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About the Research & Statistics Unit

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Introduction

The first half of 2007 has been positive for UK film. The box office bounced back, with admissions up by 12% in the first eight months of the year, and production was also strong. Inward investment was up with a UK spend of £324 million in H1 2007 – the best half year since 2004 – on films such as *The Chronicles of Narnia: Prince Caspian, The Dark Knight (Batman)* and *Mamma Mia*.

British films performed well at the UK box office. *Harry Potter and the Order of the Phoenix* led the way with £49.2 million (over 10 million admissions) and was accompanied at the top of the UK film list by *The Bourne Ultimatum* (£23 million), *Mr Bean's Holiday* (£22.1 million) and *Hot Fuzz* (£21 million). Further down the charts were good results for films such as *Notes on a Scandal, The Last King of Scotland* and *28 Weeks Later*.

Foreign language films took a small but significant share of the box office, suggesting a broadening in taste of UK film audiences. The top foreign language film was *Apocalypto* (Mayan language), followed by *The Lives of Others* (German), *La Vie en Rose* (French) and a crop of Hindi films led by *Namaste, London*.

The only negative feature of the half year was the steep decline in UK co-productions, prompted by the effect on co-productions of the change in tax rules. However there has been a significant pick-up in co-productions in quarter 3.

H1 2007 saw the new film certification system swing into action, with eight final certifications under the new cultural test (as well as 33 under the old Schedule 1 rules) and 53 interim certificates. Only 12 co-productions were provisionally approved in H1 2007, paralleling the decline observed in co-production starts.

The final section of the Bulletin reports on three research projects published by the UK Film Council in 2007: the Oxford Economics study of the economic impact of UK film; the Olsberg SPI study of film and TV induced tourism; and the Royal Holloway study of the recruitment of screenwriters for UK films.

The first two show the far-ranging impacts of the UK film industry: the multiplied economic effects, the cultural value and the boost to UK tourism and the image of the UK overseas. The last of the three underlines the diversity challenge, showing that film producers tend to prefer established writers (mostly male, white and mid-career) for their screenplays. The report suggests a number of ways the diversity of UK screenwriters can be broadened, while maintaining or even improving the pool of skilled writers.

1. UK Theatrical Market in 2007 – the story so far

Cinema admissions for the first eight months of 2007 were up 12% on the same period in 2006 – to almost 117 million. The strong summer could well push the final admissions total for the year towards the 165 million mark following a two year dip.

Tables 1.1 to 1.3 illustrate the story of the cinemagoing year in terms of overall ticket sales. The year started well with an increase in February and March admissions, thanks chiefly to UK comedy *Hot Fuzz* as well as the CGI-heavy action film *300* and family film *Charlotte's Web*. April admissions fell 20% on the equivalent period in 2006 (*Ice Age II* was the big Easter hit of 2006) but each subsequent month displayed clear signs of growth. May was up 19% on the previous year thanks to *Spider Man 3* and *Pirates of the Caribbean: At World's End*. Major releases such as *Fantastic Four: Rise of the Silver Surfer* and *Ocean's Thirteen* continued to boost admissions in June, which were 28% up on June 2006 when the World Cup drew audiences away. The growth continued with a record July, the biggest single month for cinema going since January 1970, with 21.8 million tickets sold. *Harry Potter and the Order of the Phoenix*, *Die Hard 4.0* and *Hairspray* all found significant and varied audiences. The last weekend in July was the highest grossing weekend in UK cinema history as the release of the much anticipated *Simpsons* movie and the live action debut of the *Transformers* boosted box office receipts to just over £28 million in three days. The upward trend continued into August with the release of the *Bourne Ultimatum*, *Rush Hour 3* and *Knocked Up*.

At the same time, the French language films *La Vie en Rose* and *Tell No One* grossed more than £1 million each.

Table 1.1: Monthly admissions, January – August 2006/2007

Month	2006 million	2007 million	% +/– on 2006
January	14.0	14.0	–0.2
February	12.8	13.9	+8.2
March	9.9	11.2	+12.7
April	13.6	10.9	–19.8
May	13.2	15.7	+18.8
June	8.7	11.2	+28.4
July	16.3	21.8	+33.7
August	15.0	17.8	+18.7
Total	103.7	116.5	+12.3

Source: CAA, Nielsen EDI.

Table 1.2: Average weekly admissions, January – August 2006/2007

Month	2006 Weekly average million	2007 Weekly average million
January	3.2	3.2
February	3.2	3.5
March	2.2	2.5
April	3.2	2.6
May	3.0	3.6
June	2.0	2.6
July	3.7	4.9
August	3.4	4.0

Source: CAA, Nielsen EDI.

Table 1.3: Monthly admissions, January – August 2003–2007

Month	2003 million	2004 million	2005 million	2006 million	2007 million
January	16.3	15.3	13.4	14.0	14.0
February	15.0	13.3	14.8	12.8	13.9
March	10.4	10.7	12.3	9.9	11.2
April	12.4	14.5	10.6	13.6	10.9
May	13.8	13.1	13.1	13.2	15.7
June	9.4	14.7	10.5	8.7	11.2
July	12.4	18.4	16.0	16.3	21.8
August	17.1	17.4	15.9	15.0	17.8

Source: CAA, Nielsen EDI.

So why did summer 2007 contrast so sharply with the disappointing returns of 2006? Well, the weather was clearly a factor, as families sought indoor leisure activities in order to escape the downpours. As mentioned above, there were no major sporting distractions from World Cups or European Football Championships – and so several major films were booked for June release. Even that staple of summer TV over the last seven years – *Big Brother* – failed to deliver the audiences of old. However, the single most important factor behind the increase in admissions has to be the quality of the product. Clearly, the major summer movies delivered this year, and Table 1.4 illustrates the top films up to 23 September 2007.

The top film of the year so far is the fifth film in the *Harry Potter* series – *Harry Potter and the Order of the Phoenix*, which has grossed £49.2 million to date (Table 1.4). In second place is the third and final part of the *Pirates of the Caribbean trilogy: At World's End*. So called threequels dominated the summer film season this year – as well as the third *Pirates of the Caribbean*, there was *Shrek the Third*, *Spider-Man 3*, *Ocean's Thirteen*, *Rush Hour 3* and *The Bourne Ultimatum*. Elsewhere, there was a second outing for the *Fantastic Four: Rise of the Silver Surfer* and a fourth appearance for Bruce Willis in *Die Hard 4.0*. Earlier in the year, Sylvester Stallone reprised the title role in *Rocky Balboa*, the sixth film in a franchise stretching back 30 years.

Two home grown comedies were huge successes at the beginning of the year – *Hot Fuzz* grossed £21 million – over three times what *Shaun of the Dead* (from the same team) earned in 2004. Rowan Atkinson returned as Mr Bean in *Mr Bean's Holiday* and grossed £22 million.

Table 1.4: Box office results for the top 20 films released in the UK, 1 January – 21 September 2007

Rank	Title	Country of origin	Gross box office (£ million)	Opening cinemas	Opening weekend (£ million)	Distributor
1	Harry Potter and the Order of the Phoenix*	UK/USA	49.23	567	16.49	Warner Bros.
2	Pirates of the Caribbean: At World's End	USA	40.24	552	13.41	Walt Disney Studios
3	Shrek the Third*	USA	38.34	536	16.67	Paramount
4	The Simpsons*	USA	38.19	499	13.63	20th Century Fox
5	Spider-Man 3	USA	33.55	522	11.83	Sony Pictures
6	Transformers*	USA	22.96	456	8.72	Paramount
7	The Bourne Ultimatum*	UK/USA	22.42	458	6.55	Universal
8	Mr. Bean's Holiday	UK	22.11	512	6.44	Universal
9	Hot Fuzz	UK	20.99	427	5.92	Universal
10	300	USA	14.21	369	4.75	Warner Bros.
11	Die Hard 4.0	USA	13.87	458	5.00	20th Century Fox
12	Ocean's Thirteen	USA	13.14	475	3.02	Warner Bros.
13	Hairspray*	USA	12.43	348	2.05	Entertainment
14	Fantastic Four: Rise of the Silver Surfer	USA	12.31	475	4.14	20th Century Fox
15	Charlotte's Web	USA	11.08	489	1.89	Paramount
16	Rush Hour 3*	USA	10.37	359	2.73	Entertainment
17	The Pursuit of Happyness	USA	9.62	402	2.53	Sony Pictures
18	Music and Lyrics	USA	9.10	432	1.93	Warner Bros.
19	Rocky Balboa	USA	8.79	405	3.64	20th Century Fox
20	Knocked Up*	USA	7.92	424	1.58	Universal

Source: Nielsen EDI, RSU analysis.
Gross box office gross = cumulative total up to 23 September 2007.
Films with an asterisk (*) were still being exhibited on 23 September 2007.

The top 20 UK films released between 1 January and 23 September 2007 are shown in Table 1.5. UK market share for year to date is 27%, up on 2006's final figure of 19%. As well as the success of the fifth *Harry Potter* instalment, *The Bourne Ultimatum*, *Mr Bean's Holiday*, and *Hot Fuzz*, there were several other strong performances: *Miss Potter* (£6.9 million), *Atonement* (£6.7 million), *Run, Fat Boy, Run* (£6.9 million), *Notes on a Scandal* (£5.9 million) and *The Last King of Scotland* (£5.7 million).

Table 1.5: Top 20 UK films released in the UK and ROI, 1 January – 21 September 2007

Rank	Title	Country of origin	Gross box office (£ million)	Opening cinemas	Distributor
1	Harry Potter and the Order of the Phoenix*	UK/USA	49.23	567	Warner Bros.
2	The Bourne Ultimatum*	UK/USA	22.42	458	Universal
3	Mr Bean's Holiday	UK	22.11	512	Universal
4	Hot Fuzz	UK	21.00	427	Universal
5	Miss Potter	UK/USA	6.91	338	Momentum
6	Atonement*	UK	6.73	411	Universal
7	Run, Fat Boy, Run*	UK/USA	6.35	413	Entertainment
8	Notes on a Scandal	UK	5.87	300	20th Century Fox
9	The Last King of Scotland	UK/Ger	5.67	246	20th Century Fox
10	28 Weeks Later	UK	5.31	401	20th Century Fox
11	Becoming Jane	UK/USA	3.78	325	Walt Disney Studios
12	Sunshine	UK	3.18	407	20th Century Fox
13	Hannibal Rising	UK/Fra/Ita/USA	2.68	341	Momentum
14	Amazing Grace	UK/USA	2.28	238	Momentum
15	Outlaw	UK	1.61	286	Pathé
16	This is England	UK	1.54	62	Optimum
17	La Vie En Rose*	UK/Fra/Cze	1.49	58	Icon
18	Venus	UK	1.16	195	Walt Disney Studios
19	Goal! 2	UK/Spa/Ger	1.15	164	Walt Disney Studios
20	I Want Candy	UK	0.96	257	Walt Disney Studios

Source: Nielsen EDI, RSU analysis.
Gross box office = cumulative total up to 23 September 2007.
Films with an asterisk (*) were still being exhibited on 23 September 2007.

2. Foreign language films

Films in 29 languages including English were released in the first eight months of 2007 in the UK and Republic of Ireland (ROI) as shown in Table 2.1. One of the releases during this period was the re-release of the 1929 silent film, *Prapancha Pash (A Throw of Dice)*.

Table 2.1 Languages of films released from January – August 2007

Main language	Number of releases
Aboriginal	1
Arabic	2
Cantonese	2
Czech	1
Danish	2
English	194
English with others*	24
Finnish	1
French	21
German	3
Greek	1
Hebrew	1
Hindi	35
Hungarian	1
Italian	3
Japanese	2
Korean	2
Mandarin	3
Mayan	1
Norwegian	1
Polish	1
Portuguese	1
Romanian	1
Russian	1
Spanish	5
Swedish	1

Table 2.1 Languages of films released from January – August 2007 (continued)

Main language	Number of releases
Tamil	8
Telugu	2
Thai	1
Turkish	4
Silent	1
Grand Total	327

Source: Nielsen EDI, BBFC, RSU analysis.
*'English with others' include films whose main language was English but with extensive use of other languages, eg Babel.

The 28 foreign languages were spread over 108 releases in the UK and Republic of Ireland (33.0% of all releases), earning £23.1 million at the box office (Table 2.2). This represented 3.7% of the gross box office in the first eight months of 2007. Since 2002, there have been signs of an increase in the share of the UK box office taken by foreign language films. Along with other evidence of the acceptability of foreign languages to UK audiences (eg the television programme *Heroes* has extensive use of Japanese) one can cautiously suggest a growing cosmopolitanism in UK tastes.

Table 2.2 Foreign language films at the UK and Republic of Ireland box office, 2002 – August 2007

	Number of releases	% of all releases	Box office (£ million)	% of total gross box office
2002	131	35.5	17.1	2.2
2003	147	34.7	20.4	2.5
2004	169	37.5	38.1	4.6
2005	203	43.5	26.9	3.2
2006	171	33.9	29.8	3.5
2007 (to August)	108	33.0	23.1	3.7

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 16 September 2007.

In the first eight months of 2007 European languages other than English were the second most common language group in theatrical releases in the UK and Republic of Ireland (Table 2.3). Table 2.4 shows the top five foreign languages at the box office, with Hindi at number one and French second. The high-grossing Mayan language film *Apocalypto* catapulted the Mayan language to third place in the list. This film, directed by Mel Gibson, like his last film *The Passion of the Christ* which used Aramaic, Hebrew and Latin helped boost the total box office for foreign films in 2004.

Table 2.3 Language of releases, January – August 2007

Main language	Number of releases	% of releases	Gross box office (£ million)	% gross box office
English and English with others	218	66.7	601.2	96.3
Other European	48	14.7	8.0	1.3
Hindi	35	10.7	8.9	1.4
Other international	25	7.6	6.2	1.0
Silent	1	0.3	<0.1	<0.1
Total	327	100.0	624.4	100.0

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 16 September 2007.

Table 2.4 Top five foreign languages at the UK and Republic of Ireland box office, January – August 2007

	Number of releases	Gross box office (£ million)	Top performing title
Hindi	35	8.9	Namaste, London
French	21	4.4	La Vie En Rose
Mayan	1	4.1	Apocalypto
German	3	2.6	The Lives of Others
Mandarin	3	1.2	Curse of the Golden Flower

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as of 16 September 2007.

Table 2.5 looks at European language releases in the first eight months in 2007 and shows that the top five performing languages were French, German, Italian, Turkish and Spanish.

Table 2.5 Top five European foreign languages at the UK and Republic of Ireland box office, January – August 2007

	Number of releases	Gross box office (£ million)	Top performing title
French	21	4.4	La Vie En Rose
German	3	2.6	The Lives of Others
Italian	3	0.4	The Golden Door
Turkish	4	0.2	Climates
Spanish	5	0.1	The Night of the Sunflowers

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 16 September 2007.

While the top five foreign language films from January to August of 2007 were in Mayan, German, French and Mandarin, the top 20 as a whole was dominated by Hindi films, which accounted for 11 titles (Table 2.6). Six of the top performing titles (*The Lives of Others*, *La Vie En Rose*, *Tell No One*, *Curse of the Golden Flower*, *My Best Friend* and *Molière*) in Table 2.6 were supported by the UK Film Council. These films received funding to pay for additional prints and advertising, enabling the films to reach a wider audience.

Table 2.6 Top 20 foreign language films released in the UK and Republic of Ireland, January – August 2007

	Title	Country of Origin	Gross box office (£ million)	Distributor	Main language
1	Apocalypto	USA	4.1	Icon	Mayan
2	The Lives of Others	Germany	2.6	Lions Gate	German
3	La Vie En Rose	UK/Fra/Cze	1.5	Icon	French
4	Tell No One	France	1.2	Revolver	French
5	Curse of the Golden Flower	HK/China	1.2	Universal	Mandarin
6	Namaste, London	India	0.9	Eros	Hindi
7	Partner	India	0.8	Eros	Hindi
8	Salaam-E-Ishq	India	0.8	Eros	Hindi
9	Ta Ra Rum Pum	Ind/USA	0.8	Yash Raj	Hindi
10	Heyy Babyy	India	0.7	Eros	Hindi
11	Jhoom Barabar Jhoom	Ind/Fra/UK	0.6	Yash Raj	Hindi
12	Apne	India	0.6	Tip Top	Hindi
13	Guru	India	0.5	Adlabs	Hindi
14	Chak De India	India	0.4	Yash Raj	Hindi
15	Cheeni Cum	India	0.4	Eros	Hindi
16	Sivaji	India	0.4	Ayngaran	Tamil
17	My Best Friend	France	0.4	Optimum	French
18	Eklavya: The Royal Guard	India	0.4	Eros	Hindi
19	Molière	France	0.3	Pathé	French
20	The Golden Door	Ita/Ger/Fra	0.3	Optimum	Italian

Source: Nielsen EDI, BBFC, RSU analysis.
Figures as at 16 September 2007.

The high frequency of Indian films in Table 2.6 demonstrates the impact of Bollywood films in the UK, appealing particularly to audiences of South Asian origin, but also beginning to win broader audiences as seen at the recent open air screening of *Prapancha Pash*, accompanied by the London Symphony Orchestra, in London's Trafalgar Square.

3. UK film production in the first half of 2007

UK production spend in the first half of 2007 (£420 million) was comparable to the rate of expenditure in 2006. Inward investment was up; domestic UK films held their own, but UK co-productions fell steeply, from 59 in the whole of 2006 to only nine in the first half of 2007. Industry sources attribute this to the differential impact of the new film tax regime on co-productions, which now qualify for only a low level of tax relief in relation to their overall budgets.

Table 3.1 Feature film production activity, 2006 and H1 2007

	Number of productions 2006	Value (£ million) 2006	Number of productions H1 2007	Value (£ million) H1 2007
Inward feature films (single country)	25	502.8	15	323.8
Inward feature films (co-productions)	2	66.8	0	0
Total inward investment	27	569.6	15	323.8
Domestic UK feature films	50	148.0	27	78.3
UK co-productions (other than inward)	59	126.4	9	18.1
Total production investment	136	844.0	51	420.2

Source: UK Film Council.
Data for 2006 updated since publication of the 06/07 Yearbook.

Definitions

1. An inward feature is defined as a feature film more than 50% financed from outside the UK and where the production is attracted to the UK because of its infrastructure or locations.
2. An inward feature co-production is an official co-production that originates from outside the co-production treaty countries (usually from the USA) and which is attracted to the UK because of its facilities, services and crew.
3. A domestic UK feature is a feature made by a UK production company that is shot wholly or partly in the UK.
4. A UK co-production is a co-production (other than an inward co-production) involving the UK and other country partners under the terms of a bilateral co-production agreement or the European Co-production Convention.

Measurement

5. The above numbers include only the UK spend associated with productions shooting in whole or part in the UK.
6. Spend is allocated to the calendar year/half-year in which principal photography started. 2006 means calendar year 2006. H1 2007 is January to June 2007.

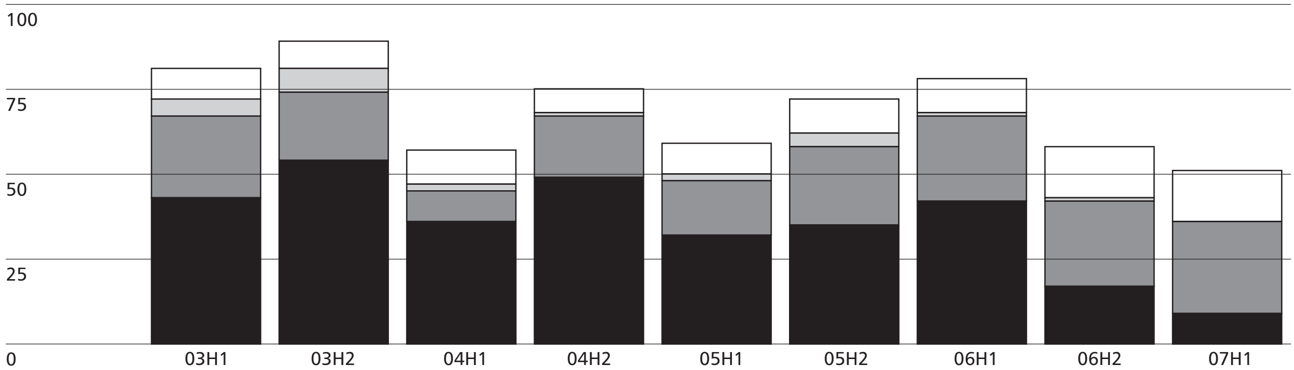
Exclusions

7. Spending on films with budgets under £500,000 is not included.

The trends since 2003 can best be seen in Charts 3.1 and 3.2, which show the numbers and value of UK production by half year.

While the numbers of inward and domestic films (Chart 3.1) have improved significantly in recent half years, the number of co-productions has tumbled. A gradual decline in 2003 – 2006 became a steep decline in the second half of 2006 as the impact of changes to the tax regime hit home. There were only nine UK co-productions in the first half of 2007, compared with 30–50 co-productions per half year up to H1 2006.

Chart 3.1: Numbers of films wholly or partly made in the UK, in the half years, 2003 – 2007

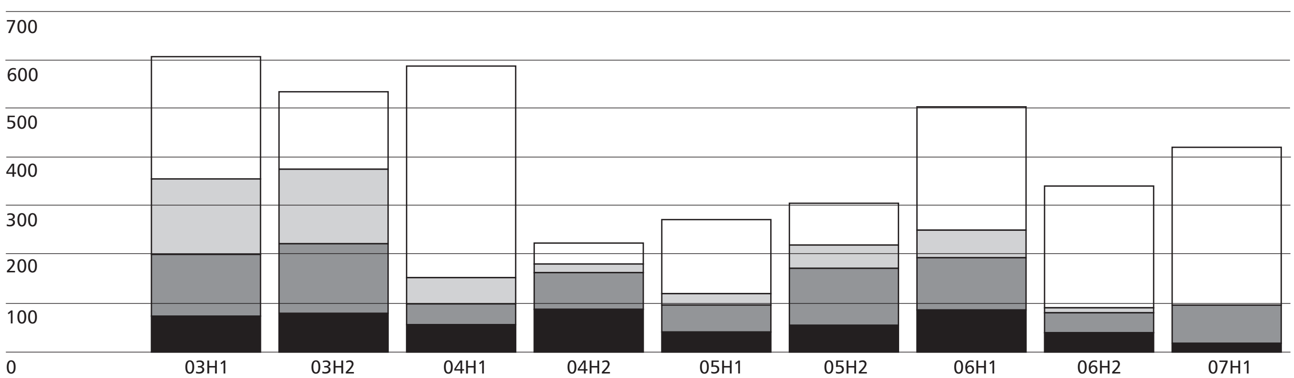


	03H1	03H2	04H1	04H2	05H1	05H2	06H1	06H2	07H1
Inward	9	8	10	7	9	10	10	15	15
Inward copro	5	7	2	1	2	4	1	1	0
Domestic	24	20	9	18	16	23	25	25	27
Copro	43	54	36	49	32	35	42	17	9

Source: UK Film Council.

Chart 3.2 shows a mini-recession in UK film production from H2 2004 to H2 2005, reflecting a fall in inward investment as a result of the uncertainty over future film tax policy at that time. Once the new tax regime was announced, production volumes bounced back. Inward investment in H1 2007 was £323.8 million, the best half year since H1 2004.

Chart 3.2: Value of UK spend on films wholly or partly made in whole or part in the UK, in the half-years 2003 – 2007



	03H1	03H2	04H1	04H2	05H1	05H2	06H1	06H2	07H1
Inward	250.8	158.9	434.0	42.9	151.8	85.7	253	249.8	323.8
Inward copro	154.9	152.9	53.9	17.7	23.4	47.8	56.6	10.2	0.0
Domestic	126.5	142.8	42.5	75.3	55.3	116.8	107.1	40.8	78.3
Copro	73.9	79.5	56.4	87.8	41.3	55.1	86.5	39.9	18.1

Source: UK Film Council.

Note: due to improved data on UK spend, the value of UK spend associated with domestic UK productions (only) in H1 2007 is not absolutely comparable with the values shown for earlier years. The value of UK spend for domestic titles is likely to have been over-estimated to a small but significant extent in previous years.

Particularly significant **inward investment** productions in H1 2007 were *The Chronicles of Narnia: Prince Caspian, The Dark Knight, Sweeney Todd, The Tale of Despereaux* and *Mamma Mia*. The most active US studio was Warner Brothers, with four UK productions in the half year.

Significant **domestic UK productions** in H1 2007 included *Revolutionary Road, How to Lose Friends and Alienate People, Brideshead Revisited, The Edge of Love* and *St Trinian*s.

Co-productions included the UK-Spanish *The Garden of Eden* and two Swedish-UK films *The Knight Templar* and *Arn the Kingdom*.

4. British film certifications – H1 2007

4.1 Schedule 1 (UK film) certifications

Schedule 1 films are British films certified under Schedule 1 of the Films Act 1985. The new rules came into force on 1 January 2007. To qualify as British, films must have a minimum 25% UK spend and pass a UK cultural test emphasising UK elements in the story, setting and characters. Under the new rules, an interim certificate will be issued before a film is completed if the Department for Culture, Media and Sport (DCMS) is satisfied that the film passes the Cultural Test based on the recommendation of the Certification Unit of the UK Film Council. A final certificate will only be granted upon the completion of the film. See UK Film Council website for full details of the Cultural Test.

In the first half of 2007, 41 British films received final certification, 33 under the old Schedule 1 test and 8 under the new Cultural Test. 81% of the total budget of the 41 British qualifying films was spent on production activities that took place in the UK. 53 films were granted interim certificates under the new cultural test during the same period. The average budget of British films given final certification (under either test) in the first six months of 2007 was much lower than in previous years, at £2.7 million.

The 53 films that received interim certificates in the first half of 2007 had a much higher average budget (£13.7 million) as well as a higher average UK spend (£9.6 million). The final results for 2007 will not be known until these films complete and receive their final certificates.

Table 4.1 Schedule 1 films, production budget and UK spend, 1998 – June 2007

			Activity in the UK		Production budget	
Year	Type of certificate	Number of films	Spending in UK (£ million)	Average (£ million)	Total (£ million)	Average (£ million)
1998		40	151.4	3.8	232.1	5.8
1999		70	277.7	4.0	421.5	6.0
2000		111	292.7	2.6	361.5	3.3
2001		80	482.2	6.0	561.5	7.0
2002		81	524.1	6.5	587.0	7.2
2003		81	294.1	3.6	330.8	4.1
2004		72	560.2	7.8	643.5	8.9
2005		66	685.4	10.4	757.7	11.5
2006		76	341.3	4.5	402.2	5.3
2007 (to June)	Final (Cultural Test)	8	12.1	1.5	18.8	2.3
	Final (old Schedule 1 test)	33	78.2	2.4	92.9	2.8
	Interim	53	509.1	9.6	728.2	13.7
Total		94	599.4	6.4	839.9	8.9

4.2 Co-productions

Co-production statistics collected by the UK Film Council Certification Unit on behalf of the DCMS bring additional light to the evolution of co-production activity. Under the UK's various co-production agreements, co-productions must be certified by the competent authorities in each country as meeting the criteria in the applicable bi-lateral co-production agreement or the European Convention on Cinematographic Co-production. Once certified, a film counts as a national film in each of the territories and qualifies for public support on the same basis as national films in that territory. The DCMS grants 'provisional approval' prior to the completion of the film to films that meet the criteria and a 'final certificate' once the film has been completed and final documents submitted.

In the first six months of 2007 there were 42 final certifications, to a total investment value of £284 million. 35% of the films' expenditure occurred in the UK. Thirty-six of the co-productions took place under the European Convention on Cinematographic Co-production, while the remaining films qualified under the UK's bilateral agreements, particularly with Canada.

Co-production activity increased from a low level in the late 1990s to its peak in 2003 (Table 4.2). UK expenditure fell to a low of 25% in 2001. In the period 2004/2005, the DCMS tightened the certification criteria, to make sure that balance in co-production relations was maintained under each of the UK's agreements. This led to a gradual reduction in co-production activity and an increase in the UK share of expenditure.

Table 4.2 Provisional co-production approvals by year 1998 – June 2007

Year	Number	Total Investment (£ million)
1998	20	84.9
1999	15	50.7
2000	37	196.1
2001	65	462.9
2002	87	626.9
2003	137	1,297.2
2004	118	747.6
2005	76	504.5
2006	64	441.5
2007 (to June)	12	50.6
Total	632	4,463.9

Provisional co-production certifications dropped sharply in the second half of 2006 and first half of 2007. Only 12 films received provisional approval to a total investment value of £51 million in H1 2007. The cooling effect brought on by the new tax rules, including the minimum 25% UK spend requirement, is evident. In the past, the qualifying budget for tax relief purposes was the whole film budget; under the new rules, only the core expenditure incurred in the UK by the UK film production company is entitled to film tax relief.

5. Recent research reports

5.1 *The Economic Impact of the UK Film Industry* (Oxford Economics, July 2007, commissioned by the UK Film Council and Pinewood Shepperton).

Commissioned to update an earlier report[1] and to contribute to the discussion of Government support for the UK film industry, this report analyses both the direct and indirect economic contributions of the UK film industry. It is particularly focused on the core UK film industry: the production of films in the UK plus the distribution and exhibition of UK films. Key findings were:

- The core UK film industry contributed over £4.3 billion to UK GDP in 2006, taking into account multiplier impacts, and over £1.1 billion to the Exchequer.
- The core UK film industry directly employed 33,500 people in 2006 and supported a total of 95,000 jobs including those working in the supply chain and in its contribution to UK tourism, trade and merchandise sales.
- Films depicting the UK are responsible for attracting about one in 10 overseas tourists, spending around £1.8 billion per year.
- UK films help promote the UK's image and international brand, benefiting all exporters.
- The film industry has lower than average carbon emissions per £1,000 GDP.
- The film tax relief – because it affects the destination of internationally mobile production – is vital to sustaining the competitiveness of film production in the UK.

The report can be found on the UK Film Council web site at:
http://www.ukfilmcouncil.org.uk/usr/ukfcdownloads/252/FilmCouncilreport190707.pdf

5.2 *Stately Attraction – How films and television programmes promote tourism in the UK* (Olsberg SPI, August 2007)

This report gathers evidence from 31 case studies of the impact of films and television programmes on UK tourism. It was commissioned by the UK Film Council with Film London, Visit London, EM Media, East Midlands Tourism, South West Screen and Scottish Screen and published on 27 August 2007. Television programmes studied included: *Balamory, Dad's Army, Doc Martin, Peak Practice* and *Rick Stein*. Films studied included: *Braveheart, The Da Vinci Code, Four Weddings and a Funeral, Gosford Park, Harry Potter, Mrs Brown* and *The World is not Enough (James Bond)*. Key findings were:

- **High profile films and TV programmes have a large tourism effect**, with particular locations recording from 30% to 200% increases in visitor numbers after featuring. For example, Lyme Park – where Colin Firth, as Darcy, emerged wetly from the lake – saw visitor numbers jump from 32,852 in 1994 to 91,347 in 1995, the year *Pride and Prejudice* appeared on television.
- **The tourism effect can be extremely persistent**. Doune Castle (*Monty Python and the Holy Grail*, 1975) still receives Monty Python visitors over 30 years after the film's release. Tourists flock to Notting Hill looking for the blue door opened by Hugh Grant in *Notting Hill* (1999). *Braveheart* (1995) continues to bring large numbers of visitors to Scotland. Tourists still visit Pennan (*Local Hero*, 1983) looking for the red telephone box.

1 *The Economic Contribution of the UK Film Industry*, Oxford Economic Forecasting, Sept 2005.

- **There is a general UK tourism effect** beyond the featured locations. That is, while visitors may see a particular castle or stately home in a film, they may be inspired to visit the UK generally rather than the specific location alone. This probably accounts for the larger part of the tourism effect.
- Films and television programmes are most successful at promoting tourism where the story establishes an **emotional connection between the audience and the place depicted**.
- There is scope for **improving the synergy between the film, television and tourism industries** through greater communication between the sectors and joint marketing campaigns.

The report can be found at:

http://www.ukfilmcouncil.org.uk/usr/ukfcdownloads/260/Final%20Stately%20Attraction%20Report%20to%20UKFC%20and%20Partners%2020.08.07.pdf

5.3 *Writing British films – who writes British films and how they are recruited* (Susan Rogers, Royal Holloway, June 2007. Commissioned by The UK Film Council and funded jointly with Royal Holloway.)

This report was launched at the Cheltenham International Screenwriters' Festival in July 2007. The study was spurred by the 2006 scoping research into the lack of female screenwriters in the UK[2] and interviewed the writers involved in a representative random sample of theatrically released UK films certified as British in 2004 and 2005. Key findings were:

- Most of the writers were white (98%), male (82.5%) and over the age of 46 (66%).
- A majority (61%) were not British and a majority (57%), whether of British or overseas nationality, were contactable only via a Hollywood agent.
- Roughly half had a previous working or personal relationship with the commissioning producer, director or production company.
- Three quarters of the respondents had worked previously in television.
- Most writers were employed after an approach from a commissioner rather than on the basis of a pitch by the writer.

The findings suggest that writers of released British films are a well-established group of mid to late career professionals, many of whom have years of writing experience in television (sometimes in theatre) before breaking into film. This suggests the following conclusions:

- Beginning writers (and those running screenwriter training courses) should adopt realistic career expectations. Writers should not expect to break through early with spec feature film scripts but should look for ways of establishing themselves in television, theatre and short films.
- Efforts to broaden the diversity of screenwriters of British films should focus on establishing links between the commissioners of screenplays for British films and mid-career British writers from a range of backgrounds, particularly those with experience in television, film or theatre.
- It is also important to establish better links between agents and prospective feature film screen writers from diverse backgrounds.

The report can be found at:
http://www.ukfilmcouncil.org.uk/usr/ukfcdownloads/246/RHUL%20June%2027%202007%20-%20Final%20for%20Cheltenham.pdf

2 http://www.ukfilmcouncil.org.uk/usr/ukfcdownloads/191/0415womenscreen%20-%20FINAL%2009.06.06.pdf