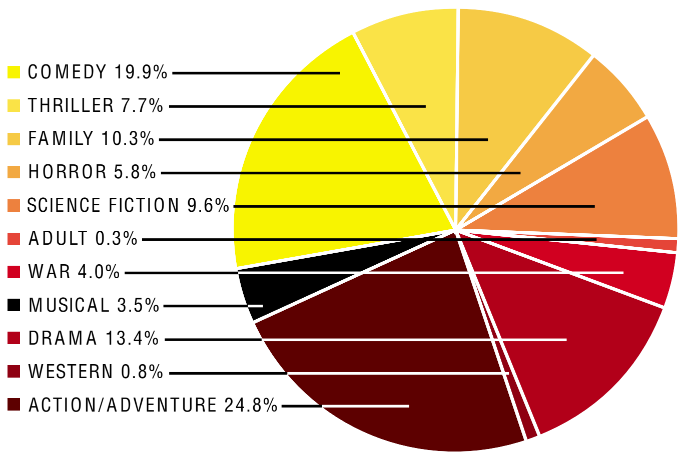
Table 10.4: Top 10 VHS and DVD retail titles, 2002

	TITLE	COUNTRY OF ORIGIN	DISTRIBUTOR
1	**The Lord of the Rings: The Fellowship of the Ring**	USA/NZ	Entertainment
2	**Harry Potter and the Philosopher's Stone**	UK/USA	Warner Bros
3	**Monsters, Inc.**	USA	Buena Vista
4	**Scooby Doo**	USA	Warner Bros
5	**Star Wars Episode II: Attack of the Clones**	USA	20th Fox
6	**Ice Age**	USA	20th Fox
7	**Spiderman**	USA	Columbia TriStar
8	**Ocean's Eleven**	USA	Warner Bros
9	**Moulin Rouge**	USA/Aus	20th Fox
10	**The Fast and the Furious**	USA	Universal/ Columbia TriStar

Source: Official UK Charts Company, RSU analysis

Figure 10.4 shows the genre of films sold on video in 2002. Like the rental video sector, action/adventure is the dominant genre, accounting for almost a quarter of the market. Comedy was the next most popular genre, with just under one in five (19.9%) of all sales.

Figure 10.4 Sales breakdown by film genre, 2002



Source: Official UK Charts Company, BVA

Tables 10.5 and 10.6 highlight the top ten UK performers on VHS and DVD in 2002. Again, the popularity of new product is clear, but the purchase of classic titles from the back catalogue, particularly on DVD, is also a feature. *Monty Python and the Holy Grail* and *The Italian Job* are two British films that have found renewed popularity on DVD.

Table 10.5 Top ten UK VHS retail titles, 2002

	TITLE	COUNTRY OF ORIGIN	DISTRIBUTOR
1	**Harry Potter and the Philosopher's Stone**	UK/USA	Warner Bros
2	**Bridget Jones's Diary**	UK/USA	Universal
3	**About a Boy**	UK/USA	Universal
4	**Ali G Indahouse**	UK	Universal
5	**Bend it like Beckham**	UK/Ger	Warner Bros
6	**Captain Corelli's Mandolin**	UK/USA	Buena Vista
7	**The Mummy Returns**	USA/UK	Universal
8	**Lara Croft: Tomb Raider**	UK/USA/ Ger/Jap	Paramount
9	**Chitty Chitty Bang Bang**	USA/UK	MGM UA
10	**Gosford Park**	UK/USA/ Ger/Ita	Entertainment

Source: Official UK Charts Company, RSU analysis

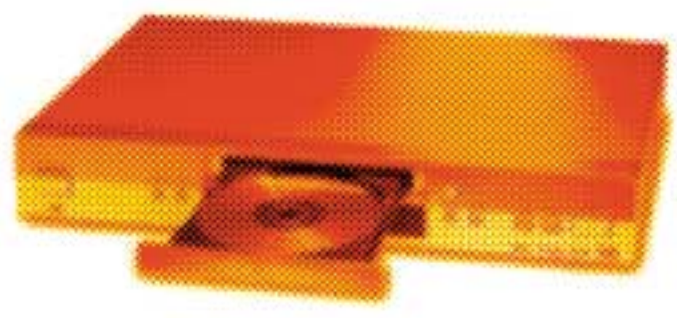
Table 10.6 Top ten UK DVD retail titles, 2002

	TITLE	COUNTRY OF ORIGIN	DISTRIBUTOR
1	**Harry Potter and the Philosopher's Stone**	UK/USA	Warner Bros
2	**Bridget Jones's Diary**	UK/USA	Columbia TriStar
3	**Ali G Indahouse**	UK	VVL
4	**About a Boy**	UK/USA	VVL
5	**Bend it like Beckham**	UK/Ger	Warner Bros
6	**Monty Python and the Holy Grail**	UK	Columbia TriStar
7	**The Italian Job**	UK	Paramount
8	**Lara Croft: Tomb Raider**	UK/USA/ Ger/Jap	Paramount
9	**Snatch**	UK/USA	Universal
10	**Hannibal**	USA/UK	Columbia TriStar

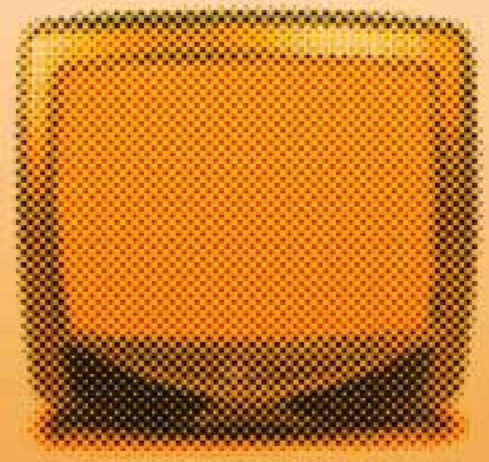
Source: Official UK Charts Company, RSU analysis

10.3 Hardware

3.7 million DVD players were sold in 2002, pushing ownership to around 25% of households in the UK. While DVD has emerged as the fastest selling electronic product of all time, video cassette recorders still continue to sell, but less than in 2001. In 2002, 3.65 million new VCRs were sold.



Film on UK television



This chapter focuses on feature films shown on terrestrial and non-terrestrial television in 2002. The broadcast market is a vital component in the value chain, offering millions of people the opportunity to see a feature film that, at best, may have attracted a few hundred thousand admissions at cinemas. Like video, the TV market has also been influenced by the introduction of digital technology. Whereas terrestrial network television used to be the only available outlet for films following a cinema release, a number of opportunities now exist for the broadcast of feature film on digital television. Pay-per-view, subscriber film channels, and the traditional networks now present a range of film-watching options to the viewer.

Facts in focus

- 2,103 films were shown on terrestrial channels in 2002, an average of almost six a day. Of these, 424 (20%) were UK films.
- An average of 2.9 million people watched each film on peak-time TV compared with two million people for a typical top 50 film at the cinema.
- Around ten million households in the UK had cable/satellite/digital television, giving many new ways to access film.
- Multi-channel television accounted for 22% of the UK audience in 2002, up from almost 20% in 2001.

11.1 Programming

The table below shows the number of feature films broadcast on the five network channels in 2002 and the total number of UK titles broadcast in that time, broken down into older titles (more than eight years old) and recent theatrical releases (released in the last eight years). In this exercise, UK film includes all titles listed as UK originated in the Broadcaster's Audience Research Board (BARB) genre field, plus UK co-productions categorised as other countries (mostly USA) in the BARB data.

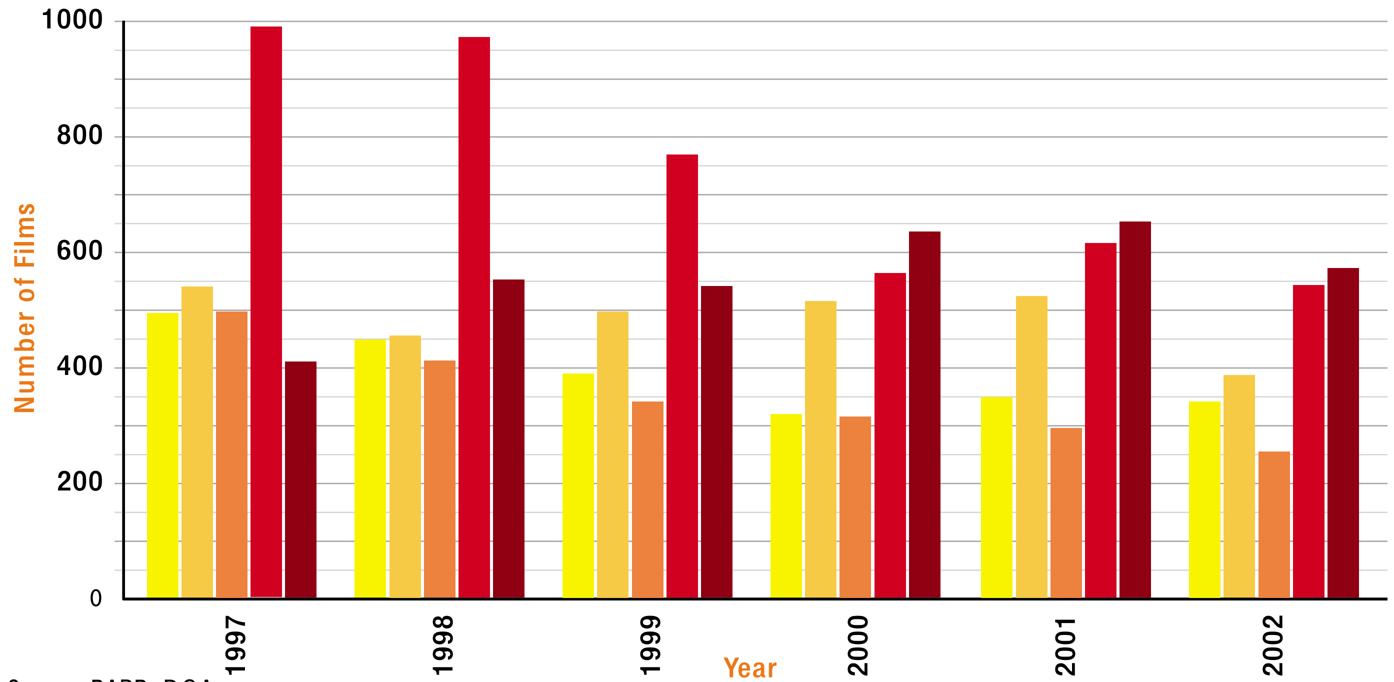
The number of slots for feature film on terrestrial channels has declined since 1997 as figure 11.1 shows.

Table 11.1 Feature films broadcast on network television 2002

CHANNEL	TOTAL NO OF FILMS BROADCAST	TOTAL NO OF UK FILMS BROADCAST	NO OF UK FILMS MORE THAN 8 YEARS OLD	NO OF RECENT UK FILMS LESS THAN 8 YEARS OLD	NO OF RECENT UK FILMS (LESS THAN 8 YEARS OLD) AS % OF TOTAL FILMS BROADCAST
BBC1	342	67	54	13	3.8
BBC2	388	86	73	13	3.4
ITV1	255	43	41	2	0.8
Channel 4	544	180	149	31	5.7
Five	574	48	47	1	0.2
Total	**2,103**	**424**	**364**	**60**	**2.8**

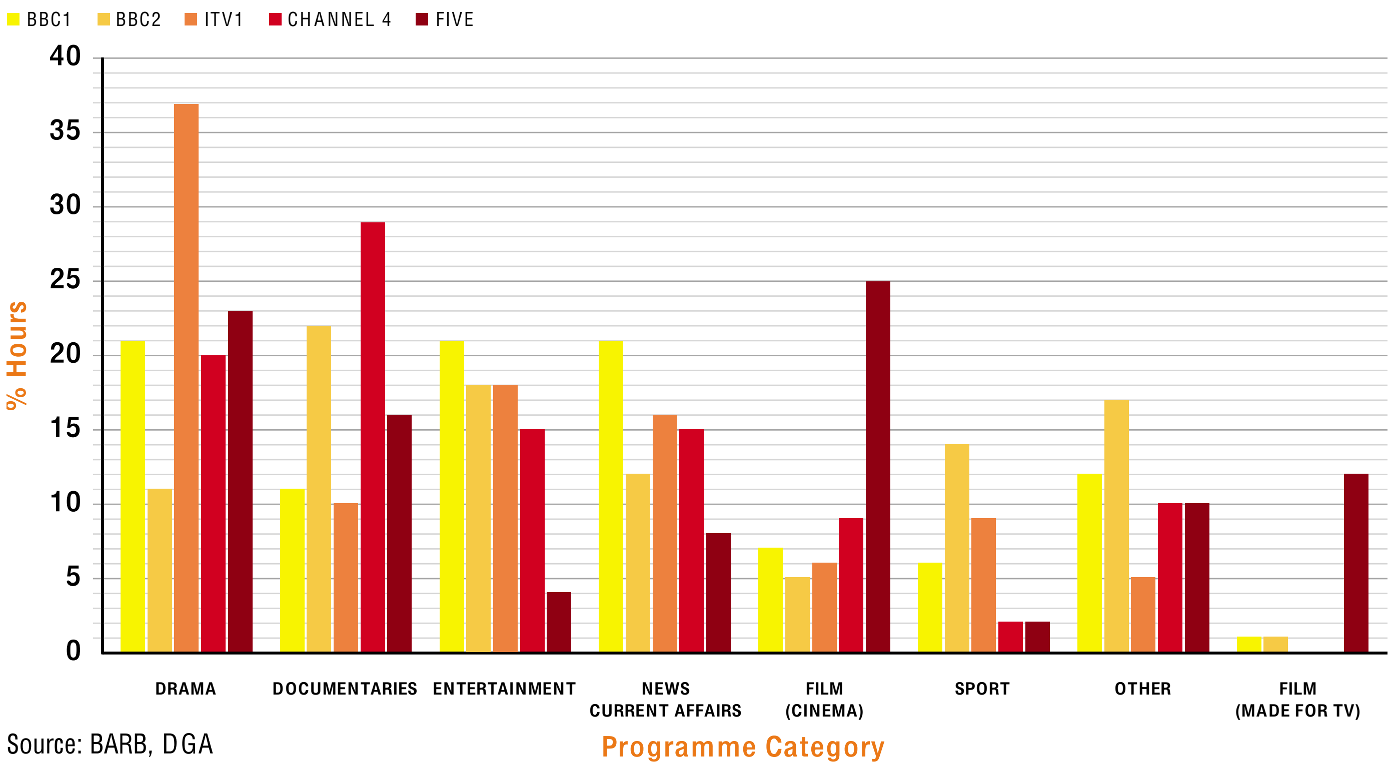
Source: BARB, RSU analysis

Figure 11.1 Number of feature films on network television, 1997-2002



Source: BARB, DGA

Figure 11.2 Composition of peak time hours, 2002



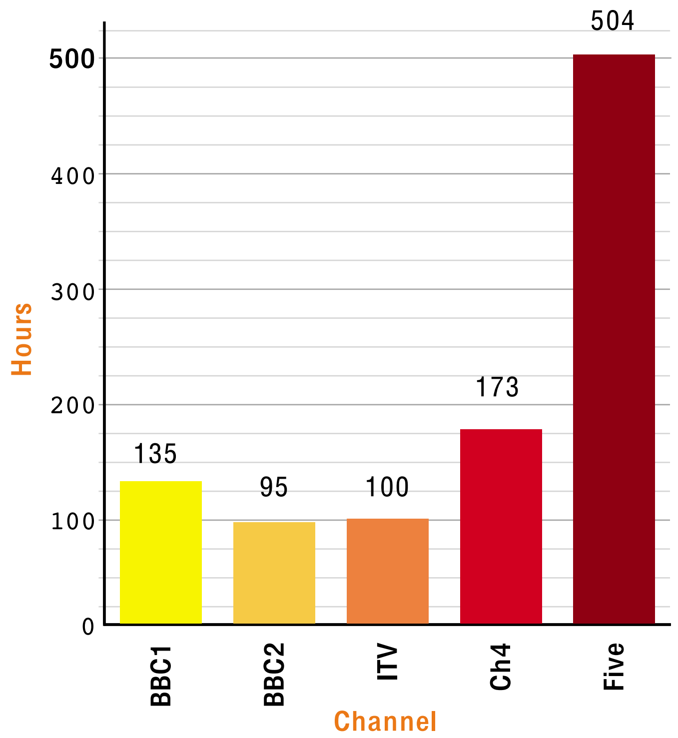
Source: BARB, DGA

11.2 Peak time

During peak time hours on network television in 2002, film represented 7% of programming on BBC1; 5% on BBC2; 6% on ITV1; 9% on Channel 4; and 25% on Five (Figure 11.2). Here, peak time hours are defined as 1800-2359 hrs.

The total number of broadcast hours for film per channel in peak time is shown in Figure 11.3. This shows that the amount broadcast on BBC1, BBC2, ITV1 and Channel 4 ranged from 95 hours to 173 hours, whereas Five broadcast 504 hours.

Figure 11.3 Hours of film in peak time, 2002

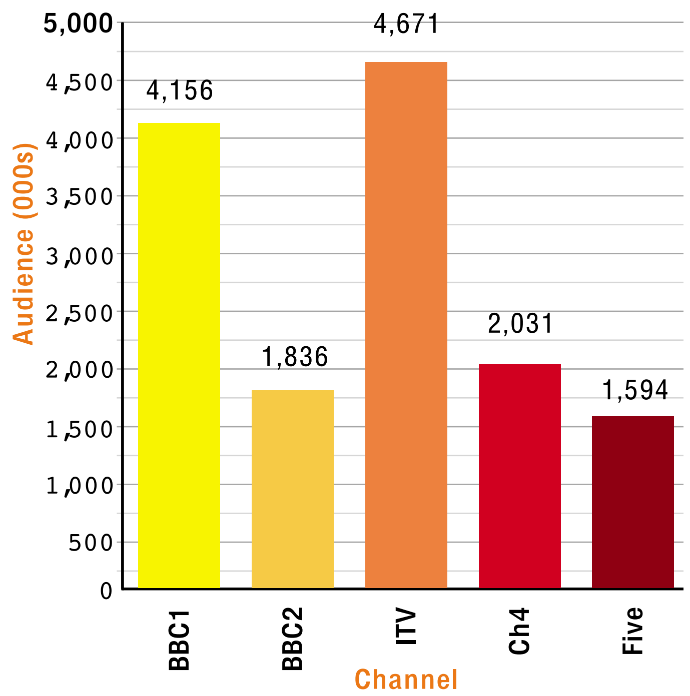


Source: BARB, DGA

11.3 Audiences

The average audience for a film shown on peak time network television was 4.2 million on BBC1, 1.8 million on BBC2, 4.7 million on ITV1, two million on Channel 4 and 1.6 million on Five. This compares with the median cinema audience for the top 50 films of last year of around two million. These figures reflect the importance of television in the exposure of film (Figure 11.4).

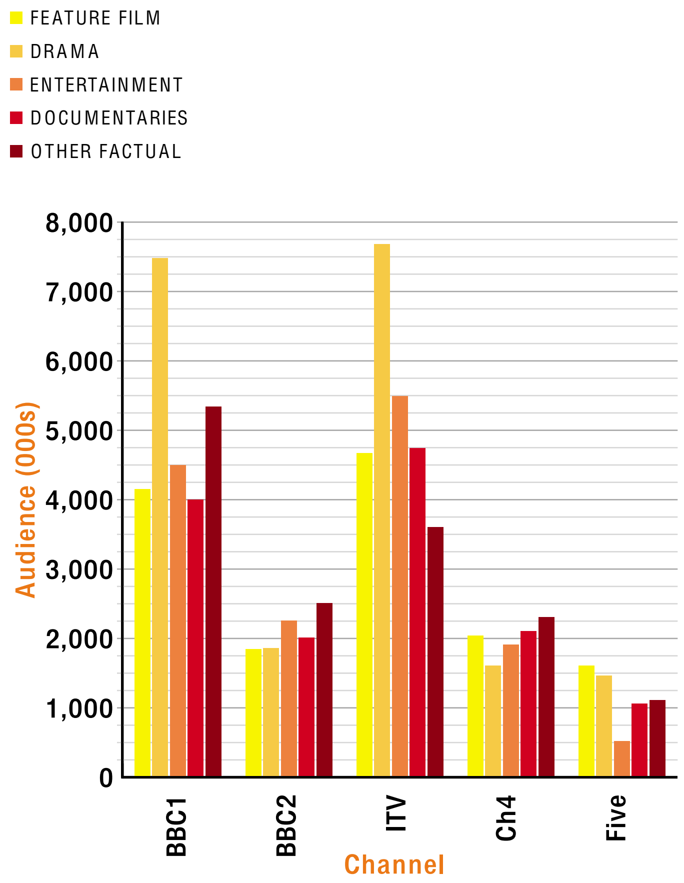
Figure 11.4 Average audience for peak time film, 2002



Source: BARB, DGA

In order to put these figures in context, the average peak time audience for other programming is as follows in Figure 11.5.

Figure 11.5 Average peak time audience, 2002



Source: BARB, DGA

11.4 Films on cable and satellite TV

Table 11.2 shows how the audience share for satellite/cable multichannel television has grown over the last five years. Multi-channel TV accounted for 22% of the UK audience in 2002, up from 19.6% in 2001.

Table 11.2 UK TV % audience shares, 1998-2002

YEAR	BBC1	BBC2	ITV1	CHANNEL 4	FIVE	OTHERS
1998	29.5	11.3	31.7	10.3	4.3	12.9
1999	28.4	10.8	31.2	10.3	5.4	14.0
2000	27.2	10.8	29.3	10.5	5.7	16.6
2001	26.9	11.1	26.7	10.0	5.8	19.6
2002	26.2	11.4	24.1	10.0	6.3	22.1

Source: BARB

There are now around ten million cable/satellite /digital subscribers in the UK, representing 40% of all television-owning households (Table 11.3).

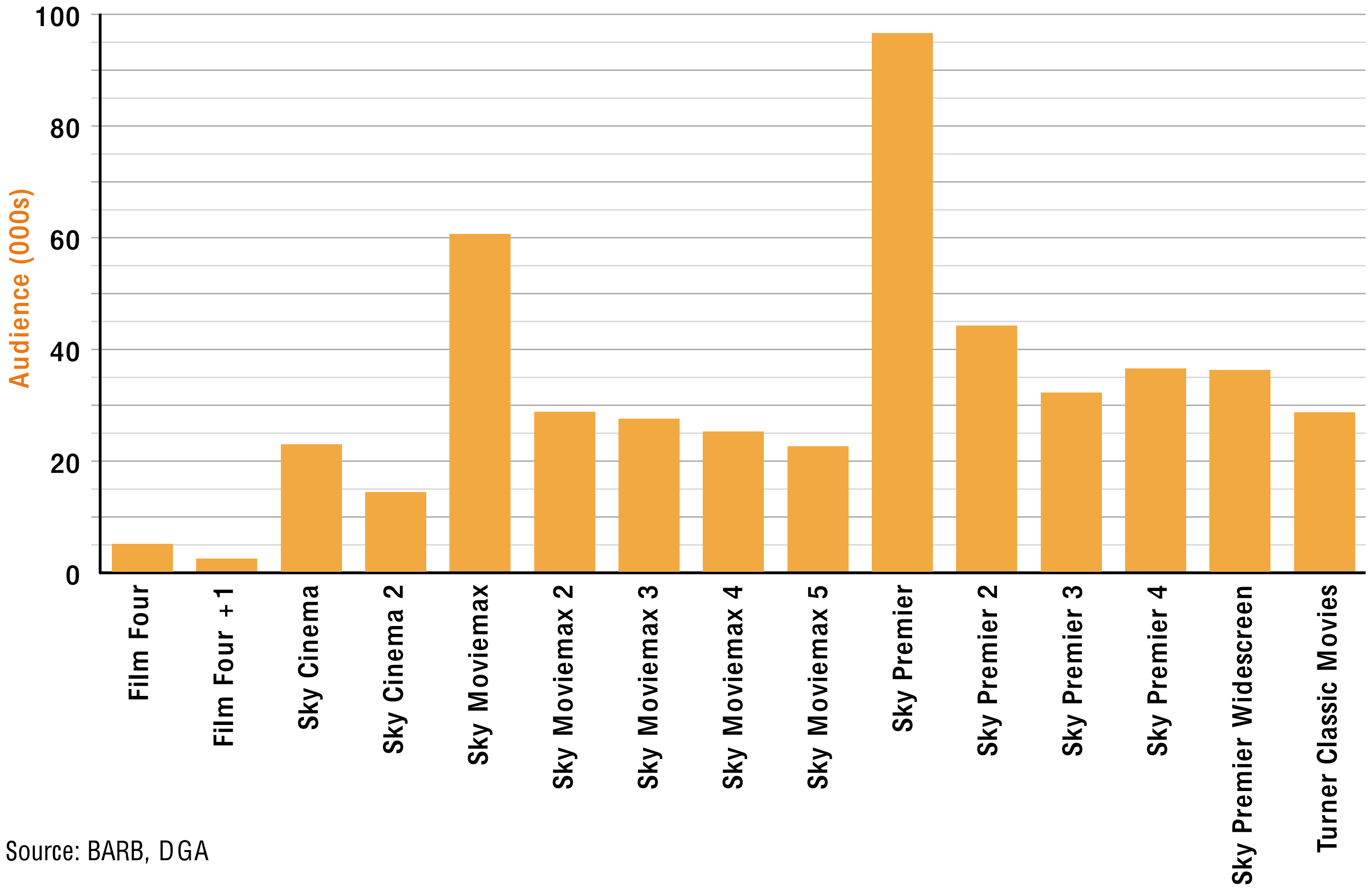
Table 11.3 UK multichannel TV, 2001-2002

	2001	2002
TV households (million)	24.30	24.50
Cable subscribers (million)	3.62	3.75
Digital subscribers (million)	5.72	6.30

Source: BARB

A wide range of film channels now exists across all digital, cable and satellite platforms. The most significant of these are the Sky movie channels, as Figure 11.6 shows, with the Premier channel attracting an average of just under 100,000 peak time viewers. Several major blockbusters have been watched by between 750,000 and 900,000 viewers.

Figure 11.6 Average peak time audience for film channels on cable and satellite TV, 2002



Source: BARB, DGA

Pay-per-view and Near Video On Demand channels have also emerged in recent years, offering a new way to access film on television. Many films often appear on such channels up to a year after their theatrical release, and around six months after appearing on video. UK pay-per-view channels are summarised in Table 11.4.

Table 11.4 UK pay-per-view film channels and platforms, 2002

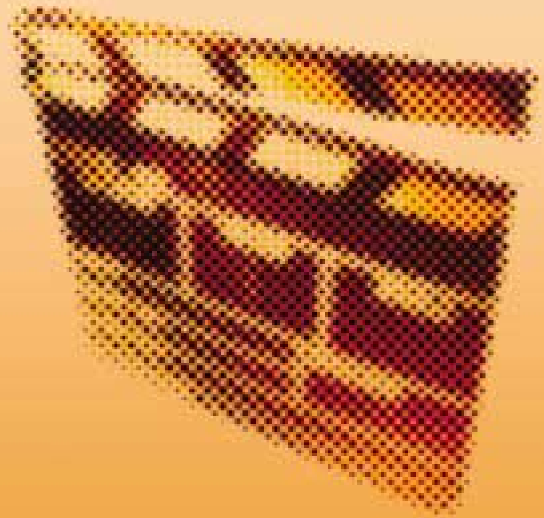
OPERATOR	PPV FILM PLATFORM	CHANNELS	TOTAL NO OF HOMES ABLE TO ACCESS PPV FILMS (DIGITAL TV SUBSCRIBERS)
BskyB: Sky Box Office	Satellite	60	6,562,000
NTL: Front Row	Cable	59	1,229,000
Telewest: Front Row	Cable	59	857,472

Section 4

The UK film industry

12

Film production



The UK film industry both produces feature films and supplies services to the international film industry. It is part of a global industry in which film-making, film services and film finance may be sourced from almost anywhere. The industry is much larger than it was in the early 1990s, but its fortunes fluctuate from year to year in response to changes in the international filmmaking climate, cost competitiveness, currency values, fiscal and other forms of public financial support (eg Lottery funding), developments in private sector film financing, as well as the degree of commercial and creative success achieved by films made with UK participation.

Facts in focus

- 2002 saw a moderate recovery in production turnover from the 2001 downturn.
- The USA accounted for 98% of inward feature investment and was an important partner in monetary terms for UK co-productions shot abroad.
- Four inward features accounted for 78% of inward feature investment.
- Seven of the 42 UK domestic features accounted for 57% of UK domestic feature investment.
- The UK participated in 43 co-productions shot abroad.
- The UK spend from the 43 co-productions shot abroad was £134 million.
- UK co-productions shot abroad had an average budget of £8.7 million, over twice the average budget of UK domestic productions.
- Most of the UK co-productions shot abroad were made with partners from Canada or Western Europe.
- The most frequent locations for UK co-productions shot abroad were Canada, the Republic of Ireland and France.
- UK co-productions shot abroad were much greater in number and value than UK co-productions shot in the UK.
- A shift towards new low-cost production locations may be heralded by the choice of Hungary and Romania for two high budget productions, but the 2002 data do not show this to be an established trend.
- UK film production activity was dispersed over a large number of production companies, with only a small minority being involved with more than one feature.

12.1 The value of UK production in 2002

This chapter looks at UK film production in 2002, and the trends over the last decade, based on the production statistics collected by the UK Film Council. The figures are presented in aggregate, so as to respect the confidentiality of individual producers and production companies.

Four categories of UK production with budgets of £500,000+ were tracked: inward features, inward TV productions, domestic UK feature productions and UK feature co-productions shot abroad. For tracking purposes, an inward feature is defined as a film where more than 50% of the total financing is from outside the UK and/or where the production is location non-specific and is attracted to the UK for reasons of infrastructure. UK co-productions shot in the UK are counted as inward features if they have minority UK participation and as domestic UK features if they have majority UK participation. Table 12.1 shows the numbers and values for the four categories in the year 2002.

2002 is the first year the UK Film Council has tracked UK co-productions shot abroad and the high numbers (43 productions with a combined UK spend of £134 million) show the significance of this category of work to the UK film industries.

Table 12.1 All categories of production tracked by the UK Film Council, 2002

PRODUCTION CATEGORY	NO. OF PRODUCTIONS	VALUE OF UK PRODUCTION (£ MILLION)
Inward features	19	234.30
Domestic UK features	42	165.25
Inward TV	11	33.54
UK co-productions shot abroad	43	133.79
Total	**115**	**566.88**

Source: UK Film Council
Notes: (1) Domestic UK features records the total budget for domestic UK features.
(2) Inward features, with minor exceptions, records the total budget for inward features.
(3) Inward TV and UK co-productions shot abroad record the portion of the total budget spent in the UK.
(4) UK co-productions shot in the UK are counted as inward features if they have minority UK participation and as domestic UK features if they have majority UK participation.

12.2 Inward and domestic features

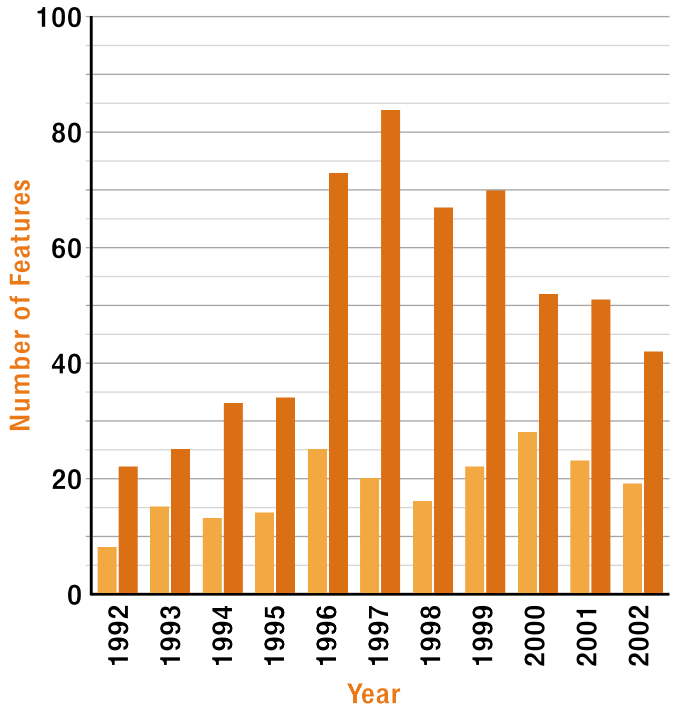
Figure 12.1 shows the numbers of inward and domestic features from 1992-2002. In 2002, the number of domestic features continued its downward trend from the peak of 1997, but at 42 was double the level of 1992.

Inward features fell slightly from the 2001 level (from 23 to 19) but were also double the level of 1992. The decade as a whole shows a rising trend, though with significant fluctuations from year to year.

Figure 12.1 Number of inward and domestic features, 1992-2002

INWARD

DOMESTIC



Source: UK Film Council

Notes: (1) Tracking does not cover spending on UK facilities, UK post-production, visual effects or music for non-UK productions shot outside the UK

(2) Only domestic features with budgets of £500,000+ are tracked

(3) UK co-productions shot in the UK are counted as inward features if they have minority UK participation and as domestic UK features if they have majority UK participation

Figure 12.2 shows the value of inward and domestic features investment and the total of the two categories. The value of domestic features fell slightly from £180 million in 2001 to £165 million in 2002. The value of domestic features has fluctuated in the £165-£200 million band since 1996, well above the £30-£40 million level of the early 1990s.

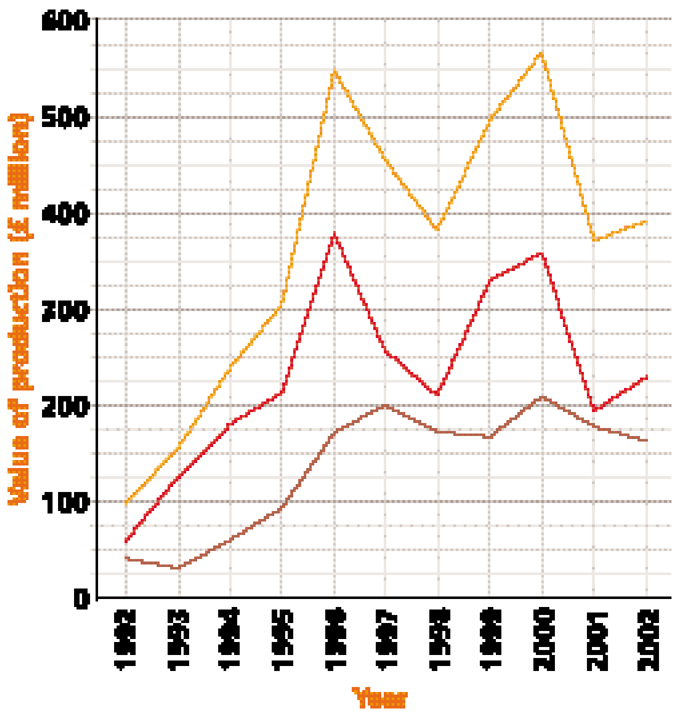
The value of inward feature investment increased from £198 million in 2001 to £234 million in 2002. This is significantly below the peaks of 1996 and 2000, but over three times the 1992 level.

Figure 12.2 Value of inward, domestic and total features 1992-2002

INWARD

DOMESTIC

TOTAL



Source: UK Film Council

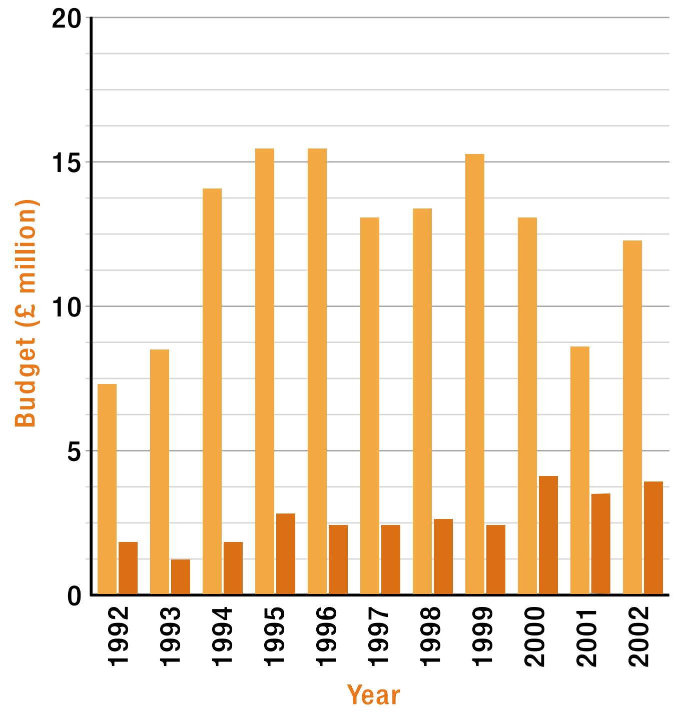
Figure 12.3 shows the average UK budgets for inward and domestic features from 1992-2002. The inward features budget averaged £12.3 million per film in 2002, a substantial increase from £8.6 million in 2001.

The average budget for a domestic UK feature increased from £3.5 million in 2001 to £3.9 million in 2002. The average domestic UK feature budget doubled over the 1992-2002 decade, with increases occurring particularly in 1993-1995 and 2000.

Figure 12.3 Average UK budget for inward and domestic UK features, 1992-2002

INWARD

DOMESTIC



Source: UK Film Council

Note: The dip in the average budget for 2001 inward features reflects the inclusion of a number of Indian films shot in the UK for which no budget information was available. Subtracting the Indian films raises the average inward features budget to £14.0 million in 2001 and £14.6 million in 2002.

Table 12.2 shows the value of inward feature investment by budget band. Four productions in the £10 million+ category accounted for nearly 80% of the total spend by inward features.

Table 12.2 Budget distribution, inward features, 2002

BUDGET BAND (£ MILLION)	NO. OF INWARD FEATURES	TOTAL BUDGET IN BAND (£ MILLION)	% OF TOTAL BUDGET
£10 million +	4	183.35	78.3
£5-£10 million	5	38.65	16.5
£0-£5 million	10	12.30	5.2
Total	19	234.30	100.0

Source: UK Film Council

Note: As data are collected on a confidential basis, the £10 million+ group cannot be separated into further budget bands.

Table 12.3 shows the country of origin of inward feature investment. The USA was overwhelmingly the principal source, accounting for 98% of the inward feature spend.

Table 12.3 Country of origin, inward features, 2002

COUNTRY OF ORIGIN	NO. OF INWARD FEATURES	BUDGET BY COUNTRY (£ MILLION)	% OF TOTAL BUDGET
USA	11	230.11	98.2
Denmark	2	1.59	0.7
Italy	2	1.25	0.5
India	3	0.85	0.4
France	1	0.50	0.2
Total	19	234.30	100.0

Source: UK Film Council

Note: Includes minority UK co-productions shot in the UK.

Table 12.4 shows domestic UK features in 2002 by budget band. There were no domestic productions on the scale of the largest inward features, but there were seven films in the £5 million+ band accounting for 57% of the total value of domestic UK features. Half the UK features were in the £0.5-£2 million budget band, but these accounted for only 14.5% of the total value.

Table 12.4 Budget distribution, domestic UK features, 2002

BUDGET BAND (£ MILLION)	NO. OF DOMESTIC UK FEATURES	TOTAL BUDGET IN BAND (£ MILLION)	% OF TOTAL BUDGET
£5 million+	7	94.27	57.0
£2-£5 million	15	47.08	28.5
£0.5-£2 million	20	23.90	14.5
Total	42	165.25	100.0

Source: UK Film Council

Note: Includes majority UK co-productions shot in the UK.

12.3 UK co-productions shot in the UK

As indicated in the notes to Table 12.1 and Figure 12.1, UK co-productions shot in the UK are added to inward features if they have minority UK participation and to domestic UK features if they have majority UK participation. Table 12.5 shows the numbers and values of each type in 2002.

Table 12.5 UK co-productions shot in the UK included as inward features and domestic UK features, 2002

CLASSIFICATION OF UK CO-PRODUCTION SHOT IN THE UK	NO OF FILMS	VALUE (£ MILLION)
Inward feature (UK spend shown)	7	19.58
UK domestic feature (total budget shown)	5	8.89
Total	**12**	**28.47**

Source: UK Film Council

As can be seen, the number and value of UK co-productions shot in the UK was relatively small compared with UK co-productions shot abroad.

12.4 UK co-productions shot abroad

In 2002, 43 UK co-productions were shot abroad, with an average budget of £8.7 million and an average UK spend of £3.1 million. The UK spend as a percentage of the total budget ranged from 12% to 77%. For most films the share was in the 20-40% range, while the average share was 36%.

The total budget for the UK co-productions shot abroad was £372 million, more than double the value of domestic UK features. The UK spend for the co-productions shot abroad was £134 million, equivalent to 81% of the value of domestic features.

The co-production budget and spend data are summarised in Table 12.6.

Table 12.7 shows that the value of UK co-productions shot abroad was more evenly distributed across the budget bands than either domestic UK features or inward investment features, ie the work coming from UK co-productions shot abroad was less dependent on one or two very large productions.

Table 12.7 Budget band distribution, UK co-productions shot abroad, 2002

BUDGET BAND (£ MILLION)	NO OF UK CO-PRODUCTIONS SHOT ABROAD	TOTAL BUDGET IN BAND (£ MILLION)	% OF TOTAL BUDGET
£20 million+	5	160.30	43.1
£10-£20 million	7	101.80	27.3
£5-£10 million	7	45.51	12.2
£2-£5 million	17	56.07	15.1
£0-£2 million	6	8.58	2.3
Budget data not available	1	–	–
Total	**43**	**372.26**	**100.0**

Source: UK Film Council

Table 12.8 shows the nationalities of the principal partners for UK co-productions shot abroad. The most frequent partners were Canadian, followed by partners from the Republic of Ireland and Germany.

Tables 12.9 and 12.10 show the shoot locations for UK co-productions shot abroad. Despite the emergence of new centres of film production (eg the Czech Republic and China), most UK co-productions shot abroad in 2002 were shot in North America or Western Europe. However, Hungary and Romania each attracted a large budget UK co-production (*Underworld* and *Cold Mountain*, respectively).

Table 12.6 Budget analysis, UK co-productions shot abroad, 2002

BUDGET BAND (£ MILLION)	NO OF CO-PRODUCTIONS SHOT ABROAD	TOTAL BUDGET (£ MILLION)	UK SPEND (£ MILLION)	UK SPEND AS % OF BAND TOTAL
£20 million+	5	160.30	57.30	35.7
£10-20 million	7	101.80	41.25	40.5
£5-£10 million	7	45.51	16.05	35.3
£2-£5 million	17	56.07	16.39	29.2
£0-£2 million	6	8.58	2.80	32.6
Budget data not available	1	–	–	–
Total	**43**	**372.26**	**133.79**	**35.9**

Source: UK Film Council

Table 12.8 Budget analysis by nationality of principal non-UK co-production partner, UK co-productions shot abroad, 2002

NATIONALITY OF PRINCIPAL PARTNER	NO. OF CO-PRODUCTIONS SHOT ABROAD	TOTAL BUDGET (£ MILLION)	UK SPEND (£ MILLION)	UK SPEND AS % OF COUNTRY TOTAL
Canada	12	44.34	13.08	29.5
Republic of Ireland	7	56.16	22.35	39.8
Germany	6	58.01	23.37	40.3
Australia	3	19.87	6.59	33.2
Hungary	2	22.90	9.87	43.1
Spain	2	10.44	4.03	38.6
Others	8	109.54	43.80	40.0
Total	**43**	**372.26**	**133.79**	**35.9**

Source: UK Film Council

Table 12.9 Location of shoot by country, UK co-productions shot abroad, 2002

Canada	14
Republic of Ireland	7
France	7
Spain	4
South Africa	3
Australia	3
Hungary, Italy, Luxembourg, Netherlands, Germany	2 each
Argentina, Austria, Belgium, Costa Rica, Denmark, Jamaica, Japan, Mexico, Namibia, Romania, Sweden, USA, Yugoslavia	1 each

Source: UK Film Council
Note: Some films were shot in more than one country. Hence the total number of shoot locations (61) was greater than the total number of films (43).

Table 12.10 Location of shoot by region, UK co-productions shot abroad, 2002

Western Europe	30
North America	15
South America, Central America and the Caribbean	4
Eastern Europe	4
Australasia	3
Asia	1

Source: UK Film Council
Note: Some films were shot in more than one country. Hence the total number of shoot locations (61) was greater than the total number of films (43).

12.5 Production company activity levels

UK film production in 2002 was dispersed over a large number of production companies, as shown in Table 12.11. The database shows 160 production companies associated with domestic UK features and UK co-productions shot abroad. Of these, 139 companies were associated with a single feature. The most prolific production company made seven features, followed by four companies with three each and 16 companies with two each.

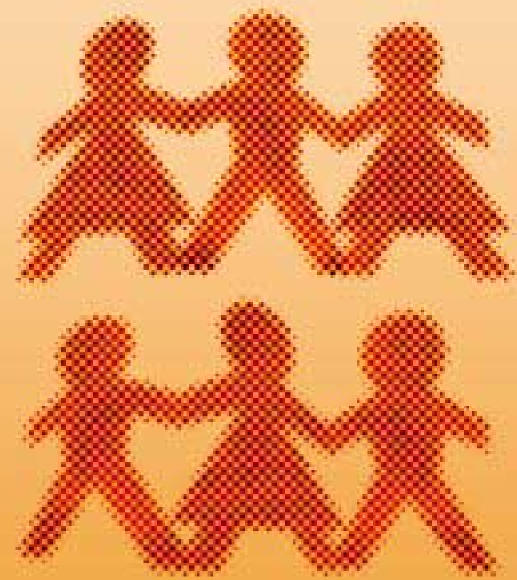
Table 12.11 Film production company activity, domestic UK features and UK co-productions shot abroad, 2002

NO OF COMPANIES	NO OF FEATURES
1	7
4	3 each
16	2 each
139	1 each

Source: UK Film Council
Note: The UK Film Council tracks features with budgets of £500,000+

13

Employment in the film and video industries



How many people work in the UK film industry and in which roles? There is no clear answer to this question as the film industry is grouped with the video industry in official statistics. However, a sense of the scale of employment, trends and some important workforce characteristics (such as gender and ethnic representation, and the location and scale of workplaces) can be gained by looking at the official statistics for the film and video industries and the labour market research conducted by Skillset, the Sector Skills Council for broadcast, film, video and interactive media. More than 50,000 people worked in the film and video industries in 2002 and the sector has grown significantly in recent years.

Facts in focus

- Of the 50,971 people in the film and video industries, almost 30,000 worked in film and video production.
- The film and video industry workforce has increased by almost 60% since 1994 compared with an increase in the overall UK workforce of 12.5%.
- 47% of people in film and video production were freelance.
- Precise figures for the proportions of women and people from minority ethnic groups in the workforce were not available. However, both were under-represented overall in the industry.
- Production and distribution were heavily concentrated in London and the South East, with 67% and 89% respectively of the workforce.
- Most businesses in the sector were small scale. For example, 57% of employees in film and video production were in workplaces with ten or fewer people.

13.1 The workforce

According to the Labour Force Survey, a total of 50,971 people worked in the film and video production and distribution and film exhibition sectors in the autumn year 2002 (autumn year means the average of the four quarters to autumn 2002). Table 13.1 shows the breakdown.

Table 13.1 Film and video industry workforce, UK autumn year 2002

SECTOR	SIC	ALL IN EMPLOYMENT
Film and video production	9211	29,986
Film and video distribution	9212	4,901
Film exhibition	9213	16,084
Total		**50,971**

Source: ONS Labour Force Survey, Office for National Statistics
SIC = Standard Industrial Classification.
ONS does not separate video production and distribution from film production and distribution. The numbers for film separately are not known.

Since 1994, the film and video industry workforce has increased by just under 60%, compared with an increase in the overall UK workforce of 12.5%.

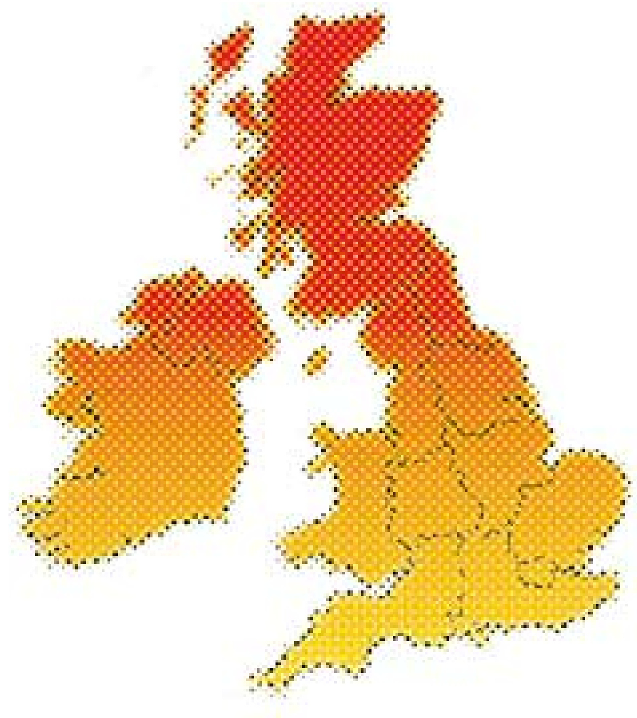
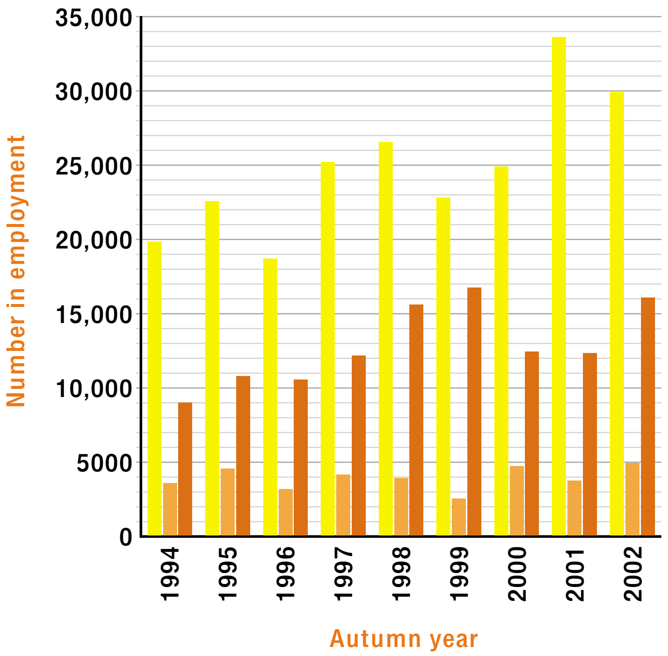


Figure 13.1 shows the growth of the three film-related sectors.

Figure 13.1 Growth of film and video workforce, 1994-2002



Source: ONS Labour Force Survey

Most people working in the film distribution and exhibition sectors are employees, but the film production sector utilises a high proportion of freelance workers. In 2002, 47% of those engaged in film and video production (SIC 9211), a total of 13,965 people, were self-employed.

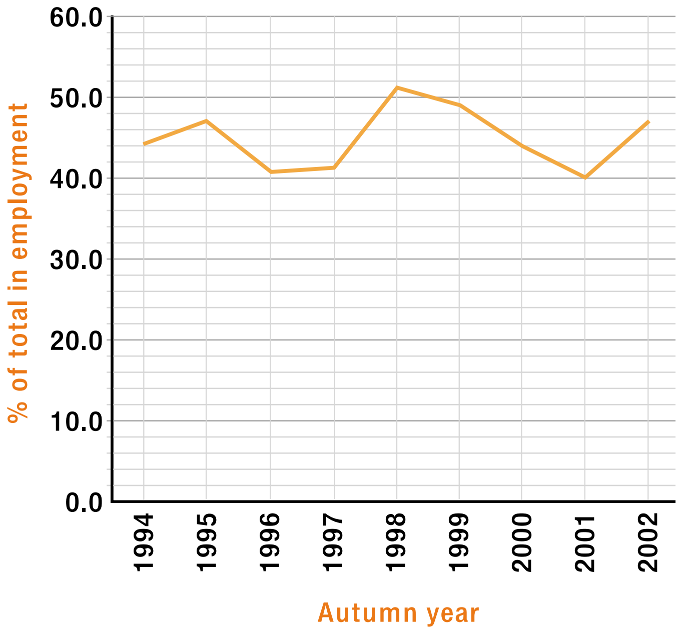
Table 13.2 Film and video production workforce (SIC 9211), 1994-2002

AUTUMN YEAR	TOTAL IN EMPLOYMENT	SELF-EMPLOYED	SELF-EMPLOYED AS % OF TOTAL
1994	19,876	8,851	44.5
1995	22,624	10,596	46.8
1996	18,717	7,654	40.9
1997	25,257	10,435	41.3
1998	26,592	13,564	51.0
1999	22,855	11,192	49.0
2000	24,939	10,944	43.9
2001	33,702	13,652	40.5
2002	29,986	13,965	46.6

Source: ONS Labour Force Survey

The proportion of self-employed people in film and video production has fluctuated in the 40-50% band since 1994. In comparison, the self-employed percentage of the total UK workforce (all industries) in 2002 was 11.4%. The fluctuation shown in Figure 13.2 may be no more than sampling variation due to the small size of the sub-group samples in the Labour Force Survey. In this survey, 10,000 people equates to only 30 respondents

Figure 13.2 Self-employed as proportion of total workforce, film and video production (SIC 9211)



Source: ONS Labour Force Survey

13.2 Women in the workforce

Precise estimates of the gender distribution of the film and video workforce are difficult to make because the small size of the Labour Force Survey sample makes the data unstable. However, an indication is given in Table 13.3 below.

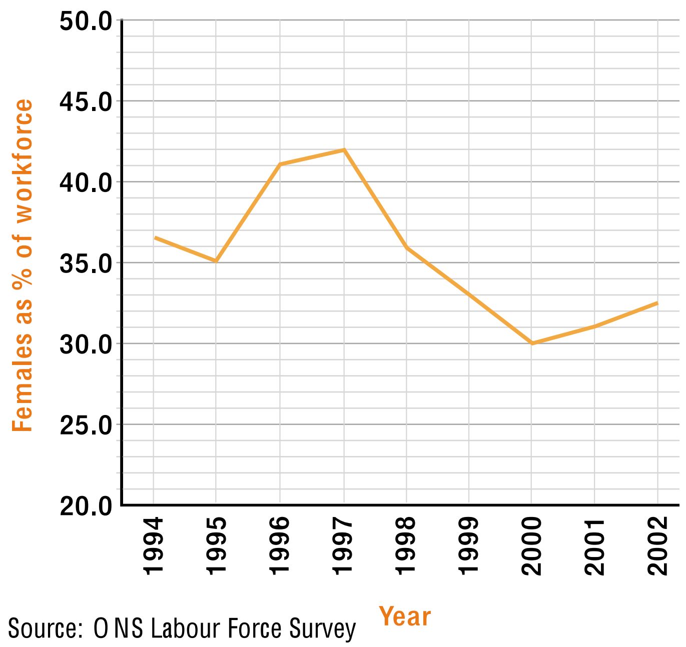
Table 13.3 Estimated female share of workforce, 1994-2002

SECTOR OF WORKFORCE	RANGES OF ESTIMATES OF FEMALE SHARE	FEMALE SHARE OF WORKFORCE, AUTUMN YEAR 2002
UK all industries	44.6-45%	45.0%
Film and video production (SIC 9211)	30.0-42.4%	32.6%
Film and video distribution (SIC 9212)	39.3-65.5%	59.2%
Film exhibition (SIC 9213)	33.0-59.4%	34.5%

Source: ONS Labour Force Survey

The data for film and video production (SIC 9211) are more stable than those for distribution and exhibition, and suggest that the female share of the production workforce rose in the late 1990s, then fell subsequently, as shown in Figure 13.3.

Figure 13.3 Female share of film and video production workforce (SIC 9211), autumn years 1994-2002



Source: ONS Labour Force Survey

Another estimate of the female share of the film industry workforce comes from the annual Skillset census, which looks at women's representation by audio-visual industry sub-sector and occupational group. Skillset's coverage of the film industry is incomplete, but some of the sub-sectors and occupational groups involving feature films are partly or fully covered by the census, as shown in Tables 13.4 and 13.5.

Table 13.4 Female share of film-related workforce by sector

FILM-RELATED SECTOR	FEMALE SHARE OF WORKFORCE (%)
Cinema exhibition	46
Independent production (includes TV)	39
Animation	38
Post-production	30
Special effects	27
Films in production (incomplete coverage)	15
Studio/equipment hire	14

Source: Skillset 2002 Census

A marked gender-occupational specialisation is evident from Table 13.5.

Table 13.5 Female share of workforce by occupation group

FILM RELATED SECTOR (TV WORKERS INCLUDED WHERE THE OCCUPATIONAL GROUP COVERS BOTH TV AND FILM)	FEMALE SHARE OF WORKFORCE (%)
Make-up and hairdressing	93
Costume/wardrobe	82
Cinema cleaners	77
Runners	52
Cinema box office/kiosk attendants	48
Cinema management/head office	46
Producing	41
Art and design	27
Animation	26
Post-production	22
Studio operations	19
Sound	11
Special physical effects	10
Camera	10
Cinema projectionists	9
Lighting	8

Source: Skillset 2002 Census
Coverage of the production sector is weak. Skillset is working with the UK Film Council to design a method for more accurately measuring the size and characteristics of the film production workforce.

13.3 The ethnic composition of the workforce

We do not have precise information on the ethnic minority share of the film industry workforce, but the available data (shown in Tables 13.6, 13.7 and 13.8) suggest that ethnic minority participation in the film and video production and distribution sectors was below the national workforce average (6.1% in 2002), and substantially below the ethnic minority share of the London workforce (24.4% in 2002). As the film industry is London-centric, the ethnic minority share of the London workforce is an appropriate comparator.

Ethnic minority representation in the film exhibition sector was much higher, at 23% in the autumn 2002 year.

Table 13.6 Estimated ethnic minority share of workforce, 1994-2002

SECTOR	ESTIMATES OF ETHNIC MINORITY SHARE OF WORKFORCE, 1994-2002	ETHNIC MINORITY SHARE OF WORKFORCE, AUTUMN YEAR 2002
UK all industries	4.2-6.1%	6.1%
Film and video production (SIC 9211)	1.6-8.8%	1.6%
Film and video distribution (SIC 9212)	0-15%	4.3%
Film exhibition (SIC 9213)	4.5-23.3%	23.3%

Source: ONS Labour Force Survey
Precise estimates of the ethnic minority share in the film and video workforce are difficult to make because the small size of the Labour Force Survey sample makes the data unstable. In the above table, the number for the UK all industries is precise, but the film and video industry numbers are indicative only.

Another estimate of the ethnic minority share of the film industry workforce comes from the annual Skillset census, which looks at representation by audio-visual industry sub-sector and occupational group. Skillset's coverage of the film industry is incomplete, but some of the sub-sectors and occupational groups involving feature films are partly or fully covered by the census, as shown in Tables 13.7 and 13.8. The Skillset data confirm that ethnic minority representation in the production sector is low, but is much higher in the exhibition sector.

Table 13.7 Ethnic minority share of film-related workforce by sector

FILM RELATED SECTOR	ETHNIC MINORITY SHARE OF WORKFORCE (%)
Cinema exhibition	16.3
Studio/equipment hire	6.7
Special effects	5.2
Post-production	3.5
Independent production (includes TV)	3.1
Animation	2.8
Films in production (incomplete coverage)	1.0

Source: Skillset 2002 Census

Within the production sector, the occupational variation in the ethnic minority share is small, as shown in Table 13.8. In the exhibition sector, people from ethnic minority backgrounds are more likely to work in the basic grades than in management, but the ethnic minority share of management posts has reached 11%.

Table 13.8 Ethnic minority share of workforce by occupation group

FILM RELATED SECTOR (TV WORKERS INCLUDED WHERE THE OCCUPATIONAL GROUP COVERS BOTH TV AND FILM)	ETHNIC MINORITY WORKFORCE (%)
Cinema cleaners	22.0
Cinema box office/kiosk attendants	18.4
Cinema management/head office	10.9
Lighting	6.6
Runners	5.8
Producing	5.6
Camera	5.0
Sound	4.7
Post-production	4.6
Studio operations	4.4
Cinema projectionists	4.0
Art and design	3.4
Animation	3.3
Costume/wardrobe	2.9
Make-up and hairdressing	2.8
Special physical effects	0.0

Source: Skillset 2002 Census
Coverage of the production sector is weak. Skillset is working with the UK Film Council to design a method for more accurately measuring the size and characteristics of the film production workforce.

13.4 The workforce location

The film production and distribution sectors are concentrated in London and the South East, as shown in Table 13.9. In contrast, the London and South East share of the exhibition sector workforce is closer to the UK average.

Table 13.9 London and South East employment as % of total, autumn year 2002

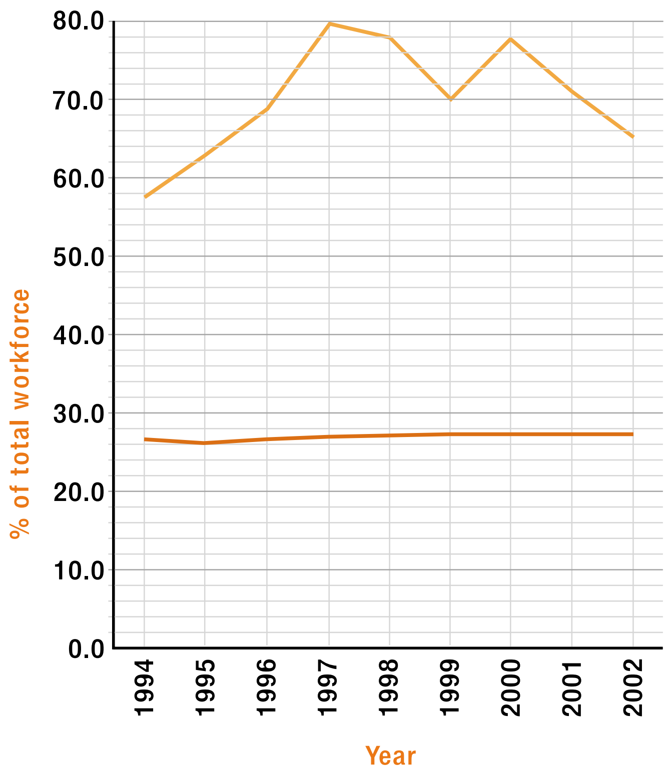
SECTOR	SIC	TOTAL UK EMPLOYMENT	LONDON & SE EMPLOYMENT	LONDON & SE AS % OF UK TOTAL
UK all industries	All	28,715,434	7,753,425	27.0
Film and video production	9211	30,955	20,880	67.5
Film and video distribution	9212	6,662	5,926	89.0
Film exhibition	9213	18,123	3,824	21.1

Source: ONS Labour Force Survey. The South East region wraps around London to include the major studios to the west of London.

The London and South East share of the film and video production workforce (SIC 9211) rose from 60% to 80% in the late 1990s, then fell back to 70% in 2001 and 68% in 2002, as shown in Figure 13.4.

The peak in the London and South East share of the film and video production workforce coincided with the peak in production of inward features and domestic UK films between 1996 and 2000. This suggests that much of the additional work at that time was drawn to London and the South East (and also that the 2001 fall-off particularly affected London and the South East).

Figure 13.4 London and South East % share of total workforce, 1994-2002



Source: ONS Labour force survey.
The sample sizes for film and video distribution (9212) and film exhibition (9213) in London are too small to chart with confidence.

13.5 The scale of the workplace

Each year, ONS conducts a survey of businesses, called the Annual Business Inquiry (ABI), which provides information on the number of employees in each workplace, by industrial sector. The latest available year is 2001. The data relating to the film industry are shown in Tables 13.10, 13.11 and 13.12. The different characteristics of the three sectors stand out clearly in these tables.

The film and video production sector had an exceptionally high number of small workplaces (95% in the 1-10 band), accounting for a majority of the sector's total workforce (57%). At the other end of the scale, there was a small number of large workplaces. The 28 workplaces with 50+ employees accounted for 3,040 employees, an average of 109 each.

The distribution sector was not as concentrated in small workplaces as the production sector, with two thirds of employees working in workplaces with 11 or more employees. There was a small number of workplaces in the 100-400 employee size range, but the details cannot be shown separately for confidentiality reasons.

The exhibition sector had a concentration that was the reverse of the production sector. Nearly 60% of exhibition employees worked in workplaces of 50+ employees, and only 4.7% in workplaces in the 1-10 employee band.

Over the period 1995-2001, two trends can be identified in the workplace size distribution data. First, in the production sector (SIC 9211) the concentration of employment in 1-10 employee size band increased at the expense of employment in the 50+ band, as shown in Figure 13.5.

Table 13.10 Film and video production (SIC 9211) Workplace size distribution (employees), 2001

WORKPLACE SIZE BAND	NO OF WORKPLACES IN BAND	% OF TOTAL WORKPLACES	NO OF EMPLOYEES IN BAND	% OF TOTAL EMPLOYEES
1-10	5,064	95.1	10,067	57.1
11-49	232	4.4	4,525	25.7
50+	28	0.5	3,040	17.2
Total	5,324	100.0	17,632	100.0

Source: ABI

Table 13.11 Film and video distribution (SIC 9212) Workplace size distribution (employees), 2001

WORKPLACE SIZE BAND	NO OF WORKPLACES IN BAND	% OF TOTAL WORKPLACES	NO OF EMPLOYEES IN BAND	% OF TOTAL EMPLOYEES
1-10	482	87.3	1,348	30.2
11+	70	12.7	3,116	68.8
Total	552	100.0	4,464	100.0

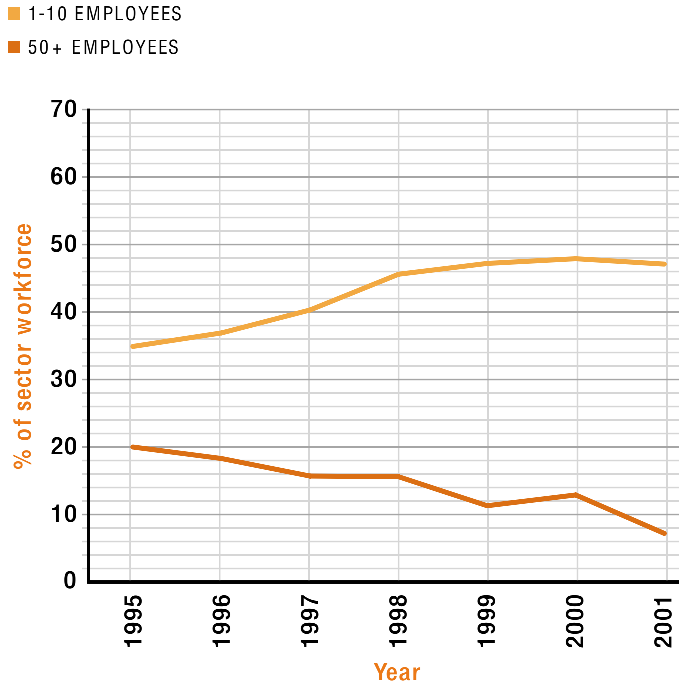
Source: ABI
Workplace numbers for bands above 11 employees cannot be published for confidentiality reasons (too few workplaces in the bands). 45% of distribution employees worked in workplaces of 50 employees or greater.

Table 13.12 Film exhibition (SIC 9213) Workplace size distribution (employees), 2001

WORKPLACE SIZE BAND	NO OF WORKPLACES IN BAND	% OF TOTAL WORKPLACES	NO OF EMPLOYEES IN BAND	% OF TOTAL EMPLOYEES
1-10	187	35.3	809	4.7
11-49	221	41.7	6,292	36.5
50+	122	23.0	10,145	58.8
Total	530	100.0	17,246	100.0

Source: ABI

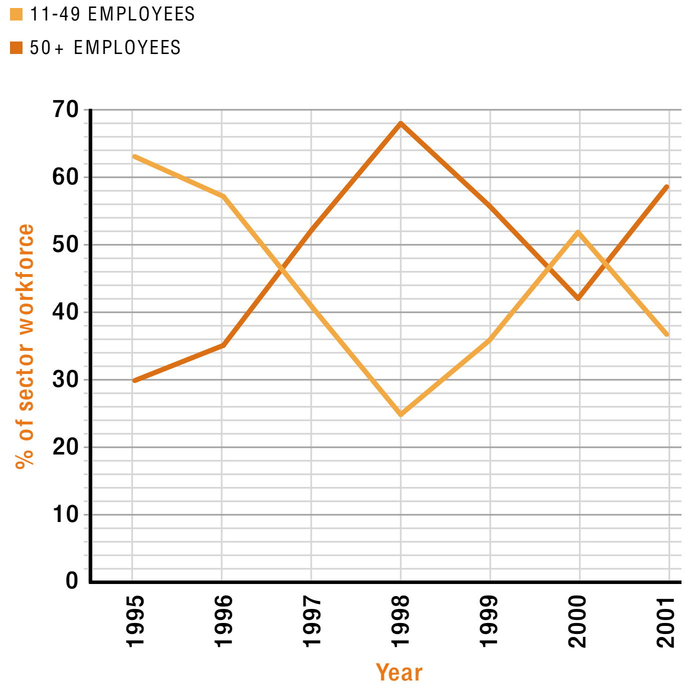
Figure 13.5 Film and video production sector (SIC 9211) employees by workplace size band, % of total, 1995-2001



Source: ABI

Secondly, in the exhibition sector the numbers of workplaces and employees in the 50+ category grew, while the numbers in the 11-49 category fell, ie there was a tendency for cinema workplaces to grow in size, as shown in Figure 13.6.

Figure 13.6 Film exhibition sector (SIC 9213) employees by workplace size band, % of total, 1995-2001



Glossary and abbreviations

Other abbreviations are explained in the list of sources.

Asian programming
Films originating from Asia, eg Bollywood, and generally, though not exclusively, aimed at an Asian audience and in an Asian language.

BARB
Broadcasters Audience Research Board Ltd. The company that compiles audience figures for UK television.

BBFC
British Board of Film Classification. Independent body responsible for classifying films and video (see Film certificate).

Box office
Total value of ticket sales for a film screened commercially at cinemas.

Box office gross
Box office takings before deduction of Value Added Tax (VAT).

Concession revenue
Revenue from sales of food, drink and merchandise at cinemas.

Co-production
A film made by companies from more than one country, often under the terms of a bilateral co-production treaty or the European Co-Production Convention.

Country of origin
The nationality of a film. In the case of co-productions, this may include more than one country. See Chapter 1 for details about assigning UK nationality.

DCMS
Department for Culture, Media and Sport. The UK Film Council's sponsoring department.

Digital projection
The projection of a film onto a cinema screen using a digital master and a digital projector, ie using electronic signals to direct light onto the screen rather than passing light through a celluloid strip.

Distributor
A person or company that acquires the right to exploit the commercial and creative values of a film in the theatrical, video and TV markets. Also conducts the promotional and marketing activities necessary to win audiences for the film.

DVD
Digital Versatile Disc.

Exhibitor
A cinema operator that rents a film from a distributor to show to a cinema audience.

Feature film
A film made for cinema release, as opposed to a film made for television.

Film certificate
Classification given to a film by the British Board of Film Classification. Indicates the film's suitability for audiences according to their age.

Franchise
A film series, eg *Star Wars* and its sequels

Genre
A style or category of film defined on the basis of common story conventions (eg action, crime, romantic comedy, drama etc).

Inward features
A term used by the UK Film Council to denote a film where more than 50% of the total financing is from outside the UK and/or where the production is location non-specific and is attracted to the UK by the UK's film-making infrastructure.

Mainstream programming
Category of films aimed at the general audience.

Megaplex site
Defined by Dodona Research as a purpose built cinema with twenty or more screens.

Multiplex site
Dodona Research defines a multiplex as a purpose built cinema with five or more screens.

Net box office
Box office takings after deduction of VAT.

Non-terrestrial television
Television programming carried by cable or satellite delivery systems.

Peak-time hours
The time of day that secures the largest television audiences. For the purposes of this report, peak-time hours are 18:00-23:59.

Production
In the context of Chapter 12, production refers to the production of discrete films with a budget of £500,000+ shot in the UK, or UK co-productions shot overseas. It does not include other work done by the film industry (eg facilities hire, visual effects or post-production for non-UK features shot overseas.)

Film rental
The sum of money paid to the distributor by the cinema operator in return for the right to show a particular film. Usually calculated as a percentage of net box office.

Standard Industrial Classification (SIC)
A numbering system used by the Office for National Statistics to identify different industries in the UK's official statistics.

Sites
Individual cinema premises.

Socio-economic group
Section of the population defined by employment status.

Specialised programming
Generally, non-mainstream films. This category includes foreign-language and sub-titled films, art-house productions and films aimed at niche audiences.

Terrestrial television
Channels available through an aerial.

Traditional cinema
A cinema generally with fewer than five screens and that shows more mainstream product. Often an older building located in city centres or suburbs.

Acknowledgments and sources

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British Board of Film Classification (BBFC)
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Dodona Research
MRIB
Nielsen EDI
Nielsen MMS
Office for National Statistics (ONS)
Official UK Charts Company
Taylor Nelson Sofres

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UK Film Council
10 Little Portland Street
London W1W 7JG
Tel: +44 (0)20 7861 7861
Fax: +44 (0)20 7861 7862
Email: info@ukfilmcouncil.org.uk
www.ukfilmcouncil.org.uk

If you would like a copy of this publication in large print or an audio version please contact:
UK Film Council Communications Department
Tel: +44 (0)20 7861 7884
Fax: +44 (0)20 7861 7863
Email: communications@ukfilmcouncil.org.uk

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