

Creation, Innovation, Promotion – Competitiveness of the European Audiovisual Industry

10–11 September 2019, Finlandia Hall, Helsinki, Finland

Conference report

The main objective of this conference organised under Finland's Presidency of the Council of the European Union was to provide a platform to discuss how to promote a thriving European content industry in the 2020s.

Some 230 participants joined the discussion on current market trends and the future of the audiovisual (AV) and creative sectors in Europe. Building on the understanding that digitalisation has and will continue to radically shift the audiovisual and media landscapes in Europe, the conference invited experts to contemplate how to raise awareness of the AV and creative industries' strategic importance in building a sustainably competitive Europe. The programme of the conference is attached to this report.

Across five sessions, the conference sought to develop a shared European vision for enhancing the competitiveness of the audiovisual and creative industries. In developing this vision, the conference maintained European talent at its heart and considered how to promote an environment that would be conducive to innovation and the scalable production of content.

While identifying challenges facing these sectors, the conference focused on highlighting the opportunities presented by European strengths such as quality content, gender equality and diversity on the one hand, and the shifting landscape on the other. To make the most of Europe's assets in innovation and enhance the competitiveness of the European audiovisual sector, the conference suggested we could consider the following three factors: **people**, **partnerships** and **policy**.

Digital disruptions: discussions on current developments in the audiovisual and media landscapes

When discussing the current trends in the audiovisual and media sectors, the conference considered the formidable market opportunities linked to the explosion in online content consumption. In an interconnected world where interactivity is one of the new frontiers in content production, phenomena such as rising demand for new immersive AV experiences, the incredible growth of gaming content, increased opportunities to give new life to European cultural heritage through technology, and the importance of artificial intelligence in targeting audiences have arisen. The arrival of 5G means increased access to data and data delivery, while continued growth in subscription services is to be expected.

The conference also looked into the impact of VR, AR, AI and machine learning on the development of new media content as well as the management of AV businesses in production, licensing and distribution through data management. Machine learning media are challenging our notions of experience and identity and, by the same token, our views on ethics.

Mediatization and digitalisation are almost ubiquitous in our daily lives, indicating a need for systematic media education. Topical questions on the subject were considered in Tuesday afternoon's parallel session.

We now have wider access to information, more opportunities for democratic participation via digital tools and new forms of community, but these developments have also shown that there are vulnerabilities in our democratic systems. Disinformation and polarisation of values and worldviews pose challenges to maintaining a cohesive society. The conference agreed that media education can provide tools for enhancing citizenship and social cohesion, but cannot be seen as a magical silver bullet that can tackle a diverse range of problems, such as fake news, hate speech and radicalisation. In the discussions it was also agreed that more support should be put on cross-sectoral, multiprofessional and multidisciplinary collaboration. Media education should not only target young people, for example, but also the elderly, and situational contexts, such as sparsely populated areas, should be taken into account when designing media educational initiatives.

The second day of the event focused on the competitive position of the cinema and broadcasting industries when facing global competition. It was felt that Europe should make the most of this 'golden age for TV drama' and its capacity to nurture creativity through a unique system of public investment and partnerships (cultural and film agencies, AV funds, public TV), regulatory support and financial incentives.

Challenges in the CCS

The cultural and creative sectors (CCS) employ 12 million people and are worth more than EUR 110 billion in Europe, but are still facing challenging in terms of their competitive ability. Most of these challenges are well known and not new: underfunding, lack of scale in the face of international competition, too limited a capacity to produce for a global market as well as distributing and marketing internationally. Increased international market concentration, new consumption trends and business paradigms largely driven by data management are adding to the challenges. There are several gaps that hinder competitiveness in the CCS:

- insufficient knowledge of technology, which weakens the capacity of the sector to embrace the digital shift, in particular its potential for managing consumption data;
- insufficient focus on the industry's demands in the arts and higher education;
- insufficient grasp of new consumption patterns and trends;
- lack of investment in developing ambitious production and distribution initiatives with worldwide potential capable of branding European players as a source of quality content;
- the size of the largest European media players compared with the financial and marketing muscle of internet giants (Facebook, Apple, Amazon, Google, Netflix, Tencent, Alibaba, Disney, Comcast, etc.);
- the weak market share of European content in international markets;
- gender bias in project evaluation and funding.

While some of these problems are sector-specific, many of them also apply to other sectors of the European policy, as pointed out in the preliminary observations of the conference. The need to speed up and catch up with global competition is felt in many fields, such as research and innovation, higher education and trade. Even with challenges ahead, Europe can and should adopt a proactive mindset in promoting its competitiveness comprehensively across different sectors. In this way we can foster a brand that is ours and uniquely European, based firmly on our shared values of diversity, equality and pluralism.

Stepping up to the challenge: investing in people

Creativity is a prerequisite of innovation. At EU level, fostering creativity could mean investments in skills development and competence building, cross-innovation and creative ecosystems to retain and attract talent to Europe. Observations from the conference suggest that this would entail:

- recognising that artists, creative talents and cultural workers are primary assets in innovation and disruption strategies. They should be empowered to

spearhead and influence innovation for the latter to be economically and socially meaningful;

- integrating IT and entrepreneurship modules on business models and marketing into art and higher education curricula to foster the development of new skills and competences and better focus on the industry's demands;
- making the most of creative hubs, innovation labs and incubation centres prevalent in European cities to encourage entrepreneurial, experimental and collaborative working processes across disciplines, contributing to the development of a decentralised and internationally connected creative ecosystem in which Europe is at the heart as a centre of creativity and free expression;
- developing policies to break down silos between AV sectors on the one hand, and between science, research and art on the other, to make the most of digital opportunities, notably in the deployment of technical services and the use of new forms of immersive storytelling (AR, VR, XR);
- promoting media literacy to keep up with the demand for quality and diverse content and ensuring that all educators have the possibility to update their professional competences if needed;
- developing sustainable structures (policies, resources) to support a systematic approach to media education. The process should take the form of an open dialogue with different stakeholders and remain flexible in terms of local freedom and contexts.

Better together: tapping into partnerships

The conference suggests that competition in the digital single market and global markets calls for scale. Different partnerships both within and across the public and private sectors can bring major competitive advantages by helping different players reach a critical mass and encourage cross-innovation. Moreover, teaming up can diversify the media landscape, ensuring a plural offer of content to audiences. Tapping into partnerships could mean:

- encouraging collaboration and teaming up with European players across the value chain to enable:
 - investment in ambitious projects and catalogues of content to feed into distribution pipelines,
 - funding of pan-European and international marketing campaigns,
 - mutualisation of technical, licensing and service costs to improve the offer to consumers and develop competitiveness in data management,
 - development of pan-European or local subscription linear services;
- developing relationships between media players and technology companies and research labs to enable AV companies to make better use of algorithms, artificial intelligence and big data in targeting audience and advertisers or in simplifying licensing processes;

- ensuring funding for joint pan-European endeavours across the value chain;
- developing financial resources to attract public and private investment in the sector;
- promoting cross-sectoral approaches to media literacy to foster critical understanding and appreciation of pluralised media content throughout society.

Creation, innovation and promotion: policy fit for the digital age

From a policy point of view, it was agreed that a common understanding on the strategic importance of the AV sector in culture, trade, industrial, economic, social, external relations and innovation policies should be developed. Furthermore, it was felt that the focus of policies governing the competitiveness of the AV sector and the CCS more broadly should be on building the right environment for creativity, entertainment and art to flourish.

For the European Union to be in a position to shape its own digital future in which the audiovisual and digital media industries are at the core, the conference highlighted the importance of policy that allows for:

Creation through:

- challenging gender bias in the industry as well as in funding institutions;
- regulating in such a way that European AV players are in a position to compete with international players which master technology and have incredible financial power in production as well as distribution;
- encouraging the full use of existing funding opportunities to harness synergies between EU programmes (e.g. Creative Europe, Horizon Europe, InvestEU);
- increasing EU funding and financial engineering mechanisms through the guarantee facility and equity investment to reinforce the financial and investment capabilities of European players.

Innovation through:

- integrating AV policy consideration into innovation, research and education policies to promote a more holistic approach in innovation policy, which would include taking a more holistic approach towards integrating creativity into business and research processes;
- mobilising EU financial tools to boost investment in creation and innovation to promote the growth and reinforce the financial capacity of the sector;
- ensuring that industry forerunners, such as the games industry, can benefit from a well-functioning regulatory environment that supports innovation;

- focusing support on projects driven by female producers, developers, and filmmakers.

Promotion through:

- ensuring and monitoring the implementation of the Audiovisual Media Service Directive across Member States to support the deployment of digital services that promote cultural diversity and a strong cultural offer representative of local European cultures;
- encouraging a competition policy focused not only on the impact of concentration on prices but also on consumer choice and the diversity of the offer;
- ensuring that large international digital platforms do not discriminate against European content and smaller independent players in licensing terms;
- integrating AV policy considerations in the areas of competitiveness and market access into EU trade and external relation policies;
- developing funding schemes that support experimentation in distribution and marketing at pan-European level (notably with a view to promoting the distribution of European works through improved better data management or cost mutualisation);
- establishing sustainable structures to support systematic media education to reach and educate future audiences;
- ensuring a more harmonised vision throughout Europe on the importance of supporting local and European content as part of promoting European values (cultural diversity, gender equality, freedom of expression, LGBTQI+ rights, memories and heritage) and Europe's industrial competitiveness in the growing media and entertainment sector.

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Day 1 – Tuesday 10.9.2019

Conférencier: *Ms Lotta Backlund*, Chair of Audiovisual Producers Finland
Rapporteur: *Mr Philippe Kern*, CEO, KEA European Affairs

9.30

Welcoming address

- Minister of Science and Culture *Hanna Kosonen*
- Director *Giuseppe Abbamonte*, DG CONNECT, European Commission

10.00

First Session: The right environment for creativity and talent

Moderator: Vice President *Anna Valtonen*, Art and Creative Practices, Aalto-university

How to create an appropriate and attractive environment for talent and skills development? How to combine high-quality research, science, art, technology and business? Possibilities of interdisciplinary, multi-actor, and cross-sectorial practices in Europe.

- Future Competitiveness; Vice President *Anna Valtonen*, Aalto University
- Director *Manuel José Damásio*, University of Lusofana, Portugal
- Innovation Manager *Maria Carmen Fernández Tallón*, Mediapro

11.30

Breaking silos: new mindset in innovative storytelling

Moderator: Designer, game developer *Jaakko Kemppainen*, Arts Promotion Centre Finland

Modern success stories are built across different media, understanding and utilizing the strengths of the technologies used by different audiences. Games industry as the forerunner of digital shift and driver of technological innovation in creative storytelling.

- Marrying creativity with data: case Angry Birds; CEO *Kati Levoranta*, Rovio
- New storytelling practices in the immersive and interactive media landscape, VR Curator, Venice Biennale International Film Festival Head of Studies, Venice Biennale College *Michel Reilhac*
- Managing Director *Erik Robertson*, Nordic Games

14.00–17.15

Parallel sessions at Finlandia Hall and Helsinki Central Library Oodi (Kino Regina)

Finlandia Hall

14.00

Second session: Changing markets and value creation: need for more clarity and transparency

Moderator and the first speaker of the session: CEO and Media Expert *Johanna Koljonen*, Participation Design Agency

Where is European audiovisual industry going? How to safeguard and boost European diversity? Overlook on the latest industry trends and movements in the streaming market. What should be the role of public funding? What are the challenges that producers are facing? *Johanna Koljonen* presents the 2019 Nostradamus report "*Relevance in a new reality*".

Discussion: In a marketplace dominated by global companies, what opportunities to innovate production, financing and distribution do blockchain and other developing technologies offer to European audiovisual industry?

- CoFounder *Maria Tanjala*, FilmChain
- Director *Ani Korpela*, Head of Content and Applications Business, Elisa Corporation
- *Edith Sepp*, Head of Estonian Film Institute and vice president of European Film Agency Directors (EFADs)

Helsinki Central Library Oodi Kino Regina

14.00–17.00

Parallel session on Media literacy: Towards good life in 2020s - Enhancing citizenship and social cohesion through media literacy

Sustainable competitiveness in the audiovisual sector calls for quality content and audiences, who find it meaningful. By enhancing citizenship and social cohesion, media literacy is key in building the basis for democratic societies and competitive content industry of the future.

Conferencier: Director of Department of Media Education and Audiovisual Media, National Audiovisual Institute

14.00 Welcoming speech, National Audiovisual Institute

14.10 Deputy Head of Unit *Audrius Perkauskas*, DG CONNECT, European Commission

14.20 Keynote: David Buckingham, UK
The keynote will examine the emergence of media education and media literacy as established disciplines and policy priorities in Europe.

14.50 Comment: Päivi Rasi, University of Lapland, Society of Media Education, Finland.

Finlandia Hall

16.00

Third session: Core European values: what about diversity and gender balance?

Moderator: CEO *Petri Kemppinen*, Nordisk Film & TV Fond

Discussion: Pursuing quality through gender equality and diversity

Numbers are important, but in this panel discussion panellists are challenged to look beyond them and discuss the issue of diversity – including gender balance – from the content perspective. What are the stories that are being told, who are the protagonists, what are the themes and issues.

- Film producer, president *Helene Granqvist*, the WIFT International
- CEO *Laura Houlgatte*, International Union of Cinemas
- Executive Director *Roberto Olla*, Eurimages Fund
- Photographer, media artist and film director *Marja Helander*

Helsinki Central Library Oodi Kino Regina

15.10 Panel discussion: Media Educational Competences in the 2020s

In the panel discussion European experts will reflect on the future competences relating to media education in different sectors.

Panellists:

- *Kristiina Kaihari*, National Agency for Education, Finland
- *Guna Spurava*, University of Latvia, Latvia
- *Niels Brüggem*, JFF - Institut für Medienpädagogik in Forschung und Praxis, Germany
- *Alessandra Falconi*, Zaffiria, Italy

16.20 Futures of Media Literacy in Europe

"What is the best scenario for media literacy in the future Europe?" In this session the futures of media literacy in Europe will be discussed based on video presentations by international media literacy experts. Audience have the opportunity to participate in the discussion via digital interactive tools. Future views and discussions will be reflected by experts from member states.

Finlandia Hall

17.00

Greetings from ECBN and the ECBN Summit under the auspices of the Finnish presidency of the Council of the European Union, Director *Bernd Fesel*, European Creative Business Network

Video presentations:

- *Paul Mihailidis*, Emerson College
- *Divina Frau-Meigs*, Université Sorbonne Nouvelle
- *Nicoleta Fotiade*, Mediawise Society

Comments from member states:

- *Robert Tomljenović*, Agency for Electronic Media of the Republic of Croatia, Croatia
- *Saara Salomaa*, National Audiovisual Institute, Finland

17.10 **Concluding remarks**, Director *Jorma Waldén*, Department for Art and Cultural Policy, Division for Copyright Policy and Audiovisual Culture, Ministry of Education and Culture, Finland

19.00

Visit & Dinner: The Cable Factory <https://www.kaapelitehdas.fi/en>

European Creative Business Network (ECBN) organizes The European Creative Industries Summit 2019 at the Cable Factory in Helsinki on 11 September. Joint evening programme with members of this European network in the largest cultural centre in Finland.

Day 2 – Wednesday 11.9.2019

- 10.00** **Fourth session: Promoting European cultures in the transformed media environment within Europe and beyond**
Quotas and Prominence
Moderator and first speaker: Head of the Department for Legal Information *Maja Cappello*, European Audiovisual Observatory
 How does the European landscape look like as regards the promotion of European works? How is the prominence of European works promoted in VOD services? What about new players? How does the financing of European film look like? What is the role of public financiers?
 Comments by:
- *Luis Chaby Vaz*, President of European Film Agency Directors (EFADs) and the Board of Directors of the Institute of Cinema and Audiovisual of Portugal
 - CEO *William Page* filmdoo.com & fassoo.com, EUROVOD
- 10.45-11.45** **Let's talk alliances and partnerships!**
Moderator: Executive Producer *Liselott Forsman*, Finnish Broadcasting company YLE, Head of the EBU Fiction Expert Group
- Secretary General *Henrik Hartmann*, Nordvision
 - Director General *Noel Curran*, EBU
 - Digital Chief Policy Officer *Anthony Level*, TF 1
- 12.15-13.15** **Wrap-up discussion: working together to increase European competitiveness**
Moderator: Executive Producer *Liselott Forsman*, Finnish Broadcasting company YLE, Head of the EBU Fiction Expert Group
 What can EU do to strengthen the European competitiveness? How can we promote European works while retaining rights in Europe? Let's solve some challenges together.
- CEO *Jan Mojto*, Beta Film GmbH
 - CEO *Håkon Briseid*, Monster Scripted
 - Managing Director *Alexandra Lebret*, European Producers Club
 - Head of Media Unit *Lucia Recalde Langarica*, DG CONNECT, European Commission
 - Director of European Affairs *Charlotte Niklasson*, Nordic PSM
- 13.15** **Closing of the Conference**
 Permanent Secretary *Anita Lehtikoinen*, Ministry of Education and Culture, Finland