

Prepared by the New Zealand Embassy in Berlin

Summary

- The pandemic has been a challenge for the German screen industry. Production funding and Covid-related subsidies have provided support, as have the local content requirements recently introduced by the EU. The New Zealand-Germany co-production Agreement continues to be actively used, and New Zealand's Brokenwood Mysteries series has been watched by millions.

Report

A success for the screen industry and film fans, the 72nd [Berlinale](#) film festival went ahead as scheduled this month. This year's programme, showcasing around 400 films, includes New Zealand feature film *Millie Lies Low*, also selected for the festival's "Generation 14plus" competition. The [European Film Market](#) side event was held virtually. With opportunities for engagement increasing again, this report updates on the German screen industry and market.

The German screen industry (production, reproduction, distribution): overview, impact of Covid, trends

Pre-Covid, the German screen industry recorded stable annual turnover of around €10 billion, which dropped to €6 billion in 2020 and 2021. While TV has remained highly popular and video-on-demand services (VoD) continue to grow, movie theatres have suffered a 65% decrease in visits during the pandemic (see [here](#) for detailed statistics). Post-Covid challenges cited by the industry include a lack of financial reserves, loss of expertise, potential over-supply of productions post-Covid and limited international collaboration/marketing. Identified opportunities include increased appreciation for in-person events and digitalised work flows. Federal and state governments have announced a plan to lift most Covid-related restrictions by March, but a return to pre-Covid turnover is not expected until next year.

Concentrated in cities such as Berlin, Potsdam and Munich, around 1,000 film and TV production companies operate in Germany. The leading producers are British-owned All3Media Germany, UFA, ITV and Constantin Film. Docusoaps, feature films, series and magazines are the most common formats. A number of smaller businesses have successfully specialised in post-production including visual effects. Pre-Covid, Germany produced over 300 movies a year, making it a European centre for film, next to France and the UK. Production has since undergone two years of stop-and-go in response to Covid restrictions and relaxations, but in the meantime streaming platforms have become increasingly relevant clients.

Available funding for the industry and promotion of European content

Support for the industry is channelled through the [German Federal Film Board](#) (FFA) and a few state-level agencies, collaborating under the "[Focus Germany](#)" umbrella. Support is funnelled primarily through grants

and loans, funded through tax revenue and a national [film levy](#). The FFA provides [script](#), [production](#) or [distribution](#) funding specifically for German films and co-productions. Besides this, two schemes – the [German Federal Film Fund](#) (DFFF) (€120 million annual budget; for theatrical motion pictures) and the [German Motion Picture Fund](#) (GMPF) (€30 million annual budget; for high-end TV/VoD productions) - incentivise film production in Germany. Both funds provide non-repayable, automatic grants of up to 25% of the costs of German production (capped at €4 million/€25 million depending on the type of project), subject to a specific minimum spend in Germany, cultural criteria and release in Germany (further details on these funding programmes, including recent examples and figures, can be found [here](#) and [here](#).) In addition, relevant regional agencies may provide loans.

To ease the impact of Covid-19, a temporary Production Continuation Fund has been set up to cover a share of the additional cost caused by the pandemic, a scheme running until June this year. The newly elected Federal Government has announced it will review and simplify federal funding and the regulatory environment, in close consultation with industry. It will also consider the introduction of investment obligations for streaming platforms and tax incentives for the domestic industry – two demands of the German [film industry association](#) (SPIO). Just this month the FFA and state-level agencies agreed with industry representatives to establish environmental minimum standards for German productions from 2023, based on existing voluntary industry standards (“Green Motion” label) and similar sustainability standards currently trialled by German funding agencies.

In line with the EU’s [Audiovisual Media Services Directive](#) (AVMSD – in force since late 2020), Germany now requires TV broadcasters and VoD operators to feature a minimum of European content. According to Germany’s [Interstate Media Treaty](#), TV broadcasters are required to reserve more than half of their total transmission time for European works as defined by the AVMSD; for VoD operators and their catalogues, at least 30%. In line with the AVMSD, official German-New Zealand co-productions (see below) can qualify as European works, provided they are predominantly German.

New Zealand-Germany film connections

The New Zealand-Germany film co-production [Agreement](#) of 2005 remains in force and actively used: For the past two years, three official bilateral co-productions were recorded (referenced [here](#)). The New Zealand Film Commission and the FFA recently hosted a virtual co-production summit for experienced producers (see [here](#) for information on co-productions and [here](#) for a list of potential German partners). Another recent development is the success of New Zealand’s Brokenwood Mysteries series in the German market. Leading public TV broadcaster ARD has screened the series since 2019, with the fourth series having aired last October. Up to three million watched the most recent episodes, indicating a predominantly German viewership.

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