

EMERGING MARKETS AND THE DIGITALIZATION OF THE FILM INDUSTRY

An analysis of the 2012 UIS International
Survey of Feature Film Statistics



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Introduction

Feature films are one of the most popular cultural expressions worldwide, with an audience of approximately 7.5 billion people per year. However, in recent years, the cinema sector experienced structural changes in the production of its movies and greater diversification of its access modes. Audiences are increasingly using a wide range of media (i.e. smartphone, tablet, video-on-demand) to watch movies.

The digitization of movie production and their exhibition in multiplexes has been one of the primary reasons that cinema has continued to attract audiences to theatres in many parts of the world. At the same time, the cinema sector has had to face the impacts of the financial crisis of 2008, which slowed down growth in many sectors of the economy. What have been the impacts of the digitization of the movie industry? Has the rate of digitization been the same worldwide? Do cinema audiences go to movie theatres more often? What are the trends in ticket prices? Is there still an audience for nationally-produced movies?

This report examines these and other aspects of the film industry based on the analysis of harmonised data collected from the 2012 biennial Survey of Feature Film Statistics for the reference years 2010 and 2011 conducted by the UNESCO Institute for Statistics (UIS). In addition, an analysis of data from 2005 to 2011 is also presented for selected indicators to provide insight into the current state of the cinema industry. It focuses on the impact that increasing digitization of film production and exhibition has had on the industry. The report also presents two case study analyses: i) a comparison of the Chinese and USA film markets; and ii) an examination of the film sector in Latin America over the last seven years.

1. Films on top

The majority of films produced today are oriented towards mass market consumption, in particular the youth market. Blockbusters, many based on comics and others being sequels, supported by powerful global mass marketing that bottleneck national and non-Hollywood cinema characterise the global cinema industry with few exceptions.

The global Top 30 list of films, as illustrated in **Table 1**, uses a weighted score to rank films by popularity. It is a measure of audience preference. To create this list, the UIS¹ collects information on the 10 most popular feature films in each country, generally using admissions², and applies a weighted score to calculate a total point count for each country.

As has been the case throughout the 2000s, in almost all countries feature films from the United States of America (USA) (or USA coproductions in conjunction with primarily European countries) dominated the Top 30 (*see Table 1*) in 2010 and 2011. Almost all of these films were distributed by the six major Hollywood studios (with 50% of them released in 3D). Furthermore, the number of animated releases aimed at child-youth audiences was significant, in addition to sequels, prequels and adaptations. The rise and importance of 3D films is also evident between 2005 and 2011.

¹ Refer to the UIS Data Center for a complete database:
<http://www.uis.unesco.org/Culture/Pages/movie-statistics.aspx>

² Most countries measure popularity by cinema admissions, though a few use gross box office revenue.

However, many of the films that are ranked from No. 15 to No. 30 are typically nationally-produced or non-USA-produced films, mostly distributed by local companies.

TABLE 1. TOP 30 FEATURE FILMS IN 2010 AND 2011

2010 rank	Title	Origin	Genre	Weighted score	Language	3D
1	Avatar	USA/GBR	Fantasy, adventure, action	399	English	Yes
2	Harry Potter and the Deathly Hallows: Part 1	GBR/USA	Fantasy, adventure	290	English	No
3	Shrek Forever After	USA	Animation	290	English	Yes
4	Inception	USA/GBR	Action, adventure, mystery	284	English	No
5	Alice in Wonderland	USA	Fantasy, adventure	272	English	Yes
6	The Twilight Saga: Eclipse	USA	Fantasy, adventure	208	English	No
7	Toy Story 3	USA	Animation	184	English (Spanish)	Yes
8	Clash of the Titans	USA	Fantasy, adventure, action	104	English	Yes
9	Iron Man 2	USA	Sci-fi, adventure, action	69	English (Russian)	Yes
10	Sex and the City 2	USA	Comedy, romance, drama	68	English	No
11	Prince of Persia: The Sands of Time	USA/GBR	Fantasy, adventure, action	61	English	No
12	Despicable Me	USA	Animation	48	English	Yes
13	How to Train Your Dragon	USA	Animation	34	English	Yes
14	Sherlock Holmes	GBR/USA/DEU	Action, adventure, crime	34	English	No
15	Tangled	USA	Animation	33	English	Yes
16	The Chronicles of Narnia: The Voyage of the Dawn Trader	USA/GBR	Fantasy, adventure	27	English	Yes
17	The Karate Kid	USA/CHN	Action, drama	23	English (Chinese)	No
18	Step Up 3D	USA	Romance, musical, drama	22	English	Yes
19	Robin Hood	GBR/USA	Adventure, action	21	English (French)	No
20	Salt	USA	Action, crime, mystery	20	English (Russian/Korean)	No
21	My name is Khan	India	Drama, romance, thriller	18	Hindi/Urdu/English	No
22	Alvin and the Chipmunks: The Squeakquel	USA	Animation	15	English	No
23	Grown Ups	USA	Comedy	14	English	No
24	The Princess and the Frog	USA	Animation	13	English (French)	No
25	Elite Squad: The Enemy Within (Tropa de Elite 2 - O Inimigo Agora É Outro)	Brazil	Action, drama	10	Portuguese	No
26	Five Minarets in New York (New York'ta Bes Minare)	Turkey	Drama	10	Turkish/ English	No
27	Lapland Odyssey (Napapiirin sankarit)	FIN/SWE/IRL	Comedy, drama, romance	10	Finnish	No
28	Le clandestin (Al Khattaf)	Morocco	Comedy	10	Arabic	No
29	Mission London	BGR/GBR/HUN/MKD/SWE	Comedy	10	English/ Bulgarian (Russian/ Serbian)	No
30	Women in temptation (Ženy v pokušení)	Czech Republic	Comedy, romance	10	Czech	No

2011 rank	Title	Origin	Genre	Weighted score	Language	3D
1	Harry Potter and the Deathly Hallows: Part 2	GBR/USA	Fantasy, adventure	336	English	No
2	Pirates of the Caribbean: On Stranger Tides	USA	Adventure, action	306	English (Spanish)	No
3	The Smurfs	USA	Animation	167	English	Yes
4	The Twilight Saga: Breaking Dawn - Part 1	USA	Fantasy, adventure	165	English	No
5	The Hangover Part II	USA	Comedy	154	English (Thai)	No
6	Transformers: Dark of the Moon	USA	Sci-fi, action, adventure	139	English	No
7	Rio	USA	Animation	108	English (Portuguese)	Yes
8	Kung Fu Panda 2	USA	Animation	105	English	Yes
9	Fast Five	USA	Action, adventure	104	English (Portuguese/Spanish)	No
10	Cars 2	USA	Animation	101	English (Japanese/Italian/French)	Yes
11	Tangled	USA	Animation	77	English	Yes
12	Puss in Boots	USA	Animation	47	English	Yes
13	Johnny English Reborn	GBR/FRA/USA	Comedy	45	English (Mandarin)	No
14	The King's Speech	GBR/USA	Drama	43	English	No
15	The Adventures of Tintin	USA/NZL	Animation	39	English	Yes
16	Intouchables	France	Drama	23	French	No
17	Bridesmaids	USA	Comedy, romance	21	English	No
18	Mission Impossible - Ghost Protocol	USA/UAE	Action, adventure	21	English (Russian/Arabic)	No
19	Sherlock Holmes II	GBR/USA/DEU	Action, adventure	21	English	No
20	Nothing to Declare (Rien à déclarer)	France/Belgium	Comedy	18	French	No
21	The Inbetweeners Movie	GBR	Comedy	14	English	No
22	Zookeeper	USA	Comedy	13	English	No
23	Ertkhel Shua Qalaqshi	Georgia	Action, adventure	10	Georgian	No
24	Eyyvah eyvah 2	Turkey	Comedy	10	Turkish	No
25	Fireheart: The Legend of Tadas Blinda (Tadas Blinda. Pradzia)	Lithuania	Adventure, action, drama	10	Lithuanian/Russian	No
26	Kokowääh	Germany	Comedy	10	German	No
27	Lao Wedding	Laos	Romance	10	Lao	No
28	Letters to Santa (Listy do M.)	Poland	Comedy, romance, drama	10	Polish	No
29	Montevideo, Bog te video (Montevideo, God Bless You!)	Serbia	Comedy, adventure, drama	10	Serbian	No
30	Muži v nadeji (Muzi v nadeji - Men in hope)	Czech Republic	Comedy	10	Czech	No

Notes: BGR: Bulgaria; CHN: China; DEU: Germany; FIN: Finland; GBR: United Kingdom; HUN: Hungary; IRL: Ireland; MKD: the former Yugoslav Republic of Macedonia; NZL: New Zealand; SWE: Sweden; UAE: United Arab Emirates; USA: United States of America.

Source: UNESCO Institute for Statistics, July 2013.

Films from the USA distributed by Hollywood studios occupied the top positions in the Top 30 in 2010 and 2011. A total of 23 films were produced by Hollywood movie studios in 2011, while 17 of the Top 30 were of Hollywood origin in 2012. Interestingly, one-half of the titles distributed by the Hollywood majors were shown in 3D in both years, demonstrating the emerging importance of this type of movie.

Except for one movie (*The Hangover Part II*, released in 2011), Hollywood studios did not distribute other movies rated NC-17 (no one aged 17 years and under admitted). A total of 43% of Hollywood films in the Top 30 were rated G in 2010 (59% in 2011); the remaining films were rated PG-13.³

Since virtually all the top Hollywood films were targeted at child-youth audiences, there are a significant number of animated films and action adventure movies (see **Table 2**). In addition, several of these titles were in 3D (one-half of the Top 10 films were screened in this format). In 2010, 5 animated movies and 6 action adventure films were released in 3D; while in 2011, 7 animated films were shown in 3D and 1 action adventure film.

TABLE 2. GENRE OF THE TOP 30 FILMS, 2010-2011

Characteristics	2010	2011
Distributed by Hollywood studios	23 (10 G)	17 (10 G)
3D	11 (6 in Top 10)	8 (5 in Top 10)
Sequels and non-original scripts	11	15
Sequels	9 (6 in Top 10)	12 (8 in Top 10)
New versions	2	–
Adaptations	–	2
Prequels	–	1
Animation	7	7
Action adventure	Total: 14 (Hollywood: 12)	Total: 9 (Hollywood: 7)
Comedy	Total: 6 (Hollywood: 2)	Total: 11 (Hollywood: 3)
National films (non-Hollywood)	7	11

Source: UNESCO Institute for Statistics, July 2013.

³ The Motion Picture Association of America (MPAA)'s film-rating system is used in the USA and its territories to rate a film's thematic and content suitability for certain audiences. The MPAA film ratings are: G (General Audiences), PG (Parental Guidance Suggested), PG-13 (Parents Strongly Cautioned), R (Restricted; i.e. films rated R are prohibited to children under 17). The film-rating system varies all over the world, but the rates are very similar to the MPAA's. For comparative purposes, the MPAA's film-rating system was used for every movie in the Top 30 lists.

Following a similar pattern over the last few years for Hollywood blockbusters, many of the films in the Top 30 are non-original concepts, i.e. sequels, prequels and adaptations. Including film adaptations (such as *Tintin*), new versions/remakes (such as *Karate Kid*) or prequels (such as *Puss in Boots*), the overall number of non-original films increased from 11 in 2010 to 15 in 2011 in the Top 30 films list. Furthermore, 6 of the Top 10 movies were sequels in 2010 and 8 in 2011. In both years, there were also two sequels and one adaptation that were non-Hollywood-produced releases.

Comedy is another genre that stands out in the Top 30: 6 were released in 2010 and 11 in 2011. It is interesting to note that 2 of the 6 comedies in 2010 were USA-produced; while in 2011 3 of 11 were produced in the USA. It should also be noted that comedies for all ages were among the films that broke box office and admission records in many countries. For example, *Mission London* in Bulgaria and *Listy do M.* in Poland broke box office records in their respective markets.

There were other notable non-USA releases that were blockbusters, illustrating the growing impact of non-Hollywood film globally. The Indian movie, *My name is Khan* (a 2010 drama), was the highest-grossing Indian movie internationally in history. Meanwhile, the paramilitary Brazilian drama, *Elite Squad*, turned into the most viewed Brazilian film internationally to date (with more than 11 million admissions outside Brazil, breaking the record of the 1976 film *Dona Flor e Seus Dois Maridos*, which sold 10.7 million tickets). *Elite Squad* was distributed in about 20 countries.

All films in the Top 30 were distributed by local companies (or distributors that covered two or three neighbouring countries). The only exception was the Indian movie; *My Name is Khan*, which was distributed by Fox Studios in about 30 countries worldwide.

Other non-Hollywood national films appearing in the Top 30 included the French film *Intouchables* (distributed in about 50 countries worldwide), the British film *The In-Betweeners* (released in about 25 territories), the French-Belgian film *Rien à Déclarer* (released in about 12 countries), and the Finnish film *Lapland Odyssey* (distributed in about 12 countries). The 12 remaining movies were released by national distributors in their respective native countries and in 1 to 5 other territories.

In total, 7 non-Hollywood national films were released in 2010 and 11 in 2011. Of these 18 films, 11 were European, 2 were from Turkey, 1 was from India, 2 were from the rest of Asia, 1 from Latin America, and 1 from Africa.

2. Production

2.1. Feature film production

World film production continued to grow from 2005 to 2011, with a 39% increase. During this period, about 100 countries produced professional feature films for theatrical release, with an average of 5,987 feature films being produced per year, as shown in **Table 3**. The figures also show that there has been stagnation in the world film production since 2008, with total film production remaining at around 6,500 releases per year over the last four years for which data are available.

TABLE 3. WORLD PRODUCTION OF FEATURE FILMS FOR THEATRICAL RELEASE*, 2005-2011

	2005	2006	2007	2008	2009	2010	2011
Number of feature films produced	4,818	5,284	5,760	6,454	6,475	6,548	6,573
Number of countries	81	79	85	89	93	82	76

Note: * Professional films made with commercial exhibition as the main objective (Nigerian films are not included).

Source: UNESCO Institute for Statistics, July 2013.

When analysed at the country level, the increase in the world film production is highly dependent on the Top 10 producers which represent around 65% of world production, as shown in **Table 4**. The countries with the highest increases in production between 2005 and 2011 were: China (260 to 584, 124.6%), the United Kingdom (106 to 299, 182.1%) and the Republic of Korea (87 to 206, 148.3%). Other countries with significant increases were: Germany (45.2%), Spain (40.1%) and Italy (58.1%). Outside of the Top 10, several countries showed important increases although the level of production was smaller, including: Brazil (42 to 100 films, 136%), Iran (26 to 76 films, 192%), Turkey (28 to 70 films, 150%), Viet Nam (12 to 75 films, 525% in 2010), and Mexico (71 to 111 films, 56.3%). The level of production for the rest of the world grew at a smaller rate between 2008 and 2011.

However, as seen in Table 4, the increase in film production was at a slower pace for the largest producers (on average at about 20%). For example, the average increase in film production between 2005 and 2011 was 21% in India, 17% in USA, 24% in Japan and 13% in France. As of 2008, some relative stagnation in growth for these countries is noticeable.

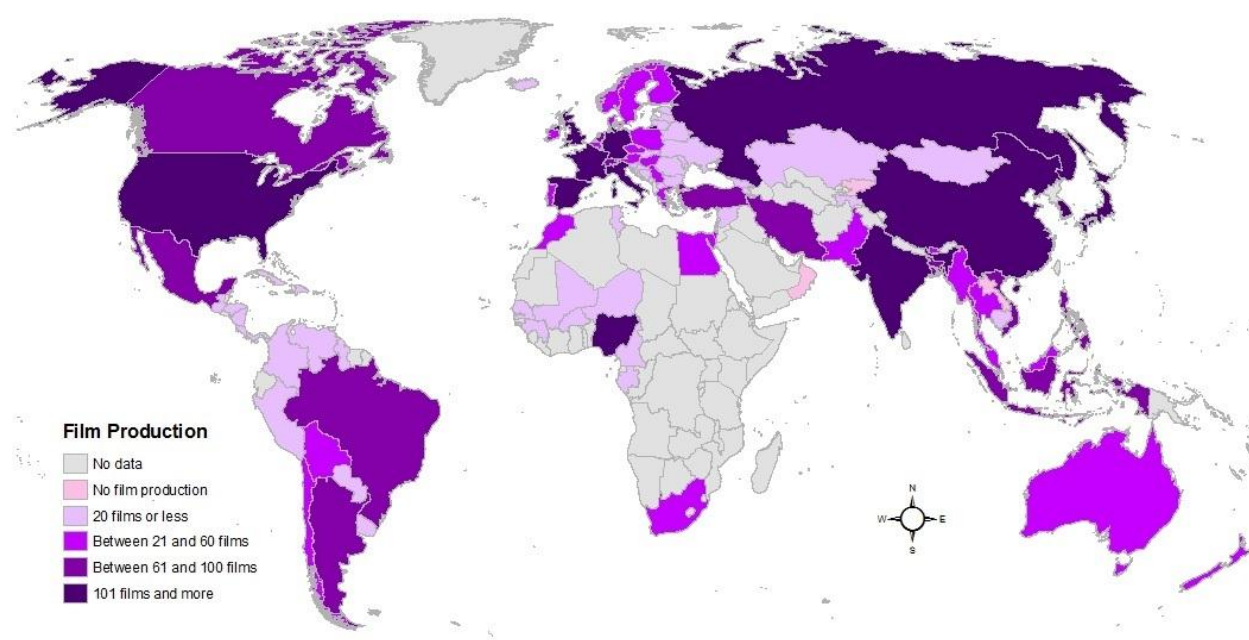
TABLE 4. TOP 10 FILM PRODUCERS IN THE WORLD

Rank	Country	2005	2006	2007	2008	2009	2010	2011	Average increase from 2005-2011
1	India	1,041	1,091	1,146	1,325	1,288	1,274	1,255	21%
2	USA	699	673	789	773	751	792	819	17%
3	China	260	330	411	422	475	542	584	125%
4	Japan	356	417	407	418	448	408	441	24%
5	UK	106	107	124	279	313	346	299	182%
6	France	240	203	228	240	230	261	272	13%
7	Rep. of Korea	87	110	124	113	158	152	216	148%
8	Germany	146	174	174	185	216	189	212	45%
9	Spain	142	150	172	173	186	200	199	40%
10	Italy	98	116	121	154	131	142	155	58%
World share of Top 10		65.9%	63.8%	64.2%	63.2%	64.8%	65.8%	67.7%	

Source: UNESCO Institute for Statistics, April 2013.

Nigeria has a very high number of audiovisual productions (see **Map 1**) – on average releasing 966 films per year between 2005 and 2011 – but they are semi-professional/informal productions, most of them almost artisanal with limited or no theatrical release. While 1,074 films were produced in 2010 in Nigeria, national movies sold only 117,563 tickets (26% of market share of that year), in a country with a population of about 160 million inhabitants. For this reason, artisanal audiovisuals from Nigeria were not included in the figures (see **Box 1**).

MAP 1. CONCENTRATION OF FILM PRODUCTION, 2011



Source: UNESCO Institute for Statistics, July 2013.

To better analyse the concentration of worldwide film production, **Table 5** shows 90 countries that made feature films during at least three years between 2005 and 2011, categorised by production level.

TABLE 5. PRODUCTION LEVEL BY NUMBER OF COUNTRIES AND FILMS*, 2005-2011

Level of film production		Number of countries**	Average annual number of feature films produced	Share of total production (%)
Very high	200 and more	7	3,561	57.0
High	80-199	11	1,259	20.3
Average	20-79	26	1,014	16.3
Low	6-19	32	337	5.4
Very low	Up to 5	14	40	0.7
Total		90	6,211	

Notes: * Professional films that are made with commercial exhibition as the main objective (Nigerian films are not included).

** Countries with at least one feature film produced over at least three years between 2005 and 2011.

Source: UNESCO Institute for Statistics, July 2013 and Roque González (2012).

BOX 1. FILM PRODUCTION IN VIDEO FORMAT

This report focuses on films for theatrical release. Nevertheless, production in video format is also a key component of the film industry and a factor of growth and creativity in many developing countries. Countries which do not have the facilities and resources to produce films for theatrical release are using video format to reach their audiences. As shown in **Table 6**, Nigeria – with an average production of 1,000 movies per year – is the third largest producer in terms of volume. As a result of new technology and video production, the emergence of new film producers, such as Mauritius, has been possible. While the country did not produce any feature films before 2009, Mauritius increased its production from 19 to 30 films between 2010 and 2011.

TABLE 6. FILM PRODUCERS IN VIDEO FORMAT, 2005-2011

Country	Total number of films produced in video format							Average
	2005	2006	2007	2008	2009	2010	2011	
Bhutan						31	29	30
Cambodia	41	62	35	25	28	26	13	33
Cameroon	4	7	1	3	20 *			7
Gabon			1	4	6	9	10	6
Mauritius	–	–	–	–	19	16	30	22
Nigeria	872		914 **	956	987	1,074	997	967

Notes: – = quantity nil ; * = National estimation; ** = UIS estimation.

Source: UNESCO Institute for Statistics, July 2013.

Analysing all films, regardless of their format of production (theatrical release or video production) provides an overview of the cinema sector worldwide. **Table 7** shows that global film production has increased significantly in recent times, with total production rising from 5,735 movies in 2005 to 7,442 in 2008. Production continues to grow but at a slower pace since 2008.

TABLE 7. TOTAL NUMBER OF FILMS IN ALL FORMATS, 2005-2011

Country	Total number of films produced in all formats						
	2005	2006	2007	2008	2009	2010	2011
Video format	917		951	988	1,060	1,156	1,079
Theatrical release	4,818	5,214	5,760	6,454	6,475	6,548	6,573
Total	5,735		6,711	7,442	7,535	7,704	7,652

Source: UNESCO Institute for Statistics, July 2013.

There were 7 countries that had “very high” annual film production (more than 200 feature films) between 2005 and 2011, producing on average 3,561 films yearly and representing 57% of the world’s feature films.

There were 11 countries that had a “high” level of film production (between 80 and 199 feature films per year), producing on average 1,259 feature films annually. The very high- and high-level groups together accounted for 78% of global film production on average over this time period, representing the production of 4,820 films annually.

The “average” production category (between 20 and 79 feature films per year) accounted for an average annual production of 16% of the world’s films (1,013 films on average per year). Finally, one-half of countries were classified in the “low” or “very low” levels of film production. They accounted for 6% of total average annual feature films produced.

2.2. National film support

Much of the national film industry receives direct or indirect public subsidies. Direct subsidies can be received from national cinematographic agencies, the national film commission in charge of financing national films, or special funds dedicated to national film production. Indirect subsidies can take the form of screen quota or tax incentives and are directly financed by the Lottery, like in the United Kingdom.

Table 8 shows that 12 of the Top 15 countries with the highest production and market share have public subsidy policies and mechanisms. The main film-producing countries with a very high or high level of production have direct financial support, in addition to a tradition of coproductions, such as Argentina, France, Spain and the United Kingdom.

Nevertheless, the film sector does not benefit from public support in the main producer of the world, India, and the fourth producer Japan. In the case of USA, the cinema sector receives tax exemptions, deferred payments or accelerated amortization.

TABLE 8. TOP 15 COUNTRIES WITH THE HIGHEST NUMBER OF FEATURE FILMS PRODUCED FOR THEATRICAL RELEASE, BY MARKET SHARE (ADMISSIONS) AND NATIONAL FILM SUPPORT (AVERAGE FOR 2005-2011)

		Average production (2005-2011)	Level of production*	National film support
1	India	1,203	Very high	No
2	USA	757	Very high	Indirect
3	China	432	Very high	Yes
4	Japan	414	Very high	No
5	Russian Federation	292	Very high	Yes
6	France	239	Very high	Yes
7	United Kingdom	225	Very high	Yes
8	Germany	185	High	Yes
9	Spain	175	High	Yes
10	Republic of Korea	137	High	Yes
11	Italy	131	High	Yes
12	Argentina	108	High	Yes
13	Mexico	94	High	Yes
14	Brazil	89	High	Yes
15	Bangladesh	88	High	Yes

Notes: * "Very high": 200 feature films produced per year; "High": 80-199 feature films produced per year.

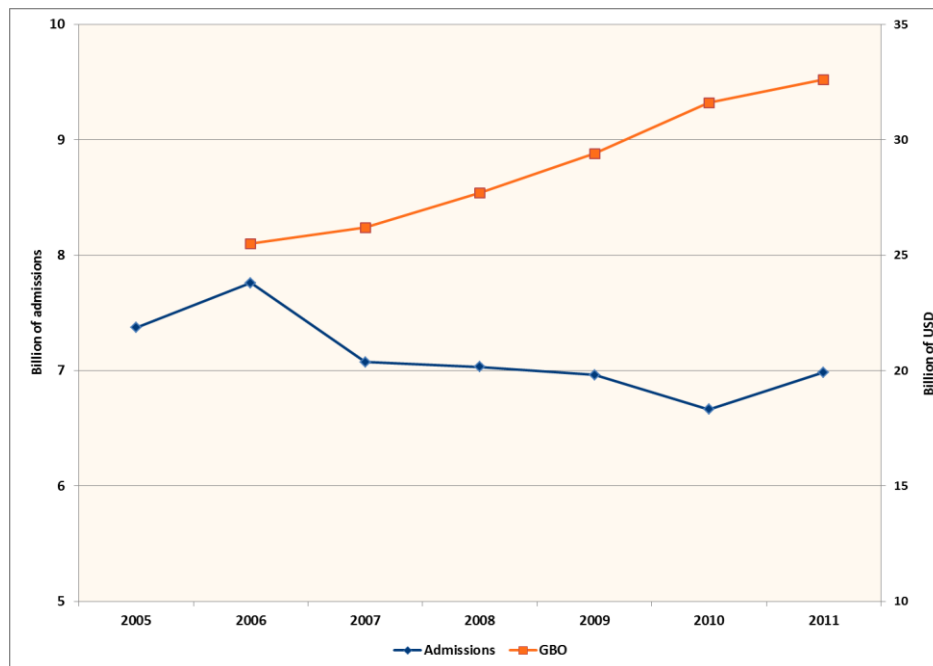
Source: UNESCO Institute for Statistics, July 2013 and Roque González (2012).

3. Market share (exhibition and consumption)

3.1. Exhibition

Figure 1 shows that, while admissions have slightly declined in recent years, box office has continued to grow.

FIGURE 1. CONTRASTING TRENDS BETWEEN GLOBAL ADMISSIONS AND BOX OFFICE, 2005-2011



Source: UNESCO Institute for Statistics, July 2013.

The 27.8% increase in world box office between 2006 and 2011 was primarily a result of the growth in the Top 10 countries, representing 70%-78% of the total. In effect, this growth was led by China (with a spectacular increase of 517.0%) and the Russian Federation (+171.8%) (see **Tables 9A and 9B**). Other major markets with strong growth in box office were: Australia (+83%) and Japan (+54%). In contrast, the USA (the largest film market) had one of the lowest growth rates of the Top 10, with only a 7.36% increase in the period analysed, a rate below those of France (+20.7%) and the United Kingdom (+18.7%). The Republic of Korea was the only country with a negative growth of 3.8%.

Other countries with important increases in their box offices over the period 2006 to 2011 include: Belarus, Romania, Ukraine and Venezuela. Several Latin American, East European and Asian markets doubled their box office during this period. Nevertheless, the majority of these countries represent small markets and the increase in some of them is explained by high inflation rates, as is the case for Argentina, Belarus and Venezuela.

**TABLE 9A. TOTAL BOX OFFICE REVENUE FOR THE TOP 10 COUNTRIES
(IN MILLIONS US\$), 2006-2011**

	2006	2007	2008	2009	2010	2011
USA	9,488	9,632	9,635	10,610	10,580	10,186
Japan	1,745	1,685	1,885	2,202	1,347	2,766
China	329	434	607	909	1,502	2,030
France	1,475	1,559	1,586	1,789	1,745	1,780
GBR	1,402	1,878	1,723	1,772	1,526	1,665
India	1,371	1,729	1,843	1,415	1,356	1,470
Germany	1,008	1,115	1,104	1,415	1,227	1,244
Australia	616	749	793	848	1,038	1,128
Russia	408	547	799	706	1,014	1,109
Rep. of Korea	1,036	1,069	890	857	1,000	997
TOTAL Top 10	18,878	20,398	20,865	22,524	22,335	24,375
World*	25,500	26,200	27,700	29,400	31,600	32,600
% Top 10	74	78	75	77	71	75

Note: * From Focus 2013, European Audiovisual Observatory.

Source: UNESCO Institute for Statistics, July 2013.

TABLE 9B. EVOLUTION OF BOX OFFICE REVENUE, 2006-2011

	Variation 2006/2011	Yearly average growth	Share of World in 2011	Share of Top 10
USA	7.36%	1.43%	31.25%	41.79%
Japan	58.51%	9.65%	8.48%	11.35%
China	517.02%	43.90%	6.23%	8.33%
France	20.68%	3.83%	5.46%	7.30%
GBR	18.76%	3.50%	5.11%	6.83%
India	7.22%	1.40%	4.51%	6.03%
Germany	23.41%	4.30%	3.82%	5.10%
Australia	83.12%	12.86%	3.46%	4.63%
Russia	171.81%	22.14%	3.40%	4.55%
Rep. of Korea	-3.76%	-0.76%	3.06%	4.09%
TOTAL Top 10	29.12%	5.24%	74.77%	
World*	27.80%	5.04%		

Source: UNESCO Institute for Statistics, July 2013.

A key factor in the world box office variation was the constant rise in the average ticket price, by 46% globally (see **Table 10**). Switzerland had the most expensive average ticket price in the world over 2005-2011: US\$13.55, followed by Norway (US\$12.96), Sweden (\$US12.07), and Japan (US\$11.96). Nine of the Top 10 countries with the highest ticket prices were from Europe. In contrast, countries with the least expensive ticket prices included: India (the world's least expensive); Egypt, Niger, Senegal, Ethiopia in Africa; the Philippines, Indonesia and Laos in Asia; Belarus in Europe; and Iran in West Asia.

TABLE 10. WORLD AVERAGE TICKET PRICES (IN US\$), 2005-2011

	2005	2006	2007	2008	2009	2010	2011
Average ticket price	4.76	5.21	6.02	6.30	6.35	6.53	6.95
Countries covered	55	55	59	63	60	58	52

Source: UNESCO Institute for Statistics, July 2013.

Between 2005 and 2011, China's ticket prices increased by 253% the most of any country. It was followed next by Morocco (180%), Belarus (148%) and Argentina (134%) over the same period. These price increases are also a result of inflation, with Argentina and Belarus experiencing some of highest inflation rates in the world during that time. Other countries where ticket prices doubled include: the Philippines, Slovakia, Ukraine and Venezuela. In the Russian Federation, box office increased by 239%, while the average ticket price grew by 86%.

In contrast, some countries showed only small increases in ticket prices between 2005 and 2011, such as Estonia, Iceland and the Republic of Korea. In fact, ticket prices in Iceland decreased by 25%, coinciding with the beginning of the 2008 national economic crisis. The average ticket price in Iceland declined from US\$12.90 to US\$9.10, and then to a low of US\$6.80 in 2009. However, there were small increases in 2010 and 2011, with ticket prices of US\$7.70 and US\$8.10 respectively.

Although it may appear that ticket prices in developing countries are low, when compared with the average income and the cost of living, ticket prices in these countries are relatively high compared to developed countries: one trip to the movies with friends or family can represent almost 10% of monthly income (González, 2012).

Comparing admissions and box office, it is clear that different dynamics emerge. In box office (see *Table 9A*), the wealthiest countries (with a high average ticket price) and the robust markets of emerging countries (like China and India) are prominent.

When examining the Top 10 countries by admissions for the period 2005-2011 (see **Table 11**), other emerging economies are noticeable with outstanding increases in markets, such as China (135.3%), the Russian Federation (82.5%) and Brazil (71.5%). After the Top 10 list, other markets with notable increases (from +138% to +156%) were: Bosnia and Herzegovina, Colombia, Lithuania, Malaysia and Romania. Nevertheless, all these countries (outside of the Top 10) have small to medium-sized markets (from 600,000 to 7 million admissions in 2011). By contrast, admissions were down by 5.2% in countries with larger markets (-8.1% in the Top 10), primarily accounted by decreases in India and Japan (especially in the former – the largest world market in terms of admissions). During the period 2005 to 2011, the share of world admissions of the Top 10 countries varied from 82% to 85%.

Another reason for this decrease can be explained by the changing trends in audiovisual consumption (Internet, mobile devices, video on demand, Over-the-Top Content, etc.) that is radically changing the way people consume movies. As Iberoamerican expert Octavio Getino said, “Never have people watched so many movies... but mainly not in theaters” (Getino, 2012).

TABLE 11. TOTAL ADMISSIONS FOR THE TOP 10 COUNTRIES (IN MILLIONS), 2005-2011

	2005	2006	2007	2008	2009	2010	2011	Variation
India	3,770	3,997	3,290	3,251	2,917	2,706	2,940	-22.02%
USA	1,403	1,449	1,399	1,341	1,415	1,342	1,284	-8.49%
China	157	176	196	210	264	290	370	135.37%
France	176	189	178	190	201	207	217	23.42%
Mexico	154	154	175	182	178	190	205	33.06%
GBR	165	157	162	164	173	169	172	4.19%
Japan	160	165	163	160	169	174	145	-9.80%
Rep. of Korea	146	153	159	151	157	149	160	9.75%
Russian Fed.	84	92	105	118	132	156	153	82.54%
Brazil	84	90	89	89	113	135	144	71.50%
Total Top 10	6,298	6,622	5,917	5,857	5,720	5,518	5,788	-8.10%
World	7,372	7,761	7,073	7,033	6,961	6,664	6984	-5.26%
% of Top 10	85	85.33	83.66	83.28	82.16	82.16	82.80	Average: 83.65

Source: UNESCO Institute for Statistics, July 2013.

When analysing the decrease in Indian film admissions, there is no consensus about the cause. Nevertheless, some assumptions can be made based on the important decrease in 2009. In this year, there was a boycott by the main Indian producers refusing to release big films to pressure exhibitors (mainly multiplex cinemas) to increase revenue-sharing. The two-month dispute (from April to early June) concluded with a 50:50 split agreement.

Furthermore, over the last several years the exhibition market in India has changed, possibly accounting for variations in the film market. The main change in the exhibition market is the multiplex (Pendakur, 2012). In India, there still is a plethora of mono screens in the southern half of the country, with an average ticket price of US\$0.50. These screens are still the most popular for Indian moviegoers. Around 1,000 multiplexes have emerged in large Indian cities, with a ticket price of around US\$3.30. These multiplexes account for most of the Indian revenues generated for Hollywood blockbusters. Nevertheless, films from USA account for no more than 7% to 10% of the Indian box office (Ernst & Young-India Film Council, 2012). Additionally, no Hollywood films are in the Indian Top 10 films.

3.2. BRIC countries: The emerging market

The difference between box office and admissions is even clearer when analysing BRIC countries (Brazil, the Russian Federation, India and China). While BRIC countries accounted for 9% to 17% of world box office, the rate for admissions was impressive, between 49% and 56%: BRIC countries accounted for one-half of global admissions (mainly, because of India) between 2006 and 2011.

At the country level, growth in China was exceptional. In 2006, China represented 13.6% of BRIC box office, while in 2011 that percentage grew to 37.4%, surpassing the leading position of India (see **Table 12**). In contrast, box office in India declined from 56.6% of the BRIC total in

2006 to 27% in 2011. Meanwhile, the Russian Federation and Brazil had very little growth during this period from 17% to 20% and from 13% to 15%, respectively.

TABLE 12. BOX OFFICE REVENUE IN BRIC COUNTRIES (IN MILLIONS US\$), 2006-2011

Box office	2006	2007	2008	2009	2010	2011
China	329	434	607	909	1,502	2,030
Russian Fed.	409	547	799	707	1,014	1,109
India	1,371	1,729	1843	1,415	1,356	1,470
Brazil	313	360	359	478	735	817
Total BRIC	2,422	3,070	3,608	3,509	4,607	5,426
% share in Top 10	12.83%	15.05%	17.29%	15.58%	20.63%	22.26%
% of world share	9.50%	11.72%	13.03%	11.94%	14.58%	16.64%

Source: UNESCO Institute for Statistics, July 2013 and Roque González (2011).

With regards to admissions, the situation was more stable (see **Table 13**). The market share of films from India decreased in relation to the total of BRIC countries, from 91.8% in 2006 to 81.5% in 2011. Meanwhile, China multiplied its proportion of BRIC admissions by 2.5, increasing from 4.5% to 10.3%. The Russian Federation and Brazil doubled their admissions: 2.0% for both in 2006, increasing to 4.2% and 4.0%, respectively, in 2011.

TABLE 13. ADMISSIONS IN BRIC COUNTRIES, 2006-2011

BRIC	2,006	2,007	2,008	2,009	2,010	2,011
India	3,997	3,290	3,251	2,917	2,706	2,940
China	176	196	210	264	290	370
Russian Fed.	92	105	118	132	156	153
Brazil	90	89	89	113	135	144
Total BRIC	4,355	3,680	3,668	3,425	3,287	3,606
% share in Top 10	65.77%	62.20%	62.62%	59.89%	59.56%	62.31%
% world share	56.12	52.03	52.15	49.21	49.32	51.64

Source: UNESCO Institute for Statistics, July 2013.

3.3. Consumption: The link between film attendance and availability of screens

The frequency of attendance varied across the world. **Table 14** shows the Top 10 countries by film attendance in 2005 and 2011. Historically, some countries maintain a high level of attendance: Australia, Iceland, France, the Republic of Korea, Singapore, the United Kingdom and USA.

However, there are other countries that represent important markets but have relative low frequency of attendance and which are not in the Top 10 list (e.g. China, Japan and Germany). India, Norway and Spain (countries appearing in the 2005 Top 10 but not in the 2011 one), still had a high frequency of attendance in 2011: 2.66, 2.65 and 2.37, respectively.

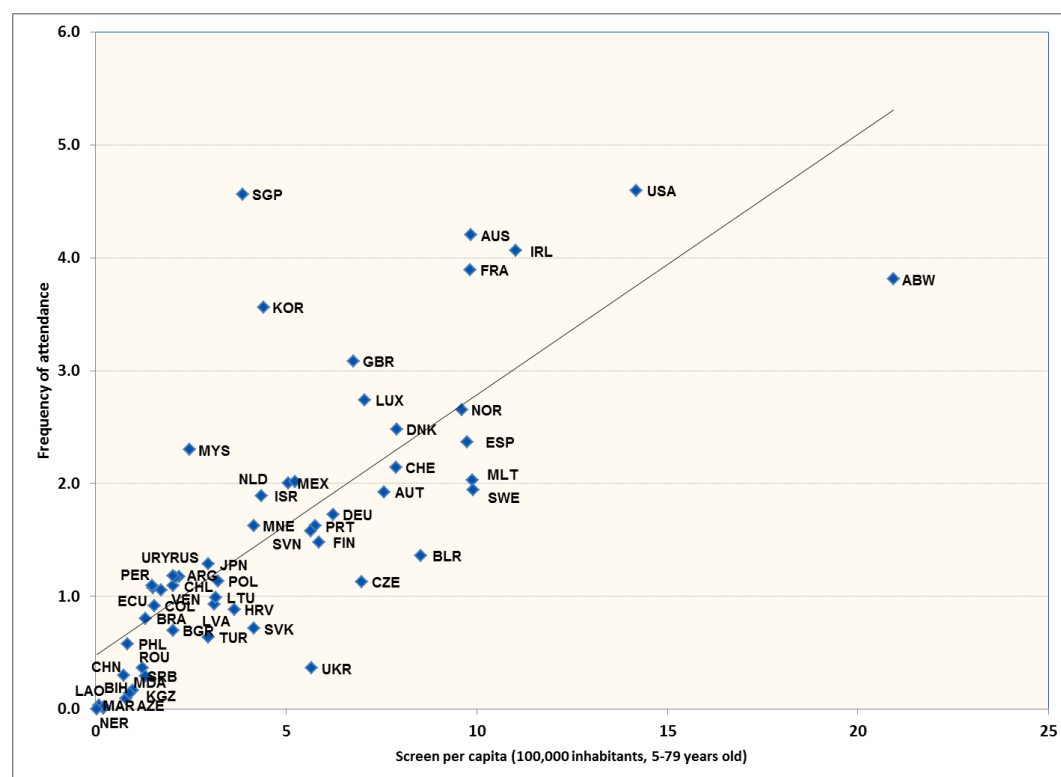
TABLE 14. FREQUENCY OF ATTENDANCE PER CAPITA (POPULATION AGED 5 TO 79 YEARS) FOR THE TOP 10 COUNTRIES FOR FILM ATTENDANCE, 2005-2011

Rank	2005		2011	
1	USA	5.27	Iceland	5.24
2	Iceland	5.19	USA	4.59
3	Australia	4.54	Singapore	4.56
4	Singapore	3.78	Australia	4.20
5	India	3.74	Ireland	4.06
6	Rep. of Korea	3.31	France	3.89
7	Spain	3.25	Aruba	3.81
8	France	3.23	Rep. of Korea	3.56
9	United Kingdom	3.04	United Kingdom	3.08
10	Norway	2.90	Luxembourg	2.74

Source: UNESCO Institute for Statistics, July 2013.

This situation becomes more complex when taking into account the lack of screens in many countries and the proportion of screens in relation to the population. **Figure 2** and **Table 15** show the level of attendance by the number of screens per inhabitant. With a limited number of screens per inhabitant, Brazil, Japan, Mexico and the Russian Federation witnessed impressive growth in the film market.

FIGURE 2. FREQUENCY OF ATTENDANCE BY SCREEN PER 100,000 INHABITANTS AGED 5 TO 79 YEARS, 2011



Source: UNESCO Institute for Statistics, July 2013.

Aruba and the USA stand out in Figure 2. They have the highest frequency of attendance and screens per capita but for different reasons. Aruba has a wealthier economy mainly generated from tourism and a small population (about 100,000 inhabitants in 2011); it has nearly 20 screens/2 theaters for 380,000 annual admissions. These humble numbers generate very high percentages. Another Caribbean island – Saint Kitts – has a similar situation. The other outlier, USA, is the primary film market in the world.

Singapore and the Republic of Korea have high attendance frequency but a relatively low number of screens per capita.

Countries which have a high number of screens per capita but lower frequency of attendance include: Malta, Spain and Sweden. It is worth noting that Spain is the 6th largest exhibition market in the world (2011). This country also had an important crisis that significantly reduced its level of admissions in recent years (127.6 million in 2005; 98.3 million in 2011).

TABLE 15. TOP 5 COUNTRIES WITH AT LEAST 10 SCREENS PER 100,000 INHABITANTS (POPULATION AGED 5 TO 79 YEARS), 2005-2011

Country	Screens per capita in 2005	Country	Screens per capita in 2006
Iceland	16.88	Iceland	17.03
USA	14.34	USA	14.34
Sweden	12.03	Sweden	12.04
Spain	11.20	Ireland	10.90
Malta	11.08	Spain	10.81

Country	Screens Per Capita in 2007	Country	Screens per capita in 2008
Iceland	15.70	Saint Kitts and Nevis	15.30
USA	14.85	USA	14.77
Sweden	11.49	Iceland	14.75
Ireland	11.05	Ireland	11.16
Malta	10.99	Malta	10.97

Country	Screens per capita in 2009	Country	Screens per capita in 2010
Saint Kitts and Nevis	15.09	Aruba	21.03
USA	14.47	USA	14.28
Iceland	14.19	Iceland	13.29
Ireland	11.22	Belarus	11.30
Malta	10.95	Ireland	10.99

Country	Screens per capita in 2011*
Aruba	20.93
USA	14.19
Ireland	11.03
Sweden	9.90
Malta	9.88

Note: * No data for Iceland for 2011, which should have been ranked in the Top 5.
Source: UNESCO Institute for Statistics, July 2013.

Table 16 shows that the countries that had the fewest number of screens in 2007 were almost exclusively from Africa. Nevertheless, some countries with few screens in other regions still had important markets, such as China, India and the Russian Federation. Latin America also generally has a low number of screens, but two countries stood out: Bolivia (2005) and Paraguay (2006). This is a more recent situation, because until the 1970s Latin America had many screens distributed all over its territories (Getino, 2005).

TABLE 16. TOP 5 COUNTRIES WITH THE FEWEST SCREENS PER 100,000 INHABITANTS (POPULATION AGED 5 TO 79 YEARS), 2005-2011

Country*	Screens per capita in 2005	Country*	Screens per capita in 2006
Iran	0.38	China	0.25
Romania	0.59	Tunisia	0.31
Bolivia	0.61	Iran	0.37
Russian Federation	0.81	Indonesia	0.45
India	1.04	Paraguay	0.52

Country	Screens per capita in 2007	Country	Screens per capita in 2008
Cameroon	0.02	Cameroon	0.02
Mozambique	0.02	Mozambique	0.02
Niger	0.03	Niger	0.03
Algeria	0.03	Burkina Faso	0.08
Palestine	0.06	Nigeria	0.08

Country	Screens per capita in 2009	Country	Screens per capita in 2010
Mozambique	0.02	Mali	0.02
Niger	0.03	Guinea	0.02
Algeria	0.06	Syria	0.03
Cambodia	0.06	Niger	0.03
Burkina Faso	0.08	Tanzania	0.06

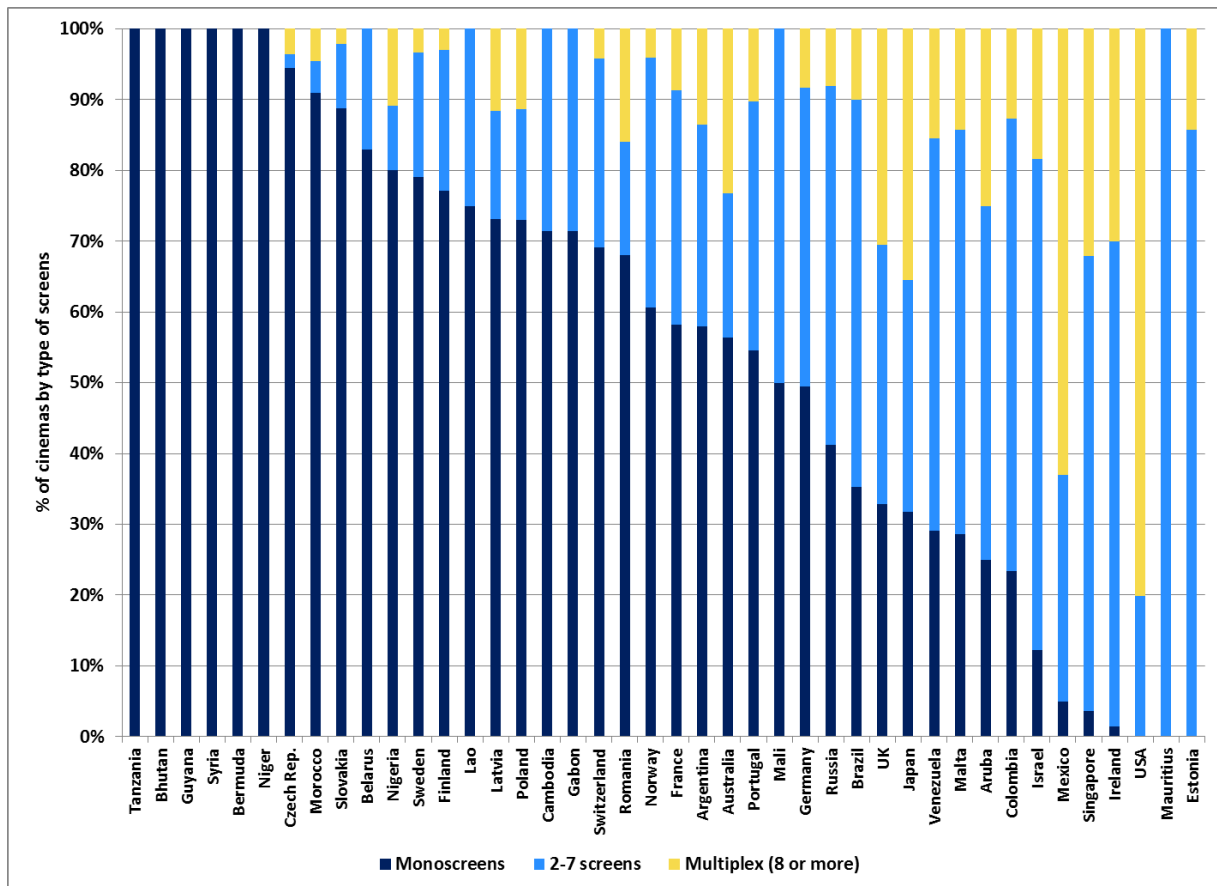
Country	Screens per capita in 2011
Mali	0.02
Guinea	0.02
Syria	0.03
Niger	0.03
Tanzania	0.06

Note: * No data for the Sub Saharan region.
Source: UNESCO Institute for Statistics, July 2013.

On the other hand, there are several countries which do not have any multiplexes. Nevertheless, the countries with the most box office numbers have a higher proportion of 2 to 7 screens or multiplex screens in comparison to single screens.

As seen in **Figure 3**, six countries have only monoscreens. There are also several countries that have a significant number of theaters (100+) with single screens, including: Slovakia (89%), Belarus (83%), Switzerland (69%), and Nordic countries like Finland (77%) and Norway (61%). Other countries that have a large number of screens (300 to 500 in total) with a high proportion of monoscreens include: the Czech Republic (95% monoscreens), Sweden (79%) and Poland (73%). In 2011, France had 2,031 screens of which 58% were monoscreens.

FIGURE 3. DISTRIBUTION OF CINEMAS BY NUMBER OF SCREENS, 2011



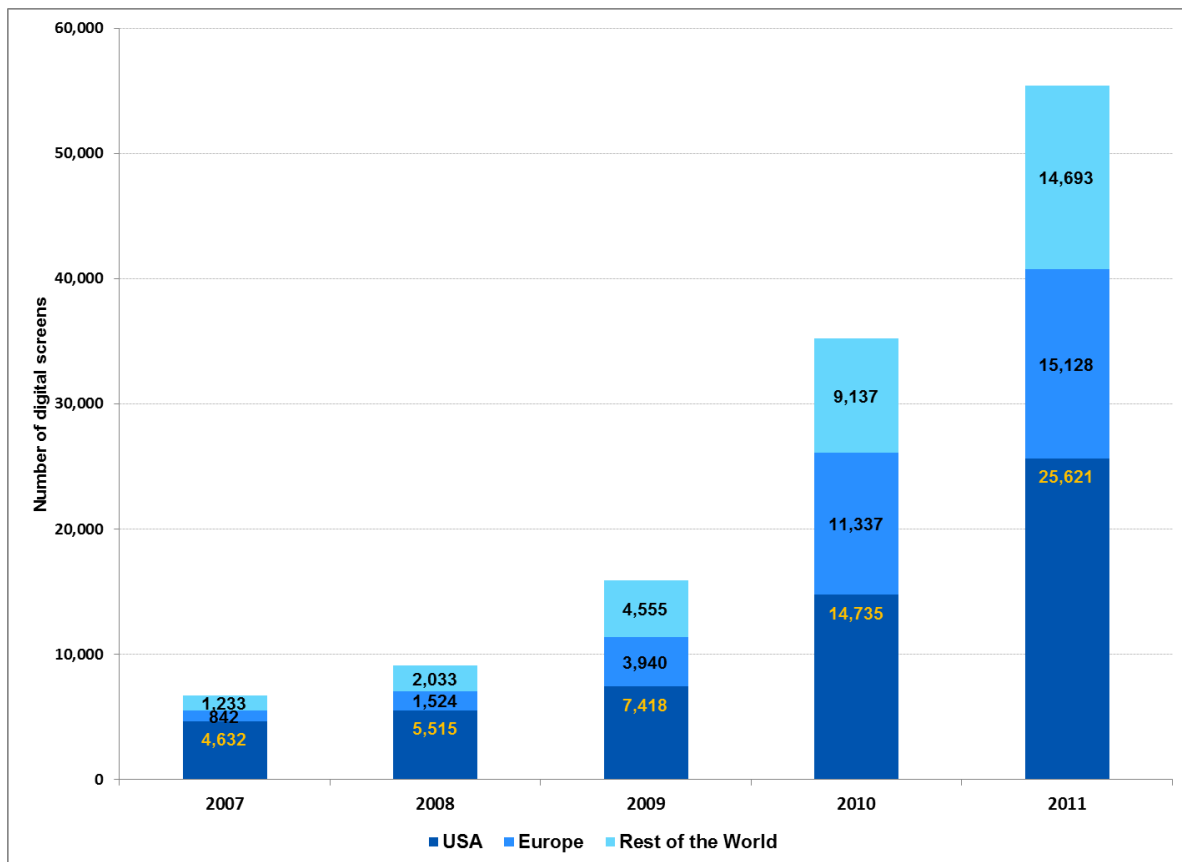
Source: UNESCO Institute for Statistics, July 2013.

4. Digitization

Since 2010 (the year in which the film *Avatar* was released), the number of digital screens increased exponentially, especially in developed countries. In developing countries, the rate of digitization was lower yet still significant. **Figure 4** shows the sharp rise in the number of digital screens, increasing from 6,707 in 2005 to 55,442 in 2011. This represents an increase of 726%. The trend is also characterised by the fact that it occurred outside the USA. In 2007, the USA accounted for 70% of all digital screens; by 2011, the share had dropped to 46%. The greatest growth occurred in Europe.

In the 2000s, the mainstream film industry (Hollywood and multinational companies) declared that digitization of screens would reduce copy fees and other related costs, opening more theaters, penetrating territories with a low level of screens, allowing national film producers and filmmakers in developing countries to increase their market share and reinforcing cultural diversity (De Luca, 2004, 2009) .

FIGURE 4. NUMBER OF DIGITAL SCREENS*, 2007-2011



Note: * Digital projectors included in the UIS survey until 2007 required a minimum standard of 1.3K resolution, where the imaging device is 1,280 pixels wide by either 720 or 1,024 pixels high. Since 2008, all new digital projectors have a minimum standard of 2K resolution (2,048 x 1,080).

Source: UNESCO Institute for Statistics, July 2013.

Digitization is dominated by Hollywood and other major players. This concentration has strengthened in recent years, and this having a negative impact on middle and small exhibitors and, in some cases, national producers. The Virtual Print Fee (VPF⁴) has almost no presence in regions like Latin America – except for a very few big players. National producers also need to pay a “sui generis” VPF which is more expensive than the former 35mm print costs for local producers in developing countries (González, 2011).

5. Case studies

In order to analyse specific trends in the cinema market across the world, two cases studies will be presented: one comparing film market in the USA to that of China, and the other focusing on the Latin American market. The first case study will demonstrate how the dynamic Chinese market is challenging the USA as the premier film market in terms of box office. The second case study will show that the Latin American film sector is not homogenous and is led by two countries – Brazil and Mexico have entered into the world top market during the last decade, while other countries of the region lack screens and have small production. Public regulation and support of the film sector in the region have also highly influenced the structure of the Latin American market.

5.1. China: The future leader of the film market?

Over the few last decades, the rate of economic growth of the Chinese economy has been enormous compared to most, if not all, economies in developed countries. As a result, this growth has been evident in the film market, where by 2012 China became the second largest consumer of feature films in the world in terms of box office. During the same period, the USA market has faced stagnation or experienced little increase in terms of admissions. If this trend continues, China will surpass the USA as the world’s Number 1 film market by 2020.

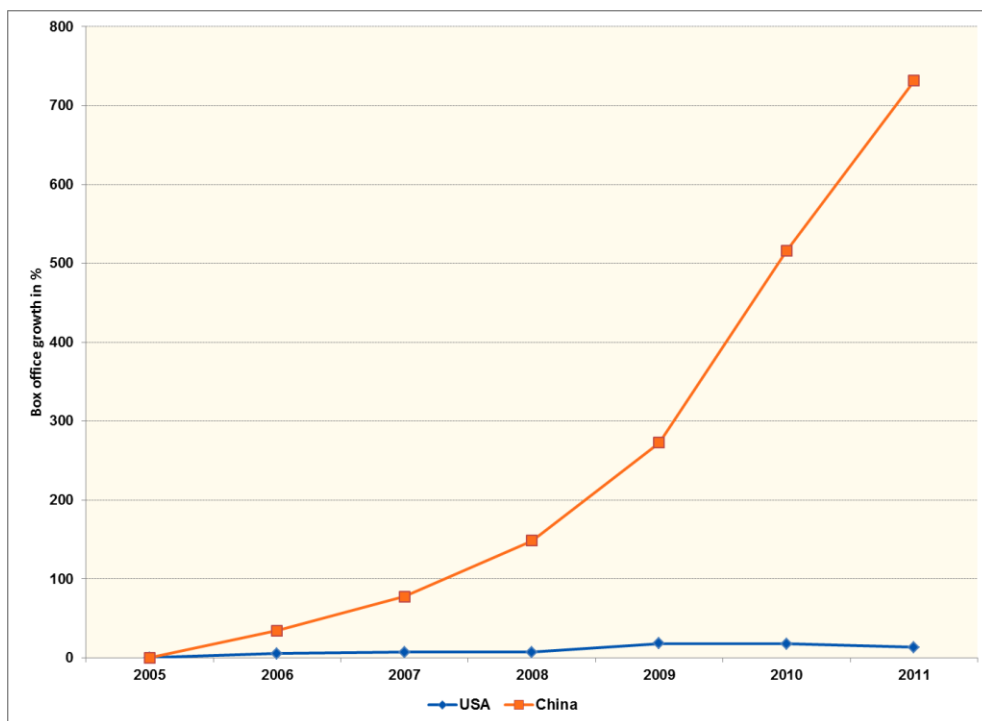
The film market in China has grown four to five times faster than its GDP over the last decade (and its GDP is one of the fastest growing in the world) and the growth in the film market has been even more impressive. In fact, between 2005 and 2011, box office in China grew on average by 43% per year (50% over the 2008-2011 period), while the cinema market box office of the USA grew on average by just 2.2% annually (see **Figure 5**).

The difference in the number of admissions is remarkable: while admissions grew on average by 15.6% annually in China between 2005 and 2011, in the USA market there was an annual average decrease of -1.4% (see **Figure 6**). This growth occurred despite the dramatic increase in ticket prices that occurred in China during this period. The average admission price in China multiplied 3.5 times, an increase of 253% between 2005 and 2011, whereas the average ticket price in the USA increased by only 23.8%.

It is worth noting that the decline in growth of the US market (both for box office and admissions) started in 2005, that is to say, three years before the start of the global financial crisis.

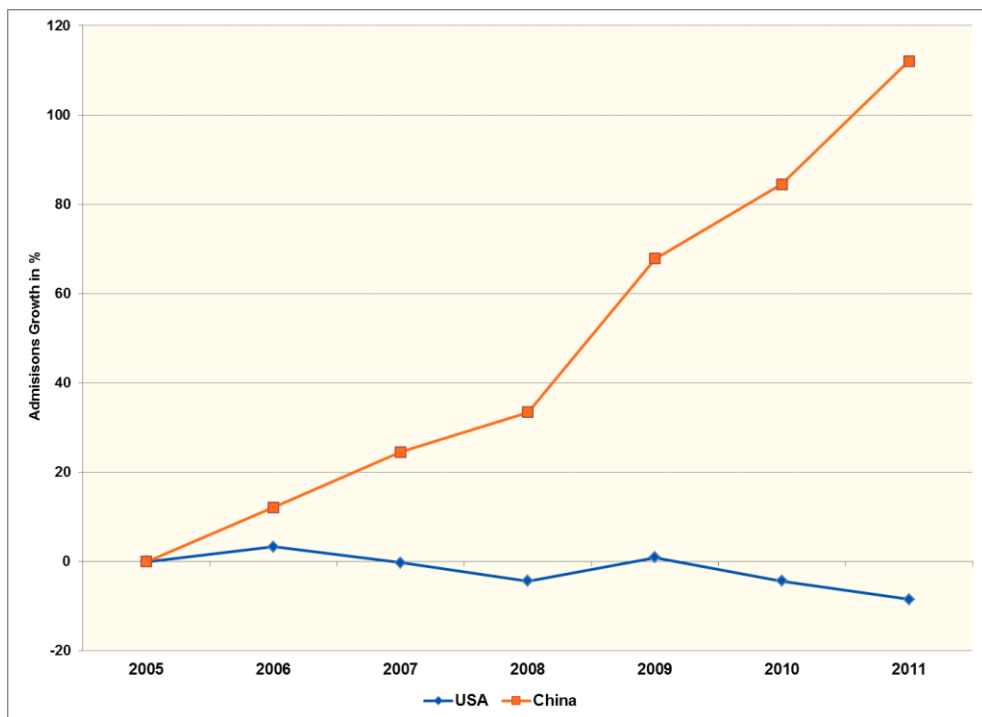
⁴ The Virtual Print Fee (VPF) is financial support giving by distribution companies to exhibition companies to afford the high costs of digitization.

FIGURE 5. ANNUAL GROWTH RATE IN BOX OFFICE REVENUE IN CHINA AND USA, 2005-2011 (BASE YEAR 2005)



Source: UNESCO Institute for Statistics, July 2013.

FIGURE 6. ANNUAL GROWTH RATE IN ADMISSIONS IN CHINA AND USA, 2005-2011 (BASE YEAR 2005)



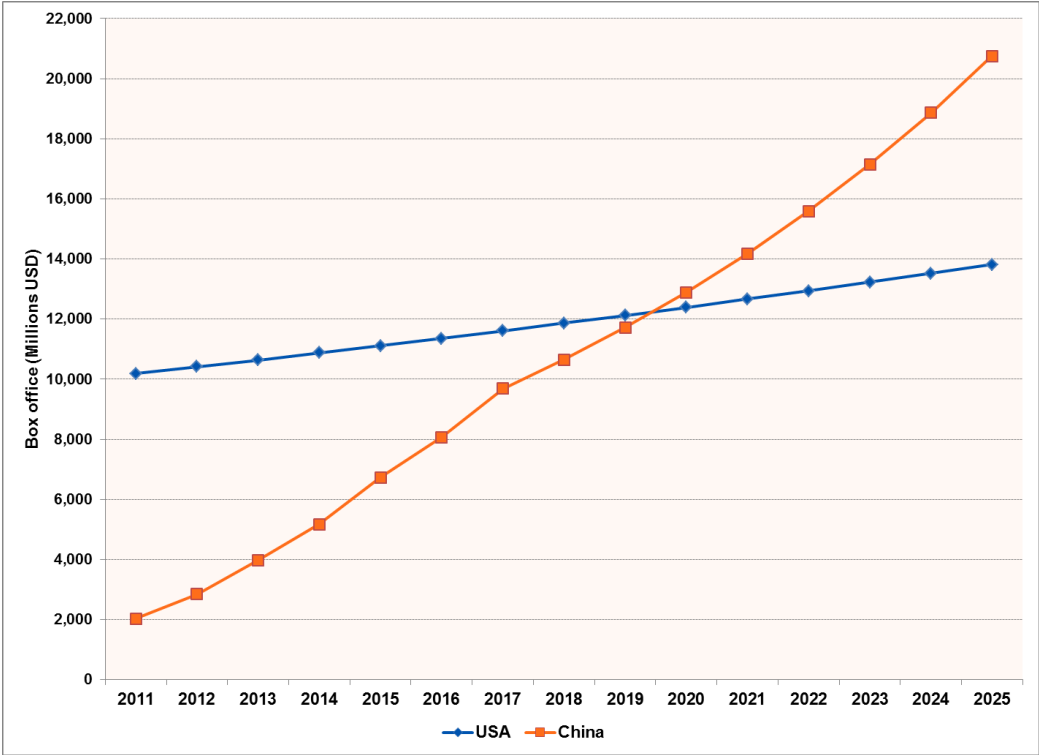
Source: UNESCO Institute for Statistics, July 2013.

One of the reasons for the sharp increase in the number of cinema admissions in China has been the prodigious growth of its economy and the increase in the standard of living and disposable incomes of the middle class. These newly wealthy citizens can now afford to go to the cinema to enjoy both national and foreign movies. This growth has spurred the continual and rapid construction of theatres: “China is building something like 10 screens a day”, said Christopher Dodd, MPAA chairman and CEO on March 2013 (*The Hollywood Reporter*, 2013). And despite the tremendous increases in average ticket prices, Chinese spectators continue to fill theaters.

Although the number of new multiplexes has risen steadily, China is still lacking screens (as seen in Section 3.3) in comparison to its population and market. In 2011, China had approximately 2,000 theaters and 9,286 screens across the country – making it the second largest national exhibition market in the world. However, this represents only one screen per every 136,000 people. In contrast, the USA had approximately 40,000 screens in 2011, with a population of approximately 280 million, representing one screen per every 7,000 people. China will need to construct some 170,000 screens to reach the same level of screen density as in the USA.

At this rate of growth in cinema theatre construction and admissions, China is expected to surpass the USA as the Number 1 film market by 2020. **Figure 7** shows that, if China’s growth rate continues to increase regularly, although at a slower rate, over the next 15 years and if USA’s growth remains almost stable, then China will surpass USA by 2019. In addition, China’s box office will be 50% more than that of the USA by 2025.

FIGURE 7. PROJECTED BOX OFFICE REVENUE IN CHINA AND USA (IN MILLIONS US\$), 2011-2025



Source: UNESCO Institute for Statistics, July 2013.

5.2. Latin America: Evolution and characteristics of the cinema industry

The Latin American film market shows contrasting situations between countries. On the one hand, there are countries that in the last decade have more than doubled the number of screens, admissions and/or box office (i.e. Brazil, Colombia, Mexico and Peru). Brazil entered the world Top 10 list with the highest admissions of any Latin American country during the last decade, while Mexico has the fifth largest number of screens in the world. On the other hand, some countries encountered modest growth or even stagnation in the number of screens available (i.e. Argentina and Uruguay).

A common pattern seen in the region is government support for film production. The evolution of the film market in some countries, such as Argentina, Brazil and Mexico, is highly dependent on public policies, which have been changing over the last 30 years.

In 2011, Latin America generated a total box office of US\$1.6 billion, representing an average ticket price of US\$4.50 and the sale of 417 million tickets. Brazil and Mexico together accounted for 65% to 75% of these totals.

Viewers in Latin America have access to about 2,026 screens. On average, there are 210 commercial releases per year. Depending on the country, between 5 and 130 national films are produced a year, primarily as a direct result of the national support received by the governments of the region over various decades.

Production

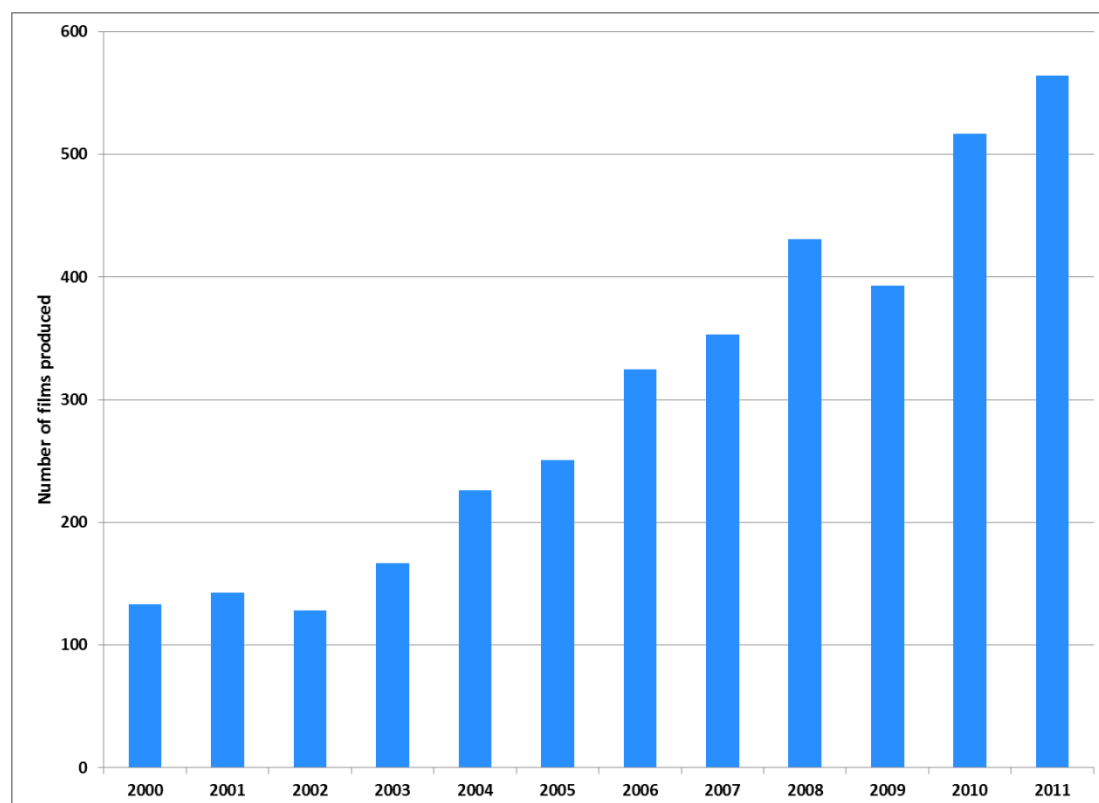
During the first decade of the 21st Century, Latin American countries produced 2,400 feature films (see **Figure 8**), with growth throughout each decade (on average 350 films were produced per year between 2005 and 2011). This is a sharp increase from the 1980s, when on average 230 films were produced annually or the 1990s with 90 films per year (Getino, 2005).

Film production in Latin America increased partly as a direct result of the public policies developed to support the field (with the exceptions of Paraguay and a few Central American countries). These policies have been present in most of the subcontinent since the 1930s (mainly in Argentina, Brazil, Mexico and Peru). The subsequent decades saw further support in the form of subsidies, tax incentives, soft loans, prizes for quality and screen quotas (there were even state producers, state distributors and state exhibitors, mainly in Mexico from the 1940s to 1970s and in Brazil in the 1970s).

In the early 1990s, most countries in the region experienced a drastic reduction in public support, affecting the national film sectors negatively. Nevertheless, in the late 1990s and early 2000s, there was a re-emergence of public policies favorable to the film sector, mainly in relation to production. The three major film-producing countries, Argentina, Brazil and Mexico, resumed their growth. During the 2000s, most Latin American countries implemented national legislation supporting the film sector.

Argentina and Brazil returned to maximum production peaks with over 100 films produced annually, surpassing records set in the earlier “golden years”. Mexico also increased film production, but the country is only just reaching the number of films produced during its golden years (between 1940 and 1980), which was also about 100 annually. Other Latin American countries showed more modest increases in the number of films produced. Due to new national film policies in some of these countries, they have begun regular production of films for the first time in their history.

FIGURE 8. NUMBER OF FEATURE FILMS PRODUCED IN LATIN AMERICA, 2005-2011



Source: UNESCO Institute for Statistics, July 2013 and Latin American film agencies, production companies and media (RoqueGonzalezConsulting.com).

Over the last decade, coproduction became the main method of film production in many Latin American countries, such as Bolivia, Cuba and Uruguay. A significant inter-governmental initiative related to film support was born within this context: the Conference of Ibero American Film Authorities (CACI, in Spanish initials). In 1997, they created the Ibermedia Program⁵ that since has had a fundamental role in regional cinematography, with funds dedicated to production, distribution, training and marketing. Nevertheless, production is the main focus for Ibermedia loans. There was another regional attempt to create a similar inter-governmental space in Southern Cone—the Specialized Meeting of Film and Audiovisual Authorities⁶ (Recam, in Spanish initials), but with no concrete outcome until now.

Within Latin America, there is an important and hidden level of semi-professional, almost artisanal, production of feature films, especially in Bolivia, Ecuador, Peru and Venezuela. Like “Nollywood”, these films which are not released in theatres but rather circulated via street vendors or streaming on-line (mainly YouTube) are viewed by large audiences, with some titles becoming popular “hits”.

⁵ www.programalbermedia.com

⁶ www.recam.org

Market and consumption

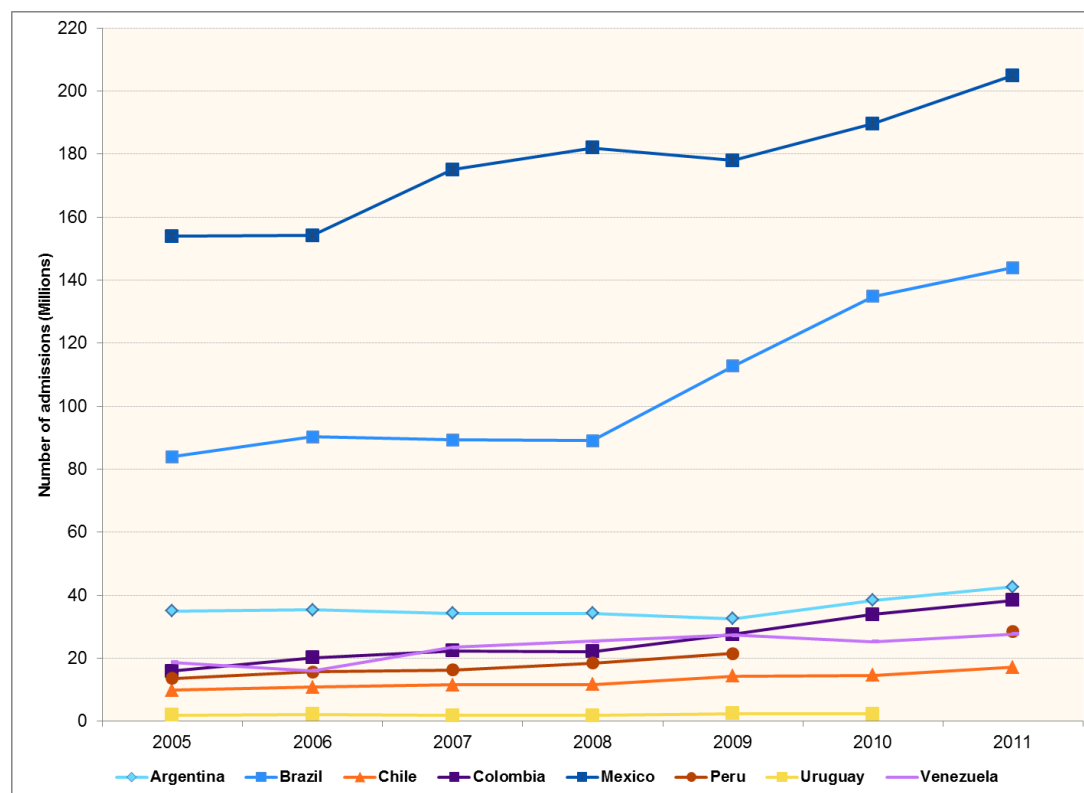
The cinema market in Latin America has faced drastic changes over the last few decades. Up until 40 years ago, national private companies dominated the Latin American film markets, especially exhibition. Through globalization, film distribution and exhibition are now mainly controlled by Hollywood studios and the multinational companies associated with them (Guback 1969, Getino, 1984-1987, Rey, 2005).

In Latin America, there are fewer numbers of moviegoers: the frequency of attendance in the region is on average 0.8 movies per year per person, except in Mexico (1.7), a country that has the fifth largest exhibition market of the world. Nevertheless, box office showed an increase of 127% during the 2000s, due mainly to the constant increase in cinema ticket price: prices doubled during the last decade (due primarily to the cost of 3D screening which typically is at a premium price).

Meanwhile, the number of tickets sold rose 43% on average between 2005 and 2011 (2.8 billion admissions were sold). As such, the rise in Latin American box office was 1.6 times higher in comparison to the increase in tickets sold. Mexico and Brazil represented 70% of the total Latin American admissions and box office.

Growth was not homogeneous in the region. There was significant growth in Brazil, Colombia, Mexico and Peru. Meanwhile, Chile and Venezuela saw only modest increases while Argentina and Uruguay experienced relative stagnation (see **Figure 9**).

FIGURE 9. NUMBER OF ADMISSIONS IN LATIN AMERICA, 2005-2011



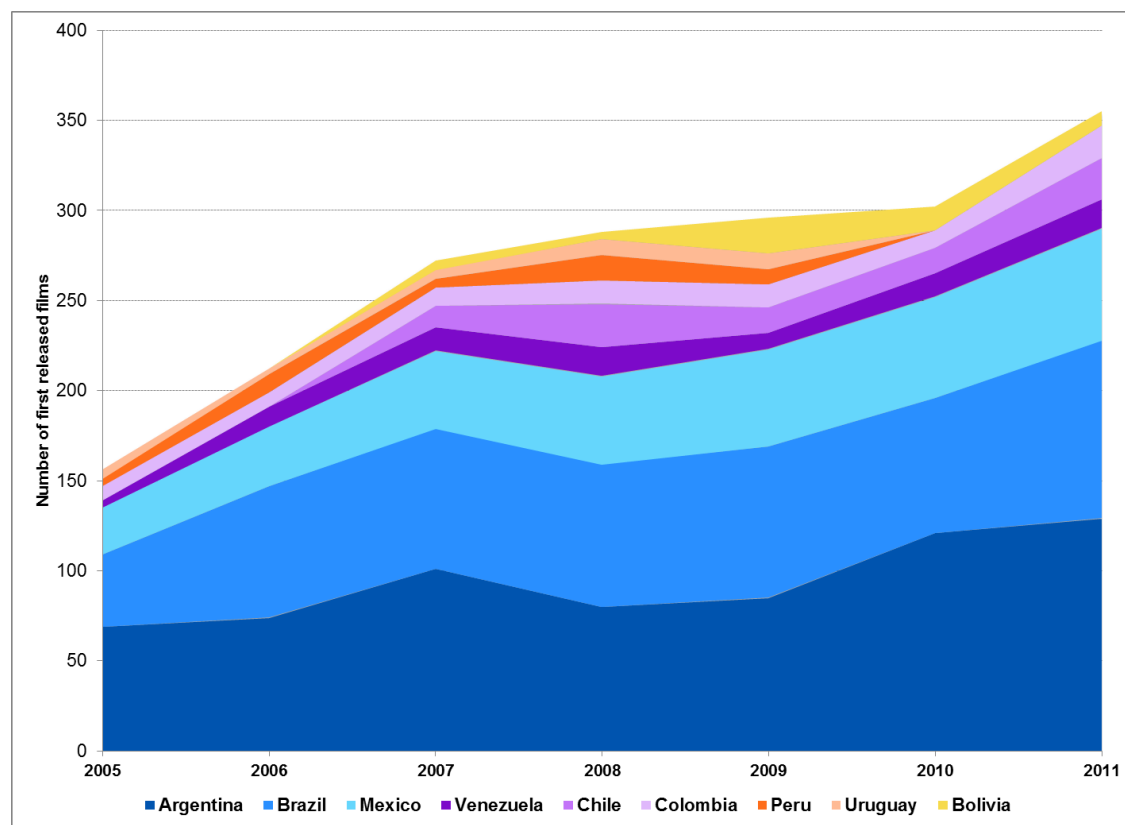
Source: UNESCO Institute for Statistics, July 2013 and RoqueGonzalezConsulting.com.

These numbers are far from the height of the cinema industry in Latin America when the frequency of attendance varied between two to five films on average per year.

Latin American film exhibition

The presence of nationally-produced films in Latin American screens varies according to the strength of each respective national film sector, cinematographic tradition and degree of state support. During the last decade, the production of national films substantially increased in Argentina, Mexico and Brazil, doubling in the first case and tripling in the remaining as shown in **Figure 10**. The remaining countries showed slight increases in the number of national releases.

FIGURE 10. NATIONAL FIRST-TIME RELEASE FILMS IN LATIN AMERICA, 2005-2011



Source: UNESCO Institute for Statistics, July 2013 and Latin American film agencies, consulting companies and media (RoqueGonzalezConsulting.com).

Table 17 shows that national movies attained over a 10% market share in terms of admissions and box office in Argentina and Brazil, where cinematography is well developed. The remaining countries of the region with data available had between 2% and 7% of the market share.

Latin American produced movies did not have much success within the region. The market share for those films was between 0.02% and 1% of admissions. In rare exception, the share reached to 2% for national hits distributed by international companies.

TABLE 17. AVERAGE MARKET SHARE OF NATIONAL FIRST-TIME RELEASE FILMS BETWEEN 2005 AND 2011 IN LATIN AMERICA, BASED ON ADMISSIONS

Country	Market share (%)
Brazil	12.7
Argentina	11.0
Colombia	7.3
Mexico	6.5
Uruguay	6.0
Chile	5.6
Venezuela	4.9
Peru	2.0

Source: UNESCO Institute for Statistics, July 2013 and Latin American film agencies, consulting companies and media (RoqueGonzalezConsulting.com).

Infrastructure and exhibition

The number of screens in Latin America grew on average by 65% in the 2000s. This percentage was led by Mexico and to a lesser extent; Brazil and Colombia (see **Figure 11**). This growth took place in a context of high geographic and class concentration, in addition to the high cost of tickets – in Latin America just one family outing to the family represented the equivalent of 10% of average local monthly income.

Nevertheless, Latin America still remains “under screened”, including the giant Brazil, which has only around 2,500 screens for a population of almost 200 million inhabitants, representing only 1.1 screens per 100,000 inhabitants.

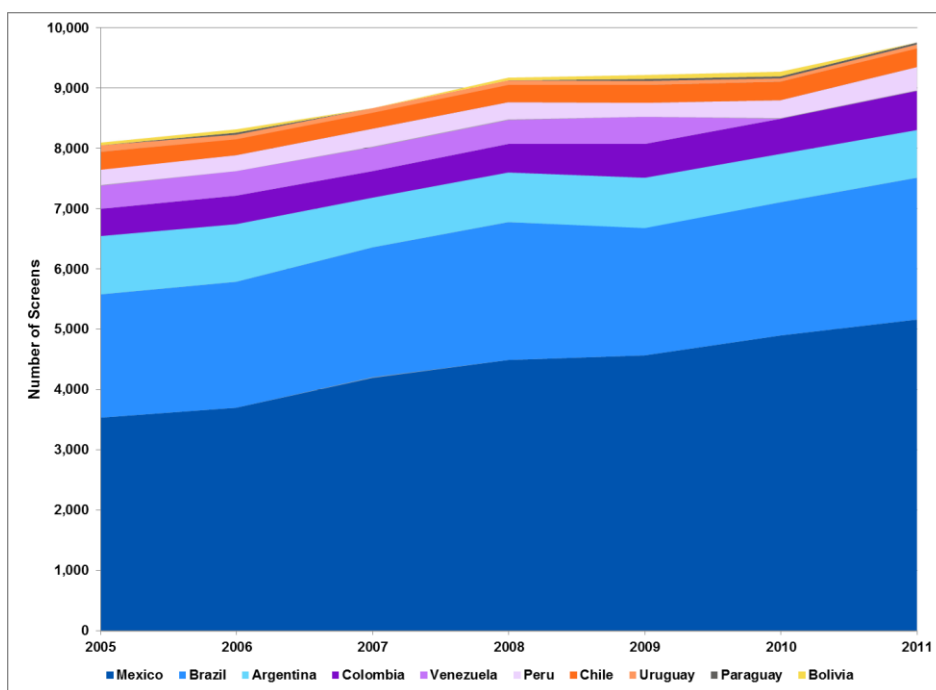
Regardless of whether one country has more or fewer screens, the geographic concentration of the screens is extremely important in all Latin American countries. In Mexico, only 7% of cities had a screen, and in Brazil, the second largest Latin American exhibition market, only 10% of cities had a theater (González, 2011).

Digital screens

These patterns are especially acute in digital cinema through its flagship: 3D (the vast majority of Latin American digital screens are 3D). In 2007, 19 screens were digitized in Latin America. Since 2008, especially 2009, many digital screens opened in the entire region. Nevertheless, the rate of digitization in the region remains one of the lowest in the world (22% in 2011) (see **Figure 12**).

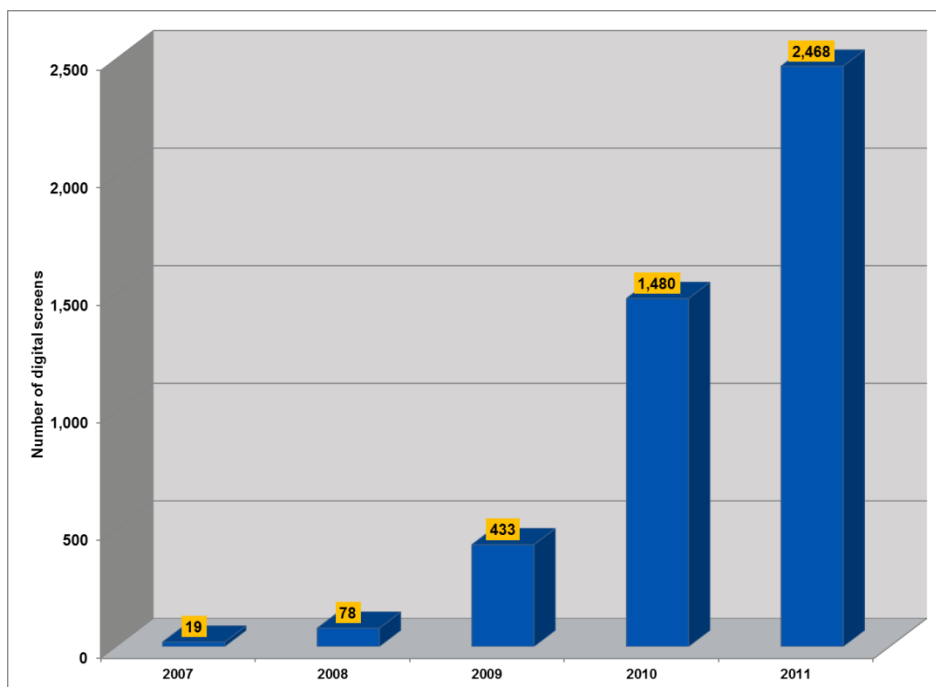
Digital screens in Latin America are concentrated in two countries: three-quarters are in Mexico and Brazil. Since the onset, Mexico has led the way in digital exhibition in the region – in July 2000 the first Latin American digital screen opened in Mexico City (Cinemex’s “Mundo E”). Until December 2011, one-half of Latin American digital screens were located in Mexico.

FIGURE 11. NUMBER OF SCREENS IN LATIN AMERICA, 2005-2011



Source: UNESCO Institute for Statistics, July 2013 and Latin American film agencies, exhibition companies and media (RoqueGonzalezConsulting.com).

FIGURE 12. NUMBER OF DIGITAL SCREENS IN DLP-DCI* IN LATIN AMERICA, 2007-2011



Notes: * Resolution of 2K (except in 2007, a few 1.3K projectors were installed).

DCI: Digital Cinema Initiative (Hollywood consortium).

DLP: Digital Light Processing (technology used on projectors, developed by Texas Instruments).

Source: UNESCO Institute for Statistics, July 2013 and Roque González (2011).

However, promises about democratisation, lower costs and more diversity around digital cinema have not materialised. In Latin America, equipment costs are about US\$100,000.00, almost double that of developed countries. This is due to high taxes charged on electronic and digital equipment. For this reason, only the major exhibition companies (foreign and local) are capable of paying the costs of digitization.

Moreover, there are generally no public policies to help exhibition companies to digitize – like in Europe, except in Argentina and Brazil. In this context, the Latin American digital screens are replicating the pattern of general exhibition: they are mainly in wealthy cities and wealthy neighborhoods.

Conclusion

This analysis has highlighted some unique trends in the global cinema sector. First, there is a tendency for the “global film industry” (dominated by Hollywood productions) to produce sequels, prequels and adaptations (non-original ideas) that are targeted to mass media, children and youth, resulting in a concentration of world production.

Second, film production is highly concentrated with 7% of the countries with regular film production making 55% of all feature films globally. India itself produced 20% of all films worldwide.

Blockbusters outside of the USA have mainly been USA-produced comedies, breaking records all over the world. National productions or coproductions that are not distributed by Hollywood major studios have had almost no circulation beyond national borders.

In the period 2005-2011, world admissions dropped by 12.8%, while box office revenues rose by 27.8% (average ticket price increased by 46%, especially since the 3D boom). Market concentration is still very high; Top 10 countries represented around 75% of world box office and 85% of world admissions. The concentration for admissions slowly increased from 85% to 90% between 2005 and 2011.

Similar to patterns in the world macro-economy, the BRIC group (Brazil, the Russian Federation, India and China) is increasing its market share of the world film market (both production and admissions). China is the main star of this story: based on conservative estimates, by early 2020 the Asiatic giant will surpass USA as the main film market in the world.

Other regions, like Latin America, have improved their film market indicators, but they are still low (except for Brazil and Mexico) in comparison to other regions. There are many individual countries that had impressive box office growth (21 countries with increases from 102% to 556%), in comparison with admissions rises (10 countries increasing from 100% to 156%).

In other words, the world film screen market is losing spectators but increasing revenues – mainly due to increased ticket prices. In the context of many large countries, such as China, the Russian Federation and India, “lacking cinema screens, the development of their cinema infrastructure could give a push to the world film market” (Miller, 2008).

This state of affairs could be the result of a change of paradigm related to audiovisual consumption. More people are watching movies, television series, shows, clips, etc. mainly through Internet connections (in their home, office, walking down the street or in a cybercafé). Nevertheless, the audiovisual industry has not yet received high revenues from these sources, such as the major profits that were generated by home video from the mid-1980s to the mid-2000s.

The digitization of screens (a radical change since the beginning of cinema) has rapidly increased, especially since 2010. Nevertheless, the reduction of many distribution and exhibition costs is not changing the context of screen concentration and vast territories with cinema infrastructure remain under-developed.

This is a time of fundamental change in the film and audiovisual sector, and it is just the beginning.

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Appendix

Statistical table 1. Data on feature film production, distribution and cinemas

2011									
Country or territory	Production			Distribution			Infrastructure		
	Number of feature films nationally produced	% of feature films 100% nationally produced	% of feature films that were co-productions	Number of film distribution companies	% of distribution companies nationally-controlled	Number of cinemas	% of multiplexes	Number of screens	
Sub-Saharan Africa and Arab States									
Algeria	...	...	...	...	...	...	...	19	⁻²
Bahrain	...	...	...	...	...	...	...	44	⁻²
Burkina Faso	4	⁻²	...	...	...	...	...	10	⁻²
Cameroon	20	^{1,-2}	100	⁻²	0	-	⁻²	...	-
Egypt	28		100		0	...	...	110	⁻¹
Gabon	10	¹	100		0	.	.	7	
Guinea	5	⁻¹	...	...	...	...	...	...	2
Kuwait	...	...	...	...	...	...	...	61	⁻¹
Lebanon	14		50		50	8	38	...	185
Mali	1		100		0	1	100	2	3
Mauritius	30	¹	...	...	...	4	100	10	26
Morocco	24		63		38	11	36	44	68
Mozambique	...		...		...	...	...	4	⁻²
Niger	6		67		33	...	...	4	4
Nigeria	997	¹	...	...	...	120	97	55	11
Oman	-	⁻²	-	⁻²	-	⁻²	...	7	⁻²
Qatar	...		...		...	...	...	38	66
Senegal	5		60		40	3	67	...	...
South Africa	22		27		73	6	100	...	857
Syrian Arab Republic	5		100		0	.	...	5	0
Tunisia	11		...		...	...	...	...	18
United Arab Emirates	...		...		...	...	...	...	255
UR Tanzania	.		...		...	.	...	24	24
Asia and the Pacific									
Armenia	5		80		20	...	...	...	...
Australia	43	^d	91		9	48	0	474	23
Azerbaijan	20	⁻¹	.		.	...	...	10	0
Bhutan	29	¹	100		0	...	...	7	0
Cambodia	13	¹	100		0	6	83	7	...
China	584	¹	...		...	...	...	1,687	^{1,-2}
China, Hong Kong SAR	53	ⁿ	...		...	...	...	3	⁻¹
China, Macao SAR	1		100		0	1	100	4	...
Fiji	1	⁻²	100	⁻²	0	⁻²	⁻²	2	⁻²
Georgia	14		79		21	...	...	.	.
India	1,255	^c	...		...	...	...	...	...
Indonesia	84	ⁿ	...		...	...	...	...	763
Iran (Islamic Rep. of)	76	ⁿ	...		...	94	100	345	0
Israel	26		100		0	...	...	49	18
Japan	441		...		...	...	...	665	35

Kazakhstan	12	±, -2, r, s	67	-2	33	-2	...	...	94	...	171	-2				
Kyrgyzstan	1	-1	...	...	...	1	100	38	0	38						
Lao PDR	2	-2	0	-2	100	-2	3	100	4	0	5					
Malaysia	49	f	...	...	...	...	...	107	f	...	639					
Mongolia	13		100		0		4	75	...	...	...		
Myanmar	27	-2	100	-2	0	-2	50	-2	100	-2	124	-2	0	-2	124	-2
New Zealand	25		88		12		...	...	...	...	...
Pakistan	27	-2	100	-2	0	-2	232	-2	86	±, -2	228	-2	6	-2	319	-2
Philippines	78	n	...	...	...	...	...	...	...	...	693					
Republic of Korea	216	h	...	...	...	...	...	300	h	79	h	1,974				
Singapore	15		73		27		...	...	28	32	187					
Tajikistan	8	-2	13	±, -2, s	...	...	...	...	...	...	67					
Thailand	49	n, -1	...	...	...	...	...	...	...	...	757					
Viet Nam	75		56		44		...	...	105	0	...					
Europe and North America																
Austria	54		52		48		...	...	157	14	577					
Belarus	1		100		0		7	100	129	...	744					
Belgium	47	-2	17	-2	83	-2	27	-1	81	-1	461	-1				
Bosnia/Herzegovina	7	n	...	...	...	...	...	...	...	...	34					
Bulgaria	15		67		33		17	100	.	.	138					
Canada	86	d	...	.	...	...	...	...	...	...	...
Croatia	9		33		67		6	17	68	0	146					
Cyprus	3		33		67		6	100	7	0	30					
Czech Republic	45		84		16		25	0	473	4	668					
Denmark	43		37		63		18	...	161	4	396					
Estonia	13		62		38		15	87	...	...	74					
Finland	42		64		36		13	62	166	3	283					
France	272		56		44		439	0	2,031	9	5,465					
Germany	212		62		38		103	93	1,671	g	8	4,640				
Greece	43	n	77		23		...	...	...	...	370	-1				
Hungary	24	-1	83	-1	17	-1	...	...	177	-1	7	-1	411	-1		
Iceland	13		69		31		...	...	...	...	38	-1				
Ireland	32		13	±, e	56	±, e	8	25	70	30	444					
Italy	155	b	85		15		...	...	...	...	3,217	-1				
Latvia	6		83		17		7	43	26	12	63					
Lithuania	2		100		0		.	...	51	18	95					
Luxembourg	16		13		88		...	...	13	8	33					
Malta	1		100		0		1	100	7	14	38					
Montenegro	4		0		100		...	...	24	0	24					
Netherlands	73	j	38	±, e	37	±, e	24	j	...	239	j	...	789			
Norway	35		77		23		24	83	198	4	422					
Poland	51	a	86		14		...	...	448	11	1,122					
Portugal	30		53		47		24	96	165	10	558					
Republic of Moldova	1	-2	100	-2	0	-2	...	...	...	...	29					
Romania	17		71		29		37	100	75	16	241					
Russian Federation	140	o, e	...	...	...	...	...	...	925	q	8	2,726				
Serbia	29		55		45		11	91	82	1	117					
Slovakia	12		42		58		13	85	143	2	209					
Slovenia	19		32		68		32	97	52	8	104					
Spain	199		76		24		...	...	876	26	4,044					
Sweden	43		58		42		...	...	478	3	830					
Switzerland	84		67		33		55	100	288	4	547					

TFYR of Macedonia	4	-1	25	-1	75	-1	...	...	11	-1	0	-2	18	-2
Turkey	70		...		...		19	79	520		0		1,968	
Ukraine	3		67		33		17	100	...		...		2,332	
United Kingdom	299		74		26		108	...	745		30		3,767			
USA	819	e, m	88		12		...	...	5,827		...		39,641	
Latin America and the Caribbean																
Argentina	100	p	...		...		73	93	259		14		792	
Aruba	...		...		...		...	...	4		25		21	
Bermuda	...		...		...		...	...	4		0		4	
Bolivia	25	-2		4	-2	75	-2	19	-2	21	-2	79	-1
Brazil	99		...		.		39	87	686		10		2,352	
Chile	23		83		17		8	38	66		21		320			
Colombia	18		67		33		10	80	150		13		647			
Costa Rica	3		67		33		3	0	...		...		...
Cuba	10	k	...		...		...	...	313	k, -2	...		313	-2
Dominican Rep.	6	-2	100	-2	0	-2	...	...	23	-2	39	-2	123	-2
Guatemala	10	p, -1	...		...		...	...	...		...		96	
Guyana	11		100		0		...	...	5		0		5	
Honduras	1	-1	...		...		...	...	...		...		26	-1
Mexico	73		81		19		31	81	562		63		5,166			
Nicaragua	1	-2	...		...		...	...	...		...		47	-1
Paraguay	5	p, -2	...		...		...	...	...		...		27	-1
Peru	8	n	...		...		...	...	...		...		388	
Puerto Rico	10		90		10		...	...	...		...		...
Saint Kitts and Nevis	-	-2	-	-2	-	-2	...	...	1	-2	0	-2	7	-2
Uruguay	8	n	...		...		...	...	...		...		61	-1
Venezuela	16		81		19		6	100	103		16		448			

- a A feature film with a running time of 70 minutes or longer
b Associazione Nazionale Industrie Cinematografiche, Audiovisive e Multimediali (ANICA)
c Central Board of Film Certification - IND
d Data refer to different time frame (fiscal year)
e Does not include documentaries
f FINAS National Film Development Corporation Malaysia
g Includes all kind of cinema sites
h KOFIC – KOR
i National Bureau of Statistics of China
j Nederlands Fonds voor de Film -NLD
k Oficina Nacional de Estadísticas -CUB
l Only covers feature films in video format
m Only covers feature films produced in English language
n Source: European Audiovisual Observatory Focus
o Source: European Audiovisual Observatory Report
p Source: Fundación del Nuevo Cine Latinoamericano
q Source: Nevafilm
r Does not include the film production of private studios
s Only covers fictions

...	Data not available
-	Nil (value exactly zero)
0	Virtually zero (less than half of the last decimal)
.	Not applicable
±	Partial data
+n	Data refers to "n" years after the reference year
-n	Data refers to "n" years before the reference year