



Union Internationale des Cinémas
International Union of Cinemas

FOR IMMEDIATE RELEASE:

**EUROPEAN CINEMA GROUP UNIC VOICES CONCERNS OVER SWEDISH
PLANS TO SCRAP FILM AGREEMENT**

Cannes, 16.05.2015: The International Union of Cinemas (“UNIC”) has today responded strongly to recently-announced plans by the Swedish Minister of Culture, Alice Bah Kuhnke, to terminate Sweden’s long-standing Film Agreement, as well as proposals to increase the VAT rate on cinema tickets from 6 per cent to 25 per cent.

While many details regarding the Culture Minister’s plans remain unknown, it seems clear that cinema theatres and their audiences will bear the lion’s share of the more than 50 per cent of film funding that will be lost were the Film Agreement to be abolished. Given the undisputed economic, cultural and social contribution of cinemas, theatre owners across Europe have long argued that overly burdensome VAT rates on cinema tickets harm more than just the competitiveness and the diversity of a country’s film and cinema sector. The most recent example for such development is Spain, where a VAT-increase of 13 per cent in 2012 further added to the economic difficulties of the sector and ultimately contributed to the closure of a multitude of cinemas.

After discussions with concerned Swedish cinema operators, Phil Clapp, President of UNIC, commented:

“UNIC members are deeply concerned about proposals to increase VAT on cinema tickets in Sweden and support all of our colleagues in that country in their campaign to ensure that the current reduced rate of 6 per cent be protected. Our research shows that the vast majority of UNIC members in the EU enjoy a reduced VAT rate on cinema tickets and, in return, their territories benefit from above-the-average levels of cinema-going per capita. Higher levels of attendance translate into higher state revenues – a mutually beneficial outcome for all. We would therefore encourage continued dialogue between the Swedish Exhibitors’ Association (Sveriges Biografägareförbund) and the Culture Minister regarding the benefits that protecting the current VAT rate for cinema tickets would have for all involved.”

The announcement appears to indicate a step-change in Swedish film policy, which for many decades was based on broad industry consensus and the principle of co-regulation at arms’ length.

Peter Fornstam, Chairman of Sveriges Biografägareförbund, commented:

“We welcome UNIC’s support and echo the call for further dialogue with the Culture Minister. While we of course understand the desire by some for reform, the Swedish cinema association is particularly concerned about the negative impacts that an increased VAT rate could have on independent rural cinemas, which currently already operate in often difficult economic circumstances.

While by no means perfect, negotiations around the Film Agreement have in the past been a useful mechanism to ensure broad industry consensus regarding the direction of Swedish film policy as well as the independence of Swedish film funding from overly influential government oversight. We hope that the Culture Minister will continue this tradition and ensures broad support amongst Swedish cinema operators regarding the country’s future film policy.”

Notes for editors

UNIC

UNIC - the International Union of Cinemas - represents the interests of exhibitor trade associations and cinema operators covering 36 countries in Europe and in neighbouring regions (<http://www.unic-cinemas.org>). Together these territories account for around 33,000 screens, enjoying annual admissions of over 1 billion and in 2014 around € 7.6 billion in box office revenues.

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