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Mini presentation SPPI ISIC 591
Motion Picture, Video and Television Production, post Production and Distribution Activities

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ICBS
Chapters

- Introduction
- Definition of the service
- Market condition
- Classification
- Pricing methods
- Quality adjustment
- Challenges
Filmmaking stage of production

Development - screenplay is written, financing to be find

Pre-production - cast and film crew are hired, locations are selected and sets are built

Production - the raw elements for the film are recorded during the film shoot

Post-production - the images, sound and visual effect are edited

Distribution - the film is distributed and screened in cinemas and released to home video
Filmmaking staff

Development - writer, producer, screenwriter

Pre-production - director, assistant director, production manager, art director, costume designer, location manager, contracture

Production - script supervisor, property master, assistants directors, photographer, picture editor, sound editor, camera operator, actors

Post-production - video / film editor, animator, soundman

Distribution - film distributors
Classification

J - information and communication

59 Motion pictures, video and television program production services, sound recording and music publishing

60 Programming and broadcasting services

61 Telecommunication services

62 Computer programming, consultancy and related services

63 Information services
Industry Classification

59  Motion pictures, video and television program activities
  591  Motion picture, video and television program activities
       5911  Motion picture, video and television program production activities
       5912  Motion picture, video and television program post-production activities
       5913  Motion picture, video and television program distribution activities
       5914  Motion picture projection activities
  592  Sound recording and music publishing activities
## Industry versus Product Classification

<table>
<thead>
<tr>
<th>ISIC Rev. 4</th>
<th>CPC Ver. 2</th>
<th>Detail</th>
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<tbody>
<tr>
<td>5911</td>
<td>38950</td>
<td>Motion picture film, exposed and developed</td>
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<tr>
<td></td>
<td>47620</td>
<td>Films and other video contents on disks, tapes or other physical media</td>
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<tr>
<td></td>
<td>73320</td>
<td>Licensing services for the right to use entertainment, literary or artistic originals</td>
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</tbody>
</table>
| 84331-84332 |            | Films and other video downloads  
              |            | Streamed video content |
| 96121-96123 |            | Motion picture, videotape and television program production services  
              |            | Motion picture, videotape and television and radio program originals |
| 5912        | 73320      | Licensing services for the right to use entertainment, literary or artistic originals |
|             | 96131-96139| Audiovisual post production services (editing, duplication, color correction, visual effects, animation, titling, sound editing, design...) |
| 5913        | 7320       | Licensing services for the right to use entertainment, literary or artistic originals |
| 96140       |            | Motion picture, videotape and television program distribution services |
| 5914        | 96150      | Motion picture projection services |
Number of dealer & employees

Dealers

Employees
There has been much progress since the silent movie...

and in last decade a revolution in the market

➢ from big screen to small screens
➢ grown of video on cellular and internet (50% is there)
➢ Instruments and technologies became cheap (cameras)
➢ Recording market disappeared
➢ Post production - the market become small and centralized, no need for big editing studios
Market condition - Structure

- 120 companies are member in the Association of Production Companies. 20-30 medium size companies and 3 very large ones produce films.
- 8 very large companies produce program for television & control 85% of the market, the rest are small companies.
- Only few large post production companies.
- About 10 distribution companies 3 very large and they own cinemas.
Market Condition Costumers

- TV broadcasting companies – buying series (features, documentary, drama...)
- Cinemas distributors in local and foreign countries
- Industrial production to advertisement companies
Market Condition Professional Organizations

• There are professional organization for the promotion of filmmaking that represent production companies, actors, documentaries creators, workers, directors, editor, scripters and more...

• Act The organization of workers in film & television advance the agreements and regulations in the market for the benefits of workers. Union productions are under the rules of the union: minimum rates, working day etc.
Market condition - Regulation

TV under the Ministry of Communication
5 broadcasting organization
1 Public TV - channel1 the Israeli TV
2 commercial TV channels - second Authority of television and radio broadcasting
1 cable television 1 satiate TV - The Council of Cable TV and Satellite broadcasting
1 Educational TV
➢ developing original Israeli content production
➢ diversity of content and pluralism
➢ improvement of services and technologies
➢ increasing supply and minimizing the price

According to the low TV companies must by 65% of content from other production companies
Market condition - Regulation

Film under The Ministry of Culture
budget to Israeli cinema through film funds for the production
of Israel full length feature films, marketing and distribution
2 big funds: Israeli film fund, Rabinovich fund

➢ To encourage filmmaking and co-production
➢ to enrich culture, represent the country worldwide and strength economy
➢ Every year about 140 new scripts are submitted 12-15 films are selected
➢ The average budget of film $500,000 – $1,000,000
➢ the fund invest 2/3
Movies in Israel

<table>
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<tr>
<th>Year</th>
<th>Number of tickets sold</th>
<th>Ticket price</th>
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<tr>
<td>2008</td>
<td>8.6</td>
<td>9.1</td>
</tr>
<tr>
<td>2009</td>
<td>9.9</td>
<td>9.9</td>
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<td>2010</td>
<td>9.3</td>
<td>12.2</td>
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<td>2011</td>
<td>9.4</td>
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<td>13</td>
</tr>
<tr>
<td>2013</td>
<td>9.0</td>
<td>14</td>
</tr>
<tr>
<td>2014</td>
<td>8.9</td>
<td>14.4</td>
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Main Countries of film production

- **US**: 158
- **Israel**: 47
- **France**: 18
- **UK**: 10

Israel Central Bureau of Statistics
Israeli Film 2014

239 new Israeli films were projected in festivals, cinemas and TV
Feature films, dramas, documentary and students films

1,691,836 viewer watched Israeli movies projected in cinemas

248 Israeli movies were projected at 40 cinemas
in 295 theaters with 44,979 seats

for the production of 26 Israeli film projected in 2014

- budget 92.5 million NIS.
- public finance 70.2 Million NIS
- Revenues 26.91 Million NIS.(without DVD and selling aboard)
Israeli Films 2014
local production Foreign Market & import

world festivals

76 Israeli films projected in film festivals in 61 countries

31 out of 76 films won 50 rewards, 9 movies won 2 or more rewards

36 in US 17 in France 15 in Australia and other Europe

Co-production

3-5 co-productions of feature films mainly with Europe & Canada

10-15 co-production of documentaries

Import

About 200 new feature films are being imported

63% American 23% European (France, UK and more) 9% other
Special Issues & Challenges

- Classification - companies usually do more than one activity in motion picture and also in other industries
- The kind of media to deliver the content is important
- Export - filmmaking is an export industry, there are international agreements and co-productions
- Public financing - is high and has implication on measuring turnover and prices
- Data available and published
- Mainly BTB market
Budgets

The average budget of a production US $

- Feature film $800,000 - $1,200,000
- TV fiction $150,000
- TV series $100,000 per hour
- Documentaries $180,000 per hour
Pricing methods

Charge out rates

For one hour of work / one working day

By professional staff (photographer, soundman, editor, actor, etc.)

Minimum rates are set by the Israel film and television producer association

Example: one day shooting for photographer - $1500

Commission

for the production of a film is paid to the producer as a percentage of the budget of the film 10%-15%

TV

the payments is for one minutes of screen time on average 13,000 NIS ~ 3,600 US $ the payment for one chapter is 180,000 - 200,000 US $
Pricing Methods

Revenues

From selling tickets in cinemas are divided
50% to cinema owner, 30% to distributer, 20% to the production
(producer 8% director 7% scripter 5%).

Ticket price  9$ incl. vat.
Revenues

- The more tickets are sold, the more revenues and profits to the producers.
- From selling the movie to TV after it was screened in cinemas.
- From selling the movie worldwide.
- A film can be sold twice and more: to cinema, TV, local market and export.
Quality

The budget of a film is determined according to

- Number of shooting days
- Payments to staff, minimum rates by profession (actor, director...)
- The genre of the film (feature, drama, comedy, documentary...)
- The complexity of the script (how many actors, how many sets)
- Local market or export (the budget of a film to foreign country is twice)
Fin.