Incentives Study for the Joint Film Region of Estonia, Finland and Latvia

A Study for North Star Film Alliance by Olsberg•SPI

This project is a cooperation venture of:

European Union
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Interreg
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1. EXECUTIVE SUMMARY

1.1. Overview of the Study

North Star Film Alliance ("**NSFA**," or the "**Region**") is an innovative project to explore the creation of a joint film region between the neighbouring countries of Estonia, Finland, and Latvia (Figure 1).

NSFA's concept for a joint film Region is that the partner countries, by collaborating, will be able to develop and market a stronger collective offer with higher-quality and customer-friendly services. A stronger joint offer will enable the partners to be more successful in attracting major international film and television productions in what is a highly competitive global production market.

To this end, NSFA also wishes to explore deeper and harmonised collaboration between the partner countries through potentially combining existing production incentives and enabling increased sharing of workforce across borders.

Partners in NSFA are Estonia's Film Services Export Alliance – the lead partner – the City of Helsinki and Riga City Council. The Production Services Export Alliance was established by Tallinn Film Wonderland, a strategic production facility project which is currently being developed. Associated partners are Business Finland, the Estonian Film Institute, the National Film Centre of Latvia and Film Service Producers Association of Latvia.

The project is strategically linked to the European Union's Strategy for the Baltic Sea Region, namely its objectives to connect the region and increase prosperity. The latter intersects with culture and tourism, with film having significant and proven effects in both areas.

Figure 1: The North Star Film Alliance Region

Against this backdrop, NSFA has appointed creative industries consultancy Olsberg•SPI to undertake an independent project (the "**Study**") on the offer of the partner markets and the feasibility of harmonising incentives. The Study includes two key separate, but linked, deliverables:

Deliverable One: Market Study (separate document)

The Market Study provides in-depth analysis of the partner markets that make up NSFA, both individually and as a potential collective market aimed at attracting foreign production. This includes the current status of the market and its offer to foreign productions, including a SWOT analysis of film production infrastructure.

It also identifies the offer of countries that would likely compete for similar kind of productions as NSFA, including key elements of attraction such as costs and production incentives.

A marketing strategy is also outlined, as well as future production trends and their relevance to the Region's ability to attract production.

Deliverable Two: Incentives Study (this document)

The Incentives Study provides analysis of the production incentive offer currently in place in each partner country, including their operation and formulation.

It then assesses the feasibility of combining the three systems into a single harmonised offer, and the potential benefits that might accrue to the Region from achieving this. It also evaluates the increase of attractiveness for financial institutions and outlines a strategy for political lobbying for the combination of systems.

Context is also provided through insight into incentive systems in competing countries.

1.2. North Star Film Alliance Objectives

NSFA has received funding from Interreg Central Baltic, with the project underpinned by the aim of increasing exports within the film production sectors in Estonia, Latvia and Finland. To achieve this, NSFA has two objectives:

- That by the year 2021 the Region will have attracted 25% more foreign film productions; and
- That at least 65 SMEs from the Region's film production sector will have benefited from servicing an international production.[1]

The creation of NSFA provides a platform to reach these objectives, with the assumption that by combining advantages and strengths the partners can attain a greater impact collectively than individually.

In terms of the first objective, NSFA is focused on developing a joint value proposition for the Region's SMEs and demonstrating that the Region can provide world-class services. For the second objective, NSFA is focused on connecting SMEs with possible clients for foreign markets.

NSFA has divided its activities into 3 phases:

- Benchmarking the current situation in the Region's film production sector and global future trends of film production;
- Developing a comprehensive market strategy; and
- Efficiently executing the market strategy.

[1] Production is defined by NSFA as the filming of films, television series and advertisements in the Central Baltic Region.

1.3. Summary of Findings

1.3.1. Current landscape

The landscape for progressing the NSFA concept is very positive. The underlying global production opportunity is very strong, with further growth anticipated. Given size and other limitations in the Region the concept of collaborating is also strong.

To this end, Estonia, Finland, and Latvia also have substantial experience of collaboration and co-operation at business and government levels, and there are industrial, transport, cultural and educational links between the three countries. There is political will to extend these links.

Indeed, regional co-operation is taking place across a number of sectors:

- Transport, where collaboration has included Rail Baltica, a major infrastructure project to integrate the Baltic states into the European rail network. Implemented by Estonia, Latvia and Lithuania, it includes Finland. Meanwhile, the FinEst Link project is exploring the potential of an undersea rail tunnel between Helsinki and Tallinn. Finnish and Estonian authorities signed a Memorandum of Understanding in 2016 regarding transport development;
- Tourism, with familiarisation trips being undertaken across borders;
- Culture, with regional co-operation including Latvia and Estonia – and Lithuania – establishing a joint cultural fund of the Baltic States in July 2018; and
- Digital services, with Estonia and Finland also exploring digital interoperability with regards e-Governance and national databases.

Some regional links are less established. While strong affinities exist between Latvia and Estonia, and Finland and Estonia, links between Latvia and Finland are comparatively under-developed. This may create a challenge regarding marketing the Region jointly.

The partners also have strong links to countries outside of the Region, including Finland with Sweden and Latvia with Lithuania. These can provide a strength to NSFA – such as the ability to draw on additional capacity – but it does create a challenge around marketing and incentive harmonisation.

The Region already sees crew mobility across borders. This includes inward flows to the NSFA Region – for example, with Lithuanian crews adding to capacity in Latvia – although collaboration is, to date, not formalised.

1.3.2. The region's incentives landscape

All three partner countries currently operate ostensibly automatic incentives – with Latvia also offering the city-based Riga Film Fund. Because incentives are critical factors in stimulating domestic and international production the presence of these systems across the NSFA Region provides a strong foundation for growth. With incentives in place, the partner countries can immediately start building their production offer, rather than awaiting legislation. This is very important given the scale of the current production opportunity.

However, the incentives offered by NSFA partners are not the most competitive in terms of the value offered, with emerging competitors like Romania offering significantly higher incentives. Given the fact that the Region does have some gaps – such as a functional, international-standard studio and the provision of sufficient crew depth to service multiple large projects – the improvement or harmonisation of incentives will be important for achieving NSFA's aims.

Crucially, it should be noted that budgets assigned to incentives are not fit for purpose. While Estonia does not have an annual cap on its system, Finland has a budget of €10 million per calendar year, which was used up midway through the first year of the incentive in 2017, and also in 2018.[2] Meanwhile, Latvia's already limited budget was also fully utilised in 2018. These incentives are therefore unable to service current demand, let alone increased demand that will result from the NSFA project and its strategic marketing.

The presence of caps in two of the three partner countries therefore limits the potential of the NSFA concept as a whole. Caps place a ceiling on the amount of production that can be attracted and serviced, limiting the potential for projects to be undertaken equally across all three partner countries. Caps also create general market uncertainty for producers regarding the amount of finance available, and damage competitiveness.

NSFA strategy should therefore focus on removing caps or increasing annual budgets.

1.3.3. Competitors

Almost every European country now offers an automatic incentive system, which has created a highly competitive landscape where the finer details of each incentive, and a country's underlying offer, affect its ability to successfully attract production.

The incentive value on offer across the NSFA Region roughly sits in the middle of the average in the EU and the EEA, with Estonia offering a base rate of 20-30%, Finland 25%, and Latvia 20%. However, the rate of specific competitors can be significantly higher. For example, Romania's incentive offers a base rate of 35%, which can rise to 45%.

While Lithuania has shown that it has been possible to build a strong service industry based on a rebate value of 20%, in combination with a well-connected service sector, attractive locations and low costs, the increasing competitiveness of the industry is underlined by the fact that Lithuania has increased its incentive to 30% from 2019. While competition is global, key NSFA competitors are considered to be:

- Hungary;
- Lithuania;
- Norway; and
- Romania.

1.3.4. Similarities and differences

In considering the potential harmonisation of the Region's incentives, analysis was undertaken into key similarities and differences of each NSFA incentive.

In terms of similarities, the fact that each incentive is structured as a rebate model is helpful for harmonisation, as they all function in a similar way. In addition, all existing systems are applicable to co-productions. While major inward US projects would not generally look to undertake a co-production structure, it does enable independent co-productions to use the incentives.

Differences are more pronounced than similarities. These include the fact that the annual budget, or cap, for each system is significantly different. While Estonia has no cap from 2019, Latvia's is the most limited, at €800,000; and Finland's is the largest at €10 million.

The presence of such caps can be a significant hurdle in attracting major foreign productions, since they create uncertainty around whether there will be enough finance to service production throughput. The fact that both Latvia and Finland's budgets were used up before

[2] The Estonian incentive has no annual cap, but does have an assigned annual budget of €2 million which is flexible

the end of their most recent annual terms underlines this, and the presence of these caps should be considered a threat to the success of NSFA.

Another key point of difference is incentive value, with Estonia offering 20-30%, Finland 25%, and Latvia 20%. The Latvian national incentive offers an extra 5% if Latvia features culturally, and further offers the potential to combine with the Riga Film Fund incentive for a value of up to 50% of costs. Clearly, some partner countries present as being more attracting than others, while projects shooting across multiple countries would receive different rates.

There are also differences across partner countries in areas including minimum required budgets, project eligibility and additional value.

1.3.5. Harmonisation

There are two main potential models of potential incentive harmonisation:

1. Complete harmonisation; and
2. Standardisation of key elements.

Because complete harmonisation would require significant legal, political, budgetary and logistical challenges the second model, which would involve standardising key elements while retaining existing national legislation, is considered to be more realistic for the NSFA partners to achieve.

It is recommended that this should focus on the harmonisation of several critical elements of each system, namely:

- Headline rate;
- Qualifying costs;
- Eligibility;
- Minimum spend requirements;
- Caps;
- Application and administrative procedures and processes; and
- Payment and related processes, including the potential to disburse finance in instalments.

Harmonisation in these areas would create similarly-structured offers that would be easy for producers to understand and use. It would not involve the creation of new pan-national legislation, and the process could in fact be used to improve incentives in key required areas – such as the removal of system caps.

1.3.6. Incentive strategy

Key next steps for the NSFA partners relate to building political support and increasing cashflow and the usability of incentives for producers.

The former will involve proactively presenting the key economic, strategic and other opportunities created by NSFA and ensuring politicians understand why updated and standardised legislation will create additional benefits for each of the partner countries.

In terms of messaging, it should be emphasised that the NSFA project provides a major opportunity to expand the ability of the partner countries to benefit from the current global production deluge. Attracting high-value production can bring significant economic impacts, and there are multiple examples from established production markets.

To increase understanding of the opportunity, and the value of the Region's incentives, the partners should commission an economic impact study of the NSFA countries. This should provide independent and robust analysis of the economic benefits created for government by the industry and incentives, as well as explaining other impacts such as skills development.

The study should also examine the caps in place in two of the three countries, and the limitations they place on growth for each country, and for the NSFA concept overall. Removing these caps, or increasing budgets, should be a key element of the strategy.

NSFA's strategic alignment with the wider drive towards collaboration across the Baltic should also be emphasised.

In terms of targets, financial and legal departments within the relevant government ministries will be crucial.

Building cashflow capability and encouraging banks and other institutions to provide cashflow should also be a priority across the Region's incentives, as should encouraging all Regional competent authorities to ensure that the incentives can be paid in instalments, or stages. This would ensure more user-friendly incentives.

2. INDUSTRY CONTEXT

The consideration of a joint film region between Estonia, Finland and Latvia occurs at a time of unprecedented opportunity in the global production market.

This section provides an overview of the current opportunity and the increasing amount of film and television drama production globally.

2.1. The Global Production Deluge

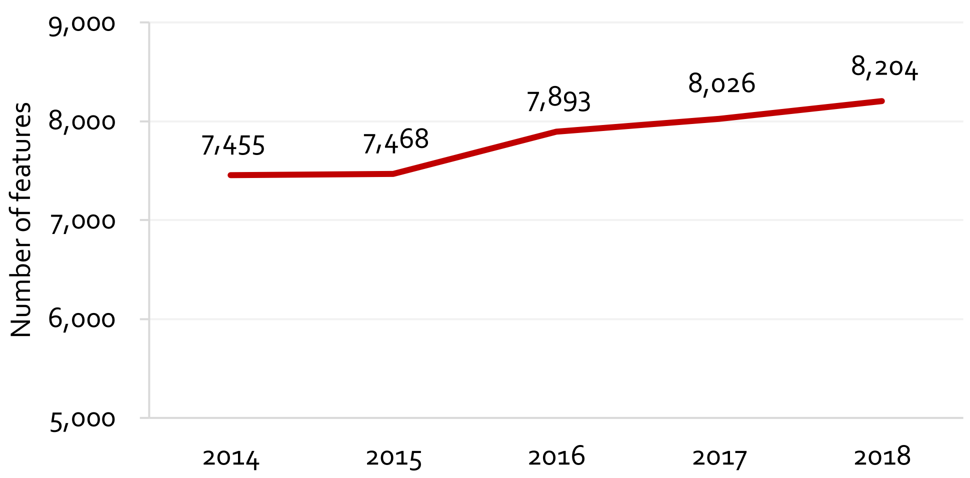
Demand for screen content from consumers has increased dramatically in recent years, matched by increased production investment from established studios and broadcasters, as well as streaming services and other recent entrants.

According to European Audiovisual Observatory estimates, the number of feature films produced annually has increased by 10% between 2014 and 2018 (Figure 2).

In 2018, the estimated number of US films made with a budget of above $1 million was 576 – a 20% increase on 2014. Of these films, 171 titles had an estimated budget of more than $15 million, an 11% increase on 2014.[3]

The number of new original scripted series being aired in the US increased by 86% between 2011 and 2018, according to FX Networks (Figure 3). For the latter, the majority of the growth is driven by on-demand services.

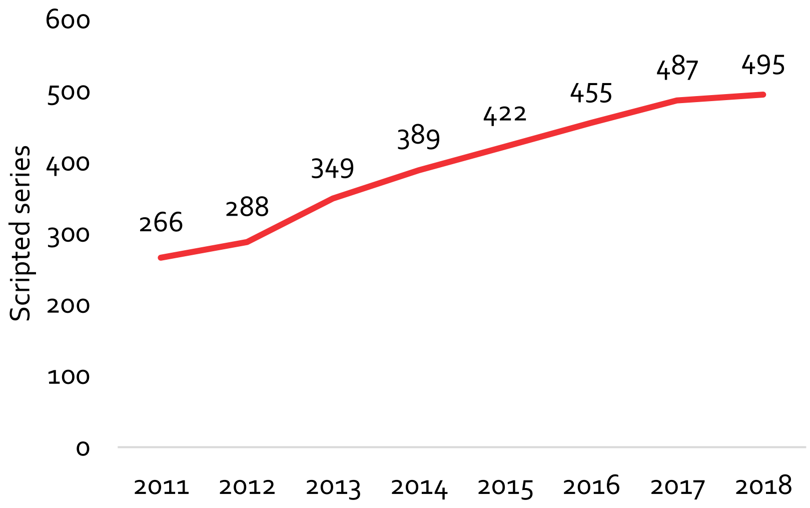
Figure 2: Estimated Number of Feature Films Produced Worldwide, 2014-18



Source: European Audiovisual Observatory

[3] *2018 THEME Report*. MPAA.

Figure 3: Estimated Number of Original Scripted Series, 2011-2018



Source: FX Networks

These increases in production are driven by increased consumer spending. In 2018, combined theatrical and home entertainment spending across the world reached $97 billion, a 25% increase since 2014. Theatrical box office increased 13% during that period, while home entertainment increased 36%.[4]

Across the world in 2018, the number of subscriptions to Video on Demand (VoD) services such as Netflix and Amazon, stood at 613 million – a 27% increase on 2017.[5]

There are significant economic opportunities for countries able to attract international business: production leaving California in 2015 was estimated to be worth US$4.6 billion.[6] Moreover, further opportunities are being created by commissioners focusing on producing local-language content.

2.1.1. Outlook for global production

The outlook for global production is currently very strong, with content investment from established studios and broadcasters joined by significant investments from producers like Netflix, Amazon Prime, HBO, and Hulu. In 2019, it is estimated that Netflix will spend $15 billion on content, for example, with other investment estimates including $7.9 billion from Disney Studios, $6.7 billion from AT&T (through Warner Bros. studio) and $6 billion from Amazon.[7]

Because of the reach of companies like Netflix, where subscription revenues from outside the US have overtaken US subscription revenues, the content is quickly beginning to reflect the global audience in its international scope.

For example, 2017 research by Ampere Analysis found that of 65 upcoming original Netflix productions, just under half (48%) were of non-US origin, while 21% were of European origin. Amazon and HBO are also active in Europe, operate regional offices and have invested large amounts in productions in Europe. These companies also frequently invest in European broadcaster productions.

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[4] MPAA data
[5] IHS Markit
[6] *The Value of Global Footloose Production: An Estimate With Case Studies*. Commissioned by Ausfilm and PWC's Entertainment and Media Practice Australia, 2018
[7] *Dare to Stream*. Variety Intelligence Platform, 7th May 2019

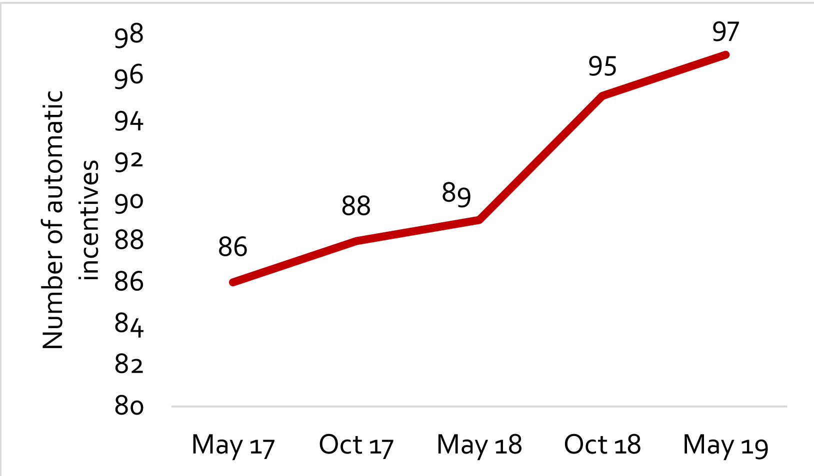
2.2. Usage of Incentive Systems

Activity in the incentives landscape reflects the high levels of investment globally and as of May 2019 there were 97 automatic incentive systems at national, state, and province level worldwide.[8] Indeed, their use is the major public policy phenomenon of the film and television sectors in the last decade.

The overall number of incentive systems worldwide increased by around 10 systems between May 2017 and May 2019 – underlining the competitive landscape faced by the NSFA partners (Figure 4). The number continues to increase.

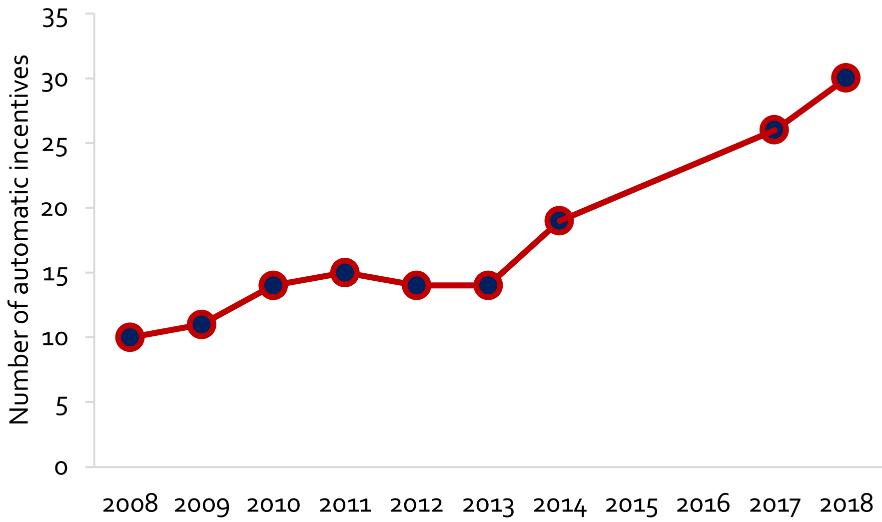
In Europe, the usage of incentives increased threefold between 2008 and 2018 (Figure 5).

Figure 4: Growth of Global Incentives Between May 2017 and May 2019



Source: Olsberg•SPI analysis

Figure 5: Number of National Incentives in Europe, 2008-2018



[8] *Global Incentives Index*. Olsberg•SPI, October 2018

3. ANALYSIS OF CURRENT INCENTIVE SYSTEMS

This section presents an analysis of the national incentive currently operating in each partner country. This includes an overview of the key aspects of each system, and SWOT analyses both from the perspectives of the producer and the state. Potential improvements are also outlined.

3.1. Overview of Regional Incentives Landscape

The fact that all NSFA partner countries already operate national automatic incentives – plus a city incentive, in the case of the Riga Film Fund – is a competitive benefit and provides a strong foundation for the development of NSFA. Incentives are a key factor in attracting production to a country or region.

However, while the three countries have a coherent offer for international producers they exist in a highly competitive global production landscape. Indeed, the NSFA partners are not the most competitive in terms of the value of the incentives offered, with competitors like Romania offering significantly higher incentives. While costs in the Region can be competitive, they are not the cheapest available on the international production market, while there are gaps in the offer for international productions – such as the provision of international-standard studios.

This means that sharpening the Region's competitive edge through a joint offer is important. A linked incentive offer across the partner countries would create a practical, innovative and valuable selling point for the Region to offer the international market. While the creation of a single incentive system across three countries is not considered to be realistic, it could be possible to harmonise aspects of the systems to ensure that utilising multiple systems is as seamless as possible for international producers (see Section 5).

The potential for such harmonisation is already demonstrated by existing cross-border collaboration across multiple sectors in the Region, including transport and tourism. Some cross-border workforce flow is already evident in the screen sector.

3.2. Estonia

3.2.1. Overview

The Estonian incentive functions as a rebate model worth between 20% to 30% of eligible production costs in Estonia. The level of rebate is determined by expenditure undertaken and relates to parties subject to Estonian taxation. The incentive's objective, described in *Film Estonia – Conditions of and procedure for allocation of support*, are: "to foster the inflow of foreign capital into Estonia and cooperation between Estonian and foreign film producers for the production of audiovisual works in Estonia".

The system offers a rebate of 25% or 30% in relation to whether production costs in Estonia are above certain thresholds, and/or whether the production has certain key creative roles filled by Estonian tax residents. For feature films to achieve a 25% rebate, the production must spend €400,000 in Estonia (instead of the standard minimum of €200,000), and/or hire one creative employee who is a tax resident of Estonia. In order to achieve a 30% rebate, feature films must spend €500,000 in Estonia and/or hire two creative employees who are tax residents of Estonia.

The minimum spend thresholds for achieving the rebate and additional value differ depending on the type of production (i.e. TV series, documentary, animation) but to achieve the additional value through hiring Estonian creative staff, requirements are the same as above for all genres.

The application must be made by an Estonian company, but the rebate is received directly by the foreign company. Funded by the state budget, the incentive is facilitated by the Estonian Film Institute.

Table 1: Film Estonia Support System – Overview of Key Elements

Type	**Rebate**
Value	20%-30% depending on Estonian expenditure and engaging Estonian creative staff
Additional Value	None
Per project cap	None
Minimum project budget	€1 million for feature films, €250,000 for animated films, €500,000 for animated series, €200,000 for TV series episodes and €200,000 for documentary films
Minimum activity	Minimum level of Estonian production activities is up to 50% of the overall budget
Annual system budget	No annual cap, but the incentive does have an assigned annual budget of €2 million which is flexible
Application deadline	None
Application processing	Up to 30 days
Eligibility	Feature films, feature documentaries, animation films, animation series, high-end TV-drama and the post-production of these genres
Applicant	Application must be submitted by an Estonian company, a branch of an EU-based company registered in Estonia, or Estonian subsidiary of a company registered outside EU
Sunset Date	None

3.2.2. SWOT analyses

Table 2: SWOT Analysis of Estonian Incentive from User Perspective

Strengths	• Rebate system is straightforward and well understood by users • Incentive is paid directly to foreign recipient, which can remove delays created if paid to a local service producer • Lack of a system and project cap and application deadline removes uncertainty for potential users • Stated application processing time of up to 30 days, and payment 10 days after approval provides security • Minority Estonian co-productions are eligible
Weaknesses	• 25% of eligible costs has to be staff costs (€500,000 for projects spending more than €2 million. Requirement is 40% for animation film and series)
Opportunities	• Broad eligibility of project types • Eligibility for post-production provides opportunity for further growth, particularly given Estonia's digital focus and expertise

	• Eligible staff costs may include those who are not tax residents of Estonia, but who have a significant impact on the Estonian film industry
Threats	• Potential lack of specialised crew if there is high volume of incoming production. While there is a lack of quantitative data, this should be further explored through a gap analysis

Table 3: SWOT Analysis of Estonian Incentive from State Perspective

Strengths	• Incentivises Estonian creative staff, so assists in building international expertise and ensure long-term development of the Estonian industry • Minimum budgets ensure that very low budget productions cannot access and take up valuable administrative time
Weaknesses	• 25% of eligible costs has to be staff costs (€500,000 for projects spending more than €2 million. Requirement is 40% for animation film and series)
Opportunities	• Evidence that Government willing to support the incentive to ensure it is competitive. An example of this is the production of Christopher Nolan's *Tenet*. In June 2019, the Estonian Ministry of Culture announced a one-time increase of €5 million for the rebate fund which it announced as being related to the production of Nolan's film[9] • Eligibility of high-end television projects: this is a major global market • Eligibility for post-production provides opportunity for further growth, particularly given Estonia's digital focus and expertise
Threats	–

3.2.3. Potential improvements

Several potential improvements have been identified. One improvement relates to the focus of the incentive on employees. Clause 5.4 of *Film Estonia – Conditions of and procedure for allocation of support* states that "An applicant or subcontractor shall enter into an employment contract, a contract for services or an authorisation agreement with employees". This is likely to be a challenge in an industry that is based largely on freelance labour.

Building cashflow capability and encouraging banks and other institutions – such as KredEx – to provide cashflow would also improve the system for users.

3.3. Finland

3.3.1. Overview

Introduced in early 2017, Finland's incentive is a rebate structure worth 25%, although support is technically discretionary and the system is a pilot. The incentive's objective is to "increase

[9] *The cash-rebate fund of Film Estonia received a one-time increase of 5 million Euros*. Republic of Estonia Ministry of Culture, 20th June 2019

international interest in Finland as a production location and to promote the development, growth, and internationalization of Finnish companies."[10]

To make an application, 50% of funding must be confirmed and at least 10% of overall funding must come from outside Finland. At least 50% of the budget must be non-public funding. A distribution agreement for at least one platform or one territory is required.

At €2.5 million for a feature film, the minimum budget required by the system is comparatively high. The annual budget is also the highest in the NSFA Region, at €10 million, operating over a calendar year. However, this budget was used up midway through both 2017 and 2018, underlining that the budget is inadequate to meet demand.

Applications can be submitted in Finnish, Swedish and English. International producers must work with a local company, as the system requires a Finnish business ID to submit the application online through Business Finland. The system is eligible for co-productions, in which case a Finnish co-producer can be both the applicant and the recipient of funding.

As with Estonia's incentive, the payment is submitted to the foreign company, but only after the local company has been paid. Administered by Business Finland, applications are submitted online, with producers also submitting documents by email attachment. Costs from the date that the application is registered with Business Finland are eligible.

Table 4: Finland's Production Inventive for the Audiovisual Industry – Overview of Key Elements

Type	**Rebate**
Value	25%
Additional Value	None
Per project cap	None
Minimum project budget	Minimum total budgets (and spend) of €2.5 million (€150,000 spend) for feature films, €325,000 (€50,000 spend) for documentaries and €5,500 per minute (€250,000 spend in total) for TV series and animations
Minimum activity	-
Annual system budget	€10 million
Application deadline	Applications taken on a first-come, first-served basis; only Finnish spending undertaken after application is registered is eligible for the incentive
Application processing	Business Finland makes a decision within 40 days, and payment is within a maximum of 3 weeks
Eligibility	Feature films, documentary films, serial fiction, animation. Pre-production and post-production costs are eligible
Applicant	Foreign applicants must use a Finnish production co-ordinator company

[10] *Increasing International Interest in Finland as a Production Location Through Co-Operation*. Business Finland webpage, 2nd March, 2018

Sunset Date	None

3.3.2. SWOT Analyses

Table 5: SWOT Analysis Of Finnish Incentive from User Perspective

Strengths	• Rebate system is straightforward and well understood by users • The incentive is paid directly to foreign recipient, which can remove delays created if paid to a local service producer • Business Finland can pay during production • Applications can be submitted in multiple languages • Co-productions are eligible • Relevant to pre-production and post-production costs • Stated application processing and payment times provide security
Weaknesses	• Funding is technically discretionary. This is usually a barrier for international producers, although once the funding has been approved there is no uncertainty for the producer regarding whether the funding will be received • The system is a pilot which adds further uncertainty • Limitation of system's budget raises question over ability to service production upturn
Opportunities	• Applicability to post-production an opportunity for producers given Finland's provision of post services
Threats	• €10 million budget was utilised by mid-2018. This is a significant threat, as major producers need to plan projects in advance and require certainty that an incentive will be available

Table 6: SWOT Analysis Of Finnish Incentive from State Perspective

Strengths	• Comparatively high minimum budgets – e.g. €2.5 million for a feature film – ensure that very low budget productions cannot access and take up valuable administrative time • Online application process should make for straightforward administration and data tracking
Weaknesses	• System has not yet been heavily accessed by major international productions
Opportunities	• Increase of annual budget required to ensure that international productions can be serviced by the incentive • Eligibility for post-production provides opportunity for further growth, particularly given the strength of Finland's post sector
Threats	• Limited annual budget could limit future growth, and therefore economic and other benefits for Finland

3.3.3. Potential improvements

A key potential improvement to the Finnish system would be an increase in the system's annual budget. The €10 million budget for the incentive was fully utilised by the middle of 2018, underlining the need to increase it.

While Business Finland can pay during production, building cashflow capability and encouraging banks and other institutions to provide cashflow would also improve the system for users.

3.4. Latvia

3.4.1. Overview

Operational since March 2013, Latvia's incentive is a rebate structure that aims to attract the filming of foreign films to Latvia. With a basic rate of 20%, it offers the lowest value of any of the NSFA partners, although the value to productions rises to 25% if Latvia features culturally. The Latvian mechanism also has the lowest annual budget of any partner incentive, at €800,000. It is understood that 2018 is the first year the budget has been fully utilised.

While Latvia has the lowest base rate, a Cabinet Regulation of 18th December 2018 enables the combination of the national and Riga Film Fund incentives for a return of up to 50% of production costs. Previously, producers were limited in the value that could be obtained when combining these systems.[11]

There is an open deadline and the system has no minimum spend requirement. At least 50% of the total budget must be confirmed prior to application and the system can be used for co-productions. Financed by the Ministry of Culture, the incentive is administered by the National Film Centre of Latvia.

The Riga Film Fund is a critical element of attraction for Latvia given the budgetary limitations of the national system, and the ability to combine the city and national incentives for a significant value of up to 50% is very important.

Table 7: Latvia's Co-Financing Fund – Overview of Key Elements

Type	**Rebate**
Value	20%
Additional Value	Extra 5% if Latvia features culturally. Can be combined with the Riga Film Fund for up to 50% of costs, which is very significant
Per project cap	None
Minimum project budget	Minimum total budgets of €711,436 for feature films and animations and €142,287 for documentaries. No minimum spend requirement
Minimum activity	None
Annual system budget	€800,000

[11] *Procedures for Granting State Budget Co-financing for Foreign Films in Latvia.* Cabinet of Ministers Regulations No.163, with updates of 18th December 2018

Application deadline	None: system operates with an open tender
Application processing	Applications must be submitted no later than 3 months after filming. The National Film Centre evaluates within a month
Eligibility	Feature films, animated films, documentary movies
Applicant	Application must be submitted by a Latvia-registered producer or production co-ordinator company
Sunset Date	None

3.4.2. SWOT Analyses

Table 8: SWOT Analysis Of Latvian Incentive from User Perspective

Strengths	• Rebate system is straightforward and well understood by users • Incentive can be combined with Riga Film Fund, which is a crucial element of appeal for Latvia • It is possible for the incentive to be disbursed in two instalments • Flexibility of applications – producers can apply any time • Co-productions are eligible
Weaknesses	• Basic value is not competitive • Application evaluation time is stated in guidelines, but not payment schedule
Opportunities	• Closer alignment with the Riga Film Fund would result in a more competitive offer for international producers
Threats	• €800,000 budget is the lowest in the NSFA Region and was fully utilised in 2018. This is a significant threat, as major producers need to plan projects in advance and require certainty that an incentive will be available • Guidelines do not state that television drama is eligible. This is a major threat given the size of this market

Table 9: SWOT Analysis Of Latvian Incentive from State Perspective

Strengths	• Incentive is focused on attracting international productions and investment to Latvia
Weaknesses	• The rate and annual budget offered by the system not as attractive as Latvia's competitors, limiting its effectiveness in attracting its investment
Opportunities	• Increase of annual budget to ensure that international productions can be serviced by the incentive
Threats	• Limited annual budget likely to limit future growth, and therefore economic and other benefits for Latvia

3.4.3. Potential Improvements

With the lowest annual budget in the NSFA region, which was utilised fully in 2018, an increased budget is a critical improvement.

Given the need to establish Latvia more on the international stage, consideration should be given to increasing the value of the incentive thereby making it more competitive with rivals and enabling faster growth of the industry.

While it is possible for the incentive to be disbursed in two instalments, building cashflow capability and encouraging banks and other institutions to provide cashflow would also improve the system for users.

4. COMPETITOR ANALYSIS

4.1. Overview

Almost every European country now offers an automatic incentive system. This creates a highly-competitive landscape where the finer details of each system, and a country's underlying offer, can therefore affect its ability to successfully attract production.

The incentive value on offer across the NSFA Region roughly sits in the middle of the average in the EU and the EEA, with Estonia offering a base rate of 20-30%, Finland 25%, and Latvia 20%.

However, the rate of specific competitors can be higher. For example, Romania's incentive offers a base rate of 35%, which can rise to 45%.

This section summarises selected European competitors. However, with nearly 100 incentives globally there is worldwide competition for the type of production NSFA is aiming to attract.

4.2. Selected Competitors

NSFA's regional competitors identified as part of this Study offer some of the largest incentives by value in Europe. While Lithuania has shown that it has been possible to build a strong service industry based on a rebate value of 20% , in combination with a well-connected service sector, attractive locations and low costs, the increasing competitiveness of the industry is underlined by the fact that Lithuania has increased its incentive to 30% from 2019.

Table 10: Analysis of Competitor Incentives

Country	Type	Value	Additional value	Per project cap	Annual budget	Eligibility	Sunset	Notes
Hungary	Rebate	30%	–	None	€104 million in 2019[12]	Film, TV drama, other TV, documentary, other	2024	25% of eligible expenses can occur abroad
Lithuania	Tax Shelter	30%	–	None	€50 million annual cap	Film, other TV, documentary	2023	
Norway	Rebate	25%	–	–	€7 million in 2019	Film, TV drama, documentary	–	
Romania	Rebate	35%	10%	€10 million	€50 million	Film, TV drama, other TV, documentary, other	2020	

[12] It is likely that it is likely that HUF 8 to 10 billion will be left over from the 2018 budget that can also be utilized in 2019. *Changes to the Hungarian film legislation from 2019.* OrienTax, 20th December, 2018

5. POTENTIAL HARMONISATION OF INCENTIVES

5.1. Overview

In marketing a joint film Region, it would assist NSFA if the underlying incentives offer which is so critical to attracting production could be linked, or harmonised. This would strengthen the Region's overall offer since it would make it more straightforward for producers to move shoots between partner countries. For projects being undertaken in a single partner country it could enable producers to draw on workforce, equipment, and services from other countries without diluting the value of the incentive in the country they are shooting in.

This would be a unique selling point, given potential limitations facing NSFA partners in areas such as workforce capacity. This is explored further in the following sections.

5.2. Feasibility and Challenges

The harmonisation of screen sector production incentives across borders has not been significantly undertaken internationally. Countries, states, and provinces tend to take a competitive stance in their bid to attract high-value international production, while underlying legislation may be focused on qualifying expenditures that relate to national (or state and province-level) goods and services to ensure that benefits are retained within legislative borders.

This is the case with the NSFA partner incentives in their current formulation. Estonia's incentive focuses on Estonian tax residents; Finland's focuses on costs incurred in Finland; and Latvia's focuses on costs utilised in Latvia.

Given the challenge of building and co-ordinating political will, finance ministry support, and concurrent substantial legislative change across three countries, it is considered unlikely that a single harmonised incentive system can realistically be created across the NSFA countries.

However, it may be possible to amend underlying legislation at individual country level to attempt to create harmonised national incentives that share some common characteristics in key areas, such as:

- Headline rate;
- Qualifying costs;
- Eligibility;
- Minimum spend requirements;
- Caps;
- Application and administrative procedures and processes; and
- Payment and related processes, including the potential to disburse finance in instalments.

Harmonisation in these areas would create a similar offer for producers, providing clarity and ease of use when working across different countries in the NSFA Region. Even if this would involve multiple national applications a matched offer in the key areas above, and similarities in procedures and processes would reduce some of the complexity in having to assemble and submit multiple and different national applications for one project.

It is noted that there is some precedent both internationally and in the Region. For example, Estonia's incentive is extended to non-tax residents in some cases: "The [Estonian Film Institute] may deem the staff costs to be eligible in respect of an employee who is not a tax resident of Estonia, but who has a significant impact on the Estonian film industry."

State Aid is also a key consideration, however, and plans should be explored further with specialist legal advice to ensure they are compatible with State Aid legislation. It should be noted that the European Commission's General Block Exemption Regulations, which underpin

State Aid in the European Union, are due for renewal in 2020. It is currently unknown what form any renewal will take but major changes are not anticipated for the film sector. A watching brief should be maintained by the NSFA partners.

5.3. Key Similarities

Currently, the partner incentives do share some similarities. For example, all of the incentives are based on a rebate model, which would make harmonisation more straightforward as the underlying systems would not have to be changed.

In addition, all existing systems are applicable to co-productions. While major inward US projects would not utilise a co-production structure, this does enable independent co-productions to use the incentives. This underlines the fact that NSFA strategy should be based on both international projects and co-productions from Europe and elsewhere.

5.4. Key Differences

While there are some similarities, there are considerable differences, as outlined below.

Annual system budget. This is a key and significant point of difference between the systems. While Estonia has no cap as from 2019, Latvia's is the most limited in terms of the budget available to service incoming applications, at €800,000. With the potential to attract major film and high-end television to the Region – and the significant budgets attached to such productions – the annual amount assigned is insufficient to service even existing throughput. Finland's is the largest cap, at €10 million. The presence of such caps can be a significant hurdle in attracting major foreign productions, since they create uncertainty around whether there will be enough finance to service production throughput. Indeed, this is underlined by the fact that both Latvia and Finland's budgets were used up before the end of their most recent annual terms. This is a threat to the success of NSFA, and the project's ability to achieve its stated aims generally, since continued caps will undermine efforts to attract and service major productions, particularly in the case of Latvia's limited budget.

Removal or significant extension of caps across all partner countries should be a key priority and would ensure that all potential incoming producers could be certain that their projects could be serviced by existing incentives. As it stands, the fact that Finland and Latvia's budgets have been exhausted means that productions would instead look to other production hubs.

Incentive value is also a key point of difference, with differing headline rates: Estonia's incentive is 20-30%, Finland's is 25%, and Latvia's is 20%. The Latvian national incentive offers an extra 5% if Latvia features culturally, and further offers the potential to combine with the Riga Film Fund incentive for a value of up to 50% of costs. Clearly, some partner countries present as being more attractive than others, while projects shooting across multiple countries would receive different rates: standardisation to a single uniform value would be a key area of harmonisation and would be an important factor in marketing a unified, joint incentive offer.

Minimum budgets are key point of difference. Variable budget and spend requirements are a key and significant difference. Relevant minimums are as follows:

- Estonia specifies €1 million for feature films, €2 million for full-length animated films, €250,000 for short animation films, €500,000 for animated series, €200,000 for TV series episodes and €200,000 for documentary films;
- Finland specifies minimum total budgets [and spend] of €2.5 million [€150,000 spend] for feature films, €325,000 [€50,000 spend] for documentaries and €5,500 per minute [€250,000 spend in total] for TV series and animations; and
- Latvia specifies minimum total budgets of €711,436 for feature films and animations and €142,287 for documentaries. No minimum spend requirement.

Eligibility also differs. Estonia's system is relevant for feature films, feature documentaries, animation films, animation series, high-end television drama and the post-production of these genres. Finland's is relevant for feature films, documentary films, serial fiction, animation. Pre- and post-production costs are eligible. Latvia's is relevant for feature films, animated films, documentary movies. Post is not stated by Latvia, which is a key difference – particularly since Finland's post offer would add competitive edge to a harmonised NSFA incentive.

Additional value is also a point of difference, with Estonia's focus on local creatives not matched by the other partner systems.

5.5. Harmonising Incentives

There are two main models of potential incentive harmonisation:

1. Complete harmonisation; and
2. Standardisation of key elements.

Given the legal, political and logistical challenges of creating a fully harmonised system the second model is likely to be the most effective model. Both are explored in the following sub-sections.

5.5.1. Complete harmonisation

In creating a joint NSFA film Region a fully-harmonised incentive system would be a major selling point. It would enable producers to shoot across the partner countries, or hire workers and services from other partner countries in the knowledge that they would be eligible for a single incentive value, and processed through a single application regardless of which country they are based in.

However, creating such a system would require significant legal, political and logistical efforts and it would be questionable whether a positive outcome could even be achieved. This is particularly unlikely given the political and economic challenges that treasuries in each country would need to overcome in paying incentives for production expenditure that may not have occurred nationally.

Even given political will, the likely length of legislative process in each partner country would mean that the benefits would not be in place for partners in the short or even medium term. There is also logistical challenges regarding process and administration, as well as marketing and service functions and how distribution of projects can be handled fairly.

5.5.2. Standardisation of key elements

Given the challenges involved in creating a new, single, harmonised incentive a more realistic option would relate to amending existing legislation in each partner country to create similar systems that could be marketed as linked incentives.

As previously outlined, it is recommended that this should focus on the harmonisation of several critical elements of each system, namely:

- Headline rate;
- Qualifying costs;
- Eligibility;
- Minimum spend requirements;
- Caps;
- Application and administrative procedures and processes; and
- Payment and related processes, including the potential to disburse finance in instalments.

Harmonisation in these areas would create similarly-structured offers that would be easy for producers to understand. It would not involve the creation of new pan-national legislation, and the process could in fact be used to improve incentives in critical areas, such as the removal of caps (see following section).

While the retention of three national systems would continue to require separate applications from producers shooting across partner countries, standardisation of terms, requirements, and processes would make the NSFA Region more production-friendly than producers considering working across multiple countries with incentives that have not been linked or standardised.

5.5.3. Removal of system caps

While Estonia's incentive has no set annual budget, or cap, from 2019 a key area of standardisation and improvement for the Finnish and Latvian systems is the removal of their caps. Currently, these incentives are capped at €10 million and €800,000 respectively and this is a critical hurdle – both for attracting production, and ensuring harmonisation of the offer across the NSFA partner countries.

The presence of caps in two of the three partner countries limits the potential of the NSFA concept. This is because a production undertaking activity across all three countries would be constrained by potential financial limitations in Latvia and Finland, where no such constraints are present in Estonia.

Indeed, the annual incentive budgets of both Finland and Latvia were both exhausted before the end of their most recent annual terms. This is a serious limitation for attracting production.

In this way, caps place a ceiling on the amount of production that can be attracted and serviced. If all of a system's allocated budget is used up early in a financial year the incentive cannot accept any further productions until the funding is replenished – perhaps in many months. In the meantime, productions are not likely to wait and will instead use other jurisdictions.

Another problem is that caps create uncertainty for producers around whether finance will be available – which can undermine confidence and limit interest. Removal of caps in each NSFA country, or budget increases, would therefore assist in stimulating further growth and provide an attractive element that could be co-marketed to foreign producers.

A well-designed and structured incentive system should deliver positive economic returns to a government that outstrip any initial financial outlay. This is the case with a range of incentives, including major markets such as the UK. With no cap in place, any upturn in usage increases the economic returns to governments, as well as providing additional benefits such as employment, skills development, national branding and screen tourism.

It is recommended that the partners commission an economic impact analysis of existing systems to adequately model and explain their returns to government, as well as a review of their structure to demonstrate the potential impact of cap removal.

5.6. Strategy for Combining Systems

5.6.1. Lobbying strategy

Even achieving a model where key elements are standardised across the three countries will require political will to ensure that legislation can be changed, including where it could affect treasury budgets. This will involve presenting the key economic, strategic and other opportunities created by NSFA and ensuring politicians understand why updated and standardised legislation will create additional benefits for each of the partner countries.

In terms of messaging, it should be emphasised that the NSFA project provides a major opportunity to expand the ability of the partner countries to benefit from the current global production deluge. Attracting high-value production can bring significant economic impacts, and there are multiple examples from established production markets.

Currently, the economic and industrial value of the film sector, and the major growth it is currently undergoing, appears to be little understood in the Region. A lobbying strategy should therefore underline the potential economic and employment impact – with the sector able to create high-value, future-facing employment regionally as well as in established capital areas.

To this end, and as previously outlined, the partners should consider commissioning an economic impact study of the NSFA countries. This should provide independent and robust analysis of the economic benefits created for government by the industry and incentives, as well as explaining other impacts such as skills development. The study should also underline the limiting effect of current system caps in Finland and Latvia, and model how the removal of these caps would increase attractiveness to foreign investors and, subsequently, benefits to government.

The fact that standardised incentive elements will make the partner countries more globally competitive in cutting-edge creative industries is also a strong argument – particularly given the development of this area across the Region. Meanwhile, NSFA's strategic alignment with the wider drive towards collaboration across the Baltic should be emphasised.

Building consensus is likely to be complex, given the fact that the screen sector sits between cultural and economics ministries. In terms of targets, financial and legal departments within the relevant government ministries will be crucial. It is also noted that key – and senior – politicians in Estonia and Finland are likely to be aware of the NSFA project after a joint meeting in May 2018, at which the project was mentioned.

5.7. Attracting Finance Providers

A strategy for combining systems should also focus on ensuring they are more user-friendly for producers – particularly in relation to increasing cashflow provision for the incentives. The NSFA partners should be proactive in presenting their plans to key Regional and foreign banks and financial providers. NSFA should ensure that such institutions are aware of plans to harmonise incentives, and the business opportunity that will be created for providing cashflow.

Currently, the lack of cashflow provision is a weakness, and additional options would increase attractiveness of the Region, as the value of incentives can be used by producers as production financing.

The cashflow model is commonly used in developed markets with established and stable incentives. However, as a relatively specialised banking product it has not yet developed significantly in the NSFA Region.

This is partly due to the fact that incentives are relatively new instruments, and because budgets are not at a level that would be attractive for banks. NSFA's objectives are likely to change this, and the market opportunity should therefore be strongly presented to financial providers.

To this end, NSFA should also explore Creative Europe's Cultural and Creative Sectors Guarantee Facility. This is a financial instrument focused on lending to SMEs. In June, 2018, the European Investment Fund also announced a programme of capacity building to financial intermediaries operating under the facilities. This will provide technical assistance, knowledge-building and networking opportunities improve the ability of financial intermediaries to assess risk.

At the same time, lobbying efforts should be made to enable payment of the incentives in instalments, or stages. This would make the systems more user-friendly from a cash flow perspective, and particularly attractive for high-end television series producers who would prefer to apply for incentives after a tranche of filming rather than wait until a lengthy and expensive production process is completed. It is noted that the Latvian incentive can be paid in instalments and the Finnish incentive can be paid during production, but a standardised approach here would make the Region more competitive and attractive.

6. APPENDICES

6.1. Consultee List

- Sven Aulik, Sectoral Manager (Export Advisors), Enterprise Estonia
- Uldis Dimisevskis, Head of Production, National Film Centre of Latvia
- Ivo Felt, Allfilm
- Alise Gelze, Tasse Films
- Petri Jokiranta, Subzero Film Entertainment
- Mati Kaalep, Audiovisual Advisor, Ministry of Culture
- Janis Kalejs, Member of the board, Film Service Producers Association of Latvia
- Dace Lešinska, Project Manager, Riga Film Fund
- Laura Laksonen, Head of Industry / Finnish Film Affair, Helsinki International Film Festival, Finnish Film Affair
- Martin Lindpere, Prime Minister's advisor (economy and finance), Prime Minister's office
- Marge Liiske, Managing Director, Baltic Event
- Laura Mäkelä, Senior Ministerial Advisor, Ministry of Education and Culture
- Ilkka Matila, MRP Matila Röhr Productions
- Pia Naarajärvi, Business & Legal Management Consultant, Beach House Consulting
- Sara Norberg, CEO, Korjaamo
- Fred Nordstrom, Degree Director, Arcada University of Applied Sciences
- Nele Paves, Estonian Film Institute
- Anu-Maaja Pallok, Creative sector advisor (creative law), Ministry of Culture
- Ville Penttilä, Angel Films
- Jānis Putniņš, Director of the National Film School, National Film School of the Latvian Academy of Culture
- Dita Rietuma, Director, National Film Centre of Latvia
- Esko Rips, Nafta Films
- Aivar Riisalu, Deputy Mayor (enterpreneurship), City of Tallinn
- Ieva Romanova, Chair of the Filmmakers Union, Latvian Filmmakers Union
- Guntis Rubins, Counsellor, Economic and Commercial Affairs, Embassy of the Republic of Latvia, UK
- Katrin Saks, Head, Baltic Film, Media, Arts and Communication School at Tallinn University
- Kertu Saks, Head, Kultuurkapital / Cultural Endowment
- Merja Salonen, Product Manager, Business Finland
- Taina Seitsara, Senior Advisor, City Executive Office, Economic Development, City of Helsinki
- Sergei Serpuhov, Baltic Pine Films
- Marianne Slot, Founder, Slot Machine
- Petra Tarjanne, Ministerial Adviser, Ministry of Economical Affairs and Employment
- Piret Tibbo-Hudgins, Head of Production, Estonian Film Institute
- Guntis Trekteris, Ego Media
- Roberts Vinovskis, BB Rental
- Margit Vremmert, Amrion.

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6.3. Methodology

The methodology used for the Study involved nine methodological phases:

1. Preliminary Document Review;
2. Inception and Steering Meetings;
3. Data Gathering and Desk Research;
4. Confidential Consultations;
5. Mapping, Gap Analysis and SWOT;
6. Research Synthesis and Team Brainstorm;
7. Interim Stage Reports;
8. Further Research; and,
9. Final Stage Reports and Workshops.

These are outlined in the following sub-chapters.

6.3.1. Preliminary Document Review

To begin the analysis, and to prepare for the Inception Meeting, the SPI Team undertook a review of all relevant literature. This included incentive regulations and reports on production and film industry conditions in each partner country.

6.3.2. Inception and Steering Meetings

The Inception Meeting was held during the 2018 Cannes Film Festival and was used to explore all aspects of the Study with the Client. This included the Study aims and objectives, the methodology, deliverables, readership, data sources, consultees and next steps.

6.3.3. Data Gathering and Desk Research

Building on information gathered to date, this element involved researching and analysing data in a number of areas, such as historical and current screen production activity in the NSFA Region and internationally, the provision of infrastructure such as studios, the variety of shooting locations, the existence of film commissions, key training providers, and competitor markets.

6.3.4. Confidential Consultations

Confidential consultations were a key phase, used to fill data gaps and build upon the data gathered through other elements of the workplan. A consultation visit was undertaken to each partner country and over 40 individuals were consulted with. This included NSFA stakeholders, local and international professionals, suppliers, training providers, government representatives, and relevant trade associations.

6.3.5. Mapping, Gap Analysis and SWOT

Connected to the data gathering and desk research phase, plus the emerging results from the consultations, this phase involved gathering evidence regarding production infrastructure in the Region and undertaking an analysis of gaps and SWOT analyses for each country.

6.3.6. Research Synthesis and Team Brainstorm

To prepare for writing the Interim Stage reports, SPI collated, reviewed and analysed all data and findings of the Study.

6.3.7. Interim Stage Reports

These were delivered in PowerPoint format, and outline interim findings in all areas. Results were discussed with the Client at the 2019 Berlin Film Festival and comments received.

6.3.8. Further Research

Based on comments, a short programme of further research was carried out to complete all data and information gathering and analysis.

6.3.9. Phase 9: Final Stage Reports and Presentations

This document represents one of two Final Stage Reports. Further presentations will be undertaken in each partner country.

6.4. About Olsberg•SPI

SPI provides a range of expert consultancy and strategic advisory services to public and private sector clients, specialising in the worlds of film, television, video games and digital media. Formed in 1992, it has become one of the leading international consultancies in these dynamic creative screen industries. With its trusted insight and track record the firm has a diverse client base that includes:

- Multi-national public authorities
- National governments, including culture and economics ministries
- National film institutes and screen agencies
- Regional and city development agencies and local authorities
- National and regional tourism agencies
- Studios and facilities companies
- Independent companies at all points of the screen business value chain
- National and international broadcasters
- Trade associations and guilds
- Training and skills development organisations
- Publishers and conference organisers

Olsberg•SPI has expertise in all areas of the fast-moving global creative sectors, and the firm's services span:

- Strategy and policy development for the creation and management of healthy and sustainable national and regional screen sectors
- Advising on the creation and implementation of fiscal incentives for the screen industries
- Research projects on all aspects of the value chain – including mapping and economic impact studies
- Business development for content companies
- Strategic development of studio facilities, including business planning and feasibility studies
- Acquisition and divestment advice for owners of SMEs
- Evaluations of publicly-funded investment schemes
- Creating prospectus-style funding proposals
- International cost comparisons for film and television productions
- Advising on inward investment and exports for national and regional public bodies
- Identifying and measuring the cultural value of a productive screen sector
- Analysing workforce skills, diversity and related best practice strategies
- Assessing the value of tourism generated by a nation or region's film and television output and developing strategies to maximise future impacts
- Providing strategic advice for screen commissions, including business and marketing plans

Clients for these services have included:

- Association of Film Commissioners International (US)
- Australian Film, Television and Radio School
- Australian Screen Association
- Barcelona Culture Institute
- BBC Worldwide
- The Bottle Yard Studios (Bristol)
- The British Film Commission
- The British Film Institute
- Canada Media Fund
- The Canadian Media Production Association
- The Commercial Broadcasters Association (London)
- The Council of Europe
- Creative England
- Creative Scotland
- Department of Culture, Heritage and the Gaeltacht (Dublin)
- Directors UK
- Doha Film Institute
- Emerging Pictures (New York)
- The European Audiovisual Observatory
- The Eurimages Fund (Strasbourg)
- Film i Väst (Gothenburg)
- The Government of Hong Kong SAR
- Greek Film Centre
- Ingenious Media (London)
- Instituto do Cinema e do Audiovisual (Lisbon)
- Irish Film Board
- Mauritius Board of Investment
- MG ALBA (Scotland)
- The MEDIA Programme of the European Union

- Ministry of Cultural Heritage and Activities (Italy)
- Motion Picture Association of America (Brussels)
- The NEC (Birmingham)
- The New Zealand Film Commission
- North Star Film Alliance (Estonia, Finland and Latvia)
- The Norwegian Film Institute
- Pinewood Group
- Polish Audiovisual Centre Foundation
- Prime Studios (Leeds)
- Producers Alliance for Cinema and Television (London)
- Sarajevo Film Festival
- Screen Australia
- Screenwest (Perth)
- Screen Yorkshire
- Sigma Films
- Tourism NI (Belfast)
- Trinidad and Tobago Film Company (FilmTT)
- Ukie.

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Interreg Central Baltic