



**REVIEW OF THE ECONOMIC IMPACT OF THE
NETHERLANDS FILM PRODUCTION
INCENTIVE**

July 2014 – December 2015

ENGLISH SUMMARY

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The Netherlands Film Production Incentive scheme is based on a system of cash rebates. It aims at promoting a healthy film production environment in the Netherlands and is designed to reinforce the international competitiveness of the Dutch film industry as a whole.

The Incentive's financial contributions are intended to increase the attractiveness of the Netherlands for both national and foreign film productions, raise production activity among creative and technical film professionals and film companies in the Netherlands, and to develop film talent and encourage diversity within Dutch film production.

The total available budget for funding in 2016 is capped at 29.2 million euro, of which at least 70% is earmarked for international co-productions. The amount of each grant is determined by the production costs that are both eligible and demonstrably spent on film professionals or film companies based in the Netherlands, multiplied by 30%. The maximum award is 1 million euro per application. The maximum amount per year per applicant is 2 million euro.

RESULTS OF SUPPORTED PROJECTS JULY 2014 – DECEMBER 2015

Production activity in the Netherlands has been incentivised by the Scheme in the following ways:

- The Netherlands Film Fund has supported 125 film projects with grants totalling €28.9 million, which has led to a total Dutch spend of €139.3 million.
- Every euro granted by the Incentive Scheme has generated Dutch production spend of €4.83.
- Production activity in the Netherlands has increased significantly since the start of the scheme:
 - The leveraging effect of the Incentive Scheme is significantly higher than that of the combined Dutch subsidies, where every euro generates an average of €1.80 in Dutch production spend.
 - It is assumed that producers would not have produced in the Netherlands to these levels without the Incentive Scheme, as two-thirds of the approved projects are international co-productions.
 - More than half (56%) of the total production costs of all projects were spent in the Netherlands. 68% of these projects are directly related to the Incentive.

Confidence levels among Dutch film production entrepreneurs are high, as are expectations of increasing developments within employment/economic activity.

- Respondents are generally optimistic as evidenced by business survey indicators (business activity, international business activity, sales, employment, profit and investment). Film industry entrepreneurs are generally more positive than entrepreneurs across the wider Dutch economy. The current economic climate is perceived as positive:
 - **83%** of the respondents believe that their **international competitiveness** has improved or remained the same in 2015.
 - **81%** of the respondents found that the project **numbers** increased or remained at the same level in 2015.
 - **89%** of the respondents expect to raise their **prices** or keep them the same in 2016

However, there are big differences in confidence levels among respondents when company size is taken into consideration:

- Almost all companies with **more than 10 employees are highly optimistic** about developments within business activity, sales, employment and investment. Optimism



is high on profitability developments as well, but less so than with other indicators. **These relatively large companies are able to create jobs and invest in the company.**

- **Self-employed professionals are positive about** developments within business activity, sales, employment and investment, **although less so than** companies - but their confidence in future profitability is low. It appears that the self-employed professionals are relatively negative about their economic status compared to firms with more employees. A quarter of self-employed professionals face insufficient demand for their services. **Strong competition between self-employed professionals within the project-driven film industry** is fuelled by their increasing numbers, the relatively strong position of companies, unchanging price levels and insufficient demand.
- The overall positive developments within business activity, sales, employment and investment, as well as increased competition, strengthens the infrastructure and increases the talent base of the Dutch film industry.