



Conference "The independent exhibition sector and the challenges of digitization."

Barcelona, 5 & 6 March 2010

CONCLUSIONS

1. The advantages and need for a change in the system of distribution and projection from 35mm film to digital is understood and accepted by the cinema industry.
2. The transition process should be short, limiting as much as possible the transition period in which projection and distribution in 35mm coexists with digital, as this generates important extra costs. This impedes achieving all benefits relating to digitization and is detrimental to the more fragile players.
3. In the majority of cases the Exhibitor cannot alone financially handle digital conversion. Because the greatest savings are achieved in the digital distribution process, balanced formulas should be reached so that Distributors are a part of this transition.
4. There is no "one"-business model for Digital Cinema; there are various models.
5. A Third Party Financer that works with the Distributor - whom saves in costs - and the Exhibitor - whom needs new investment - has been clearly shown to be necessary.
6. Legal and/or administrative public intervention could be beneficial to guarantee transparency, limit insolvency and establish a level playing field. The establishment of European guidelines could be very beneficial.
7. Public funding implication should also have in some cases a financial dimension for those theaters that - due to their size, geographic location or low box office earnings due to programming - cannot benefit from the private VPF finance systems. The analysis of these "screens at risk" should be carefully made with clear criteria. It is estimated that this situation will affect between 15% and 20% of screens.
8. Public funding should be based on distinctive levels: European, national, regional, and or local ; and different instruments could be used: Structural Funds, public credit with the possible implication of the European Investment Bank, guarantees and public credit lines, fiscal support systems or direct partial investment grants.
9. The European and National Competence Authorities should adequately contemplate the need for public support when necessary; without neglecting their duties.
10. It is necessary to continue to have dialogue between all stakeholders with the goal of reaching agreements which can satisfy all the interests at stake and to facilitate the Public Authorities in the elaboration of a "road map" which is accepted by all, in accordance with the technical and financial needs, and that is adapted to each Member States circumstances.