



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.1.2007
SEC (2006) 1806

COMMISSION STAFF WORKING DOCUMENT

Accompanying document to the

**REPORT FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN
PARLIAMENT AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
AND THE COMMITTEE OF THE REGIONS**

**On the implementation of Council Decision 1999/784/EC of 22 November 1999 as
amended by Decision 2239/2004/EC of the EP and the Council concerning Community
participation in the European Audiovisual Observatory**

{COM(2006) 835 final}

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Chapter 1. Dissemination of publications

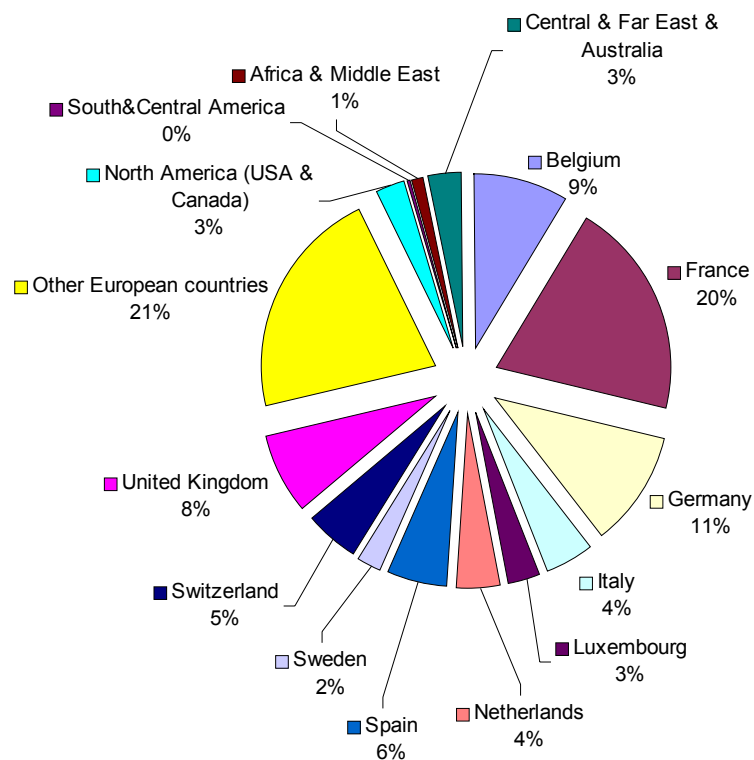
After a decline of sales by the end of the 1990's, the total sale of publications stabilised from 2001 to 2003 and increased again in 2004 and 2005.

Year	2001	2002	2003	2004	2005	2006
Number of publications sold	839	916	791	1 407	1 581	1 550*

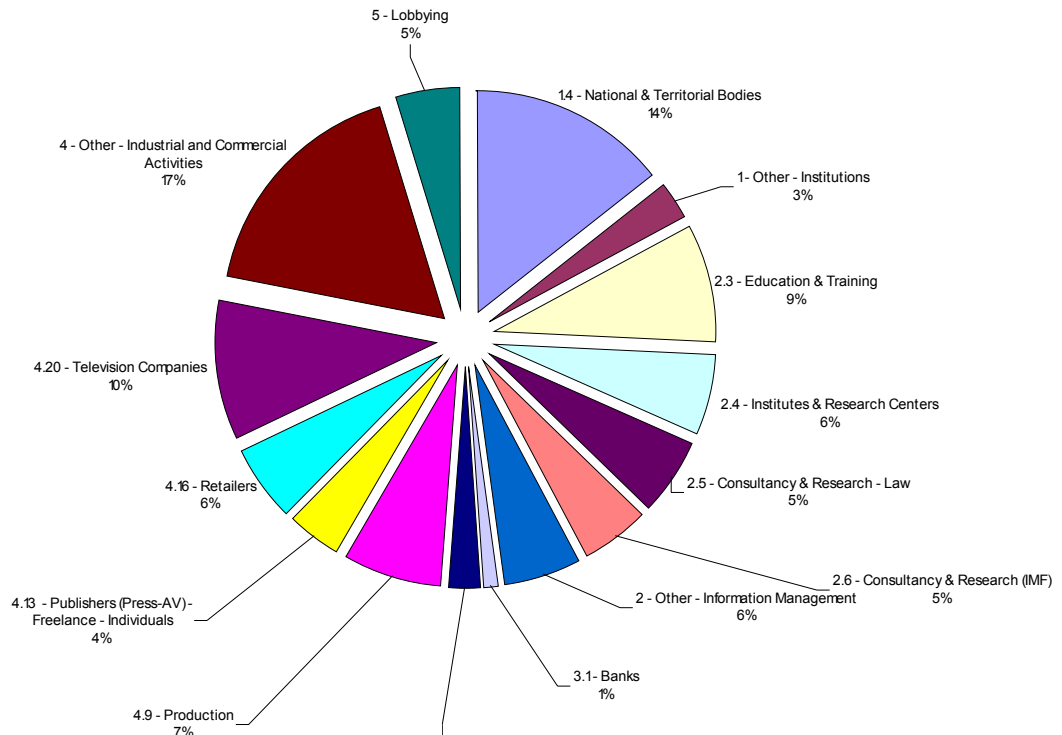
*Estimation

The following two charts give an overview of the geographical pattern of the distribution of sold copies of the Observatory publications for the year 2006 (January to end of August) as well as a breakdown of the categories of purchasers. The breakdown of the year 2006 is quite representative of the past years.

Customers of all Publications sold from January to August 2006
GEOGRAPHIC DISTRIBUTION
Total of 437 organisations



**Customers of all Publications sold from January to August 2006
DISTRIBUTION BY PROFESSIONAL CATEGORY
Total of 437 organisations**



Sales and free distribution of flagship publications - "Yearbook" and "Iris" –

Year	Yearbook sales	Yearbook free distribution	Iris sales	Iris free distribution	Iris plus sales	Iris plus free distribution	Iris special sales
2000	715	1203	295	602	-	-	-
2001	375	984	235	465	235	550	78
2002	324	680	210	500	210	575	228
2003	357	875	231	450	231	550	242
2004	335	890	221	500	221	550	358
2005	316	890	175	650	175	750	602
2006 ¹	350	800	168	700	168	650	650

¹ Estimation

The Observatory has been commissioned by Marché du Film/Festival de Cannes (MIF) to prepare synthetic statistics on world film market trends. These statistics are printed, published and mainly distributed by MIF under the name "FOCUS" at the Cannes film festival to all accredited professionals (about 8,500 copies). "FOCUS" is largely identified with the Observatory, which also disseminate about 2,000 copies among its customers, professional partners and members.

The study "Public Funding for film and audiovisual works in Europe – A comparative approach", published in 2004, is considered to be a commercial success: by August 2006, 601 copies were sold and some 550 copies were distributed free of charge.

For the report "Film Distribution Companies in Europeis", which is expected to be launched by fall 2006, marketing plans foresee a distribution of 450 copies free of charge and a minimum sales target of 200 copies.

Chapter 2. Main Observatory reports concerning market and financing issues

In the years 2000-2006, the following reports have been published:

2000:

BODO, C. with the collaboration of GUERRAGGIO C., PETROCCHI F. and SPADA, C., "Market and State in the Film Industry in Italy in the Nineties", 2000. (on-line publication on Observatory website)

BUONANNO, M. (ed), *Eurofiction 2000. Television Fiction in Europe*

HANS BREDOW INSTITUTE (ed.), *Radio and Television System in Europe*

LANGE A. (ed), *European Films on European Television*

JEZEQUEL, J.P. et LANGE A. (sous la direction scientifique de), *Economie de la fiction télévisuelle en Europe. Montants des investissements et relations entre diffuseurs et producteurs*, co-édité en collaboration avec le CNC.

2001 :

BUONANNO, M. (ed), *Eurofiction 2001. Television Fiction in Europe*

DONDUREI D. and VENGER N. (Double-D), *The Film Sector in the Russian Federation* (on-line publication)

IRG, Russia. *The Video Market in Transition* (on-line publication)

2002:

BUONANNO, M. (ed), *Eurofiction 2001. Television Fiction in Europe*

JEZEQUEL, J.P. (coordination scientifique), *Economie de la fiction télévisuelle en Europe*, 2ème édition, co-éditée avec le CNC et la Direction du développement des médias

2003 :

INTERNEWS, *Television in the Russian Federation: Organisational structure, Programme Production and Audience*

2004:

LANGE A. and WESCOTT, T., *Public funding of film and audiovisual works – A comparative approach* (published in collaboration with the European Investment Bank)

LANGE A., *L'impact du piratage sur l'industrie audiovisuelle* (on-line publication)

2005:

LANGE A., *Financial situation of television companies in Europe* (on-line publication)

2006 :

HOEFFERT DE TUREGANO, H., *Public funding for the promotion of European films* (online publication)

INTERNEWS, *Television in the Russian Federation: Organisational structure, Programme Production and Audience*, up-dated edition.

NEWMAN, S. (with the collaboration of HUGOT T.), *Film distribution companies in Europe*

Chapter 3. Main Observatory reports concerning legal issues

The following "IRIS plus" have been published as of mid 2006:

- Cultural and Regional Remits in Broadcasting
- Protection of Minors from Harmful Information in the Law of Post-Soviet States
- Major Events and Reporting Rights
- Search Engines: Seek and Ye Shall Find? The Position of Search Engines in Law
- Application of EC Competition Policy regarding Agreements and State Aid in the Audiovisual Field
- Digital Rights Management from a Consumer's Perspective
- Advertising Law in the Electronic Media
- Regulation of Advertising in the Broadcasting Sector in Countries of the Former USSR
- Access to Information on Government Action, with Special Reference to the Media Perspective
- The Legal Protection of Broadcast Signals
- The Protection of Cinematographic Heritage in Europe
- Sport as Reflected in European Media Law (2)
- Sport as Reflected in European Media Law (1)
- Regulation of Minority-Language Broadcasting
- Horizontal Rating of Audiovisual Content in Europe: An Alternative to Multi-level Classification?
- Swings on the Horizontal: The Search for Consistency in European Advertising Law
- European Public Film Support within the WTO Framework
- European Copyright Law and the Audiovisual Media: Are We Moving Towards Cross-Sectoral Regulation?
- New European Rules for the Communications Sector
- Co-Regulation of the Media in Europe: The Potential for Practice of an intangible Idea
- In Search of Lost Rightsholders: Clearing Video-on-Demand Rights for European Audiovisual Works
- Co-Regulation of the Media in Europe: European Provisions for the Establishment of Co-regulation Frameworks

- Movies Online: Balancing Copyrights and Fair Use
- Media Supervision on the Threshold of the 21st Century: What are the Requirements of Broadcastings, Telecommunications and Concentration Regulation?
- Changing Aspects of Broadcasting: New Territory and New Challenges
- Media Supervision on the Threshold of the 21st Century - Structure and Powers of Regulatory Authorities in the Era of Convergence
- Does the Existing Regulatory Framework for Television Apply to the New Media?
- National Film Production Aid: Legislative Characteristics and Trends
- Non-Discriminatory Access to Digital Access Control Services

The following IRIS Specials have been published so far:

- Broadcasters' Obligations to Invest in Cinematographic Production (02/2006)
- To Have or Not to Have - Must-carry Rules (11/2005)
- Tomorrow's Delivery of Audiovisual Services (01/2005)
- Political Debate and the Role of the Media (12/2004)
- Regulating Access to Digital Television (01/2004)
- Co-Regulation of the Media in Europe (2003)
- Jurisdiction over Broadcasters in Europe (2002)
- Television and Media Concentration (2001)

Other publications:

- "A European Perspective of Self-Regulation in the Media" (in Reframing Self-Regulation in European Private Law, a 2006 publication of the European University Institute)
- "Right of intervention to address abuses of the fundamental freedoms - The role of the case-law" (in (forthcoming) Regulating the New Media Landscape, EMR series of books vol. 35).

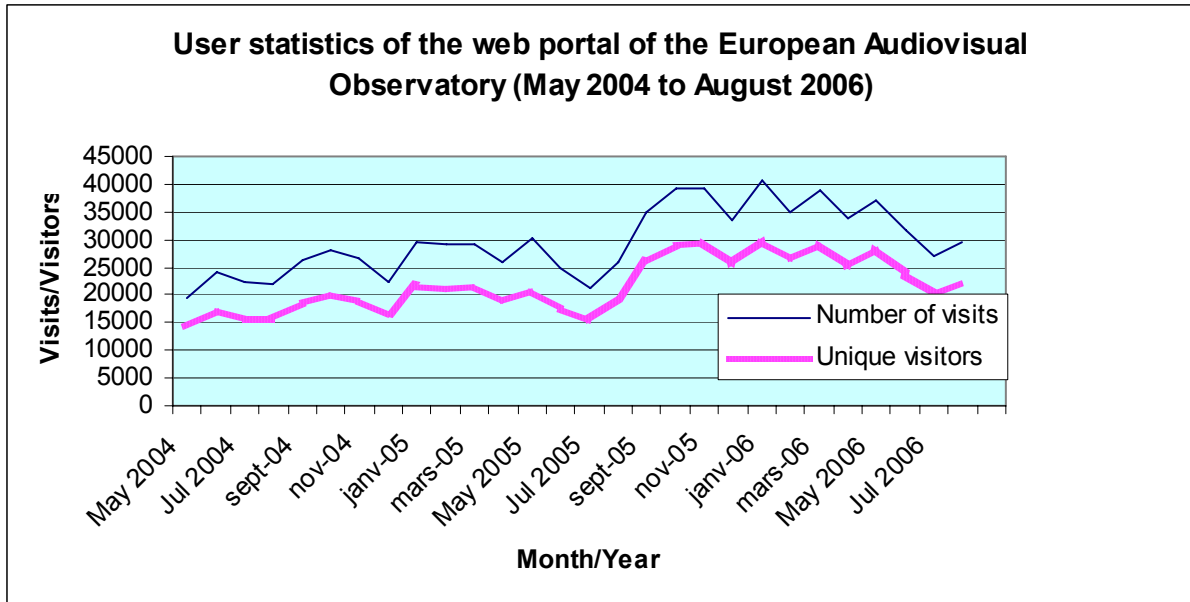
Contributions to conferences and workshops, included topics such as:

- Transfrontier television in the EU: market impact and selected legal aspects.
- The impact of transfrontier broadcasting services on television markets in individual Member States.
- Regulation of private copying at a European level and recent jurisprudence concerning "peer to peer networks";
- New technologies and piracy: a challenge to the audiovisual industries.

- Plagiarism: an original sin?

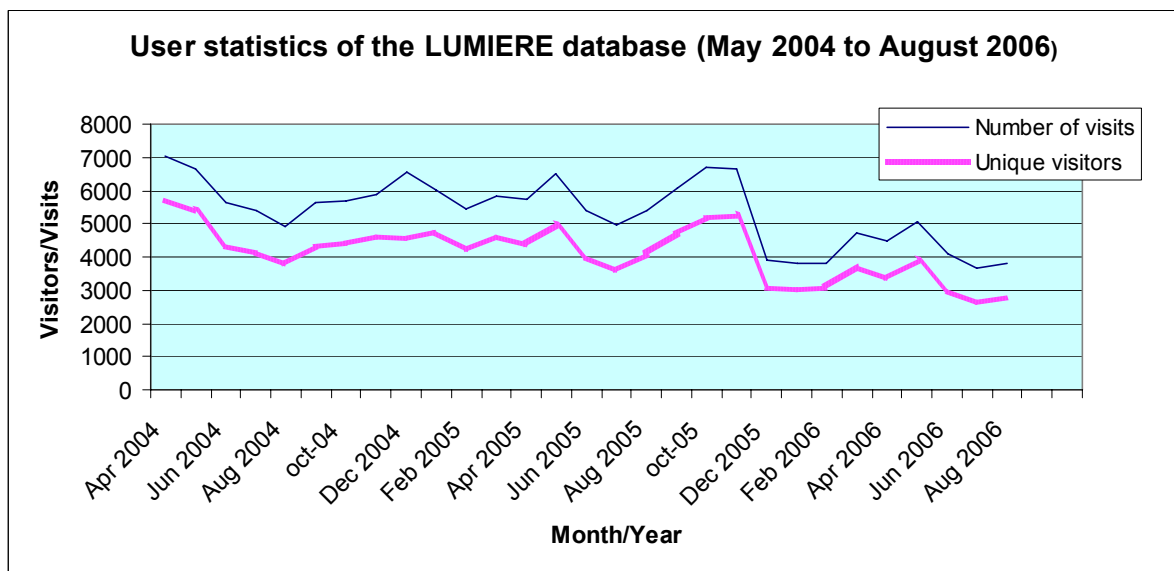
Chapter 4. Online activity

From 1999 to 2003, the Observatory systematically published certain publications on its Internet portal. All publications, reports, papers and notes published on the Observatory's Internet site are accessible free of charge.

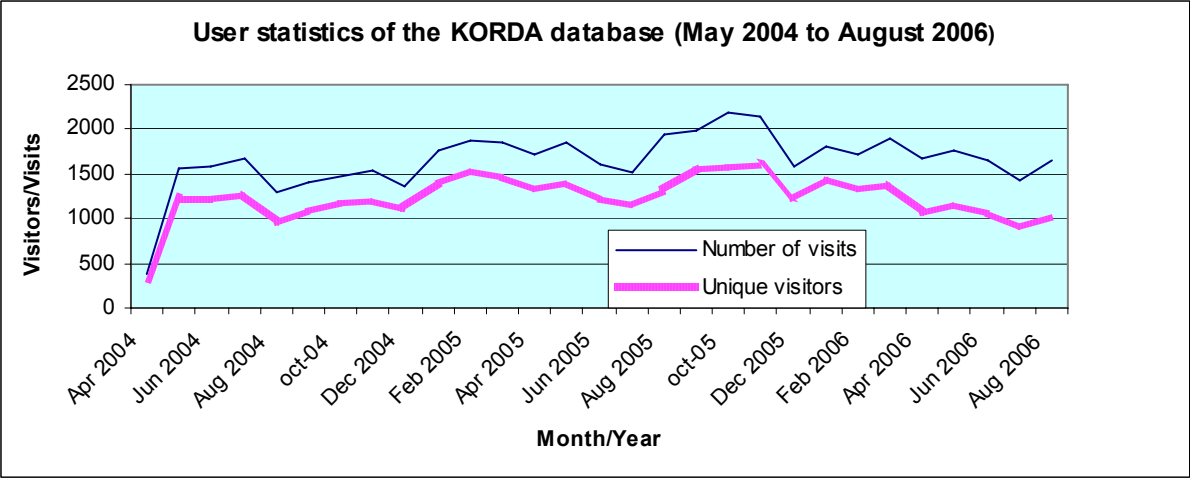


By August 2006 the Observatory counted three databases: "LUMIERE", "KORDA", and "IRIS MERLIN".

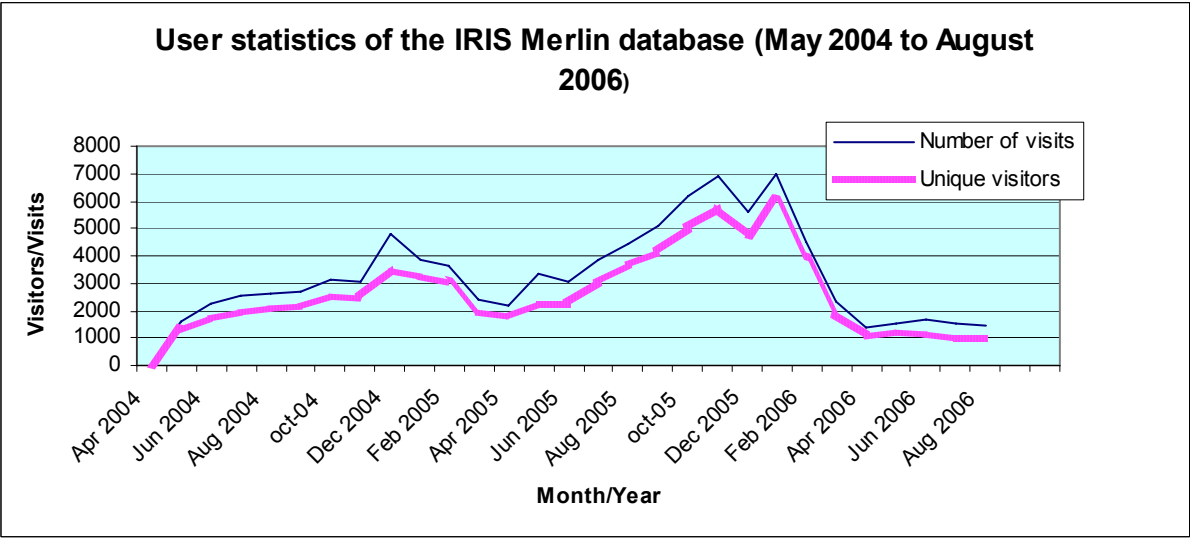
The "LUMIERE" database provides for a systematic compilation of available data on admissions to films released in European cinemas since 1996. LUMIERE was launched in May 2002 and is updated yearly.



The "KORDA" database provides for a compilation of available information on public funding for film and audiovisual production and distribution in Europe. The database includes profiles of national, regional and pan-European bodies, as well as information on individual funding schemes. "KORDA" was launched in May 2003.



"IRIS MERLIN" is Database on legal information relevant to the audiovisual sector in Europe. It has been fully operational since May 2003.



The decline of visits which can be observed in spring 2006 is due to an unfavourable re-indexing of the IRIS Merlin database by major search engines, which render the identification of content of the database for a potential user more difficult.