Production Costs

of Audiovisual Works in Developing Countries

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Study conducted

by

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INTRODUCTION

The subject of the present study is to assess the production conditions of audiovisual works in 10 countries belonging to five major geographic areas: Latin America (Mexico, Colombia), Africa (Senegal, Burkina Faso, Nigeria), Middle-East (Egypt, Jordan), Asia (India, Cambodia) and Eastern Europe (Latvia). Our work is based on the collection of detailed production costs for works coming under five genres: feature films for theatrical release, television fictions, works of animation, documentaries, television magazine programmes and television entertainment shows.

The structural difficulty in obtaining information on the breakdown of production costs for audiovisual works has to a large extent set the conditions for the methodology surrounding this research. In the case of audiovisual services, the analysis is confronted with the scarcity of statistic resources and with a lack of reliability. Countless studies (Peltier and Moreau (2002), Cocq and Kohler (2003), Almeida and Alleman (2004), Cocq and Lévy (2005), Kern (2006)) mention serious shortages at this level. This characteristic is particularly pronounced for data pertaining to production costs. In this respect, the experience of high-revenue OECD countries show that producers of audiovisual works generally are not very inclined to communicating their data on production costs due to its strategic role. When this data is available, it must be considered with utmost care. It often reveals to be far from the economic reality of productions: as producers attempt to maximise the contribution from external investments (public as well as private), they generally tend to artificially inflate their estimates.

This double characteristic concerns the production costs of works coming from developing countries in an even more pronounced manner. To our knowledge, there is no statistics or organisation directory that collects this type of data for the countries in our sample. One of the aims of the study is therefore to make up for this lack of information through a collection of field data from local professionals.

For each country covered by the study, the local correspondents, who are specialists in the audiovisual sector, have thus taken on this task. In order to obtain as precise a view as possible of the production methods and cost structure specific to each country, each correspondent has had to fill in a form breaking down in a detailed manner the various cost items for each of the audiovisual genres selected within the scope of the study.

The data collected for each genre and each country studied within the scope of our study are based on a specific production example. On several occasions, the choice of productions made by the local contacts tend to favour “top-of-the-range” works endowed with a budget that often is higher than the average for domestic production. In this case, the rates, the size of the teams are essential as maximum standards. However, in order to have as fine an apprehension as possible of the production conditions specific to each country, each correspondent was requested to specify the general characteristics of the selected work and to put them into perspective with the rest of domestic production.

The reference form sent to the local correspondents reuses the matrix of the administrative document that French film and audiovisual producers must fill in within the scope of the approval procedure for works. It reveals an extremely high level of detail in terms of breakdown of the various technical items. This form thus reuses the traditional breakdown of the major categories of expense items. Its structure reflects the major steps in the production of an audiovisual work:

- Project development
- Shooting the work
- Post-production

These main categories are subdivided into several expense segments. Their number varies according to the genre of the work. While the conditions for producing a work of film, a television fiction, a documentary, a magazine programme and a television show reveal great similarities, this is not the case for creating a work of animation. The specificity of the process for producing a work of animation justifies the drafting of a specific information sheet for this genre. In fact, the number of expense items selected for this genre amounts to 59, as opposed to 52 for other works (see Table 1).

The choice to reuse this high standard within the scope of our study shows a major interest. It actually makes it possible to establish a systematic comparison of the collected data with the economic reality of audiovisual production in the most advanced countries in this field. This perspective sheds relevant light on the consequences of a weakness in financial means, which can characterise the countries in our sample (not to mention the consequences on the size of the technical teams, on the degree of specialisation of tasks, on the distribution of budgets according to the various categories, etc.).

The study is broken down into two parts. The main features of the audiovisual and cinematographic landscapes in the countries of the sample will first be explained in detail.

This presentation reuses the methodology and main indicators set down by Cocq and Lévy (2005), (Section I). It provides input for the analysis of the production cost data presented in the second part. Due to a certain heterogeneousness of the data collected, our second part will consist of a monograph per country (Section II).

Table 1: Structure of the cost sheet filled in by the local correspondents

US $	Case 1: Work of Film	Case 2: TV Fiction	Case 3: Documentary	Case 4: Magazine Programme	Case 5: TV Show	Case 6: Animation
Production Costs						
1. Project Development	5 items	5 items	5 items	5 items	5 items	3 items
2. Production Team	11 items	11 items	11 items	11 items	11 items	21 items
3. Technical Team	7 items	7 items	7 items	7 items	7 items	4 items
4. Casting	2 items	2 items	2 items	2 items	2 items	2 items
5. Equipment	4 items	4 items	4 items	4 items	4 items	6 items
6. Logistics	4 items	4 items	4 items	4 items	4 items	4 items
7. Payment of Rights	7 items	7 items	7 items	7 items	7 items	7 items
8. Other Expenses	5 items	5 items	5 items	5 items	5 items	5 items
9. Post-production	7 items	7 items	7 items	7 items	7 items	7 items
Total	52 items	52 items	52 items	52 items	52 items	59 items

SECTION I. CHARACTERISTICS OF THE AUDIOVISUAL MARKETS OF THE COUNTRIES IN THE SAMPLE

I.1 Further details on the methodology

The subject of the present section is to formalise the main economic characteristics of the audiovisual and film industries of the countries in our sample. Firstly, the amount of resources (TV resources, income from cinema exhibition, etc.) that are likely to condition the production methods of audiovisual works must be grasped. Moreover, this analysis aims to assess the markets' overall organisation with regard to the following criteria: the nature of the relations between broadcasters and independent production, the respective importance of integrated production and independent production. These items profoundly direct the production and financing methods of audiovisual works.

I.1.1. Choice of indicators

The analysis relies on structural and economic indicators, making it possible to put into perspective the production of audiovisual works and the data collected in the field. Our choice of indicators refers to the main results of the economic analysis of television. A broadcaster's (television channels/broadcasting organisation) activity is structured on two main markets: the "primary" market, or programme market (excluding internal production), on which broadcasters provide the demand for the offer proposed by producers, distributors or copyright portfolio management companies.

The financing of television activity defines a second market: the secondary market (resource market), on which broadcasters position themselves as providers of a programme schedule. The segmentation of this market around the three types of available resources (public resources, subscriptions and/or advertising resources) conditions the broadcasters' economic behaviour and the terms of their relations with the television audience and thus with content industries. These elements explain why a distinction is made between the television activity (and the industry producing audiovisual programmes) and the film industry.

Works of film, as opposed to audiovisual works, do not boil down to a simple offer of rights on the primary television market. In theory, their main outlet remains the cinema. This characteristic brings us back to the traditional concept of the film industry's organisation (production, distribution and cinema exhibition). However, the development of the methods used to distribute film works and make them profitable, particularly in most developed countries, quite often condition their inclusion in a broader scope of analysis. Hence, the central role that television now plays in the financing of European film production (by way of regulation or through simple market speculation) implies a tight nesting of the film industry within the audiovisual programme industry, which in turn is part of the communications industry.

Creton (1994) believes that today it is *"necessary to account for these far-reaching relations and analyse them in order to understand the economic balance of this branch"*[1].

Secondly, standard criteria (marketing or free access, assembly of various programme schedules or single programme schedule), making it possible to identify the various television services structure the television sector around three separate markets: the market for free single channel television (conventional), the market for single channel pay television and the market for multi-channel television.

[1] See Creton (1994), p. 66.

I.1.2. Importance of government intervention within audiovisual markets

Audiovisual services are a particular sector of the economy. As the main conveyor of a country's cultural specificity and identity, they obviously are politically very sensitive sectors. This aspect is even more so obvious that the professionals in these sectors are by nature experts in public relations management, without mentioning the conscious or subconscious fascination they might exert on political figures. The "deathblow" that a handful of film directors gave to the Multilateral Investment Agreement (MIA), at a moment when it was nonetheless clear that the audiovisual sector was excluded from the scope of competence of this agreement (Henderson, 1999), perfectly illustrates this ability to persuade. In the same way, television is at the heart of the relations between the political staff and citizens. Governmental decisions concerning the economic development of the sector are strongly constrained by this state of dependency.

Government intervention within audiovisual markets relies on a great number of instruments. On the basis of works by Schmitt (1992), Rouet (2000), Cocq and Kohler (2002) and UNESCO (2002), several distinctions can be made.

Various categories of aid to the film industry

Aid granted to the film industry can sometimes be excessive. Rouet (2000) sets apart four major categories of aid:

- Subsidies
- Financial aid with counterparts (most common example: advance on proceeds)
- Loan guarantee
- Tax measures (preferential VAT rate for cultural industries, tax credits, tax shelters)

Quotas and other entry barriers

Three kinds of quota can be identified on audiovisual markets:

- The broadcasting quota forces broadcasters and/or cinema exhibitors to dedicate a part of their broadcasting/programming time to domestic works.
- The production quota is generally imposed on broadcasters. It may then consist in an obligation to dedicate a part of their turnover to ordering domestic audiovisual and/or film works. In the case of audiovisual works, the production obligation constitutes a complement to the broadcasting quota in order to ensure observance of the latter by fresh production. For film works, the idea is to direct a part of the broadcasters' resources towards domestic film production as a fair compensation for the prejudices that the broadcasting of film works on

television causes on cinema attendance (and thus on the compensation coming from this medium).

- The quest for a balance in the relations between broadcasters and the film industry can also rest on another kind of quota: the limitation of the amount of films broadcasted by television channels (quantitative limitation and/or limitation of broadcasting days and/or limitation of broadcasting time slots). As an extension to this limitation, the protection of theatrical release can also imply the implementation of a distribution chronology for a film. This chronology aims to regulate the life cycle of a work of film according to the various distribution media (cinemas, video, pay-per-view, free channels, etc.).

Beyond these instruments, the regulation of audiovisual markets is based on numerous rules pertaining to the conditions of access to these markets and on the economic behaviour of the players (frequency allotment, limitation of foreign direct investments (FDI), specifications, concession plans, regulation of the advertising market, etc.).

I.2. Major characteristics of television in developing countries

The penetration rate of audiovisual equipment in households strongly varies according to the country. The disparities between high-revenue OECD countries (UNDP terminology) and other nations are even more so pronounced that technological development is recent. According to Cocq and Lévy's (2005) estimations, the penetration rate of television sets or radios in the households of developing countries, CEECs and countries of the CIS tends to come close to that of high-revenue OECD countries over the period 1996-2002. Nevertheless, the differences still remain considerable concerning equipment in VCRs (51.9 percentage points less for the group developing countries + CEEC + CIS) and in DVD players (15.5 percentage points).

Table 2: Penetration rate of television sets in households (2004)

	Share of households with a TV set
India	45%
Egypt	90%
Colombia	40%
Mexico	96%
Cambodia	**N/A**
Latvia	98%
Jordan	**N/A**
Senegal	10%
Burkina Faso	**10%**
Nigeria	10%

Source: OMSYC (2005) and Informa Media Group (2005).

The data pertaining to television sets alone underlines the slowness of the convergence process. Between 1996 and 2002, the relative under-equipment in television sets of households in developing countries +CEEC + CIS has only dropped by half of a percentage point, whereas the level reached by high-revenue OECD countries has been saturated for long. However, the situation in developing countries is very mixed. In the case of our sample, Egypt, Mexico and Latvia have penetration rates close to the standard in developed countries (around 90 %). Conversely, the penetration rate of television sets remains a minority in India (45 %), in Colombia (40 %) and practically nil in West African countries (around 10 %).

According to Cocq and Lévy (2005), in 2002, the amount of resources dedicated to television by a high-revenue OECD country reached an average figure of 6 billion US Dollars, compared with 1.2 billion US Dollars for the other countries. Excepting Colombia, Mexico and to a lesser extent Latvia and India, this low level of resources implies a generalised under-financing of broadcasters. In the case of African countries, Jordan and most likely Cambodia, the weight of the broadcasters' receipts on the GNP is thus very much lower than the average standard of high-revenue OECD countries (0.6 % of the GNP).

Table 3: Television resources (excluding public resources) in 2003

Billion $	Amount of television resources	Weight of television resources in GNP
India	*2.7*	*0.4 %*
Egypt	*0.2*	*0.2 %*
Colombia	*0.8*	*1.0 %*
Mexico	3.3	0.5 %
Cambodia	N/A	N/A
Latvia	0.04	0.4 %
Jordan	0.01*	0.1 %
Senegal	0.01	0.2 %
Burkina Faso	0.004	0.09 %
Nigeria	N/A	N/A

Source: OMSYC (2005) and Idate (2005). The data in italics is provided by Idate (2005).
* In the case of Jordan, the figure mentioned solely concerns advertising resources

In 2003, advertising revenues continue to impose themselves as the main source of television financing in most countries of our sample. Yet, the penetration of subscription television is considerable. India thus stands out with a larger share of subscription resources. In Mexico and Senegal, the weight of these proceeds is higher than that observed on average in the case of developed countries (33.7 % in 2002, Cocq and Lévy, 2005). Only Cambodia seems to stand out with a low development of pay television.

Table 4: Weight of subscription resources in television financing

	2003
India	*79.8 %*
Egypt	*25.0 %*
Colombia	*18.0 %*
Mexico	43.6 %
Cambodia	Very low
Latvia	26.5 %
Jordan	N/A
Senegal	50 %
Burkina Faso	N/A
Nigeria	N/A

Source: OMSYC (2005) and Idate (2005).

Despite the development of multi-channel television, free conventional television remains the dominant model in nearly all countries. With the exception of India and Senegal, conventional broadcasters represent more than 80 % of all television audience and therefore attract most of the resources. They therefore impose themselves as the main element structuring the economy of audiovisual programmes. At this level, two parameters have a direct influence on the broadcasters' demand and thus on the vitality of the audiovisual production sector: the structure of the conventional broadcasters' market and the implementation of instruments of government policy that are likely to condition their programming behaviour.

I.2.1. Structure of the market for free conventional television

For most countries, the market for free single-channel conventional television continues to be characterised by a significant concentration level, an acknowledged presence of public authorities and a dominant position on the audience market (and thus of advertising resources, see Table 5).

Table 5: Free conventional television

	Number of broadcasters	Market structure	Audience share of free conventional television (in %)	Audience share of public broadcasters	Share of advertising in budget of pubic channels
Senegal	2	Public monopoly (de facto)	RTS: 64.5 %	64.5 %	>50 %
Burkina Faso	4	Quasi-monopoly	Very high	Very high	>50 %
Nigeria	72	Quasi-monopoly	N/A	N/A	Minor
Mexico	6	Duopoly	97 %	<5 %	Very low
Colombia	12	Oligopoly	80 %	5.7 %	0 %
India	6	Public monopoly	60 %	50 % (36 % of advertising resources)	60 %
Cambodia	7 (a single private channel was created in 2002)	Duopoly	Very high	N/A	Significant
Jordan	3	Public monopoly	80 %	80 %	N/A
Egypt	9	Public monopoly	N/A	Significant	N/A
Latvia	3 national broadcasters + 7 regional broadcasters and 17 local channels	Oligopoly	70 %	19 %	53 %

Source: author.

Public operators that hold a central position on the market (India, Jordan, Egypt, Senegal, Burkina Faso, Latvia) and whose activity is not limited to occupying thematic segments (denominational television, educational or cultural channel: Colombia, Mexico), have advertising as their main resource. The main differences between the countries thus concern the development level of this dominant model.

In India (the Doordashan group), in Senegal (RTS) and in Jordan (JRTC), the market for free conventional television is historically structured around the domination of the public monopoly. In these cases, the internal balance of this market has barely evolved. However, since 2001, the Jordanian market is showing some changes. The JRTC has been restructured. Its offer now relies on:

- A general-interest channel (Channel One) as opposed to two previously
- A sports channel (The Sport Channel)

- A new channel (The Jordan Movie Channel) specialised in broadcasting cartoons (before 6 pm) and films for theatrical release (after 6 pm)

Above all, this market should experience a major change with the launching of the first private conventional channel (second semester 2006) by the British group DB Broadcast (associated with Electronic Media System).

In India, the inertia of the conventional television market is nevertheless highly contested by the development and success of multi-channel television. Implemented in the beginning of the 90's, the emergence of Indian cable television has allowed new firms to enter on the market. Of course, the conventional channels of the public group are available on the cable network (must carry rule). Likewise, the Doordashan group has developed new channels on this market in order to counter the competition and reconquer audience shares. It has thus clinched a number of agreements with foreign channels (ESPN, Discovery Channel). It has also launched DD Metro, DD Sports and DD Movie Club in partnership, among others, with the French pay channel Canal + (Vivendi). However, the market has quickly structured itself around major domestic (Zee Telefilms Ltd, Raheja Group) and foreign (Sony, News Corp) private industrial groups. These corporations have then become involved in operations aimed at franchising small operators and modernising network equipment. According to Mukherjee (2005), this development has led to the removal of many institutional barriers and an intensified internationalisation of the market. All in all, the share of the public group on the advertising market was only 36 % in 2002, compared with 76 % in 1995.

The other countries show major upheavals of their conventional television market. The repercussions of these changes on previous balances is however very variable.

The public operator TNB in Burkina Faso has for the past 10 years been confronted with new private broadcasters (among which the last to appear in 2002: Canal 3), without its position being seriously affected by this.

In Nigeria, the opening to competition started in 1993 as the first licenses were granted to private operators. However, this development has only slightly altered the monopolistic position of the public operator (NTA) and this even more so that it remains the only operator of a national network. Surely AIT, a private broadcaster held by DAAR Communications, is seeking to impose itself as the second national network, but the financial and regulatory obligations demanded by the National Broadcasting Commission are hindering its capacity for development.

Conversely, Mexico, Colombia, Latvia and Cambodia have significantly modified the balance of their conventional television market.

Mexico

In the case of Mexico, the advent of the duopoly also imposes itself as a breakdown of the monopoly of the private Televisa group. This occurred following the privatisation of the public networks in 1996 and their acquisition by the private group TV Azteca. This opening of the Mexican market is accompanied by a significant internationalisation trend of the sector. In fact, TV Azteca associated itself in 1995 to the American NBC network to make up for its lack of experience. Furthermore, the group develops television networks in El Salvador and in the U.S.A. In 2002, the channels of the TV Azteca group represented 25 % of the Mexican audience.

Colombia

In Colombia, the liberalisation of the conventional television market implemented in the mid-90's was accompanied by major upheavals. This opening of the market has led to the creation of two private channels (authorised to transmit at the local level in 1995 and then at the national level starting from 1996): Caracol TV and RCN. These two channels belong to different private groups that are relatively close to the government. They have quickly replaced the public broadcasters' historic supremacy, thus imposing an extensive restructuring upon them. As a result, the general-interest public channel Canal A (leader prior to liberalisation) was replaced by an institutional information channel (Señal Institucional entirely financed by public resources). Within national public television, Señal Institucional cohabits with the channel specialised in education and culture (Señal Colombia, entirely financed by public resources) and the general-interest channel Uno. In 2004, the two private channels represent more than 70 % of the Colombian television audience (44.4 % for Caracol, 29.2 % for RCN), as opposed to only 5.7 % for the three public channels.

Latvia

In the beginning of the 90's, the opening to competition of Latvian conventional television led to the replacement of the Russian channels with private broadcasters: LNT, TV3 and PBK. This emergence of the private sphere relied on a broad opening to foreign capital. LNT is thus the property of the Polish group Polsat (also co-shareholder of the main Latvian private radio station: SWH). Likewise, TV3 is held by the MTG group, a subsidiary of the Swedish group Kinevik.

In 2005, the market for Latvian free conventional television thus comprises two public channels (LTV1 and LTV7 half financed by advertising resources, for an overall budget of €14.1 million) and three private channels. The private channel LNT (2002 budget: €7.2 million) imposes itself on the audience market (market share: 22 % in 2005), ahead of TV3 (market share: 17.3 % in 2005), and LTV1 (market share: 13.8 % in 2005).

Yet, the development of private channels is greatly affected by certain failures of the domestic advertising market. The main public channel seems largely over-invested by advertisers in view of the audience results. In 2002, it captured 36.2 % of the advertising investments for a market share of 13.1 % in terms of audience, while LNT only attracted 34.1 % of the advertising investments for a market share of 25.4 %. According to IMCA (2003), these failures "seem related to the efficiency resulting from the possession of two channels and an active price dumping policy on advertising spaces".

Cambodia

The creation of the private channel Cambodian Television Network (CTN) in 2002 has deeply modified the balances of Cambodian free conventional television. This new entrant, financed by a Swedish group (Modern Times Group), has quickly imposed itself as the country's most popular and most professional channel.

I.2.2. Broadcasters' obligations and the programming industry

For the majority of the countries studied, the changes observed over the past 20 years on the market for conventional television did not lead to a convincing appearance of new broadcasters. Nevertheless, when this is the case, the entrants have deeply modified the historic balances of the market.

Under these conditions, the terms of development and analysis of the audiovisual programme industry, as drafted by Cocq and Kohler (2003) in the case of European countries, can only partially be transposed to developing countries. These authors show that the emergence of the actual idea of a domestic audiovisual production industry is directly linked to the opening of the conventional television market to competition. The emergence of new laterally financed conventional operators was followed by a great increase in the demand for programmes and profound disruptions in terms of programming.

The objective of public authorities was then to rely on this upsurge in demand to ensure the development of an independent staple programme industry (and to put an end either to monopolistic structures or to a production model integrated within broadcasters). It is within this context that the European Television without Frontiers Directive was drafted (1989). The broadcasting and production obligations it contains aim to constrain the broadcasters' natural propensity to schedule non-domestic programs. This is a behaviour that is likely to hinder the emergence and the efficiency of a programme industry within the various European countries. At this level, the structure of Latvia's obligations corresponds to the transposition of articles 4 and 5 of the TWF directive revised in 1997.

Thus, in the European case, there is a very clear materialisation of a political (and economic) objective that is made possible by a specific development of the market. However, this determining development only concerns a minority of the countries in our sample (Mexico, Colombia, Latvia, and Cambodia).

Table 6: Obligations of conventional broadcasters

	Broadcasting obligations of conventional broadcasters	Number of domestic programmes among the 10 best audiences of 2003
Colombia	Domestic programme broadcasting quota: - more than 70 % at prime time - 0-40 % at daytime - 50 % on local channels	8: 7 soap operas (telenovelas), 1 reality show
Latvia	- Dedicate at least 51 % of their volume to broadcasting European works. Within these European works, at least 40 % must be produced in Latvian (i.e. 20 % of all productions). - 10 % of the weekly broadcasting volume must be dedicated to European works by independent producers, half of which to works less than five years old	10: 1 news programme, 2 variety shows, 1 documentary, 1 magazine programme, 5 live events
Cambodia	No instruments.	N/A
Egypt	No quota for broadcasting or production of domestic works. However, the Censorship Authority actually limits the ability to broadcast foreign films on public channels.	10: mainly series, films
Jordan	Vague specification within the scope of licenses of the aim to promote national production. There are no instruments to ensure that this goal is observed.	N/A
India	No quota (nationality)	10 domestic programmes: 8 series, 2 films
Mexico	No quota (nationality)	8 domestic programmes: 2 soap operas (telenovelas), 3 comedies, 1 reality TV programme, 2 TV fictions
Senegal	Main principles: - Meet the needs and aspirations of the audience in the areas of news, culture, education and leisure - Contribute to the knowledge of Senegal	N/A
Burkina Faso	- 50 % of national programmes - 30 % of local productions for scientific, cultural, recreational, religious and sports programmes	N/A
Nigeria	- 40 % of foreign programmes (conventional channels), 80 % (cable channels)	N/A

Broadcasting and production obligations

For this reason, the political will of developing countries to develop a programme industry is much less pronounced than for European countries. Besides Latvia, for reasons linked to its accession to the EU, only a minority of the countries in our sample have set up quotas for broadcasting domestic programmes: Colombia, Nigeria and Burkina Faso. It is also interesting to note that there is no direct correlation between the elaboration of binding regulations and the level of openness to competition. Only Colombia seems to confirm the relevance of this relation. Moreover, none of these countries confines the broadcasting obligation within a truly coherent framework from an industrial point of view: by favouring a specific production segment (fiction, documentary, animation, etc.). The designations of these countries' broadcasting obligations are to say the least vague. They concern programming as a whole and do not make any distinction whatsoever between throwaway and staple programmes.

For the other countries, broadcasters must observe certain requirements. However, these are based on very general principles: promotion of national production (Jordan), contribution to knowledge of the country (Senegal).

Offer and audience of domestic programmes

Despite these disparities in regulations, certain convergences appear when it comes to the structure of the offer and the audience of domestic programs.

Data pertaining to the structure of the programming generally is rare. At this level, the only indicator selected and properly filled in is the number of domestic programmes among the ten best audiences for the year 2004 for each of these countries (source: Médiamétrie, 2005). This indicator reveals that, no matter the level of obligations, the programmes that have tremendous success with television viewers are massively of domestic origin.

The five countries for which there is information at this level (India, Colombia, Mexico, Latvia and Egypt) show a rate higher than or equal to 80 % of domestic programmes among the 10 best audiences. Among these, domestic television series have the most success. They represent 34 of the 50 best, ahead of throwaway programmes (sports, special programmes, news) and films for theatrical release.

This result is interesting insofar as it provides an indication (even though basic) on the level of development of domestic audiovisual production. It thus seems to confirm that India, Mexico, Colombia, Egypt and Latvia have a production capacity that is liable to meet the (social) requirements of prime time programming based on domestic works. In Latvia, these results come about within the framework of a sharp regulation system. Conversely, in Mexico and in India, this production capacity is the result of market forces alone. However, the development method of the production activity differs significantly in these two countries.

India

In the case of India, the production of staple programmes has developed out of businesses that are independent from broadcasters. Initiated during the 90's, this boom has relied on one hand on the outsourcing decision made by Doordoshan and on the other hand on the development of multi-channel television. Today, this sector is characterised by a high level of organisation and an increasing concentration. Thus, at the end of the 90's, it was still highly fragmented, with close to 3,000 active companies. Yet, in 2001, only 250 firms were still present and the 10 most active firms controlled close to 45 % of the market.

Thanks to the internationalisation of the television sector induced by the development of multi-channel television, the Indian audiovisual production sector is now organised around businesses that are meeting domestic and external demand. In 2000, the Nimbus company, which is specialised in the production of television programmes, generated 65 million INR in export revenues thanks to sales in the United Kingdom, the United Arab Emirates, Malaysia, South Africa, the U.S.A. and Singapore (see Nielson and Taglioni (2004)). A net importer of television content for a long time, India seems to have become an export centre. The Electronic and Computer Software Exports Promotion Council estimates that the exports of television programmes reached $74 million in 2001, i.e. 20 % of the total value of production.

Mexico

Mexican television production is integrated within the broadcasting groups. Grupo Televisa, the main group of free conventional television (but also of multi-channel television), enjoys a specific position, which is relatively similar to that of TV Globo on the Brazilian market. Its productive strength relies entirely on its dominant position within a prosperous conventional market. With $2.2 million of advertising resources in 2002, Mexican conventional television is one of the best endowed in the world: the 8th place, according to this criterion, behind the U.S.A., Japan, Germany, Brazil, the United Kingdom, Italy and France. This is a market which remains largely dominated by the activity of the three channels of Grupo Televisa. This corporation still represented close to 75 % of the audience in 2003.

Under these conditions, television fiction (in particular telenovelas), the programming keystone of Mexican broadcasters and the source of the best audience figures, naturally benefit from the largest share of these abundant resources. The Televisa Group thus stands out as the leading producer of domestic audiovisual works and as a powerful exporter. It owns a catalogue of more than 70,000 hours of programmes in Spanish language. As Mexican telenovelas are paid off on the domestic market, they are sold on foreign markets at their marginal distribution cost[2] with the possibility of differentiated rates according to the economic characteristics of these markets[3]. In the same way as American products, they benefit from an advantage in terms of price-competitiveness over the domestic productions of many countries. This competitiveness in rates is coupled with a qualitative advantage linked to the difference in available resources invested in productions.

To a lesser extent, the strategic positioning of Azteca is similar. In 1999, 80 % of the channel's prime time programming was produced in-house and 50 % of daytime. As a result, despite the lack of broadcasting quotas, the two main channels in the Mexican television landscape (Televisa's Canal 2 and TV Azteca) dedicate 90 % of their air time to national productions.

Colombia

Telenovelas are also at the heart of the Colombian private broadcasters' programming. They make up the major part of evening time programming (each broadcast is generally interspersed with a news programme or a reality show). The examination of the biggest audiences of Colombian television in 2004 illustrates how meaningful telenovelas are: 7 of the 10 best audiences are thus achieved by domestic telenovelas broadcasted in the evening by Caracol (source: Médiamétrie, 2005).

Since the end of the 90's, Colombia has considerably reinforced its production capacity on this highly strategic segment. The IMDB database references 61 romances for television

[2] However, this price-competitiveness of Mexican productions cannot only be attributed to a deliberately aggressive pricing policy. It can also reflect the exercising of a negotiation power on the part of importing firms. Noam (1991) thus explains the persistence of low rates for American fiction works in Europe as the result of a monopsony power exerted by European broadcasters. According to the author, this power, which is inherited from the monopoly situation, has maintained itself during the passage to open competition because of the persistence of a relatively restricted number of operators (oligopsony) and their financial limitations.

[3] According to Mato (2003), the purchase price of a one-hour episode varied in 1998 from 15,000 dollars for a German general-interest channel to 50 dollars for a broadcaster in Zambia.

produced or co-produced by Colombia (485 for Mexico). Among this total, 35 have been produced during the period 2000-2006 alone, as opposed to 25 initiated over the entire 90's decade. This production capacity is also expressed in the Drama genre and to a lesser extent in comedy series: 60 titles are identified by IMDB (575 for Mexico), of which 29 initiated since 2000.

Private broadcasters hold a central position in the production of telenovelas. A great part of their programming in this genre is thus directed and produced in-house.
On this segment, and more generally on the television fiction segment, recourse to foreign programmes is very low. In fact, most successful American series are adapted within the scope of Colombian productions. There thus is a Colombian version of Lost (Vuelo 1503).

This development of Colombian production can largely be attributed to the domestic and international success (e.g. in the U.S.A. on the Telemundo network) of the series *Betty la Fea* (2001). In stride with this success, the two Colombian private channels have signed agreements in order to provide productions intended for the Spanish-speaking market in the U.S.A. (a market that is 7 times larger than the Colombian market).

Disney thus entered into a telenovela co-production agreement with Caracol in 2001. Likewise, RCN signed an agreement with the main company on the American Hispanic market (the Univision Group). This agreement gives Univision the exclusivity of RCN's productions on the Hispanic market in the U.S.A., in return it commits to programming at least 300 hours of programmes produced by RCN during prime time each year. Finally, Univision's competitor, Telemundo, formed a partnership, within the scope of a joint venture based in Miami, with Carolco and the Colombian production company RTI, to provide the co-production of 10 telenovelas over a period of five years. This growth boosted by the U.S.A. also benefits small organisations independent from Colombian broadcasters. Teleset, a Colombian independent production company, has thus sold two of its productions to Telemundo.

These close links with the Spanish-speaking market in the U.S.A. thoroughly structure the production and direction process of Colombian television fictions. These generally rely on an international cast: most include 4 or 5 foreign actors (Cuban, Argentinean, Venezuelan or Peruvian). Of course, appealing to international talent leads to an inflation of the estimate, as these actors enjoy a salary that is three or four times higher than that of domestic actors. Most of all, it explains to a great extent (in addition to their intrinsic quality) the competitiveness in export markets.

In 2004, *Pasion de Gavilanes*, the biggest audience success of Colombian television, also is among the ten best performances of Dominican (7th position), Ecuadorian (1st position), Panamanian (1st position), Paraguayan (1st position), Peruvian (5th position), Puerto Rican (5th position) and above all Venezuelan (1st position) television. All in all, in 2004, Colombian telenovelas hit one of the ten biggest audiences in a foreign country nine times. This performance is even more so remarkable that in all these countries the audience show a strong preference for domestic series.

For the 73 countries listed by Médiamétrie (2005), among the 256 television series counting among the ten best audiences, 77 % were of domestic origin. Only 13 countries are able to challenge this preference. Colombia stands out as the third most successful country at this level, just behind Mexico (13 programmes listed) and the U.S.A. (10 programmes) and far ahead of countries such as Brazil (4 programmes), the United Kingdom (3), Argentina (2) or France (2).

Egypt

The central position of the public broadcaster URT and its significant development in the 90's (5 new channels created) thoroughly structure domestic audiovisual production. The group is one of the main producers of Egyptian audiovisual works. In 2000, the production volume initiated by the URT represented more than 257 hours, including works of film (mainly sub-contracted), documentaries, television series and animation films. Furthermore, several studies (Ghoneim, 2005) reveal the strong preference of Egyptian consumers for domestic audiovisual programmes. As a result, according to unpublished data by the URT, Arabic series lead the Egyptian television viewer's preferences (72.9 % rank them in first position), ahead of Arabic films (14.3 %), entertainment (8.6 %), far ahead of foreign works of film.

The vertical integration of production by broadcasters combined with this bias in favour of domestic production and to considerable financing resources explains Egypt's substantial audiovisual production capacity. And this even more so that on the segment of Arabist works the potential competitors (Tunisia, Syria, Morocco, Lebanon) have not developed a mass production that is likely to challenge the supremacy of Egyptian works on their own market. In fact, the IMDB database lists 21 Egyptian audiovisual titles produced between 2000 and 2005 (2 romances, 11 series, 3 comedy series, 2 musical series, 2 detective series, 1 documentary series).

However, as audiovisual production is highly integrated by the URT, the development of an independent production sector is limited. The recent appearance of free private broadcasters

(2000) is likely to disrupt this order somewhat. However, we do not have any data on the economic behaviour of these broadcasters in terms of programming.

Latvia

Compared with the four previous countries, Latvia's position is singular. Of course, the proportion of domestic programmes within the 10 best audiences of the year 2004 is maximal. However, only two staple programmes have been counted at this level and they only concern the genres documentary and magazine programme. This result seems to illustrate the weakness of the consequences to the application of the European Television without Frontiers directive in the case of Latvia.

It is important to remind that one of the main objectives of articles 4 and 5 of this directive is to structure the emergence of a domestic audiovisual production industry that is independent from broadcasters and, more specifically, to boost this dynamism on the segment of television fiction. Within the limited context of Latvian television's resources (0.4 % of GNP, against 0.6 % on average for the countries of the 15-country Europe), the observance of the standard laid down by the TWF directive generates a high cost that broadcasters naturally seek to attenuate, which affects the directive's efficiency accordingly. This cost is particularly meaningful for private broadcasters, as their programming prior to the transposition of the directive is largely focused on importing foreign programmes.

As a result, in 2001, the local production only represented 15 % of TV3 Latvia's programming, against 85 % for imported programmes (essentially American, South American and Russian programmes). In fact, the Latvian television production market remains limited and fragmented. IMCA (2004) estimates that the independent sector includes about ten companies. Most of all, it essentially concerns companies positioned on the documentary and entertainment segments, if not on that of animation.

Memais Sovs, the most renowned company, essentially produces entertainment and parodies of television shows. Likewise, Hansa Media, a company that has a privileged link with the public channel LTV, is specialised in programmes of non-commercial nature and documentaries. Finally, Labvakar positions itself on educational and news programmes and incidentally on entertainment. For the other genres, the recourse to foreign productions remains preponderant. This characteristic is particularly true in the case of the two private channels. For these two, the observance of the broadcasting quota (not accompanied with any investment obligation) is essentially achieved by studio production. In the case of public television, the regulations allow the production of two or three series per year.

Cambodia

Official data pertaining to the structure of the Cambodian broadcasters' programming does not exist. According to our local contact, the programming of the seven Cambodian television channels relies on massive import of Chinese, Indian or Korean series. Thai series have disappeared since the ransacking of the Thai embassy in 2002, but tend to come back little by little in their original form or plagiarized "à la Khmer".

Domestic productions thus essentially concentrate on throwaway programmes (game shows, music shows, news bulletins). In fact, the IMDB database only lists two titles of audiovisual works of Cambodian origin produced since 2000: 1 drama series and 1 documentary series. However, our local contact has noted the recent emergence of domestic production in terms of soap opera. It is characterized by the extreme modesty of its means.

All of this information underlines the absence of a structured industrial fabric for programme production. Excepting karaoke clips [4] and a few programmes that generate significant advertising revenues, productions are rarely profitable. Therefore, independent companies that produce works of fiction, documentaries or television shows are rare. The Film and Culture Dissemination Department of the Ministry of Culture and Fine Arts thus imposes itself as the only "official" producer of documentaries intended for the public channel. The Ministry of Culture allocates a $10,000 budget to it to produce eight films per year, of a duration of 10 to 15 minutes, essentially on cultural subjects.

Besides the weakness of the volume initiated, Cambodian audiovisual production is characterised by an approximate quality ("unprofessionalism and plagiary"). Under these conditions, international aid and NGOs[5] hold an important position within this sector. Each year, a significant number of documentaries and magazine programmes are produced thanks to their financial support. They essentially position themselves on thematic programmes enabling them to communicate on their actions. In this case, and particularly for documentaries, these "sponsors" or "co-producers" often demand the presence of one or several acknowledged professional(s) or expatriate(s) and a minimum quality level allowing

[4] The video clips are produced with very little means and without professionalism. However, the presence of stars and the popularity of the songs ensure the profitability of these productions. Due to this profitability, video clip compilations are better protected against piracy than other audiovisual products (system of stamps edited by the Film Department).

them to distribute the programme internationally. The major part of the so-called “top-of-the-line” productions (according to local criteria) is thus produced on behalf of NGOs, associations or within the scope of foreign aid, who are the only ones able to finance these programmes.

Nevertheless, the appearance in 2002 of the first private channel, “Cambodian Television Network” (CTN), seems to boost the beginning of a professionalisation of Cambodian audiovisual production. This company has invested a lot in equipment and human means, clearly raising the technical quality level of productions. The latter are close in style and form to the standards of Thai broadcasters. CTM also is one of the only companies to be able to hire out quality equipment and to offer the services of competent teams, sometimes requested for foreign productions.

African countries

The situation of the African countries is remarkable to say the least. There is virtually no statistical data concerning these issues. However, a recent WAMEU study (2004) makes it possible to identify certain characteristics of the programming behaviour of African broadcasters (Senegal and Burkina Faso). It seems that public broadcasters in a monopoly situation do not contribute at all to the production or to the remuneration of broadcasted domestic programs. At this level, the development of multi-channel television has not played the expected structuring role.

On one hand, private re-broadcasters of foreign channels are not constrained by any obligations to contribute to the development of national programmes. Only the agreement concerning the establishment of Canal+ Horizons in Senegal includes the payment of a percentage (3 %) of the turnover into a production financing fund. However, according to the WAMEU (2004), this French firm is believed to only have respected this clause very partially.

On the other hand, the licence fees paid by MMDS operators to the States as a counterpart for exhibition rights are low and, in the case of Senegal, assigned to the Press Support Fund.

This total disengagement from the broadcasters is the result of several factors. First of all, the conditions under which foreign programmes are acquired affect the incentive processes for the broadcasting/remuneration of domestic programmes: free French series (provided by

[5] There are more than 1,000 NGOs in Cambodia. They cover all fields: education, health, economy, law, culture, etc.

Canal France International), nearly free German series, no cash remuneration for Latin American telenovelas (bartering), or low price on the international market for old American series.

Furthermore, the production process of domestic works has for long rested on an abnormally identical pattern to that of works of film. Most times, the work was then offered for free by Canal France International (CFI). This pattern revealed a total disconnection between the order of the series and the broadcaster's economic behaviour.

Under these conditions, if domestic production widely stands out within the public channels' programme schedules, this predominance does not benefit big genres that are likely to structure an audiovisual production industry.
According to Barlet (2005), in Senegal, national production only represents close to 55 % of broadcasted programmes (excluding news) in 2004. However, this significant recourse to domestic production is ensured by Senegalese music videos, cultural programmes in the form of talk shows, such as *Ma Famille* or *Faut pas fâcher*.

In terms of fiction, WAMEU (2004) considers that, while this genre is placed at the centre of the Senegalese public broadcasters' programming (estimated at 22 %), it is made up of 95 % of foreign programmes (Brazilian or American television series dubbed in French or programmes from the CFI-PRO bank). Between 1999 and 2002, the production of Senegalese fiction is believed to have been limited to seven 13-minute episodes of *Kagango le Griot*, nine 13-minute episodes of *Xale* and one series of skits *Gorgulu* (13 minutes, 4 times per week).

Nevertheless, Barlet (2005) considers that some twenty digital video films are produced each year without foreign investment. Some of these works can then be granted a televised broadcast. Assane Diagne's three films *Nef*, *Coumba* and *Kin*é have been broadcasted about ten times on RTS. For these three films, the public broadcaster provided the editing and filming equipment (in the form of a co-production share estimated at 15 % of the budget). Likewise, RTS2 broadcasts Senegalese television films that come from the informal sector boosted by the development of video.

In Burkina Faso, the production capacity seems to be more considerable. Barlet (2005) underlines that from 1997 to 2002, 150 hours of fiction have been produced by private production companies. Burkinan fiction thus represents ¾ of the African fiction programmes available in the French-speaking African broadcasters' programme schedules. Sitcoms (*Kadi* *jolie*, *A nous la vie*, *Vis-à-vis, etc.*) actually occupy a central place within the TNB's programming.

The latter collaborates with these organisations on a technical and logistics level through its production department. More specifically, it mobilises significant technical abilities (virtual editing equipment, 5 DVCAM DSR 250 digital cameras, 1 DVCAM DSR 570 camera, 2 DVC Pro and Beta cameras). In addition to these technical services, the TNB also is active in the production of documentaries.

Moreover, organisations that come under equipment and technical industries tend to develop in Burkina Faso. Until recently, the technical equipment offer was concentrated in three organisations: the National Directorate of Cinematography (Direction de la Cinématographie Nationale), CINAFRIC and TNB. From now on, Barlet (2005) considers that *"new private production organisations and the audiovisual departments of organisations and ministries do their best to acquire basic equipment (cameras, sound equipment, lighting, machinery, editing, etc.)[6]"*.

Likewise, training for picture and sound professions has increased sharply over the past few years. With the help of Belgian, French, Quebec and Chinese aid, the National Directorate of Cinematography has thus set up a program to boost training for picture and sound professions (PROFIS). The Directorate launched a part of this program called "course cycles" in April 2000, which consists of several one-month sessions a year: film taking, editing, directing, screenwriting, animation film, sound mixing, documentary directing, production, sound taking, sets. In 2002-2004, a specialisation cycle led to a qualifying certificate as advanced technician according to a technical option (Picture - Sound - Editing) and an authoring option (Screenwriting - Directing - Producing). In the end, this programme has made it possible to endow Burkina Faso with a region-specific training centre for audiovisual professions: the Regional Institute for Image and Sound (IRIS, Institut régional de l'image et du son) officially opened in December 2004.

[6] See Barlet (2005), p. 28.

I.3. Film industry

The analysis of the various sectors of the film industry shows that it is generally structured around a twofold characteristic, as is the case for the main cultural industries. Its overall organisation is based on an oligopoly structure with fringes, whose degree of concentration increases from the upstream towards the downstream. The cinema activity is thus dominated by an oligopolistic centre next to which a multitude of independent companies coexist in a competitive context.

This competitive fringe is characterised by the low level of market shares captured by the companies that make up this market, by the structural fragility of the latter and by a high degree of freedom in entering the field which varies from the upstream to the downstream. Moreover, the increasing concentration of the upstream towards the downstream emphasizes the fact that companies on the fringe are essentially positioned within the production sector.

Since the power of majors (domestic or foreign), making up the oligopolistic centre, stands out in the mastery of technical reproduction (distribution) and the distribution of the product, i.e. the segments subjected to significant economies of scale. As a result, the penetration of foreign investments (and therefore the main institutional barriers) generally concern downstream segments of the industry.

On the whole, developing countries confirm these main characteristics. The production segment remains the prerogative of domestic companies. At this level, internationalisation thus essentially relies on the flows generated by international co-productions. Only Mexico stands out with the implementation of production organisations endowed with foreign capital. Disney signed a joint venture with Spain Admira (Miravista). Similarly, the partnership between Warner and Televisa led to the creation of the company Cyoacan Films at the film production level. Sony also opened a production office in Mexico in 2003.

For most countries, production continues to be highly fragmented and remains on a small scale. However, in some cases (Mexico, India and Egypt), a concentration trend is becoming apparent, particularly when broadcasters penetrate the sector (Mexico). Egypt also stands out with a high concentration of the production segment. According to Ghoneim (2005), Egyptian production is handled in large part by three companies.

As opposed to production, except in Egypt (where distribution is largely integrated with Egyptian cinema owners), the distribution segment is internationalised to a great extent, which essentially benefits American majors. This opening takes on diverse forms.

American presence is significant in Mexico. Mexican distribution is dominated by American majors. The five leading distributors are American, mobilising more than 75 % of the revenues. Videocine, main domestic distributor is linked to the main domestic distribution group (a subsidiary of Grupo Televisa). This American presence is not only limited to the distribution of American films alone, but also includes distribution of domestic films. In 2002, among the 10 biggest box office successes, two were distributed by American majors, five by Videocine, which is tied to Warner, and two by domestic distributors.

This predominance of American companies is also proved in Colombia. Cine Colombia, which distributes Warner's films among others, is the only one able to impose itself on the domestic market. In 2003, it represented 15 % of the distributors' receipts. The domination of this company is closely linked to the dominant position on Colombian exhibition. According to Rey (2005), it owns 36 % of Colombian screens and represents more than 60 % of box office receipts. The weight of all other local distribution companies does not exceed 2 %.

In Latvia, the Baltic Cinema company, a subsidiary of the main Finish cinema operator Finnkino, handles the distribution of the main American majors.
In Senegal, most local distribution companies are affiliated with European or American majors that supply them with packaged films.

I.3.1. Support systems for the film industry

The majority of the countries in our study benefit from support systems for their film industry. Only Cambodia, Nigeria and Jordan seem to be lacking this kind of organisation (see Table 7). Of course, in Cambodia the Film and Culture Dissemination Department of the Ministry of Culture and Fine Arts is the reference authority in terms of film, but its role essentially consists in issuing shooting authorisations and distribution certificates. There is no aid system for production, or on a more general level for the audiovisual sector, in Cambodia. Under these conditions, the NGOs or foreign aid make up the only sources of support.
In Jordan, the main assignment of the Royal Film Commission (created in July 2003 in order to promote the film industry in Jordan) is to attract foreign shoots (natural scenery, English-speaking population, low salaries, etc.). It does not manage any aid funds in any way.

In Senegal and in Burkina Faso, the organisations encountered compare to empty shells, according to our research. In the case of Burkina Faso, the support fund is no longer supplied financially. However, the implementation of a national box office should restore the efficiency of this fund (see Barlet, 2005). In the case of Senegal, the means made available are so low that their existence is almost purely symbolic.

This weakness can sometimes be compensated by one-off measures and exceptional government contributions. The WAMEU (2004) considers that this practise, as opposed to an effective support fund, has the *"heavy disadvantage of not falling within an economic and financial structuring process of production, whether it be by its amount or its procedure"*[7]. In fact, the most concrete government contribution generally consists in the supply of equipment from the State's film department or national television (Burkina Faso).

In this context, the financing of African production entirely relies on the specific support funds set up by Northern countries (European Union, Agence Intergouvernementale de la Francophonie, Fonds sud, Aide au développement des Cinématographies du sud, etc.). Such a financing network includes multiple pernicious effects identified by the WAMEU (2004): administrative cumbersomeness, potential brake on the development of African production companies, risk of having dominant tastes in Northern countries prevail, risk of homogenising production in view of meeting granting criteria.

For other countries, the inventory of the various support systems reveals a great diversity. In the case of Europe, Cocq and Kohler (2003) show that, despite certain differences among the systems analysed, common characteristics come up, thus sketching the outlines of a European standard. These convergences are not found in the case of the countries covered by our study.

[7] See WAMEU (2004), p. 29.

Table 7: Support systems and entry barriers for the film industry

	Organisations providing aid to the film industry	Entry barriers
Latvia	The Latvian National Film Centre (financed on the State's budget) + The Latvian Cultural Foundation (financed by taxes on gambling, alcohol and tobacco).	- Limited amount of cinemas
Egypt	Yes, created in 2001, activities started in: 2002	- Administrative constraints - Lack of transparency in the sector in order to bypass taxes - Heavy taxes - Concerning foreign companies: the Minister of Culture determines the maximum number of foreign films that can be distributed by a domestic company (generally one domestic film for 8 foreign films on a maximum of five copies) - For foreign film shoots on the territory: the use of non-Egyptian technicians implies a $750 tax per head - Tax on the ticket price = 10 % for foreign films, against 5 % for domestic films
Colombia	Directorate of Cinematography of the Ministry of Culture	- Parafiscal tax: 8.5 % of the distributors' and exhibitors' turnover on foreign films, 5 % of the domestic producers' turnover. 70 % of the amounts collected must be dedicated to the production and direction of domestic films - Very concentrated distribution
Cambodia	Film and Culture Dissemination Department of the Ministry of Culture and Fine Arts	Significant amount of piracy
Jordan	Royal Film Commission: mainly attempts to attract foreign shoots to Jordan. No aid system.	Very low
India	- Film and Television Institute of India - Satyajit Ray Film and Television Institute - National Film Development Corporation	- High level of tax on film establishments - High fixed costs (electricity) - Piracy ($77 million, 60 % of market) - Film shoots in India are subject to ministerial authorisation - State of East Bengal: higher taxation on non-Bengali and foreign films - American majors can only repatriate $6 million/year of their box office receipts in India (not very restrictive)⇒used to produce films in India -Removal of many barriers in the 90's: cinema quotas (which are however exempt from India's WTO commitment)
Mexico	Imcine	- Significant concentration (distribution and exhibition) - Cinema quotas: 10 % of projection time dedicated to domestic films - Obligation to broadcast any new Mexican film 6 months after its completion - Significant piracy ($50 million, 40 % of market) - FDI: 49 % (production, exhibition) - Obligation to deposit a copy of any film not produced in Mexico - Dubbing of films is prohibited except for children's films
Senegal	Film Promotion Fund (Fonds de Promotion Cinématographique). Most aid comes from European funds.	- Monopolistic structure of distribution - Low amount of cinemas Piracy - Unfavourable fiscal context: 33 % tax on tickets, from which African films are exempt - Unfavourable customs procedure: media and equipment for audiovisual sector = highest category (20 %) - Aid network with strong geographic ties (Europe-Canada)
Burkina Faso	- Officially yes but no longer supplied. - Significance of aid from EU, the Agence de la Francophonie and of the funds from the French Ministry of Foreign Affairs.	- Monopolistic structure of distribution - Low amount of cinemas - Piracy - Unfavourable fiscal context: 33 % tax on tickets, from which African films are exempt - Unfavourable customs procedure: media and equipment for audiovisual sector = highest category (20 %) - Aid network with strong geographic ties (Europe-Canada)

Aid system in Mexico

Two programmes coexist and are financed by government contributions and the reimbursement of granted loans. However, a tax on the ticket price came into effect in January

2003. As opposed to the Korean system, Mexican aid programmes nearly exclusively concentrate on the production segment. Support takes on the form of venture capital and secured loans.

The programmes combine industrial and cultural granting criteria. Fidecine support thus essentially focuses on the commercial and financial viability of a project. Conversely, Foprocine seeks to promote quality production on the basis of artistic criteria.

Aid system in India

In India, support to the film industry relies on the action of three institutes at the federal level. Moreover, many states have also developed support measures. The Film and Television Institute of India and the Satyajit Ray Film and Television Institute have training as their main action.

The National Film Development Corporation was set up in order to support small budget productions and first films. In theory, this institute also manages a programme of capped loans for the construction of cinemas. However, Mukherjee (2005) believes that no loan has been granted in the past five years. On the whole, government aid provided to the financing of production and to the entire industry is very low.

The industry's development essentially relies on private organisations whose main brake remains the burden of financial costs. In this perspective, India's Federal Bank has elaborated rules for banks and financial institutions operating in the sector. Fiscal measures are in fact the main method of state intervention.

Numerous tax relief systems have been set up to reduce production costs (lowering of the VAT rate from 40 to 25 % on film shooting equipment, cut in customs duties on film equipment). The export incentive system is based on a tax exemption on revenues generated by the export of domestic films. In the same way, the customs duty (20 %) paid on the return of the equipment is reimbursed to the exporter-importer.

Since 1998, the export results of Indian cinema have improved considerably. The export value has thus gone from $48.4 million in 1998 (198 films) to $100 million in 2000 (412 films) and $111 million in 2001. These good results reveal an offensive development of Indian businesses, which now want to take advantage of the opening of numerous markets. In fact, several countries have cinema quotas that limit the screening of Indian films in a significant way (Egypt).

Finally, the federal government and many provinces have developed systems to encourage investments in the exhibition segments with the clearly displayed objective of developing multiplex cinemas. To this end, domestic corporations were granted the authorisation to co-operate with foreign businesses within the scope of joint ventures. In parallel, the Union's budget (2002-2003) mentions an exemption of 50 % for the taxation affecting multiplex cinemas in areas outside of major cities.

Many provinces have also developed similar measures (Uttar Pradesh, Himachal Pradesh, etc.). Exhibition remains heavily taxed in the various Indian states (with an average taxation level of 60 % in the country as a whole, compared with 3 % in Japan, 16.6 % in South Korea and 33 % in the Philippines, source: Film Federation of India).

Aid system in Colombia

Public support to the film industry has seen a rapid expansion with act 814 on film adopted in 2003. It introduces an 8.5 % tax on the distributors' and exhibitors' net revenues generated by the distribution and broadcasting of foreign films. Exhibitors benefit from a 6.5 % allowance in the case of screening a Colombian short film certified by the Ministry of Culture.

Moreover, the 2003 Act introduced a 5 % levy on the Colombian film producers' revenue. These levies supply a support fund (FDC) managed by the Consejo Nacional de las Artes y la Cultura en Cinematografía. Aid (non refundable) essentially focuses on the production segment (up to 70 %). However, the support fund also allows the organisation of seminars, festivals and support to the promotion of domestic films.

In 2005, the FDC's budget was distributed as follows:
Script development: $4 396 (10 per year)
Project development: $10,989 for the project and $ 6,593 for the script (10 per year)
Feature film production: $110,000 (8 in 2005)
Post-production: $52,747 (3 in 2005)
Promotion: $52,747 (8 in 2005)
Short film production: $13,187 (10 in 2005)
Documentary production: $21,978 (10 in 2005)

Aid system in Egypt

Ghoneim (2004) contests the widespread idea of an Egyptian cinema widely supported by public authorities. After a long decline, government intervention has however revived in 2002 with the creation of an independent organisation (but in which the State owns the greatest part of the capital) in charge of supporting film production. Nevertheless, its activity remains limited (two films produced between 2002 and 2004).

There also is a Fund for Cultural Development. Financed by a tax on the cinema ticket price, this fund is intended to promote the development of the film industry and more specifically production. But, in fact, it mainly benefits short films. Consequently, the main direct support measure for domestic production is of a fiscal nature. The legislation indeed plans for tax allowances for large-scale film production companies (whose capital exceeds £200 million EGP).

Aid system in Latvia

Public support for the Latvian film industry relies on two organisations: The Latvian National Film Centre and the Latvian Cultural Foundation. The former was created in 1991 and is a public institution financed by the State and attached to the Ministry of Culture. One of its tasks is to manage the government's financial support to the film industry. It thus grants selective production aid according to qualitative as well as economic criteria (economic feasibility of the project). In this regard, four committees (feature film, animation, documentary and various areas such as festivals) made up of three professional experts proceed with the selections.

In 2003, its budget amounted to €1.1 million (€1.4 million in 2005) and was distributed as follows: 49 % to feature film production, 16 % to documentary production, 16 % to animation film production, 10 % to the production of events and 9 % to the Centre's administration.
The Latvian Cultural Foundation is a not-for-profit government organisation created in 1997. Financed by taxes on gambling, alcohol and tobacco, it had a budget of €0.8 million in 2002. Its assignment is to support and promote the balanced development of all creative activities related to the arts and to culture. It thus covers film.

I.3.2. Film production

Film production in terms of volume

From a quantitative standpoint, film production in countries of the group Developing Countries + CEEC + CIS reveals certain limitations compared with film production in high-revenue OECD countries. The first limitation concerns production capacity. Even if between 1994 and 2004 the increase in production capacity of the countries of the first group (+26 %)

is more sustained than that of developed countries (+22 %), they remain seriously behind (Table 8).

Table 8: Development of film production (1994-2004)

	1994	2004
India	754	946
Egypt	57	25
Colombia	2	7
Mexico	12	54
Cambodia	N/A	55
Latvia	5	3
Jordan	0	0
Senegal	14 over the 1992 - 2002 period, i.e. 1.3 films per year (excl. video)	
Burkina Faso	29 films between 1990 and 2004, of which 3 between 2000 and 2004 (excl. video)	
Nigeria		
USA	635	611
Canada	22	69
European Union	511	926
High-revenue OECD countries	1 710	2 086
Developing countries + CEEC + CIS[1]	1 506	1 898

Source: Screen Digest.

1. The aggregate Developing Countries + CEEC + CIS covers Argentina, Brazil, Chile, Peru, China, South Korea, Indonesia, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Cyprus, Estonia, Hungary, Lithuania, Poland, Russia, the Slovak Republic, the Czech Republic, Rumania, Serbia and Slovenia, in addition to the countries entered in our database.

In 2004, the countries of the group Developing Countries + CEEC + CIS thus produce an average of one film for one million inhabitants, compared with close to five for high-revenue OECD countries. All countries in our sample, except India and Latvia, are characterised by an obvious situation of under-production. For these countries, the number of films produced per million inhabitants is lower than 0.5, compared with 2.1 in the U.S.A., 2.4 on average for the countries of the European Union (15 countries, see Table 9). Cambodia’s high ratio (4.2) must be considered with care. It is calculated on the basis of information provided by our local contact. According to this source, 55 feature films are shot every year in video for screening in cinemas. However, it is not specified whether these films are actually released in theatres and generate receipts or whether they are “ghost films”.

Table 9: Number of films produced for one million inhabitants

	2003	2004
India	1.0	0.9
Egypt	0.1	0.3
Colombia	0.2	0.2
Mexico	0.3	0.5
Cambodia	4.2	4.2
Latvia	0.9	1.4
Jordan	0	0
Senegal	0.1	0.1
Burkina Faso	0.08	0.08
Nigeria	n/a	n/a
USA	2.1	2.1
Canada	2.9	2.1
European Union (15 countries)	2.4	2.4
High-revenue OECD countries	4.1	4.8
Developing countries + CEEC + CIS[1]	0.9	1.0

Source: Screen Digest.
1. The aggregate Developing Countries + CEEC + CIS covers Argentina, Bolivia, Brazil, Chile, Cuba, Peru, Bangladesh, China, South Korea, Indonesia, Iran, Malaysia, Pakistan, the Philippines, Singapore, Taiwan, Thailand, Vietnam, Morocco, Cyprus, Turkey, Estonia, Hungary, Lithuania, Poland, the Slovak Republic, the Czech Republic, Rumania, Russia, Serbia and Slovenia, in addition to the countries entered in our database.

Production in terms of value

The level of investment in film production reveals an even stronger loss of ground in Developing Countries + CEEC + CIS. Of course, India stands out as the world-leading producer of films in terms of volume. Nevertheless, the value of Indian film production is 24 times lower than that of the U.S.A. In 2004, investments in all Developing Countries + CEEC + CIS only represented 17.6 % of those of high-revenue OECD countries (Table 10).

Therefore, it is a matter of assessing whether these differences are in accordance with those pertaining to the size of the admissions market. The appropriate indicator to measure this aspect is the ratio between the amount of investment in domestic production and box office receipts captured by this production on its own market (see Table 10). In 2004, this indicator reaches a level of 531 % for Canada, 333 % for the European Union and 164 % for the U.S.A. Excepting Mexico and Latvia, for all countries in our sample it reaches far lower levels: 77 % in the case of Egypt, 92 % in the case of India and 17 % for Colombia.

Table 10: Amount of investments in domestic film production

In million $	2003	2004	% of investments in box office receipts (domestic mkt. shares), 2004	Average budget 2004
India	606.8	604	92.4%	0.6
Egypt	7.7	N/A	77.1% (2003)	0.8 (2003)
Colombia	0.9	1.2	17.0%	0.1
Mexico	46.0	71.7	269.6%	1.3
Cambodia	N/A	N/A	N/A	0.0
Latvia	0.7	0.8	463.0%	0.3
Jordan	0	0	0	0
Senegal	< 1	< 1	N/A	0.02
Burkina Faso	N/A	N/A	N/A	0.02
Nigeria	N/A	N/A	N/A	N/A
USA	14,607	14,716	164.3%	24.1
Canada	236.2	174.4	530.8%	5.7
European Union (15 countries)	5,073	5,025	332.9%	5.4
High-revenue OECD countries	21,675	21,909	-	6.6
High-revenue OECD countries excluding the U.S.A.	7,068	7,404	-	4.9
Developing countries + CEEC + CIS[1]	1,281	1,304	-	0.6

Source: Screen Digest.

1. The aggregate Developing Countries + CEEC + CIS covers Argentina, Brazil, Chile, Malaysia, Singapore, Estonia, Hungary, Latvia, Poland, the Czech Republic, Rumania and Slovenia, in addition to the countries entered in our database.

These differences are interesting insofar as they inform us on the countries' capacity to establish (through market speculation or regulatory measures) financing or depreciation organisations that are complimentary to cinemas (television, export, video, government support, etc.), and this in order to reduce production risks and to drain a considerable flow of additional investments. In the case of Europe, Canada and Latvia, due to the relative low level of export of their productions, the high level of this ratio reveals the positive impact of the television sector and of support funds.

In view of this data, it thus seems obvious that the amount of investment in film production is sub-optimal in most countries of our sample.

I.3.2. Film exhibition

Film exhibition also reveals major disparities between the countries in our sample, 15-country Europe and North America. In 2004, the U.S.A. and 15-country Europe respectively have 124.8 and 69.7 screens for one million inhabitants. Despite a density of 35.3 screens/million inhabitants, Latvia stands out as the best equipped country in our sample. It is ahead of Mexico which has 31.2 screens/million inhabitants. For the other countries, the density of cinemas varies between 1.8 (Cambodia) and 9.6 (Colombia), revealing the relative low number of cinemas, which for the most part are concentrated in major urban areas.

Table 11: Assessment of equipment with film screens

	Number of screens in 1994	Number of screens in 2004	No. of screens/1 M inhab. 2004
India	12,750	10,500	9.5
Egypt	220	220	3.0
Colombia	226	406	9.6
Mexico	1,434	3,248	31.2
Cambodia	N/A	21	1.8
Latvia	199	78	35.3
Jordan	N/A	20	3.6
Senegal	N/A	22	2
Burkina Faso	N/A	55 (34 in activity)	4.3
Nigeria	N/A	<5	n/a
U.S.A.	26,586	36,652	124.8
Canada	1,808	3,190	99.9
European Union (15 countries)	17,619	26,194	69.7

Source: Screen Digest.

This imbalance in terms of quantity comes hand in hand with an increasing difference in terms of equipment renewal and establishment design. In fact, the increase in number of cinemas observed in developed countries during the last decade relied on a qualitative reorganisation based on the development of multiplex cinemas. This resulted in a gain in terms of viewing quality (for the consumer) and a higher rationalisation of space management for exhibitors (optimal rotation of prints, economies of scale, etc.). However, these developments have mobilised massive investments (exhibition crisis in the U.S.A., disruption of the balances and increased concentration on most markets).

This qualitative restructuring only concerns a minority of the countries in our sample (Mexico and to a lesser degree Colombia and Latvia). In fact, because of the size of the investments, such a development is often conditioned by the capacity to attract foreign investments. Mexico confirms this parameter (with the American group Cinemark and the Canadian group Onex’s Loews Cineplex Group). Between 1994 and 2004, it actually records a strong progression of its number of cinemas (+126 %) and of its cinema attendance (+139 %). A growth that is even the more so impressive that over the same period the number of screens of developing countries only increased by 3.7 %, while attendance regressed by -1.4 %.

In the same way, in Latvia, the first multiplex (14 screens) opened in 2003 is the property of the Finnish group Finninko. It has made it possible to stimulate the country's cinema attendance. After two years of significant fall (-26.5 % between 2000 and 2002), admissions stabilised in 2003 and progressed strongly in 2004 (+48.3 % to reach 1.7 million in 2004).

This growth has come hand in hand with an increased concentration of attendance to the benefit of the multiplex. In 2004, it only represents 18 % of the country's screens, but provides 68 % of admissions. The development of multiplexes should continue in the near future. The Baltic Multiplex Ventures company, the new exhibition chain, which belongs to the Baltic Development Group (BDG) and to Estonian, American and Hungarian investors, plans to compete with the Finninko Group (a multiplex is due to open in Riga).

By contrast, the exhibitor's situation in French-speaking African countries keeps getting worse. As Barlet (2005) points out: *"as their structure is bound to run up debts, the number of cinemas does not cease to diminish and, aside from exceptional repair, their equipment is obsolete at all levels. Admissions are plummeting to the benefit of local, comfortable and affordable alternatives, such as video clubs or home video*[8]". In these countries, cinema exhibition is subject to significant fiscal charges and does not benefit from any deductions for the modernisation of cinemas. Customs tariffs for imported equipment are high.

In Senegal, the cinemas' difficulties are essentially structural. Since the SIDEC has been closed, cinemas have been taken over by private organisations that do not have the resources required to ensure their proper operation. As a result, there are many failures that alter the quality of the service offered and thus the attendance level. Barlet (2005) identifies four striking facts:

- Personnel salary (low wages and almost inexistent continuing education, particularly for projectionists)
- Cinema maintenance (obsolete equipment, health hazards and security on premises)[9].

[8] See Barlet (2005), p. 6.

[9] The Africa Cinémas programme (financed by the AIF, EU, MAE and French CNC) tries to bring solutions by contributing to the renewal of the infrastructures of certain cinemas in Dakar (U3, El Hadj, Médina).

- Difficulties in film supply: most film distribution companies in Senegal are affiliated with European or American majors that supply packaged films. This phenomenon implies an overall weakness of the quality offered.
- An inefficient geographic meshing of the territory. Since the withdrawal of the state from the commercial sector, the vast majority of cinemas in the outskirts of cities have closed down. Senegal has thus seen its circuit drop from some seventy five cinemas in the 1970's to about fifteen today. In Dakar for example, where there are only about ten cinemas for a population of three million inhabitants, there is only one cinema in Parcelles Assainies, one of the most populated districts. The same goes for Pikine, which only has two cinemas. The other large areas, which today are almost established as municipalities, do not have any cinemas. Aside from a few neighbourhood cinemas that were able to find subsidies for rehabilitation, only "Le Paris" offers quality programming. Transport problems in Dakar prevent the public to return to the city at night to see a film and the admission also is too expensive for the average Senegalese. As a result, there is a major proliferation of illicit or informal video projection venues.

Table 12: Characteristics of cinema exhibition

	Number of admissions (millions)		Admissions per inhabitant (2004)
	1994	2004	
India	3,380	3,591	3.3
Egypt	12.9	24.5	0.3
Colombia	26.4	16.2	0.4
Mexico	69	165	1.6
Cambodia	N/A	N/A	N/A
Latvia	1.6	1.7	0.8
Jordan	N/A	N/A	
Senegal	Less than 1 million	0.8	0.1
Burkina Faso	3.5-5	1.5-2	0.1
Nigeria	n/a	n/a	n/a
USA	1,292	1,536	5.2
Canada	83.8	118.2	3.7
European Union	684	915.2	2.4

Source: Screen Digest.

I.4. Conclusion of Section I

The situation of the main audiovisual markets reveals many disparities between the countries in our sample. First of all, these concern the amount of financial resources. With overall resources of more than three billion dollars, the Mexican television thus stands out as one of the main markets at the international level. Its situation strangely contrasts with the position of the African, Cambodian and Latvian broadcasters. In their case, the weight of the television resources in the GNP confirms chronic under-financing with regard to the standards of high-revenue OECD countries.

These financial disparities are also expressed at the level of the resources mobilised within domestic film production. At this level, the sole investments of Indian film production exceed by far all the resources mobilised by the nine other countries in our sample when it comes to financing their domestic film production.

Finally, the discrepancies concern the structural organisation of the programme market. Some countries (Mexico, Colombia, Jordan and Egypt) thus favour a production mode of programmes made in-house by the broadcasters. Conversely, other countries rely on a process founded on the independence of production. It then imposes itself as either the consequence of an evolution boosted by the market (India), or as the result of a political choice established by a sharp regulation system (Latvia), or as the result of the broadcasters' lack of resources (African countries, Cambodia). In the latter case, the producers' independence can sometimes come hand in hand with a certain closeness (of a technical nature) to broadcasters (African countries). Likewise, the broadcasters' financial weakness generally ends in a significant intrusion of NGOs or organisations aiding the financing of works.

SECTION II. PRODUCTION COSTS OF AUDIOVISUAL WORKS

II.1. Further details on the methodology

Obtaining data pertaining to the production costs of audiovisual works turned out to be tricky. In many countries of our sample, the production industry of staple audiovisual programmes generally is hardly structured. The production of works thus greatly is a matter of informal economy. Under these conditions, some information could not be filled in for the simple reason that it concerned data that does not exist.

Moreover, when the data is available, producers are not very inclined to communicate them due to their strategic nature. In this regard, the data obtained must be considered with great care. Very often, and this is not a characteristic that is entirely specific to developing countries, they indeed turn out to be very far from the economic reality of productions: as producers attempt to maximise the contribution from external investments (public as well as private), they generally tend to artificially inflate their estimates.

Table 13: Summary of the data obtained by genre and country

	Nigeria	Senegal	Burkina Faso	India	Cambodia	Egypt	Jordan	Latvia	Mexico	Colombia
Work of film	Yes	Yes	Yes	Yes	Yes	Yes	Partial	Yes	Yes	Yes
TV fiction	No	Short film	Yes	Yes	Yes	No	Partial	Yes	Yes	Yes
Documentary	Yes	Yes	Yes	Yes	Yes	Yes	Partial	Yes	No	Yes
Magazine programme	Yes	Yes	Yes	Yes	Yes	Yes	Partial	Yes	Yes	Yes
TV show	Yes	No	Yes	Yes	Yes	Yes	Partial	No	No	No
Animation	No	No	No	No	Yes	No	No	Yes	No	Yes

The nature of the data obtained differs noticeably according to the country. Excepting Nigeria and Jordan (average data on the basis of an analysis of a sample of works), the expenses mentioned correspond to the cost structure of a specific work. It is meant to reflect the average standards of domestic production. The selected example may however be far from this objective. Thus, Cambodian short films correspond to the largest domestic production initiated in 2005.

Similarly, the example of Columbian documentaries sets itself apart from standard production criteria insofar as it is a co-production in partnership with the U.S.A. entirely financed by American resources. Nevertheless, concerning this case, the amount of expenses made on the Colombian territory, which are those mentioned on the form, confirms the main characteristics of domestic productions. There again, Colombian documentaries cannot pretend to reflect the standard production conditions at the local level. They rely on a considerable budget that is higher than the average budget of feature films for theatrical release.

Another bias comes into play and compromises an analysis founded on the comparison between the countries in our sample. It particularly concerns audiovisual works. In some cases, these are produced in-house by the broadcaster (this is particularly the case for Mexican TV shows and magazine programmes), which implies recourse to the channel's technical equipment and employees. All these elements contribute to reducing the production cost considered.

Furthermore, the overall economy of audiovisual production, whether staple or throwaway, reveals a direct link between the programme's position within the broadcaster's programming (which defines its level of potential receipts and thus its overall profitability) and its production cost. Yet, the programmes studied in the various countries do not necessarily target the same timeslots, which implies a natural cost difference without referring to specific production conditions in any way. Finally, some correspondents have not been able to fill in the production costs for certain genres, or have done so in too incomplete a manner to be able to use them (see Table 13).

This heterogeneity compromises the relevance of a comparative analysis of the production costs of different genres between the countries in the sample. At this level, the one comparison that is likely to put our results into perspective in a credible manner relies on average data available to us for French audiovisual production (see Tables 14 and 15).

Table 14: Cost structure of French audiovisual production 2004

US $	Works of film	TV fiction	Documentary	Animation
Compensations				
Artistic rights	578,336	72,061	20,667	57,491
Personnel	1,736,099	233,037	47,160	142,788
Performance	883,078	162,868	1,209	21,418
Social contributions	904,704	170,264	25,559	59,745
Technical				
Technical means	826,336	108,350	41,278	320,897
Film stock - labs	390,848	-	-	-
Shooting				
Sets - costumes	687,456	86,680	0,44	
Transport, expenses, production department	742,016	84,616	19,677	16,158
Insurance and miscellaneous	464,256	33,365	6,376	33,818
Other	456,320	70,169	12,477	52,230
Total	7,670,144	1,021,409	174,842	704,545

Source: CNC (2005). Average data obtained on the entire French audiovisual production.

Table 15: Weight of the various expense items according to the various genres of French audiovisual production in 2004

	Works of film	TV fiction	Documentary	Animation
Artistic rights	7.5%	7.1%	11.8%	8.2%
Personnel	22.6%	22.8%	27.0%	20.3%
Performance	11.5%	15.9%	0.7%	3.0%
Social contributions	11.8%	16.7%	14.6%	8.5%
Technical means	10.8%	10.6%	23.6%	45.5%
Film stock - labs	5.1%	0.0%	0.0%	0.0%
Sets - costumes	9.0%	8.5%	0.0%	0.0%
Transport, expenses, production department	9.7%	8.3%	11.3%	2.3%
Insurance and miscellaneous	6.1%	3.3%	3.6%	4.8%
Other	5.9%	6.9%	7.1%	7.4%
Total	100.0%	100.0%	100.0%	100.0%

Nevertheless, certain constants appear between the countries. Indeed, if the range of costs found according to genre varies strongly between the countries, the hierarchy of genres according to cost/minute reveals a certain homogeneity (see Table 16). In most cases, the cost of staple works exceeds by far that of throwaway programmes. Only India departs from this principle. The production cost/minute of the selected Indian documentary ($288/minute) thus is lower than that of the magazine programme ($333/minute).

Within staple works, feature films for theatrical release stand out as the most costly productions. The range of estimates extends from $55,000 in the case of Nigeria to $650,000 for Indian production. On this segment, the distribution of estimates according to the country is closely related with the size of the attendance market. Indian films are more expensive, ahead of Mexican, Egyptian, Latvian, Burkinan and Colombian productions. In the case of Burkina Faso and Latvia, the mobilisation of significant resources, with respect to a modest cinema attendance, shows the direct repercussions of public support mechanisms (Latvia) or financing methods based on international co-production (Burkina Faso).

The intrusion of financing mechanisms far removed from the simple dynamics of the market also explains the relative high prices observed on the documentary segment. Of course, in all countries, the entire set of documentaries studied within the scope of the present study have an overall production cost that is considerably lower than that of feature films for theatrical release and of television fictions, as is the case in the French situation. Yet, an analysis of the production cost per minute in many countries reveals a high price for documentaries that is relatively close to (if not higher than, as is the case in Latvia) that of television fictions or feature films for theatrical release (see Table 16). This closeness of production costs/minute concerns India (documentaries vs. television fictions), Latvia (documentaries vs. television fictions), Egypt (documentaries vs. feature films for theatrical release), Nigeria (documentaries vs. feature films for theatrical release) and Cambodia (documentaries vs. television fictions).

A convergence that is even the more so meaningful that for many countries television fictions, as opposed to documentaries, are produced in-house by the ordering broadcaster, which implies a minimisation of the expenses pertaining to Technical Means.

Such a situation perfectly illustrates the specificity of documentary production in the countries of our study. For most of them, there is no structured market for this genre. In fact, the main broadcasters (excepting public channels) only include a very modest amount of documentaries in their programming. The documentaries' economy is thus conditioned to a large extent by public or semi-public financing (NGOs, international organisations, international co-production with a financing met to a great extent by aid systems). As a result, pricing practices are disconnected from market mechanisms that generally prevail in the case of television fictions or film production.

Table 16: Summary of estimates communicated and of the cost/minute according to genre and country

	Television resources ($ billion)	Admissions	Work of film		TV fiction		Documentary		Magazine programme		TV show	
			Total budget ($)	Cost/min ($)	Total budget ($)	Cost/min ($)	Total budget ($)	Cost/min ($)	Total budget ($)	Cost/min ($)	Total budget ($)	Cost/min ($)
Mexico	3.3	165	612,670	6,807	n/a	n/a	N/A	N/A	n/a	n/a	N/A	N/A
India	2.7	3,591	650,000	5,285	10,000	385	8,650	288	12,000	333	4,000	89
Colombia	0.8	16.2	224,791	2,498	40,000	1,333	1,057,142	n/a	4,000	67	n/c	n/c
Egypt	0.2	24.5	391,600	4,351	N/A	N/A	34,700	2,313	10,195	255	15,370	342
Latvia	<0.05	1.7	344,784	3,830	23,189	446	77,129	1,483	1,340	52	n/c	n/c
Nigeria	<0.05	n/a	55,000	458	N/A	N/A	35,000	389	10,000	333	10,000	222
Senegal	<0.05	0.8	131,555	1,462	N/A	N/A	14,034	540	1,170	26	N/A	N/A
Burkina Faso	<0.05	1.5-2	292,423	3,249	404,922	15,573	18,560	714	9,008	N/A	9,008	N/A
Cambodia	<0.05	N/A	100,000	1,111	13,000	500	7,500	500	2,000	67	2,500	17
Jordan	<0.05	N/A	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

II.2. Production costs of audiovisual works in Latin American countries

II.2.1. Mexico

Table 17: Production costs of Mexican audiovisual works

US $	**Case 1: Work of film**	**Case 2: TV fiction, soap opera**	**Case 3: Magazine Programme**
Media	35 mm	Betacam	Betacam
Duration	90 min	50 minutes Monday to Friday 4 pm – 5 pm	180 min Monday to Friday 11 am – 1 pm
Production costs			
1. Project development			
Screenwriting	See Note 1	350 per episode	-
Location scouting for outdoor shoots	1,500	800	-
Shooting authorisations	23,000	750 to 850 per month	-
Feasibility analysis	1,500	-	-
Other expenses	-	-	-
2. Production team			
Director	50,000	900 per month	900 per month
Assistant Director/Production Assistant	17,000	500 per month	850 per month
Screenwriter	35,000	350 per month	350
Production Manager	18,000	750 per month	1,500 per month
Production Department	-	-	-
Make-up Artist	10,000	1,000 per month	800 per month
Special Effects	23,000	450 per month	-
Set Dresser - Costume Designer	10,800	350 per month	900 per month
Production Designer	14,000	750 per month	800 per month
Accountant	20,000	1,000 per month	750 per month
Other production personnel	-	-	-
3. Technical team			
Cameraman	28,000	900 per month	900 per month
Assistant Cameraman	10,800	400 per month	400 per month
Sound Engineer	7,000	750 per month	750 per month
Lighting Engineer	See Note 2	700 per month	700 per month
Assistant Engineers	See Note 2	500 per month	500 per month
Electrician	See Note 2	500 per month	500 per month
Other technical staff	-		-
4. Performance			
Casting	30,000	4500	
Actors	45,000	35-750 per episode	1,500-2,500
5. Equipment		Broadcaster's own	Broadcaster's own
Cameras	65,000	-	-
Recording equipment	See Note 2	-	-
Lighting	See Note 2	-	-
Machines	See Note 2	-	-
6. Logistics		Broadcaster's own	Broadcaster's own
Drivers	100 per day (on a monthly basis)	-	-
Travel expenses	-	-	-
Team accommodation	-	-	-
Other expenses	-	-	-

7. Payment of rights			
Copyright purchase/deposit	50	-	-
Sequence/footage purchase	1,500	-	-
Adaptation rights	Very rare	-	-
Rights on sound	1,500	750	-
Musical rights	1,500	1,500	-
Original score	15,000	1,500	-
Other rights	-	-	-
8. Other expenses			
Insurance	28,000	-	-
Communication	-	-	-
Tips	-	-	-
Furniture	8,000	950 (+ or - 200)	-
Other	-	-	-
9. Post-production			Live programme
Studio cost	15,000	-	-
Editor's fee	20,000	850 per month	-
Sound mixing	38,000	900 per month	-
Sound Engineer's fee	See Note 2	850 per month	-
Print costs	1,300 per print	-	-
Laboratory	35,000	-	-
Dubbing / subtitling	120	-	-
Total*	612,670	20,600 per month, excluding actors' expenses	11,600 per month

Note 1.- Most directors write their own scripts and collect funds on this basis. There isn't really any room for screenwriters. Guillermo Arriaga (winner in Cannes and screenwriter of "Amores Perros") is the only one, but today he works on the development of projects in Hollywood.
Note 2.- The sound engineers' and teams' fees are included with the equipment costs.
*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Table 18: Structure of production costs for Mexican audiovisual works

	Work of film	TV fiction	Magazine programme
Artistic rights[1]	7.8%	n/a	n/a
Personnel	46.0%	n/a	n/a
Performance	13.1%	n/a	n/a
Technical means	11.3%	n/a	n/a
Film stock - lab	15.3%	n/a	n/a
Transport, expenses, production department	0.2%	n/a	n/a
Insurance, miscellaneous	6.3%	n/a	n/a
Total	100.0%	n/a	n/a

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

Production costs of a work of film

The selected project perfectly illustrates the difficulty to gather financing and the complexity of a film shooting for independent directors, who are little known and weakly supported by public mechanisms. Shot in 35 mm, the production of the film was spread out over three years (from development to final editing) for an overall budget of $612,670 (i.e. half that of the average budget for Mexican films).

Close to 60 % of the expenses correspond to wage payment. At this level, staff costs capture the essential part of the resources. Moreover, the weight of this item is widely under-estimated insofar as the expenses pertaining to many technicians are integrated in the equipment rental cost and thus allocated to the Technical Means item.

The main compensations are those of the director ($50,000), the screenwriter ($35,000) and the cameraman ($28,000). Despite the restricted budget with respect to Mexican standards, the compensation of the technical and production staff seems considerable in relation with that of their Colombian counterparts (see below).

The major part of lab and film stock expenses is used for the lab fees ($35,000). As for most Mexican films, these are performed abroad, while there is a very competitive post-production laboratory in Mexico (New Art Digital).

Production costs of a television fiction

In terms of television fiction, the predominant genre of course is the soap opera or telenovela, of which Mexico is the main producer. There are virtually no individual fictions. Produced in-house by TV Azteca, the selected project is somewhat removed from traditional soap opera scriptwriting standards, both in form and content.

The production and technical staff mobilised for this project are TV Azteca employees. Their compensation thus corresponds to their monthly salaries. For lack of precise information on the number of episodes likely to be produced each month, it is impossible to assess the real budget of an episode of this series.

The only available figure is the monthly expense supported by production: $20,600. However, this amount is incomplete, since it does not include the expenses inherent to actors. As opposed to the rest of the staff, actors are indeed compensated by episode (between $35 and $750 per episode).

Supposing that four episodes are likely to be shot each month (careful assumption), the compensation for top of the bill actors ($3,000/month) thus is high with regard to the other positions (the highest salary being the make-up artist's at $1,000/month).

Production costs of a magazine programme

The production of a magazine programme comes under the same production process as television series studied above. Produced in-house by TV Azteca, it relies on the channel's human and technical resources. The basis for the guests' compensation is relatively similar to that of top of the bill soap opera actors. The programme is broadcast live, which implies that there are no post-production costs. The comparison between the compensation for TV Azteca staff mobilised for the production of television fiction and that of the staff working on this magazine programme reveals certain discrepancies. The most blatant concerns the compensation of the magazine programme's production manager, which is twice that of the counterpart for televised series.

II.2.2. Colombia

Table 19: Production costs of Colombian audiovisual works

US $	Case 1: Work of film	Case 2: TV fiction	Case 3: Documentary	Case 4: Magazine programme
Media	HD	DVCam	35 mm – Video formats	Betacam
Duration	90 - 95 minutes	30 minutes Monday to Friday 6:30 pm (soap for teenagers)	100 min	60 minutes 250 programmes/year, daily, 3 pm - 4 pm
Production costs				
1. Project development				Prices are given on a monthly basis for 22 episodes
Screenwriting	Approx. 13,000	3 screenwriters at 440 per episode	27,486	1,760
Location scouting for outdoor shoots	35,000	-	60,000	0
Shooting authorisations	Often free of charge	-	0	0
Feasibility analysis	-	-		
Other expenses	-	-	18,612	
2. Production team				
Director	17 500	1,319 per episode	47,000	1,407
Assistant Director/Production Assistant		879 per episode	697	400
Screenwriter	1,840 (22 days)	198 per episode	-	0
Production Manager	5,680	1,319 per episode	13,000	967
Production Department	--			700
Make-up Artist	4,000 (stylists-37 days of shooting) 1,250 (assistant-22 days of shooting)	275 per episode	2,510	484
Special Effects	-	-	-	-
Set Dresser - Costume Designer	2,500 (22 days of shooting)	275 per episode	-	615
Production Designer	4,772	330 per episode	-	-
Accountant	900	-	-	-
Other production personnel	-	-	1,255	15,999
3. Technical team				
Cameraman	10,000 (37 days of shooting)	659 per episode	18,000	Integrated in studio expenses
Assistant Cameraman	2,850 (22 days of shooting)	55 per episode	3,660	Integrated in studio expenses
Sound Engineer	6,500 (22 days of shooting)	110 per episode	5,600	Integrated in studio expenses
Lighting Engineer	2,514 (22 days of shooting)	71 per episode	-	Integrated in studio expenses
Assistant Engineers	1,820 (22 days of shooting)	55 per episode	-	Integrated in studio expenses
Electrician	1,690 (22 days of shooting)	132 per episode	-	Integrated in studio expenses
Other technical staff	-	-	-	Integrated in studio expenses
4. Performance				
Casting	3,100	200 per episode	-	-
Actors	Two main actors: 5,000 each Other actors: 1,500 to 3,500.	2 head actors at 1 648 per number. 8 supporting actors at 880 per act. 6 small roles at 220 each per act. 4 actors at 110 per act. 6 actors at 55 per act. Extras at 21 per act. 4 stand-ins at 55 per act.	8,303	4,661

5. Equipment				
Cameras	20,000	500 per episode	15,691	Integrated in studio expenses
Recording equipment	Integrated in Sound Engineer item	250 per episode	8,500	Integrated in studio expenses
Lighting	8,580	400 per episode	16,475	Integrated in studio expenses
Machines	4,500 (50 kW generator for 22 days of shooting)			Integrated in studio expenses
6. Logistics				
Drivers	Included in transport costs	500 per episode	Integrated in transport costs	
Travel expenses	75/day for lorries 42/day for a van 50/day for a minibus	750 per episode	7,183	3,516
Team accommodation	10,818 for 22 days of shooting	-	13,808	6,154
Other expenses	-	500 per episode	74,849	14,550
7. Payment of rights				
Copyright purchase/deposit	-	-	-	-
Sequence/footage purchase	-	-	26,153	-
Adaptation rights	-	-	-	-
Rights on sound	-	-	-	-
Musical rights	-	-	8,717	530
Original score	-	2,200 per episode	6,974	-
Other rights	-	-	13,075	-
8. Other expenses				
Insurance	20-25 per person	28 per episode	3,487	-
Communication	4,500	750 per episode	-	3,956
Tips	-	-	-	-
Furniture	11,605	-	-	440
Other	8,800	-	-	-
9. Post-production				
Studio cost		450 per episode	5,230	1,250
Editor's fee	8,000	275 per episode	10,461	800
Sound mixing	10,990	400 per episode	13,687	500
Sound Engineer's fee	Integrated in previous item	275 per episode	Integrated in previous item	
Print costs	-	-	-	970
Laboratory	-	-	50,000	-
Dubbing / subtitling	N/A	-	4,562	-
Total*	224,791	40,000 per episode	1,057,142 Co-production between - The Spanish company Plural (75.38 %) - The Colombian company RCN (13.67 %) - The directors (remaining 10.96 %)	84,395 per month 4,000 per episode

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Table 20: Structure of production costs for Colombian audiovisual works

	Work of film	TV fiction	Documentary	Magazine programme	TV show	Animation
Artistic rights[1]	21.2%	16.4%	33.2%	3.9%	N/A	41.5%
Personnel	28.0%	35.1%	20.5%	7.7%	N/A	37.0%
Performance	8.9%	18.6%	1.7%	7.0%	N/A	18.7%
Technical means	14.7%	7.1%	8.4%	22.3%	N/A	0.0%
Film stock - lab	8.4%	7.7%	16.3%	5.9%	N/A	2.7%
Transport, expenses, production department	6.4%	10.3%	19.2%	41%	N/A	0.0%
Insurance, miscellaneous	11.0%	4.8%	0.7%	12.2%	N/A	0.0%
Total	100.0%	100.0%	100.0%	100.0%	N/A	100.0%

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

<u>Production costs of a work of film</u>

The work analysed is co-produced in partnership with the U.S.A. It has a distinctive feature, which is that it is entirely financed by American resources. 70 % of the shooting time has been performed on the Colombian territory, the remaining 30 % has been carried out in the U.S.A. Yet, the costs are evenly distributed among the two countries, which thus underlines the substantial savings made during the shooting period in Colombia, and this paradoxically while the technical teams and equipment in Colombia were of higher quality than in the U.S.A.

In fact, equipment rental rates in Colombia are close to those practiced in the U.S.A. Yet, substantial discounts (up to 75 %) are common for feature films, which is why the price relative is very advantageous with regard to the U.S.A. Within the scope of this project, the rental of Sony CineAlta 900 HD camera for 37 days of shooting in Colombia cost $20,000, compared with $1,200 to $1,500 a day in the U.S.A. (i.e. between $44,400 and $55,500 for 37 days).

Similarly, the rental of all the lighting equipment for the shooting in Colombia amounted to a cost of $8,580 (thanks to the 75 % discount), while on the basis of the official daily rate the item would have been budgeted at $34,320.

Since all the post-production work was not finished at the time the data was communicated, the overall production cost of this production is expected to reach $560,000. This is then a high standard with regard to the average budget for Colombian feature films (between $100,000 and $200,000 in 2004).

Yet, if we concentrate, as is the case in our presentation, on the sole expenses made in Colombia, the production cost corresponds to the national average. Indeed, it amounts to

$224,791. In this sense, it perfectly reflects the standard production conditions of a rather high-end Colombian feature film.
As a matter of fact, several items for which expenses were made in the U.S.A. have been integrated on the bases of average Colombian costs. Sound post-production will thus be entirely performed in Miami. Yet, we have integrated them into the film's estimate on the basis of Colombian rates: the services of a local studio (Dolby-approved and equipped with professional software) generally amount to $10,990. This price includes the sound engineer's compensation, resynchronisation of all dialogues, soundtrack editing and final mixing according to Dolby specifications.

On these bases, staff costs make up the main expense item with 28 % of the film's estimate. At this level, Colombian production is within the French standard, in which the director gets the highest compensation, far ahead of the head cameraman or production manager. The director's compensation alone represents close to 30 % of all staff costs. This supremacy is also confirmed when it comes to actors.

The weight of the latter in the film's estimate is nearly three percentage points lower than that of their French counterparts. The film's two leading actors thus were paid $5,000 each, i.e. three times less than the director's salary. Above all, the difference in compensation between top of the bill and supporting actors turns out to be modest. On this basis, it seems that, as opposed to France or the U.S.A., the actors' market in Colombia is not subject to any superstar phenomena (where a handful of actors concentrate a majority of revenue).

In fact, in Colombia, the actors' market is not very structured: there are no unions, nor is there any minimum fee, which further limits their negotiating power with producers. This under-representation of actors' expenses is made to the benefit of technical equipment. It captures 14.7 % of the estimate, compared with 10.8 % in the case of a French film, and this despite greatly preferential rates and a high-definition digital shooting (whereas most French feature films are shot in 35 mm).

The Insurance and Miscellaneous item includes, among others, the expenses pertaining to sets, accessories and costumes. The latter make up downright "black holes" in Colombian budgets insofar as it is difficult to verify the effective nature of these expenses. The costume department's expenses thus amount to $8,800, while three brands have supplied the major part of the wardrobe and the Caracol TV channel has lent a great number of clothes for extras.

Post-production expenses are limited to the work on sound (see above). Laboratory costs are not included, but are limited by nature insofar as the shooting is made in HD. They correspond to the digital intermediate final cut, the Arrilaser HD to 35 mm transfer process (which will be done in Canada) and the printing of 35 mm reels. At this level, the rates that apply to Colombian productions are the standard worldwide prices, since Colombia does not have any duplication laboratory. This process is generally performed in Mexico, Venezuela or the U.S.A.

In addition to standard theatre exhibition, most Colombian films are broadcast on the two main private channels. The latter use a bartering system and exchange free advertising spaces during the exhibition of the films in cinemas against an exclusive broadcasting right. Therefore, there is no fixed price structure. However, the government's channel, Señal Colombia, pays $1,700 for four broadcasts of old Colombian films from the 1960's.

Moreover, video publishing of domestic films, which was limited if not inexistent for a long time, is starting to develop. In October 2005, the Circulo de Lectores company, specialised in literary publishing, has issued a DVD collection of the 16 greatest Colombian films of the past 20 years. However, it is the only company distributing domestic films on DVD.

The promotion expenses of Colombian feature films vary between $15,000 and $150,000, according to the commercial potential of the work. Promotion is generally centralised by a press agent, whose salary can amount to $660 to $1,760 (this price includes the copies of working documents, mailing to the press and various media, meetings with the broadcasters and radio stations, press conferences, the organisation of a preview for selected guests).

Direct advertising in the press essentially consists in purchasing spaces in the El Tiempo newspaper. Certain films use advertising pages in national magazines, such as Semana, Cromos, Cambio, Soho, etc. The standard budget of a press campaign ranges from $30,000 to $40,000.

Production costs of a television fiction

The selected project is representative of the production conditions of a Colombian soap opera. Broadcast by RCN at 6 pm, its estimate is ranked in the lower average (in accordance with the advertising resources generated by its broadcasting time). At this level, budget variances between the various domestic productions are conditioned by the actors' celebrity and by the presence of foreign actors (whose salaries generally are three to four times higher than those of domestic actors), in order to encourage international marketing.

As opposed to works of film, actors indeed often are a key element of the potential success of a telenovela. In this genre, the actor/producer relations are thus widely in favour of the former and conditioned by major superstar phenomena.

This characteristic can also be found in the weight of the actors' item in the overall expenses (18.6 %). With $1,648 per episode, the two leading actors have the highest compensation of the entire team. They are ahead of the director and production manager ($1,319 per episode).

The low importance of the technical means reveals the underlying high degree of industrialisation for this genre of programme. The production and direction is generally handled in-house by the broadcaster or by a production studio linked by contract to the broadcaster. Under these conditions, technical means are available, as costs are limited to the equipment's normal depreciation process.

Production costs of a documentary

In the last three years, the production of documentaries for television is going through a major crisis in Colombia. These difficulties can in great part be attributed to the crisis of the government's cultural channel Señal Colombia. Before, it was one of the main broadcasters of this type of programme. More specifically, it produced four to five hours of documentaries to be broadcast at prime time.

Due to the lack of broadcasters, the documentaries initiated by independent producers are very rare. Under these conditions, the selected project is in no way representative of the average Colombian production. It is a very ambitious international co-production (Spain/Colombia, intended for theatrical release) with a budget over $1 million, an amount that is higher than the average budget for a Colombian work of film and close to 10 times higher than the average budget for a French documentary. Moreover, it has a distinctive feature, which is that it also contains scenes of fiction that thus imply expenses for the actors.

The artistic rights make up the main expense item, far ahead of staff costs. Most expenses pertaining to this item concern multiple trips between Europe and Colombia within the scope of location scouting operations ($60,000). To this is added the payment of rights for the use of news and private film sequences ($26,150). The expenses for the original score ($6,974) correspond to the hiring of a famous Colombian music group.

The share of transport, production department and other expenses also is unusually high for a documentary. This abnormal situation results in major part from significant transport costs (more than $37,000) linked to the international diversity of the shooting locations (Madrid, Washington, Argentina). The shooting periods abroad also explain the significant accommodation costs ($13,808) and this despite a reduced shooting team (the director, an assistant, a production manager, a cameraman, an assistant cameraman and a sound engineer).

The significance of the film stock and laboratory expenses (16.3 % of the estimate) underlines the necessary adaptation to ensure that the project will be released in cinemas (they include expenses for the Arrilaser transfer to 35 mm estimated at $50,000).

Production costs of a magazine programme

The selected project concerns a magazine programme broadcast daily (3-4 pm) on a local channel. It is a characteristic example of Colombian magazine programmes offered by local broadcasters. Due to a limited level of resources, local broadcasters put magazine programmes at the heart of their programming.

The setup generally consists of a host (a former actor in a popular television series within the scope of our project) who receives a famous guest in the presence of an audience. The cost of a programme thus amounts to $4,000 (for a one-hour programme). The performance item corresponds to the compensation for the host ($1,320 per month), for the co-host ($880 per month), for three journalists ($527 per month each) and for two dancers ($440).

The host’s compensation for a programme ($66) is very much lower than that collected for one episode by the leading actress of the soap opera studied previously ($1,648). The technical staff costs are included in the rates pertaining to the rental of the studio (which includes three cameras, the lighting and a small crane) and thus within the Technical Means item. This way of proceeding explains the high level of this item and symmetrically the relative low level of the staff costs.

However, the low compensation practiced for this genre of programme results in a lower proportion of staff costs with regard to television fictions or works of film. The main expense item is made up of transport, production department and other expenses. More specifically, these include all expenses pertaining to the guest (e.g. meeting the costs of transporting and accommodating foreign guests, for a monthly budget of $6,154) and meeting audience costs (80 persons at each show, for a monthly cost of $10,550/month).

Since the magazine programme is not broadcast live, it supports post-production fees ($500 of sound mixing/month, $970/month for the printing of the tapes).

II.3. Production costs of audiovisual works in Asian countries

II.3.1. India

Table 21: Production costs of Indian audiovisual works

US $	**Case 1: Work of film**	**Case 2: TV fiction**	**Case 3: Documentary**	**Case 4: Magazine programme**	**Case 5: TV show**
Duration of the shoot					
Media	35 mm	Betacam	DVCAM	Betacam	DVCAM
Duration	123 min	26 min	29 min	52*36’ 8:30 pm Wednesday	50*45’ 8 pm Friday
Production costs					
1. Project development					
Screenwriting	10,000	83	200	-	125
Location scouting for outdoor shoots	5,000	83	300	-	-
Shooting authorisations	30,000	-	-	-	-
Feasibility analysis		-	-	-	500 per episode
Other expenses	50,000	-	-	-	-
2. Production team					
Director	50,000	600	1,000	570 per episode	500 per episode
Assistant Director/Production Assistant	8,000	400	100	250 per episode	125 per episode
Screenwriter	10,000	250	250	250 per episode	250 per episode
Production Manager	15,000	250	-	175 per episode	500 per episode
Production Department	10,000	150	-	75 per episode	500 per episode
Make-up Artist	2,500	100	-	100 per episode	100 per episode
Special Effects	25,000	-	-	-	-
Set Dresser - Costume Designer	18,000	400	-	100 per episode	200 per episode
Production Designer	4,000	400	-	150 per episode	-
Accountant	2,000	100	100	60 per episode	250 per episode
Other production personnel	60,000	-	200	500 per episode	-
Back-up generator	-	-	-	50 per episode	-
3. Technical team					
Cameraman	15,000	300	650	350 per episode	350 per episode
Assistant Cameraman	3,000	200	-	600 per episode	300 per episode
Sound Engineer	5,000	150	500	250 per episode	250 per episode
Lighting Engineer	750	25	-	50 per episode	50 per episode
Assistant Engineers		125	-	300 per episode	300 per episode
Electrician	750	20	-	50 per episode	50 per episode
Other technical staff	30,000	200	-	-	200 per episode
4. Performance					
Casting	-	500	-	1,000 per episode	-
Actors	75,000	1500	100 (voice)	-	-
5. Equipment				-	-
Cameras	15,000	100	600	800 per episode	800 per episode
Recording equipment	10,000	n/a	350	250 per episode	250 per episode
Lighting	2,000	200	-	300 per episode	300 per episode
Soundproof generator	2,500	-	-	-	-
Machines	2,000	-	-	-	-

6. Logistics					
Drivers	-	25	-	-	-
Travel expenses	5,000	25	900	300 per episode	250 per episode
Team accommodation	50,000	600	800	-	500 per episode
Other expenses	15,000	250	500	200	300 food
7. Payment of rights					
Copyright purchase/deposit	-	-	-	-	-
Sequence/footage purchase	20,000	-	-	-	-
Adaptation rights	-	-	-	-	-
Rights on sound	-	-	-	-	-
Musical rights	-	-	-	-	-
Original score	40,000	333	200	1,000	1,000
Other rights	-	-	-	-	-
8. Other expenses					
Insurance	-	125	-		
Communication	5,000	-	-	300	500
Tips	2,000	83	-	-	-
Furniture	-	250	-	-	-
Other	-	250	-	-	-
9. Post-production					
Studio cost	15,000	150	1,400	400 per episode	400 per episode
Editor's fee	3,000	300	500	250	250
Sound mixing	30,000	100	100	200	200
Sound Engineer's fee	-	-	-	-	-
Print costs	-	-	-	-	-
Laboratory	60,000	-	-	-	-
Dubbing / subtitling	11,000	-	-	-	-
Total*	650,000	10,000	8,650	12,000 per episode	4,000 per episode

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Table 22: Structure of production costs for Indian audiovisual works

	Work of film	TV fiction	Documentary	Magazine programme	TV show
Artistic rights[1]	11.5%	5.8%	8.0%	11.3%	8.9%
Personnel	45.3%	46.0%	33.6%	45.3%	54.5%
Performance	11.5%	23.2%	1.1%	11.3%	0.0%
Technical means	4.8%	3.5%	10.9%	15.2%	19.1%
Film stock - lab	15.6%	2.9%	21.9%	8.6%	4.7%
Transport, expenses, production department	10.2%	10.4%	24.5%	4.9%	11.0%
Insurance, miscellaneous	1.1%	8.2%	0.0%	3.4%	1.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

Production costs of a work of film

The selected project corresponds to a 123-min feature film shot in 35 mm. The overall budget amounts to approximately $650,000, i.e. an amount that is rather higher than the average estimate for Indian films, yet lower than a top-of-the-range production. This production stands out by the significant weight of staff costs. They represent close to 50 % of the budget.

The size of the director's salary ($50,000) contributes for a large part to this over-representation. This high level of compensation can be explained, among others, by the fact that the director also is the producer of the film. In this respect, the difference between the salary collected by the director and the main items of the production or technical team is considerable. The cameraman thus gets $15,000, the sound engineer $5,000, the production manager $15,000 and the art director $4,000.

The structure of the shooting team reveals a sizeable workforce and a strong specialisation and division of tasks. An expense has been posted for each position mentioned in the reference document. As a result, all main positions benefit from the support of assistants: the director has received the support of five different assistants over a three-month period (for an overall cost of $8,000), the cameraman has been assisted by two technicians ($3,000).

The $60,000 expense mentioned in the item "Other production expenses" corresponds to the mobilisation of:

- 3 production assistants ($300/day)
- 6 assistants specialised in subordinate tasks (serving refreshments, coffee)
- 6 assistants assigned to the support of art direction
- The star actor's assistants (his own make-up artist, his driver and his assistant)

The "other expenses" for the technical staff also include:

- 4 technicians for the camera equipment ($100/day)
- 2 technicians specialised in equipment for sound take $50/day)
- 2 direct assistants of the sound engineer ($50/day)

This significant workforce mobilisation has repercussions on the logistics expenses. Alone the expenses supported for accommodating and meeting shooting team costs thus amount to $40,000.

The performance expenses are also substantial (11.5 % of the budget), despite salaries that are lower than the market average. The three main roles are held by major stars in India (an Emmy Award winner, a winner of a national award). Yet, they have accepted to cut in half their claimed rates to play in the film: the salaries paid to these three actors vary between $10,000 and $20,000. The wage costs for the other actors amount to $10,000. To this are added the expenses for extras (of which there are very many in Indian films).

The lab fees ($60,000) include the processing of the special effects contained in the film.

Production costs of an audiovisual fiction

In India, the annual volume of domestic audiovisual fiction production is close to 6,000 hours for a value of approximately $60 million (i.e. an average hourly cost of $10,000). The selected project is a 26 x 26 min series (shot in Betacam SP) produced for public television. The production cost of an episode amounts to $10,000.

While the size of the shooting teams remains considerable (5 assistants for the director, 4 persons for costumes, 5 assistants for the art director, 2 assistant cameramen, 8 assistant lighting technicians and two production assistants), the compensation is far lower than that practiced in film production.

Moreover, the disparities between the various salary levels are limited. Within the production team, the highest salary (director) amounts to $600, compared with $100 for the lowest salary (accountant). Yet, the staff costs item represents close to 50 % of the overall budget. All in all, close to 70 % of the production cost is supported by the salaries (staff, actors).

The expenses for Technical Means are reduced thanks to the rental handled by the ordering broadcaster. A set comprising camera and equipment is thus rented for $100/day.

Production costs of a documentary

In India, as in many countries, there is no structured market for documentaries. The lack of outlets explains to a great extent the weakness of the financing resources. Broadcasters only rarely participate in the production of this genre of programme. They are essentially initiated by independent directors/producers, who sometimes respond to orders from NGOs or organisations like The Public Services Broadcasting Trust (which orders 52 30-min documentaries per year for television broadcast). In general, the only potential receipts are provided by the sale of prints to institutions or libraries.

The weak budget ($8,650) of the selected project corresponds to the Indian standard for this genre. The production team is limited to a single director/producer assisted by two people. Likewise, the technical team only includes a cameraman and a sound manager. The salaries mentioned correspond to a shooting duration of 10 days.

The daily compensations are thus far below the levels observed in the case of the television fiction or of the film for theatrical release. The cameraman is thus paid $65 per day, the sound engineer $50, the assistant director $10 and the director $100. Yet, despite this weakness, staff costs represent the main item of the budget (33.6 %). The considerable weight of Laboratory and Film Stock expenses (22 % of the estimate) concern the rental of the studio for final editing (Avid virtual editing bench).

Production costs of television studio programmes

The selected magazine programme and television studio programme are two programmes produced in-house by the broadcaster. These two projects are broadcast at 8 pm, the first on Sony Max Television (of the Zee TV network package), and the second on MTV India. In both cases, the staff is salaried by the producing channel. The latter also provides all the technical means. Expenses at this level thus correspond to the equipment's depreciation value.

II.3.2. Cambodia

Programmes in Cambodia are generally produced in video (most frequently in DV or DVCAM). Under these conditions, the technical production costs hardly vary from one type of programme to another. The choice of star actors or the implementation of specific technical measures are the only elements that are likely to entail budget differences.

A few companies (CTN, MCD, etc.) are able to produce a coherent price schedule with local practices. These elements have served to draw up the summary table. These are service fees for an average/high end production of any genre, on the basis of using the equipment or hiring the staff for one week.

1. Development

Screenwriter	$50 to $100/d
Fiction script fee (small television film)	Starting from $350
Fiction script fee (feature film)	Up to $5,000
Shooting authorisation	Officially, free of charge until 31/12/05

2. Production team

Report shooting team (director and cameraman)	Between $150 and $250
Director/Production Manager (often the same)	Between $150 and $350
Assistant Director	$30 to $100
Script girl	$10 to $40
Production Assistant/Location Manager/Casting Director	Between $25 and $50
Make-up Artist/Wardrobe Attendant	Between $10 and $30

Daily rates. Prices vary according to whether the technician is "local", trained abroad or a foreign professional.

3. Technical team

Cameraman	Between $40 and $100
Cameraman fee for a feature film, in which the cameraman often also assists with editing	$3,000 to $5,000
Assistant Cameraman	$10 to $40
Head Lighting Engineer/Sound Engineer	$30 to $40
Lighting/Sound Assistant	$10 to $20
Electrician/Stage Hand	Around $10

4. Performance

Casting expenses	No casting agency, generally performed by the production team
Actor (voice)	Approx. $10
Actor (small role)	$10 to $30
Actor (leading roles)	$2,000 to $4,000 up to $10,000 for a star

5. Equipment (daily rate, on sliding scale according to project and duration)

DV or DVCAM camera kit (light shooting unit with tripod, boom and small lighting)	$40 to $50
Professional external microphone	$20
Small mixing board (very little used in Cambodia)	$25
TV light set (3 x 650 W)	$80
Interview lighting kit (2 x 1 kW + 500 W)	$40
Jungle kit (2 x 300 W + 100 W)	$25

6. Studio (case of a 3 hr live show, shot in one day including setup and breakdown)
CTN rates

Rental large studio	$1,700
Rental large studio	$800
Complete satellite van	$2,000
Studio production equipment (1 camera + operator)	$500

MCD rates

TV studio rental (with 3 cameras and control room)	$700 to $1,000
Blue screen studio	$250
Crane (4.5 m)	$130
Mini steadycam (for DV)	$50

7. Logistics: transport (rental made out of Phnom Penh / caution: much higher rental fees in Siem Reap)

Car rental with driver	$20 to $35/d
4 x 4 rental with driver	$50 to $100/d
Motorcycle rental	$10 to $15

8. Royalties

Original score creation	From $1,000 to $3,000

9. Other expenses

Tips (police, town, competent authorities, etc.)	Systematic on all shooting locations, approx. $2 to $10/location and /day

10. Post-production

Rental Betacam editing room	$150
Rental virtual editing room according to equipment and software (Avid, Adobe Premiere, etc.)	$50 to $100
Sound recording/dubbing	$20 to $50
Editor (local/simple editing)	$40
Editor (foreign professional, directing editor)	$250
Editing of a feature film for theatrical release	Approx. $4,000
Studio sound engineer	From $30 to $80

Production / post-production special effects (MCD / Mind’s Eye Production)

Special effects technician (compositing, creation and integration of visual effects, objects and virtual scenery)	$35/h or $300/d
Special effects assistant	$25/h or $150/d
Creation of animated characters	$300 + $35/h
Rate for a 3-minute animated advert	$6,000

Fungibles and duplication

60 min DV tape	$3
124 min DVCAM tape	$25
DVCAM/DV copying fee	$10 to $15
VHS copying	$2 to $3
DVD master	$15 to $25
DVD copying	$3 to $10

All the selected programmes perfectly reflect the financing and production methods used for Cambodian audiovisual productions:

- The feature fiction film is thus entirely financed by a Cambodian production company
- The fiction series is produced by a local team relying on foreign aid
- The documentary is directed by an independent director/producer
- The animation sequence is produced by a Cambodian production company (managed by expatriate professionals) and integrated in a documentary film
- The magazine programme is produced by a local production company. Its financing is provided by a Cambodian NGO (which itself is dependent of an international organisation).
- The studio show is produced in-house by an independent channel

Table 23: Production costs of Cambodian audiovisual works

US $	Case 1: Work of film	Case 2: TV fiction	Case 3: Documentary	Case 4: Magazine programme	Case 5: TV show
Media	Digital Betacam	DVCAM	DVCAM	DVCAM	Betacam SP
Duration	1:30	100*26', 1 broadcast per week	15 min	30 min (15 minutes of TV studio, 15 minutes of magazine programme) 1 broadcast / week 9:30 pm on Thursday	2:30, 1 x per week, rebroadcast the following morning Saturday, 9:30
Production costs					
1. Project development					
Screenwriting	1,000	500 (2a)	-	-	-
Location scouting for outdoor shoots	-	100 (2b)	500	-	-
Shooting authorisations	50 (1a)	50 (1b)	50 (1a)	-	-
Feasibility analysis	-		-	-	-
Other expenses	-		-	-	-
2. Production team				(4a)	
Director	5,000 (1b)	500 (2c)	1,500	250	150 (5a)
Assistant Director/Production Assistant	3,000 (1c)	200 (2c)	-	175	75
Screenwriter	500	120	-	-	-
Production Manager	(1a)	500	-	300	-
Production Department	-	-	-	(4e)	100 (5b)
Make-up Artist	2,500 (1d)	200	-	20 (4b)	40 (5c)
Special Effects	-	-	-		-
Set Dresser - Costume Designer	(1d)	200	-	(4b)	(5c)
Production Designer	-	100	-	-	-
Accountant	-	-	-	-	-
Other production personnel	-	-	-	50 x 2 journalists	-
3. Technical team					
Cameraman	5,000	400 (2d)	800	175 TV studio (4c) + 30/d report	200 (5d)
Assistant Cameraman		300	240		-
Sound Engineer	1,000	300	-	(4d)	50
Lighting Engineer	2,000	300	-	(4e)	50
Assistant Engineers	7,000	200	160	(4e)	10
Electrician	See above	-	-	(4e)	-
Other technical staff	See above	500	-	20 x 2 or 3	70
4. Performance					
Casting	-	-	-	-	
Actors	40,000	2,000 (2e)	-	65	1,000 (5e)
5. Equipment		(2f)			(5f)
Cameras	-	(2f)	800	30/d for report 1,500/d complete studio with 3 cameras + technicians	(5f)
Recording equipment	-	(2f)	200	(4e)	(5f)
Lighting	-	(2f)	160	(4e)	(5f)
Machines	-	-	-	(4e)	(5f)
6. Logistics					
Drivers	(1e)	-	(3a)	Car rental with driver: 400/month	-
Travel expenses	3,000 (1e)	250	640 (3a)	See above	-
Team accommodation	(1f)	If shooting in the provinces, see case 3	400 (3b)	Travel expenses if shooting in the provinces, see case 3	-

Other expenses	-	-	-	-	
7. Payment of rights					
Copyright purchase/deposit	(1g)	(1g)	(1g)	(1g)	(1g)
Sequence/footage purchase	(1g)	(1g)	-	(1g)	(1g)
Adaptation rights	(1g)	(1g)	-	(1g)	(1g)
Rights on sound	(1g)	(1g)	-	(1g)	(1g)
Musical rights	(1g)	(1g)	-	(1g)	(5g)
Original score	(1h)	(1h)	-	(1h)	(5g)
Other rights	-	-	-	-	-
8. Other expenses					
Insurance	(1i)	-	-	-	-
Communication	1,000 (1j)	200	100	100	-
Tips	500 (1k), (1b)	(1p), (1b)	30	20	-
Furniture	6,000	100	120	30	-
Other	-	-	-	-	-
9. Post-production					
Studio cost	-	(2f)	800	(4f)	(5f)
Editor's fee	4,000	400 (2g)	400	100	30 (5h)
Sound mixing	-	-	-	-	(5i)
Sound Engineer's fee	1,000	200	150	-	-
Print costs	Performed in-house. External rates: DV copying: 10 DVD master: 20 DVD copying: 5 to 10	-	3 masters: Mini-DV: 40 DVD: 20 VCD: 10	Master: 20	-
Laboratory	-	-	-	-	-
Dubbing / subtitling	(1l)	-	150	-	-
Total*	Approx. 100,000	Approx. 13,000/episode	7,500	2,000 per programme	2,500 per programme

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.
(1a) Since the screenwriter and director is the same person, this rate corresponds to writing the script, preparation and all direction work. The producer also is the production manager and pays himself on the film's revenues.
(1b) Officially, shooting authorisations issued by the Film Department of the Ministry of Culture are free of charge, but they can be made "easier" by granting some "tips" to the agents of the Ministry of Culture and to other authorities that the shooting locations are dependent of (e.g.: Ministry of the Environment for national parks, etc.). Corruption concerns all sectors in Cambodia, since the average salary of a state employee is about $30. Of course, this information is known to local professionals, but denied by the Film Department.
(1c) The assistant director is also the head production designer…
(1d) Four persons are in charge of costumes and make-up. Certain scenes in traditional dress require the involvement of a costume designer from the royal ballet or the school of fine arts.
(1e) The drivers' salaries are generally included with the rental. This total cost is an estimation, knowing that a van can be rented for around $700 per month, a car between $20 and $25 per day (between $400 and $500 per month) and that the production also has its own vehicles.
(1f) There aren't any dressing rooms per se, but in the case of large or foreign productions, it is possible to fit out the dressing rooms in coaches, according to the following rate:
Outfitted 32-seat coach (for costumes, make-up, etc.): $1,500/month
Outfitted 24-seat coach (actors): $1,200/month
For this production, only the star seems to have been able to enjoy an actual dressing room set up in a vehicle or room according to the TV studio's configuration.
(1g) The producer files the film's copyright to the Ministry of Culture (cost: approx. $50), but everyone knows that despite the law this copyright is never observed. In case of piracy, producers have no recourse.
(1h) The entire soundtrack of this film has been composed in the production company's studios (specialised in karaoke), by the permanent technicians and musicians. The editor of the film also is the main composer of the music. Due to piracy problems, the release of an original soundtrack is not planned for the time being. Generally, film music is composed for approximately $1,000 or $1,500, and twice the price in the case of a foreign composer.
(1i) None of the producers seem to take out any insurance, whose reliability and usefulness are not acknowledged.
(1j) This figure is an estimation, since most means of communication are included in the overall operation of the production company. Prepaid telephone cards are purchased for the members of the team concerned, according to needs.
(1k) Producers rarely know how to estimate the total amount of tips given for authorisations, the use of certain public locations (town or minister concerned), security, police, and for certain auxiliary services in addition to official rights and salaries. These expenses are posted to the general expenses.
(2a) A writing pool of 5 to 8 very young screenwriters has been trained by a professional screenwriter. Compensations range from $400 to $600/month.
(2b) Most scenes are shot in studio, some take place outdoors (in Phnom Penh and provinces). A production assistant prepares these scenes with the assistant director.

(2c) Three directors take turns managing production, with 2 to 3 assistants.
(2d) 2 cameramen, 2 cameras in the TV studio.
(2e) 14 actors share the leading roles and are paid $800 to $1,000 per month on average.
(2f) The production organisation has acquired all the shooting and editing equipment and rents a location where a studio has been made entirely from scratch. Investment in cameras and editing computers amounts to approximately $40,000.
(2g) One editor + one assistant.
(3a) This amount includes the driver's salary.
(3b) For shoots in the provinces (4 destinations), the members of the team receive per diems to cover hotel (approx. $10/day) and restaurant costs (approx. $15 per day).
(3c) This amount concerns voice-over creation, including actors, technician and studio.
(3g) Television channels very rarely produce documentaries and usually organisations must pay to be able to broadcast their film. In this case, the organisation had to pay approximately $300 for broadcasting on one channel.
(4a) All salaries are paid monthly and are reduced here to the cost of a single episode.
(4b) The make-up artist also serves as wardrobe attendant.
(4c) 2 or 3 studio cameramen.
(4d) No sound engineer, the cameraman handles the sound take.
(4e) Included in the rate of the studio.
(4f) The production company has acquired the editing equipment and part of the shooting equipment for reports (DV camera and Avid editing bench).
(5a) The specified costs correspond to the production of a single episode, but it must be noted that the staff for these shows receives monthly wages and also work on other similar productions.
(5b) Four to five people manage the control room. Their salaries range from $10 to $50 per programme.
(5c) According to the needs of the show, two or three set dressers/make-up artists and one or two prop men are recruited by the day, at an average rate of $10 per day.
(5d) Four cameramen are in the TV studio and are paid from $100 to $200 per month according to skill ($25 to $50 per shoot).
(5e) Two stars are presented during each programme and their salaries represent the highest cost of the programme.
(5f) The production has its own studio, including 4 cameras, all the lighting and sound equipment, the machines and the control room. For external productions, this studio is rented out empty starting from $800/day and up to $1,700 with the equipment and staff of the control room.
(5g) Generally, the music used is music "churned out one piece after the other" and the rights are negotiated upon purchase for an unlimited use. Sometimes, the production calls on external artists, or the technicians offer their own productions. In this case, the purchase of music rarely exceeds $500, for music that will be reused in a variety of forms and to no end.
(5h) Very little editing or reediting is performed for this programme, which gives the illusion of a live show in as far as possible. The editors that perform this simple finishing (which takes less than one day) are often among the least qualified and have the lowest compensation of the production.
(5i) No sound post-production, the final sound is the one from direct take.
(5j) For the time being, the only restrictions concern the content of the programmes: the Ministry of Information asks the channels to broadcast a maximum of programmes on traditional Cambodian culture, to banish programmes in foreign language and especially to "respect tradition and not offend morals". Regularly, music programmes are prohibited because singers appeared in them too scantily dressed.

Table 24: Structure of production costs for Cambodian audiovisual works

	Work of film	TV fiction	Documentary	Magazine programme	TV show	Animation
Artistic rights[1]	1.3%	13.0%	11.4%	1.6%	1.4%	4.3%
Personnel	37.5%	26.1%	34.2%	32.8%	21.2%	74.4%
Performance	48.5%	15.7%	0.0%	2.1%	28.4%	2.2%
Technical means	0.0%	23.6%	16.6%	55.3%	49.0%	0.0%
Film stock - lab	0.0%	17.2%	19.3%	0.0%	0.0%	0.0%
Transport, expenses, production department	3.6%	2.0%	14.9%	3.3%	0.0%	0.0%
Insurance, miscellaneous	9.1%	2.4%	3.6%	4.9%	0.0%	19.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

Production costs of a work of film

The selected work stands out as the largest production made in Cambodia in 2005. It required an overall budget of approximately $100,000 and more than one and a half years of work: close to one year for writing and preparation, 50 days of shooting and close to 6 months of post-production (3 months of editing and 3 months for making the special effects and soundtrack).

Close to 70 % of the expenses correspond to wage payment. At this level, the weight of the actors' compensation is considerable (48.5 % of the entire budget, compared with 11.5 % in the case of French film productions).

This astonishingly high level can be explained by the fact that the leading role of the film is held by a Cambodian star. His fee has not been revealed by the production, but it can be estimated at around $10,000, which is a record. The other leading roles also get comfortable salaries ($3,000 to $5,000), which places them nearly at the same compensation level as the director. The compensation for small roles varies between $10 and $30 per day. Cambodian extras receive $0.25 (for a crowd in the countryside) to $5 or sometimes even $10 per day (in the city).

Staff costs represent close to 30 % of the overall budget. The technical team relies on versatile technicians. The cameraman thus is in charge of the sound take (even if there is a sound engineer) and special effects. He also ensures the continuity in the creation process of the work (active participation in editing) and of the calibration. He is the most qualified technician of the team. For this film, three cameramen (of which one main cameraman) have been hired and have worked in shifts or together for some complex scenes.

Moreover, 20 assistants have been hired for lighting, scenery and incidentally as extras or to perform the casting of extras. They are generally unqualified persons, hired by the day and paid between $5 and $10 per day each.

The absence of expenses under technical means and under post-production can be explained by the use of the production studio's equipment. It has all the technical means required for the shoot and for post-production. This equipment, acquired for the most part in Singapore (due to a better price competitiveness), also is used to produce karaoke video clips. The only real expenses in terms of post-production are integrated in the staff costs: the editor's and the sound engineer's compensation. In Cambodia, very few sounds are recorded live, most dialogues are post-synchronised. Therefore, the soundtrack is created in the studio. However, the work on background sounds remains greatly perfectible.

Production costs of a television fiction

The selected example is a series of 100 26-min episodes. It perfectly illustrates what can be produced with the Cambodian human means on the basis of financial and technical support from an international organisation. Such a production ($13,000/episode) would not be profitable in the current Cambodia context. The costs mentioned do not account for the salaries of foreign participants (1 storyliner, 2 directors, 1 producer, etc.) who have followed up all or part of project.

The production reports a total cost of $5 million (over two years and for 100 episodes). This amount includes the salaries and assignments of foreign participants: they have been present for variable durations in accordance with the progressive autonomy of the Cambodian teams. However, the actual efficiency of the project could serve as an example for future high-end productions.

The Cambodian team formed around this project (screenwriters, technicians, etc.) was entirely non-professional. The foreign managers of this production have recruited close to 70 persons, often very young, who have been entirely trained on location by foreign professionals. The original lack of skill first resulted in an extension of the shooting duration, thus leading to considerable additional costs. However, once the experience was acquired, the project found its coherence to end up with a level of quality scarcely far removed from international standards.

Today, 12 to 14 scenes are shot for each episode in two to three days of shooting. Two days are required for editing and one day for finishing, credits and work on sound. The total budget is about $13,000 to $15,000 for a 26-minute episode. For this price, a Cambodian production company usually produces a 52-minute individual fiction of fairly good quality, under similar conditions but with less staff.

Salaries are paid monthly. The expenses specified correspond to the production of a single episode, on the basis of an average calculated for the entire series. In fact, the salaries have progressed during the production, which made it possible to build a loyal team. The relative significance of the expense for the Technical Means (26.1 % of the budget) and Film Stock - Laboratory (17.2 % of the budget) items can be explained by the inclusion of the production organisation’s purchase of all technical means (the investment in cameras and editing computers amounts to approximately $40,000). In a normal depreciation phase for this equipment, it is interesting to note that the distribution of the costs would be quite similar to those observed in the case of French productions.

Production costs of a documentary

The selected film required eight days of shooting in several towns of the country and eight days of editing. As is the case for most Cambodian documentaries, it is a project ordered by a local NGO and financed by an international organisation. Its total budget amounts to approximately $7,500. Of course, there are bigger productions. However, they are generally handled by foreign teams sponsored by NGOs and are not representative of the local production.

The Film Department also produces between eight and ten documentary films per year thanks to exclusively Cambodian financing (from the Ministry of Culture). These are very low-budget films (between $500 and $1,000 for 15 minutes) intended for broadcasting on national television.

Television channels very rarely produce documentaries and usually organisations must pay to be able to broadcast their film. In the case of the selected project, the organisation had to pay approximately $300 for a television broadcast.

Staff costs represent the main item of the estimate (34.2 % of estimate). Yet, the production team is small. It is limited to a single director, who also is the screenwriter and producer of the film. His salary ($1,500) covers these three functions as well as location scouting and writing the script. The technical team also is limited to the smallest share: one cameraman ($800) and one assistant ($240). Generally, the cameraman handles the lighting and sound take together with the assistant. In addition to these, there are assistants ($160 total) often unqualified, who handle the set-up, electricity, even transport or other auxiliary tasks, under the cameraman's supervision.

Production costs of a magazine programme

As most high-end programmes, the financing for the selected magazine programme is met by an NGO. The channels produce some magazine programmes in-house. Generally, these are low quality productions made with very modest means.

Production costs of a studio show

Two types of studio shows have successfully made a name for themselves in Cambodia. Music and sports shows (particularly kick-boxing) thus achieve the biggest audiences of Cambodian television. Whether it concerns music or sports, the programme is structured in the same way: two or three hours of entertainment presenting two or three stars and some less known artists, around two star hosts and an audience often made up of high-school or university students.

Most programmes of this type are directly produced by the television channels. Some are sponsored (by beer brands, karaoke editors, etc.). A few programmes are produced by international organisations or through various foreign aid. Therefore, their production methods are similar to magazine programmes.

Each programme requires a full day in the studio, including preparation and breakdown. The studio is provided by the channel.

Within the scope of our example, the specified costs correspond to the production of a single programme. However, the staff of these programmes is paid on a monthly basis and also work on other similar productions.

The main expense item concerns the Technical Means (49 % of the budget for the programme). These are virtual expenses insofar as the production has its own studio (including 4 cameras, all the lighting and sound equipment, the machines and the control room). The value of these expenses corresponds to the cost of not renting out this studio to an external production ($1,700 with the equipment and control room staff).

In fact, the only real expenses are the compensations of the staff, hosts and two guests. Moreover, the guests make up the main part of the programme's cost (approx. $1,000). The production team consists of four to five people who manage the control room. Their salaries range from $10 to $15 per programme. To this are added two or three set dressers and one or two prop men, according to the needs of the programme. This staff is recruited by the day at an average rate of $10 per day.

The technical team consists of four studio cameramen. Their compensation varies between $100 and $200 per month ($25 to $50 per shoot), according to their skills. Editing or reediting is very modest for this programme and this is intended to give the illusion of a live programme. The editors that perform this simple finishing (less than one day) are often among the least qualified and have the lowest compensation ($30) of the production.

II.4. Production costs of audiovisual programs in Africa

II.4.1. Burkina Faso

In Burkina Faso, there are official rates for each service. Approved by the National Directorate of Cinematography (Direction de la Cinématographie Nationale, DCN), this price schedule is in force since March 2002. All actors of the audiovisual sector conform to it.

In this context, the prices practiced and cost structure are thus largely conditioned by the nature of the production. Compared with the official price schedule, substantial differences appear according to whether the work is produced in-house at the RTB, comes under an independent producer's responsibility or is produced in-house at the RTB but is not a product specific to the channel. Moreover, within the scope of co-productions with the National Directorate of Cinematography (Direction de la Cinématographie Nationale, DCN), the technicians from the Ministry of Culture, Arts and Tourism are offered a compensation (fixed price of $28/day) that is different from the schedule on the pretence that they are already State employees.

Table 25: The official price schedule for services

	Film Technicians		**Video Technicians**	
US $	day	week	day	week
1. Director	212.3	1061.7	141.6	566.2
2. Manager	195.4	976.8	130.2	521.0
3. Production Manager, Head Production Designer	192.7	963.7	128.5	514.0
5. Sound Engineer	135.8	679.0	90.5	361.4
6. Cameraman	122.7	613.5	81.8	327.2
7. Editor	108.5	542.4	72.3	289.3
8. Line Producer, 1st Assistant Director	103.4	516.9	68.9	275.7
9. 1st Assistant Production Designer - Decorator	100.2	500.9	66.8	267.1
10. 1st Assistant Cameraman, Administrator	95.1	475.6	63.4	253.6
11. Head Make-up Artist	92.0	459.8	61.3	245.2
12. 2nd Assistant Cameraman, Head Costume Designer, Script Girl, Location Production Assistant, Executive Production Designer, 2nd Assistant Production Designer	91.2	456.2	60.8	243.3
13. Sound Assistant	88.9	444.4	59.2	237.0
14. Portrait and Still Cameraman, Prop Man	88.5	442.5	59.0	236.0
15. Crew Leader, Gaffer, Head Painter	87.6	438.0	58.4	233.6
16. 2nd Assistant Director, Editor, Assistant Casting Director, Assistant Administrator	73.9	369.6	49.3	197.1
17. Costume Designer	73.5	367.3	49.0	195.9
18. Gene Operator	70.9	354.3	47.2	189.0
19. Generator Driver	70.2	351.0	46.8	187.2
20. Stage Hand - Electrician	66.2	330.8	44.1	176.4
21. Production Secretary	66.0	329.9	44.0	175.9
22. Set Dresser	57.3	286.5	38.2	152.8
23. Production Driver	52.5	262.7	35.0	140.1
24. Guest Liaison	45.4	227.1	30.3	121.1
25. Trainee	30.7	153.3	-	-

Table 26: Production Costs of Burkinan Audiovisual Works

US $	**Work of film**	**Television fiction**	**Documentary**
Duration	90 min	26 min	26 min
Media	-	-	DV
1. Project development			
Screenwriting	2,825	11,339.8	938.8
Location scouting	-	-	1,800.6
Shooting authorisation	-	-	0.0
Feasibility study	-	-	0.0
Other expenses	-	-	0.0
2. Production Team			
Director	17,227	20,416.6	657.2
Report Director	0	4,538.4	-
Assistant Director	244	6,807.6	394.3
Script Girl	-	-	-
Production Manager	17,227	13,609	394.3
Executive Producer	6,068	38,564	-
Line Producer	4,808	5,673	-
Make-up	1,413	-	-
Special Effects	-	-	-
Costume Designer	4,592	-	-
Production Designer	3,618	-	-
Scenery Workforce	-	-	-
Accountant	5,650	-	-
Other	5,718	-	-
3. Technical Team			
Director of Photography	9,907	7,936	394.3
Camerman	7,741	-	394.3
Assistant Cameraman	0	5,673	0.0
Sound Engineer	4,045	5,673	394.3
Lighting Engineer	0	-	394.3
Assistant	0	-	0.0
Electrician	0	-	0.0
Other members of technical staff	20,342	-	67.6
4. Performance			
Casting cost	-	-	-
Actors	16,002	47,634.6	844.9
Journalist	-	3,403.8	-
5. Equipment			
Camera equipment	12,368	34,025	3,567.4
Recording equipment	6,797	See above	-
Lighting equipment	40,796	See above	-
Machines	21,947	See above	-
Set	10,137	5,666.8	-
Studio	-	-	-
6. Logistics			
Drivers	-	-	281.6
Transport cost	25,670	18,153.6	1,877.6
Team accommodation	11,089	-	469.4
Other	5,650	36,294	187.8
7. Royalties			
Copyright purchase/deposit	-	-	-

Sequence/footage purchase	-	-	-
Adaptation rights	-	-	563.3
Rights on sound	-	-	0.0
Musical rights	-	-	0.0
Original score	-	-	563.3
Other rights	-	-	938.8
8. Other expenses	-	-	-
Insurance	780	2,269.2	-
Communication	-	-	-
Consultancy	-	-	-
Equipment	-	-	-
Other	23,078	56,615.4	1,173.5
9. Post-production			
Editing	7,278	-	-
Studio cost	-	56,705	1,877.6
Publishing expenses	-	-	0.0
Sound mixing	-	-	93.9
Fiction editor	6,684	12,474.4	-
Documentary editor	-	4,538.4	-
Sound engineering expenses	-	-	-
Duplication cost	-	-	93.9
Lab expenses	-	-	-
Dubbing/subtitling	-	-	-
Total*	292,423 (expenses made in Burkina Faso), final cost of film: 747,203	404,922 for 1 episode	18,559.9

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Table 27: Structure of production costs for Burkinan audiovisual works

	Work of film		TV fiction	Documentary	Magazine programme TV show
	Expenses in BF	Total expenses			
Artistic rights[1]	1.0%	5.0%	2.9%	26.2%	0.0%
Personnel	39.2%	32.5%	31.6%	18.4%	7.0%
Performance	5.4%	2.7%	12.4%	4.6%	0.0%
Technical means	31.3%	24.2%	8.9%	19.4%	77.1%
Film stock - lab	2.5%	13.7%	14.8%	11.2%	15.9%
Transport, expenses, production department	12.5%	8.7%	14.2%	13.8%	0.0%
Insurance, miscellaneous	0.6%	1.9%	6.8%	6.4%	0.0%
Miscellaneous	7.5%	11.3%	8.5%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100%

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

Production costs of a work of film

The selected project is a mainly French co-production. Its budget is modest; it amounts to $747,203, of which $292,423 were spent in Burkina Faso. The Burkinan contributions represent 20.2 % of the estimate. They are essentially met by the DCN. The French part consists of more than 80 % of selective aid (among which the advance on proceeds, Fonds sud, AIF).

The major part of the shooting took place in Burkina Faso, while post-production was entirely handled in France. The staff costs and technical means are thus naturally over-represented in the case of the expenses made in Burkina Faso. These two items thus concentrate more than 70 % of the expenses made on the Burkinan territory. The producers' and director's compensation represent close to 30 % of all staff costs.

The weight of the actors' compensations is relatively low. The entire item corresponds to a cost of $16,000, i.e. an amount that is lower than the compensation of the producers or the director alone. The low weight of the performance expenses (2.7 % of the overall estimate of the film) is one of the acknowledged differences with the average structure of the production costs for French feature films (11.5 %).

A part of the technical costs corresponds to fixed costs, which in proportion have a more significant impact on low budget films (expenses that cannot be reduced, lack of economies of scale). The expenses for Technical Means thus capture 24.2 % of the overall estimate of the film and 31.5 % of the part of the estimate that can be attributed to the shooting in Burkina Faso (compared with 10.8 % on average for a French feature film). Similarly, the Film Stock - Laboratory expenses amount to 13.7 % of the total estimate (compared with 5.1 % on average for a French feature film).

Moreover, the distribution of the film in cinemas has led to publishing expenses of $33,272. Close to 70 % of these expenses correspond to the printing of four 35 mm copies (the cost for eight of them have been met by the CNC) and to the subtitling of these twelve copies. Promotion expenses were limited to a poster campaign ($2,647).

Production costs of a television fiction

The selected project is television series co-produced with Benin. Each episode runs 26 min and mixes fiction with report. As it is a production that is external to the RTB, the applicable rates are the approved official rates. At this level, the state employee technicians generally prefer to be requested directly by the private director, rather than being requisitioned by the DCN. This recruitment allows them indeed to negotiate a higher compensation level than the per diems paid by their parent organisation.

Staff costs represent more than 30 % of the overall budget. The director's compensation turns out to be considerable, particularly compared with the official price schedule. His salary thus is higher than that received by the director of the feature film for theatrical release. Expenses pertaining to the produers' salaries (associate and executive) also are high ($52,173). All these expenses thus represent close to 60 % of the staff costs.

Under these conditions, the technical team is to say the least reduced: an assistant director, a sound man, a head cameraman, a cameraman, a production assistant, a report editor and a report director. The salary received by the production assistant is equivalent to the cameraman's, which expresses a difference compared with the official compensation schedule. This type of difference also concerns the respective compensation levels of the editor and report director.

The external RTB production results in significant costs for Technical Means and Post-production (respectively $34,025, 8.9 % of the budget and $56,704, 14.8 % of the budget).

The significance of the Insurance and Miscellaneous items corresponds to financial costs ($4,136), rents and charges ($8,268), taxes and duties ($2,260), the Burkinan producer's general expenses ($6,591) and the Beninese producer's general expenses ($18,023).

In the case of the television fictions produced in-house by the RTB (and that belong to the RTB), the channel provides the equipment and technical staff. However, the other service rates match the official rates and this is why producers must count on foreign investments to obtain appropriate budgets ("*Enquêtes de routine*", series of 26-min episodes, shot in DVCAM, by Missa HEBIE, director at the RTB).

Production costs of a documentary

The selected documentary (26 min, shot in DVCAM) is a project produced upon the RTB management's request with a specific thematic approach. The shooting of Burkinan documentaries generally takes place outdoors, implying specific expenses (guide and interpreter, "facilitator", resource persons for the needs of reconstructing the facts, etc.). However, these items are generally paid in kind (a meal, a symbolic gift). The shooting of the selected documentary thus took place in Béguédo, Dori, Bobo-Dioulasso, Ouagadougou and Lome. The shooting in Lome resulted in a cost of $1,155 (6.2 % of the total budget): director's airplane ticket ($413), rental of a camera on location ($188), per diems for three technicians ($179), actors' fee ($94) and director's travel expenses ($263).

When working on documentaries, directors/producers are always confronted with very low budget amounts, which leads them to use great ingenuity to be able to contain the charges and deliver a consumable product. The studied project perfectly reflects these difficulties. Its shooting budget was estimated at close to $113,000, i.e. an amount much higher than the $18,000 actually mobilised.

Despite a fictitious forecast of 41 % (producer's contributions and RTB's contributions in terms of equipment and technical staff), intended to convince decision-makers and other financers, only 30 % to 40 % of the remaining 59 % could be mobilised, which required the budget to be restructured.

This revision resulted in the payment of lower compensations than the official rates. The daily salary received by the director for 12 days of shooting amounts to $54.7, i.e. close to three times less than the official standard ($141.6). Most of the staff items confirm this characteristic. Moreover, the main staff (director, assistant director, production manager) and technician (director of photography, lighting engineer, cameraman, sound engineer) items have been paid on the same basis of $54.7/day.

Production costs of throwaway programmes (studio show, magazine programme, studio production)

Since these programs are produced in-house at the RTB, they mobilise the equipment and technicians of the public group. Since the technicians are state employees, their payment comes in the form of per diems, on the basis of 15,000 CFA Francs per person and per day, without distinction of trade (except for drivers who receive 7,000 CFA Francs). The official rates are used to elaborate the budget for equipment and other services. These services generally last from two days to one week maximum.

Within the scope of a studio production (one host and his guest(s)), there are no expenses concerning the guests. They come to discuss the news of the week with the host.

The magazine programme can be entirely produced in-house (stock shot with comments) or entirely externalised (e.g. feature requiring field missions for inquiries). Sometimes, it comes out as a mixture of both formulas (health magazine).

For the production on a studio set, the transfer of the generator coach requires about three million CFA Francs in petrol. In the case of shoots outside of Ouagadougou, a majority of them are performed according to the travel distance.

Generally, the elaboration of budgets accounts for the equipment's depreciation (estimated at 18 % of the production budget). The productions are shot in DVCAM. Since BETACAM is disappearing fast, digital technology is supplanting analog technology. However, BETA copies are made in post-production.

Table 28: Provisional budget for a Burkinan studio production

US $	Studio show Magazine programme Studio production
Equipment (studio, camera, lighting, control room coach, etc.)	6,947
Personnel	633.7/1,140
Post-production	1,427
Total	9,008/9,514

Set: $1,126
Studio rental (+ camera, lighting, etc.): $1,126
Rental editing bench for ½ day: 1 126 $
Meeting the costs for a minimum of 45 persons (broadcaster's technical staff):

- programme produced indoors: $633.7
- ordered programme: 1,140

90-min BETA tapes (2): $188
DVCAM recording: $112.6
Rental of the generator coach: subject to agreement with the co-producer for meeting the technical staff's costs, purchasing tapes and meeting petrol costs in case the coach is moved. All inclusive price ranging from $1,878 to $9,388.

II.4.2. Senegal

Table 29: Production costs of Senegalese audiovisual works

US $	**Case 1: Work of film**	Case 2: Work of film	**Case 3: Documentary**	**Case 4: Magazine programme**
Media	HD		HD	Betacam
Duration	90 min		26 min	45 min, once/fortnight
1 Project development				
Screenwriting	-		949	-
Location scouting	-	474	-	-
Shooting authorisation	-	-	-	-
Feasibility study	-	-	-	-
Other expenses	24,454	1420	569	-
2 Production team				
Director	3,792	2,082	1,517	96
Assistant Director	3,412	1,250	759	-
Script Girl	949	-	-	-
Production Manager	1,517	-	-	151
Line Producer	1,517	-	-	-
Make-up	759	378	-	-
Special Effects	-	-	-	-
Costume Designer	759	-	-	-
Production Designer	1517	-	-	-
Accountant	-	-	-	-
Other	-	568	2,465	-
3 Technical team				
Camerman	3,792	947	-	190
Assistant Cameraman	949	625	-	96
Sound Engineer	2,843	727	-	-
Assistant	-	378	-	-
Electrician	5,687	1,326	-	-
Other members of technical staff	-	-	380	-

4. Performance				
Casting cost	-	-	1,896	-
Actors	27,487	2,840	-	-
5 Equipment				
Camera equipment	-	1,893	-	190
Recording equipment	-	-	-	-
Lighting equipment	-	-	-	-
Machines	-	-	1,896	-
6 Logistics	-	-	-	-
Drivers	284	-	-	-
Transport cost	663	2,177	949	161
Team accommodation	-	1,326	-	-
Other	-	-	-	-
7. Royalties				
Copyright purchase/deposit	-	-	-	-
Sequence/footage purchase	-	-	-	-
Adaptation rights	-	-	-	-
Rights on sound	-	-	-	-
Musical rights	-	-	-	-
Original score	2,843	-	-	-
Other rights	-	-	-	-
8 Other expenses				
Insurance	1,896	-	-	-
Communication	949	-	-	-
Consultancy	-	-	-	-
Equipment	2,370	-	-	-
Other	24,074	-	-	-
9 Post-production				
Studio cost	3,792	1,951	1,517	96
Publishing fee	-	-	-	-
Sound mixing	949	-	-	38
Sound engineering fees	-	947	1,137	151
Duplication cost	-	-	-	-
Lab expenses	-	568	-	-
Dubbing/subtitling	-	-	-	-
Total*	131,555	19,795	14,034	1,170

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Table 30: Structure of production costs for Senegalese audiovisual works

	Case 1: Work of film	Case 2: Work of film	Short film	Documentary	Magazine programme
Artistic rights[1]	23.0%	9.6%	8.0%	10.8%	0.0%
Personnel	25.0%	31.3%	32.0%	44.6%	46.0%
Performance	23.0%	14.3%	13.0%	13.5%	0.0%
Technical means	0.0%	9.6%	22.0%	13.5%	16.0%
Film stock - lab	3.0%	17.5%	12.0%	10.8%	23.0%
Transport, expenses, production department	1.0%	17.7%	13.0%	6.8%	15.0%
Insurance, miscellaneous	25.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100%	100.0%	100.0%	100.0%

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

Production costs of works of film

Two feature film projects could be selected thanks to the information available. These two works were shot on video. In this respect, they reflect a recent development in Senegalese film production: growing use of video. Each year, around twenty films are produced in digital video and with exclusively Senegalese financing. The price of these productions generally ranges from 15,000 to 25,000 euros.

Moreover, this development comes hand in hand with a substantial training effort geared towards digital video. The qualifications are of a technical nature (film taking, sound taking, virtual editing) and aim to give participants a professional versatility. However, Barlet (2005) puts the reach of this progress into perspective: "the problem remains whole, insofar as it is necessary to train proportionate amounts of producers, distributors and critics for a balanced development of the cinematographic process, in order to enable the sector to truly take off".

The second feature film illustrates the production conditions of this new type of works. Project no. 1 reveals a more substantial cost and this even the more so as the budget mentioned does not include the expenses for technical means (for unknown reasons).

Compared with project no. 1, the shoting team of project no. 2 is much smaller. For economic reasons, the positions script girl, general manager, production assistant, production designer, costume designer have been removed.

Moreover, the differences in compensation are convincing, particularly for the cameraman item ($3,792 for the cameraman of project no. 1, compared with $947 for the cameraman of project no. 2 and $7,741 for the cameraman of the Burkinan project shot in 35 mm). Alone the Performance expenses for project no. 1 (more than $27,000) exceed the overall budget of project no. 2.

Production costs of a short film

Due to a lack of information on a television fiction project, we have been offered the details of the production costs of a 12-min short film. It is a relatively expensive short film. The overall budget thus amounts to $22,820, i.e. an amount that is higher than the overall budget of feature film project no. 2 presented above. Since the shooting duration is mentioned for each expense, a comparison can be made with the official price schedule in Burkina Faso (see Table 31). The compensations of the main technical staff are higher than Burkinan standards. There again, the compensations converge strongly on "auxiliary positions".

Table 31: Comparison of the production costs of the Senegalese short film with the Burkinan price schedule

DESIGNATION	Duration	Cost ($)	Rate/week	Weekly rate in Burkina Faso
I/ PREPARATION				
Text processing and script duplication		462.48		
Script rights		939.72		
Location scouting (one week)	1 week	469.86		
II/ TECHNICAL TEAM		0		
Director	Fixed price	2,065.17		
Assistant Director + Production Manager	Fixed price	0		
Head Cameraman	2 weeks	939.72	469.86	327.2
Assistant Cameraman	2 weeks	618.69	309.34	253.6
Script Girl	2 weeks	563.34	281.67	243.3
Sound Man	2 weeks	720.78	360.39	237
Crew Leader	2 weeks	563.34	281.67	233.6
Boom Operator	2 weeks	375.15	187.57	N/A
Stage Hand	2 weeks	375.15	187.57	176.4
Electrician – Gene Operator	2 weeks	375.15	187.57	189
Make-up Artist	2 weeks	375.15	187.57	245.2
III/ ART TEAM				
Main characters	10 days	1878.21		
Secondary characters	5 days	469.86		
Theatre company	Fixed price	469.86		
SHOOTING PRODUCTION DEPARTMENT		0		
1 mini-coach	10 days	469.86		
1 four-door SEDAN	10 days	281.67		
1 Lorry for machinery/generator	10 days	563.34		
Petrol	30 days	845.01		
Meals	10 days	845.01		
SENELEC/generator hook-up	Fixed price	469.86		
SHOOTING EQUIPMENT + TAPES		0		
BETACAM camera + accessories	10 days	1,878.21		
Lighting equipment	20	1,314.87		
TAPES		1,503.06		
Shooting tapes	20	113.16		
Editing tapes	01	0		
EDITING		0		
Editing bench rental		1,878.21		
Editor	10 days	939.72		
Online suite	10 days	56.58		
GRAND TOTAL EXCL. VAT		22,820.19		

Production costs of a documentary

For this genre, the costs presented are those of the provisional budget of a documentary project that is likely to be shot in HD. These are thus indicative amounts that are likely to be revised to lower figures if the search for financing does not succeed. The provisional budget seems relatively high and this even the more so as the technical expenses do not include the essential part of the required equipment (without it being possible to determine whether this means that the director owns it).

Of course, the shooting team is reduced to the smallest possible size: the director and an assistant, to which are added a few other technicians and production staff, whose number and function are not specified.

Yet, despite this limited staff, the staff costs capture 44.6 % of a budget that is by no means insignificant ($14,034). Moreover, the director’s compensation is hardly very far from that received by the director of film project no. 1.

Production costs of a magazine programme

The presented figures correspond to the provisional budget of a 45-min cultural magazine programme project for television. Broadcasted every fortnight, this magazine programme aims to inform viewers on the creation process of television films and plays broadcast on television. It is based on receiving guests who are supposed to share their knowledge, their experience and the incidents that have marked out their path.

II.4.3. Nigeria

In the case of Nigeria, most costs mentioned correspond to average data referring to generally practiced prices. Only the performance expenses precisely relate the reality of the selected production. The total budget mentioned refers to the actual budget of the selected project. The diversity of the expenses' nature makes it impossible to provide a summary presentation of the cost structure.

For all genres, applying the daily costs mentioned to the proportion of the shooting duration leads to much higher budget amounts than the real estimates (about twice the amount in the case of the feature film). This difference underlines that the costs mentioned make up upper brackets and that the reality of the shoot implies substantial savings compared with this standard.

In this respect, the expenses mentioned for all technical and production staff correspond to weekly rates that are clearly higher than those of the official schedule in Burkina Faso, which already are considerable (see above). Under these conditions, the analysis of the presented data can only be limited to a comprehension of the actors' compensations with regard to the overall budget as well as to a horizontal comparison (between the various genres).

Table 32: Production costs of Nigerian audiovisual works

US $	**Case 1: Work of film**	**Case 2: Documentary**	**Case 3: Magazine programme**	**Case 4: TV show**
Duration of the shoot	3 weeks	7 days	-	-
Media	DVCAM	DVCAM	DVCam	-
Duration	120 min	90 min	30 min 36 episodes in 2004, 8:30 pm Sunday	45 min 42 broadcasts/week 8:00 pm Wednesday
1. Project development				
Screenwriting	2,500	2,000	-	-
Location scouting for outdoor shoots	1,500	1,000	-	-
Shooting authorisations	2,000	2,000	-	-
Feasibility analysis	-	1,500	-	2,500
Other expenses	-	-	-	-
2. Production team				
Director	4,000	2,500	600 per episode	500
Assistant Director/Production Assistant	2,000	1,500	-	200
Screenwriter	1,500	1,500	200	100
Production Manager	2,000	1,500	150 per week	200
Production Department	-	-		
Make-up Artist	200 per day	200 per day	100	70
Special Effects	3,500	--	--	
Set Dresser - Costume Designer	200 per day	200 per day	100	70
Production Designer	1,500	1,500	150	
Accountant	1,300	1,000	Permanent team - 4,500 per year	Permanent team - 4,500 per year

Other production personnel	-	-	-	-
3. Technical team				
Camerman	2,000	670	250	250
Assistant Cameraman	1,000	333	150	150
Sound Engineer	2,500	830	300	300
Lighting Engineer	2,500	830	300	300
Assistant Engineers	1,500	500	150	150
Electrician	150 per day	150 per day	100	100
Other technical staff	-	-	-	-
4. Performance				
Casting	No casting agencies	-	-	-
Actors	For leading actors: 4,000 - 10,000. For other actors: 1,000 and 3,000.	4,000	2,000 per week on average	
5. Equipment				
Cameras	350 per day	350 per day	350 per day	350 per day
Recording equipment	300 per day	300 per day	300 per day	300 per day
Lighting	300 per day	300 per day	300 per day	300 per day
Machines	200 per day	200 per day	200 per day	200 per day
6. Logistics				
Drivers	150 per day	100 per day	100	100
Travel expenses	4,000	1,400	Minimum 300 per recording	Minimum 300 per recording
Team accommodation	9,000	2,600	Minimum 800 per week	Minimum 800 per week
Other expenses	-	-	-	-
7. Payment of rights				
Copyright purchase/deposit	2,000	2,000	2,000	2,000
Sequence purchase	2,000-5,000	2,000-5,000	2,000-5,000	2,000-5,000
Adaptation rights	2,000,	2,000	2,000	2,000
Rights on sound	1,000	1,000	1,000	1,000
Musical rights	1,000	1,000	1,000	1,000
Original score	2,500-5,000	1,500	1,500	1,500
Other rights				
8. Other expenses				
Insurance	Rare	Rare	Rare	Rare
Communication	3,500	1,500	Minimum 500	1,500
Tips	1,500	500	150 per week	500
Furniture	2,000	750	50 per week	750
Other	-	-	-	-
9. Post-production				
Studio cost	200 per day	200 per day	200 per day	200 per day
Editor's fee	1,500	1,500	150 per week	150 per week
Sound mixing	1,000	1,000	150	150
Sound Engineer's fee	1,000	1,000	750	750
Print costs	-	-	-	-
Laboratory	-	-	-	-
Dubbing/subtitling	400	250	-	-
Total*	55,000	35,000	10,000/programme	10,000/programme

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Production costs of a video feature film

The selected work illustrates the singularity of Nigerian video production, which is particularly strong with regard to the prevailing production costs and conditions in Senegal or in Burkina Faso. In terms of estimate ($55,000), this feature film is in the upper bracket of Nigerian production. Generally, the average production cost of a Nigerian video amounts to about $19,000, while according to Tunde Kelani the observance of certain qualitative requirements demands a minimum cost of $49,000.

Yet, despite this high-end positioning of the work studied, the comparison of its production cost per minute with those of the Burkinan and Senegalese feature films is explicit. The Nigerian film reveals a cost of $458.3/minute, compared with $1,462 for project no. 1 in Senegal and $3,249 for the Burkinan feature film.

The comparison with Senegal is interesting insofar as that film also was shot in video. The relative expensiveness of the Senegalese work reveals the persistance of standards, pricing practices inherited from traditional film production, despite the use of video.

These characteristics are confirmed by the study of the 36 files received in 2003 by the Fonds Sud Television made by Barrot (2005). On the basis of the provisioal budgets brought down to a minute produced, Barrot observes that: *"the most expensive project comes from Burkina Faso: 10,976 euros per minute… The least expensive project comes from Nigeria: 222 euros per minute… The Burkinan director who has the highest budget is unknown at the time. Whereas the Nigerian director is considered as the greatest director still active in his country: Tunde Kelani, age 57, holds a diploma from the London Film School and has been honoured in many festivals[10]".*

The relatively low production costs of Nigerian videos contrasts with the potential receipts of the domestic market. According to the sources, the average revenue level per Nigerian film varies between $75,000 and $33,000 (see Barrot, 2005, p. 41). This revenue is even the more so impressive as it can only be attributed to the sole video segment. Only a handful of films (those in Yoruba language) are indeed screened in cinemas through video projectors, prior to being released on DVD. Moreover, the receipts from television broadcasting are limited to those paid by the South African cable channel AfricMagic ($700 for a Nigerian film).

This data illustrates the high profitability level of Nigerian video production. Faced with this high-profit perspective, the sector has structured itself around a stardom phenomenon, which

[10] See Barrot (2005), p. 14.

benefits first and foremost to the actors. The compensations of the best paid actors/actresses have thus come into the public domain. As a matter of fact, people talk of the "big five" for the five greatest actresses and of the "big six" for their male counterparts. For these stars, the figures brought forward reveal a minimum compensation of 5,800 euros per film (for the actress Omotola Lalade-Ekeinde) and fees that can reach 17,500 euros (Geneviève Nnaji).

This increase in importance of actors has contributed to challenging the power, up until then absolute, of producers/directors in capturing the significant income generated by the sector. In 2004, the latter have attempted to protect their market power by boycotting the best paid and most demanding actors.

The structure of the production cost of the referenced film illustrates the market power held by the actors. The leading actors' fee thus ranges from $4,000 to $10,000. With $10,000, the star actor is the best paid person of the shoot. His fee is more than twice the director's. Above all, the compensation of the leading roles is nearly equal to all performance expenses of the Burkinan film even though it is five times more expensive (see above). Moreover, on the basis of a minimum assumption of a casting of four actors (1 actor at $10,000, 1 at $4,000, 1 at $1,000, 1 at $3,000), the performance expenses would amount to $18,000, i.e. close to 33 % of the total budget.

Production costs of other programmes

Generally, the same professionals work on feature films, fictions and documentaries. In theory, the overall compensations are thus conditioned by the duration of the shooting and the revenue perspectives conditioned by the exhibition media of the work (video market, television broadcast, NGO network).

Yet, the rates mentioned reveal a certain disconnection between the costs and exhibition conditions specific to each genre. Only the shooting duration seems to influence the amount of the overall estimate. This result encourages us to consider the data mentioned with care. At this level, the compensation/week received by the director of the documentary, which is higher than the relatively high compensation for the director of the feature film, is surprising.

Of course, the economy of the Nigerian documentary is largely conditioned by public or semi-public orders. In 2004-2005, the Nigerian government has thus ordered a certain number of documentaries ($15,000 per documentary) to support its *Heart of Africa* project. International agencies, such as USAID, UNDP and NGOs specialised in AIDS issues are also active sponsors. This intrusion can contribute to structuring the pricing practices towards the standards mentioned.

Throwaway programs are produced by organisations that are independent from broadcasters. However, these companies operate as integrated organisations: they have teams receiving a yearly salary, technical equipment, etc.

II.5. Production costs of audiovisual works in Middle Eastern countries

II.5.1. Egypt

Table 33: Production costs of Egyptian audiovisual works

US $	Case 1: Work of film	Case 2: Documentary	Case 3: Magazine programme	Case 4: TV show
Media	35 mm	DVCAM	DVCAM	DVCAM
Duration	90 min	15 min	30 – 50 min weekly, 48 episodes/year	45 min weekly, 48 episodes/year
Production costs				
1. Project development				
Screenwriting	8,000	1,000	350 per episode	350 per episode
Location scouting for outdoor shoots	1,600	5,000	300-500	750 per episode
Shooting authorisations	2,000	1,000	350	200 per episode
Feasibility analysis	2,000	-	100	-
Other expenses	2,000	5,000		
2. Production team				
Director	20,000	2,500	750 per episode	750 per episode
Assistant Director/Production Assistant	3,000	500	375 per episode	375 per episode
Screenwriter	6,000	500	-	350 per episode
Production Manager	6,000	500	350 per episode	1,000 per episode
Production Department	4,000	500	350 per episode	750 per episode
Make-up Artist	4,000	500	200 per episode	750 per episode
Special Effects	2,000	500	-	-
Set Dresser -Costume Designer	4,000	500	-	75 per episode
Production Designer	4,000	500	-	200 per episode
Accountant	6,000	1,000	200 per episode	200 per episode
Other production personnel	5,000	-		
3. Technical team				Per episode
Camerman	8,000	2,000	350 per episode	3* 200= 600
Assistant Cameraman	4,000	500	200 per episode	3*40=120
Sound Engineer	4,000	1,000	200 per episode	250
Lighting Engineer	4,000	500	200 per episode	200
Assistant Engineers	2,000	500	100 per episode	3*50=150
Electrician	2,000	500	100 per episode	4*100=400
Other technical staff	2,000	500		3*60=180
4. Performance				
Casting	10,000	500		600 per episode
Actors	200,000	500	1,200 per episode	Host 750 per episode
5. Equipment				2000-3000
Cameras	5,000	1,000	200 per day	
Recording equipment	1,000	1,000	200 per day	
Lighting	2,000	1,000	100 per day	
Machines	2,000	-	200-400 per day	
6. Logistics			350 per episode (includes the items below)	350 per episode (includes all items below)
Drivers	1,000	500	See above	See above
Travel expenses	1,000	1,000	See above	See above
Team accommodation	1,000	-	See above	See above

Other expenses	1,000	-	See above	See above
7. Payment of rights			See above	See above
Copyright purchase/deposit	1,000	200	200 per episode	200 per episode
Sequence/footage purchase	3,000	-	750 per episode	750 per episode
Adaptation rights	1,000	-	Included in copyright	Included in copyright
Rights on sound	1,000	-	Included in copyright	Included in copyright
Musical rights	1,000	-	Included in copyright	Included in copyright
Original score	1,000	-	-	-
Other rights		-		
8. Other expenses		1,000		
Insurance	10,000	-	750 per episode	750 per episode
Communication	1,000	-	200 per episode	200 per episode
Tips	1,000	-	350 per episode	350 per episode
Furniture	2,000	-	-	-
Other	2,000	-		
9. Post-production				
Studio cost	8,000	3,000	750 per day	750 per day
Editor's fee	7,000	-	300 per day	300 per day
Sound mixing	5,000	-	200 per day	200 per day
Sound Engineer's fee	5,000	-	20 per day	20 per day
Print costs	6,000	-	-	-
Laboratory	6,000	-	-	-
Dubbing/subtitling	1,000	-	-	-
Total*	391,600 385,600, excluding expenses for printing copies	34,700	10,195 per episode	15,370 per episode

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Table 34: Structure of production costs for Egyptian audiovisual works

	Work of film	Documentary	Magazine programme	TV show	Animation
Artistic rights[1]	6.1%	35.2%	16.1%	14.7%	7.5%
Personnel	27.0%	38.9%	37.6%	43.0%	48.5%
Performance	54.5%	2.9%	8.6%	8.8%	0.0%
Technical means	2.6%	8.6%	8.6%	16.3%	28.0%
Film stock - lab	4.9%	8.6%	12.6%	7.3%	3.7%
Transport, expenses, production department	0.8%	2.9%	3.1%	1.7%	2.2%
Insurance, miscellaneous	4.1%	2.9%	13.4%	8.2%	10.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

Production costs of a work of film

Since 2001, the Egyptian film industry has gone through profound changes. Numerous restructurings have allowed the emergence of large vertically integrated groups that control all segments of the industry, more specifically the cinema market. This reinforced concentration of production means and the production companies' control of outlets have come hand in hand with a weakening of the directors' power as well as of small independent organisations. There again, this rationalisation of the industry has contributed to the strengthening of the actors' negotiating power and to the affirmation of the Star System. The main expenses of the selected work of film thus concerns the Performance item. The actors' compensations capture more than half of the budget. With an overall value of $210,000, they are twice as much as the total salaries paid to the entire staff ($103,000). At this level, the director's compensation is by far the best paid position ($20,000).

The compensations of the other positions are relatively consistent: $8,000 for the cameraman to $1,000 for the driver. By contrast, the equipment expenses are modest: $29,000 including the technical means pertaining to editing.

Production costs of a documentary

In Egypt, the production of documentaries is very rare. The main broadcasters include very few of them in their programming. In fact, only public channels use this genre of programme and it is an unprofitable activity. Some directors can benefit from funding that comes within the scope of a co-production (with France among others). In most cases, the topics addressed are of biographic or historic nature.

Despite a limited duration and the use of video, the budget for the selected work is considerable. It thus amounts to $34,700, i.e. a cost per minute produced of $2,313, which in the end is hardly far removed from that of the feature film even though it is shot in 35 mm ($4,273/minute, excluding expenses for printing copies).

In fact, the shooting has benefitted from nearly complete production and technical teams. A value therefore is assigned to all items. All in all, the staff costs stand out as the main item of the estimate (38.9 %). Excepting the director ($2,500), the accountant ($1,000), the cameraman ($2,000) and the sound engineer ($1,000), the entire staff is treated evenly ($500).

The preparation phase of the shoot has also led to substantial expenses. It represents all expenses entered under Artistic Rights (35.2 % of the estimate). In this regard, $10,000 have been devoted to research and location scouting expenses for outdoor shoots.

Production costs of television studio programmes

In Egypt, the concept of the magazine programme only really came into being five years ago. It now holds an important place in the broadcasters' programming and emerged as a popular genre. Despite an important place within program schedules, Studio Shows are hardly popular. The only true success is that of “Who will win the million”, presented by a Lebanese host.

The production budget for these programmes generally is fairly low, since the main expenses (and variations in the amount of the estimate) are those for the host (according to the level of fame) and for the producer (according to the potential revenue of the programme and thus of its programming time). In our example, the host of the magazine programme receives the highest salary of the entire staff ($1,200 per programme), i.e. close to 12 % of the total estimate. Conversely, the producer benefits from a modest compensation ($350/programme, i.e. a salary that is equivalent to the cameraman’s). The balance of power is reversed in the case of the selected Studio Show.

II.5.2. Jordan

Table 35: Production costs of Jordanian audiovisual works

US $	**Case 1: Work of film**	**Case 2: TV fiction**	**Case 3: Documentary**	**Case 4: Magazine programme**	**Case 5: TV show**
Media	HD	HD	HDV	DigiBeta	-
Duration	n/a	90 min	n/a	n/a	n/a
Production costs					
1. Project development					
Screenwriting	1000		1000	500 - 700	500 - 700
Location scouting for outdoor shoots	150/day	100-150/day	150/day	100-150/day	100-150/day
Shooting authorisations	0	0	0	0	0
Feasibility analysis	0	0	0	0	0
Other expenses	0	0	0	0	250-1,000/day
2. Production team					150-300/day
Director	200/day	250-1,000/day	180/day	250-1,000/day	250-1,000/day
Assistant Director/Production Assistant	80/day	150-300/day	70/day	150-300/day	150-300/day
Screenwriter	-	100-200/day	50/day	100-200/day	100-200/day
Production Manager	180/day	300-550/day	150/day	300-550/day	300-550/day
Production Department	-	400/day	-	400/day	400/day
Make-up Artist	100/day	200-300/day	80/day	200-300/day	200-300/day
Special Effects	150/day	600/day	100/day	600/day	600/day
Set Dresser - Costume Designer	100/day	200-300/day	80/day	200-300/day	200-300/day
Production Designer	120/day	300-500/day	100/day	300-500/day	300-500/day
Accountant	50/day	500-600/week	50/day	500-600/week	500-600/week
Other production personnel	-	-	-	-	-
3. Technical team					
Camerman	150/day	90-250/day	100/day	90-250/day	90-250/day
Assistant Cameraman	50/day	50-150/day	35/day	50-150/day	50-150/day
Sound Engineer	50/day	50-100/day	50/day	50-100/day	50-100/day
Lighting Engineer	50/day	50-100/day	50/day	50-100/day	50-100/day
Assistant Engineers	50/day	25-50/day	35/day	25-50/day	25-50/day
Electrician	35/day	240-420/week	50/day	240-420/week	240-420/week
Other technical staff	50/day	-	-	-	-
4. Performance					
Casting	variable	200/day	-	200/day	200/day
Actors	30-150/day	150-400/day	150/day	150-400/day	150-400/day
5. Equipment					
Cameras	150/day	150/day	100-200/day	150/day	150/day
Recording equipment	N/A	100/day	50/day	100/day	100/day
Lighting	100/day	N/A	40-100/day	N/A	N/A
Machines	200/day	N/A	N/A	N/A	N/A
6. Logistics					
Drivers	30/day	35/day	25/day	35/day	35/day
Travel expenses	120/day	120/day	N/A	120/day	120/day
Team accommodation	25/day	70-100/day	20-60/person/night	70-100/day	70-100/day
Other expenses	125/day	N/A	N/A	N/A	N/A
7. Payment of rights					
Copyright purchase/deposit	N/A	200 - 1,000	N/A	200 - 100	200 - 100

Sequence/footage purchase	***100 - 600/hour From Jordan TV***	***100 - 600/hour From Jordan TV***	***100 - 600/hour From Jordan TV***	***100 - 600/hour From Jordan TV***	***100 - 600/hour From Jordan TV***
Adaptation rights	N/A	N/A	N/A	N/A	N/A
Rights on sound	N/A	N/A	N/A	N/A	N/A
Musical rights	N/A	N/A	N/A	N/A	N/A
Original score	N/A	N/A	N/A	N/A	N/A
Other rights	N/A	N/A	N/A	N/A	N/A
8. Other expenses					
Insurance	72.5/person/week	N/A	72.5/person/month	72.5/person/month	72.5/person/month
Communication	10 cents/minute	N/A	N/A	N/A	N/A
Tips	N/A	N/A	N/A	N/A	N/A
Furniture	1,500	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
9. Post-production [see comment (II)]					
Studio cost	700-1,500/day	700-1,500/day	700-1,500/day	700-1500/day	700-1,500/day
Editor's fee	N/A	N/A	N/A	N/A	N/A
Sound mixing	715 – 3,000/project	715 – 3,000/project	715 – 3,000/project	715 – 3,000/project	715 – 3,000/project
Sound Engineer's fee	N/A	N/A	N/A	N/A	N/A
Print costs	N/A	N/A	N/A	N/A	N/A
Laboratory	360/day with operator	360/day with operator	360/day with operator	360/day with operator	360/day with operator
Dubbing/subtitling	N/A	N/A	N/A	N/A	N/A
Total*	-	-	-	-	-

The production costs mentioned in the case of Jordan correspond to average practiced prices for each item. Except for documentaries, where a price bracket is provided. It illustrates the volatility of the rates according to the commercial potential of the project (and to its position within the broadcaster's programme schedule), a key element of the budget amount of the work. Therefore, they do not refer to the specific cost structure of a given work. There is no more film production in Jordan. The prices indicated for this genre are thus purely hypothetical, calculated on the basis of the pricing practices specific to television fiction.

Generally produced in-house by the broadcasters on the basis of the channel's salaries and technical means, television fictions, magazine programmes and TV shows are structured according to a common compensation schedule. The amount of a programme's estimate is thus conditioned by the duration of the shoot and by its position within the programme schedule (which conditions the amount of the high and low compensation standards of each position).

According to the nature of the project, the director's salary can thus range from $250 to $1,000/day. The compensation for the other positions seems less flexible in face of increases: the range of salaries for the production manager stretches from $300 to $550, for the actors from $100 to $400 and for the cameraman from $90 to $250.

The economy of the main Jordanian audiovisual contents thus seems to value the director as the main input likely to influence on the overall quality of the project and on its potential success. For a given project, the differences in compensation between the various items are relatively restricted. In the case of a project endowed with a restricted budget, the staff costs of the technical and production teams vary between \$25 for assistants and \$300 for the production manager.

For a high-end project, the director stands out with a salary of \$1,000/day, i.e. \$450 more than the production manager (second salary of the entire staff). However, excluding this position, the range of salaries remains narrow: it stretches from \$50 to \$550.

From the viewpoint of the broadcasters' in-house programmes, the economy of Jordanian documentaries reveals much more restricted means.

Compared with the low standard of television fiction, the compensation level of the documentary's staff is divided in half. This characteristic is particularly true in the case of the production staff: -53 % for the daily salary of the assistant director, -28 % for the director, -50 % for the production manager and the screenwriter, -60 % for the make-up artist, -70 % for the art director.

There again, the compensation basis for technical teams is more in phase with the practices of the television fiction. For the documentary, the cameraman's hourly wage is even higher than that practices for a low-end television fiction.

II.6. Production costs of audiovisual programmes in Latvia

Table 36: Production costs of Latvian audiovisual works

US $	**Case 1: Work of film**	**Case 2: TV fiction**	**Case 3: Documentary**	**Case 4: Magazine programme**
Media	Super 16, blown up to 35 mm	Beta SP	Digi Beta	Beta SP
Duration	90 min	7*52’	52 min	26 min Monday to Friday 6:30 pm Live
Co-producing country	none	none	France	none
Production costs				
1. Project development				
Screenwriting	15,444	550	1,557	223
Location scouting for outdoor shoots	13,647	476	-	-
Shooting authorisations	-	-	10,749	-
Feasibility analysis	-	-	21,838	-
Other expenses	7,297	-	5,716	-
2. Production team				
Director	25,740	1,601	10,768	165
Assistant Director/Production Assistant	3,064	976	4,102	-
Screenwriter	2 076	238	-	-
Production Manager	9,576	659	6,153	-
Production Department	-	-	-	-
Make-up Artist	3,830	612	586	13
Special Effects	-	147	-	-
Set Dresser - Costume Designer	-	863		6
Art Director	12,870	965	3,296	7
Assistant Art Director	2,297	-	-	-
Prop Man	1,946	-	-	-
Costume Designer	3,830	-	-	-
Assistant Costume Designer	2,189	-	-	-
Accountant	3,907	604	659	
Other expenses	-	659	-	141
3. Technical team				
Camerman	15,444	769	5,219	97
Assistant Cameraman	5,186	445	3,736	-
Sound Engineer	4,309	528	-	64
Assistant Sound Engineer	2,189	-	-	-
Lighting Engineer	2,083	343	-	42
Assistant Engineers	2,083	-	-	-
Electrician	-	-	-	-
Portrait and Still Cameraman	2,681	-	-	-
Stage Hand	1,946	-	-	-
Other technical staff	-	-	-	42
4. Performance				
Casting	-	-	-	73
Actors	51,480	5 092	1,612	-
Extras	6,895	-	-	-
5. Equipment				
Cameras	**43,642**	-	16,254	46
Recording equipment	6,895	-	1,582	39
Lighting	18,987	-	1,593	(included in the set of camera equipment)
Machines	11 855	-	-	-
6. Logistics				
Drivers	-	550	-	35
Travel expenses	6,950	733	962.05	37
Team accommodation	4,921	4,009	3,076	-

Other expenses	955	-	1,443	123
7. Payment of rights				
Copyright purchase/deposit	The film is an adaptation of a theatre play made by the author of the play		3,479	39
Sequence/footage purchase	-	37	-	-
Adaptation rights	-	-	-	-
Rights on sound	-	-	-	-
Musical rights	-	-	-	-
Original score	-	227	-	-
Other rights	-	-	-	-
8. Other expenses				
Insurance	1,432	55	2,992	-
Communication	6,131	366	-	31.13
Tips	-	-	-	-
Furniture	-	6,777		
Other	11,043	-	2,344	-
9. Post-production [see comment (II)]				
Studio cost	16,065	-	-	-
Editor's fee	-	-	-	73.26
Sound mixing	13,899	-	-	-
Sound Engineer's fee	-	-	-	43.96
Print costs	-	-	-	-
Laboratory	-	-	-	-
Dubbing/subtitling	-	-	-	-
Total*	344,784	23,189	77,129	1,340

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item. The percentages calculated in the table on the cost structure are based on the estimate obtained by adding up all the various expenses mentioned.

Table 37: Structure of production costs for Latvian audiovisual works

	Work of film	TV fiction	Documentary	Magazine programme	Animation
Artistic rights[1]	10.6%	4.5%	13.8%	19.6%	2.7%
Personnel	31.1%	33.3%	44.8%	54.4%	82.4%
Performance	16.9%	18.0%	2.0%	5.5%	2.3%
Technical means	23.6%	0.0%	25.2%	6.3%	9.4%
Film stock - lab	8.7%	0.0%	0.0%	0.0%	0.0%
Transport, expenses, production department	3.7%	18.7%	7.1%	11.9%	0.0%
Insurance, miscellaneous	5.4%	25.5%	6.9%	2.3%	3.2%
Total	100.0%	100.0%	99.8%	100.0%	100.0%

1. Artistic rights include all payments of rights and expenses pertaining to the development of the project.

Production costs of a work of film and of a television fiction

The selected film is a good example of the production conditions of Latvian feature films. Its budget is slightly higher than the average national production ($205,623 in 2003). Moreover, public support provided by the National Film Centre of Latvia makes up its main source of financing (78.3 %), where Media Plus Development provides 2.87 % of the estimate.

The compensation of the entire staff (including actors) represents more than 50 % of the estimate. At this level, the weight of the Performance expenses is particularly high (16.9 % of the estimate, compared with 11.5 % on average in the case of French film production). With a total amount of $51,480, the actors' overall compensation exceeds by close to 60 % that of the technical staff.

The compensations of the technical team are relatively even according to the position. Excluding the cameraman's salary, which is higher (second salary of the entire staff excluding actors), the compensations range from $5,168 (assistant cameraman) to $1,946 (stage hand). This characteristic is also confirmed in the case of the production team, excluding the director's (highest salary at $25,740) and the production manager's (third highest salary at $9,576) compensations.

The production of the selected television fiction is handled in-house by the ordering broadcaster. At this level, the use of the Technical Means and of the broadcaster's post-production equipment has not been assigned a value in the budget of the film. Even if precise data on the duration of the shooting is lacking, the difference between the value of the staff costs for the feature film and for the television fiction are such (twenty times less for the cameraman, twelve times less for the assistant cameraman, eight times less for the sound engineer) that it seems established to conclude that the overall economy of television fiction production is much more precarious than that of film production. The weakness of the Latvian television's resources and the lack of an equivalent aid system to that for film (see Section I) explain in great part these price differences.

Production costs of a documentary

The selected documentary is a mainly French co-production. Its financing essentially relies on public support (close to 70 % of the estimate) and on the prepurchase by a French channel. In Latvia, the financing of a documentary relies to a great extent on public support (which covers 55 % of the production cost on average).

A significant part of the production cost of the project studied is captured by expenses pertaining to Artistic Rights (close to 14 % of the estimate). The greatest part of these expenses is related to the pre-production phase with significant research and documentation work ($21,837) and to the payment of shooting rights in Latvian and Russian museums ($10,749).

There again, the shooting relied on a very reduced technical team: the cameraman and his assistant. The production team is larger (it includes an art director among others). Above all, the compensation of the main positions are relatively high, with respect, among others, to the levels observed in the case of film production: $10,767 for the director ($207.1/minute produced, compared with $286/minute produced in the case of the feature film for theatrical release), $4,101 for his assistant ($3,064 in the case of the feature film), $6,153 for the production manager (i.e. a cost/minute produced of $118.3, compared with $106.4 in the case of the feature film). These rates explain the significant weight of the staff costs in the estimate (44.8 %).

Production costs of a magazine programme

The selected magazine programme is broadcast live and it is interspersed with reports. The significance of the expenses for Artistic Rights reflects the programme's preparation costs ($223.4). Staff costs concentrate close to 60 % of the budget. At this level, the journalist in charge of the reports receives the highest compensation ($82.4 per programme). He is ahead of the host ($73.3 per programme) and of the producer ($73.3 per programme). These three positions capture close to 20 % of the programme's budget.

The item Other Production Expenses includes the salaries of the administrator ($36.6), of the consultant ($18.3), of the information officer ($3.66) and of the journalist in charge of reports. Moreover, the item pertaining to the cameraman includes the compensation of three studio cameramen and of the cameraman in charge of reports.

II.7. Animation production: a specific production process

The production of works of animation relies on a specific process with regard to the production of other audiovisual works. This singularity reveals an overall complexity and cumbersomeness. The pre-production phase includes the concept and preparation: writing, the creation of various *graphic design*[11] models, the *storyboard*[12], the *layout*[13]. The writing is broken down into synopsis, step outline (which relates the story scene by scene) and script (describes the action and scenery shot by shot, by associating the dialogue).

The production then relies on a complex sequence of steps. It starts by the transfer of the layout by the production designer, who puts it into colour, by observing link shot and continuity rules. The animation work is performed in three steps. Firstly, the realisation of movement is performed based on the layout. The animator thus produces the key drawings, indicates the number of intermediary drawings and the rhythm. These drawings are reused and executed to the standards, according to model sheets.

The inking of the animators' drawings then allows stains and other undesired marks to be eliminated. The drawings made manually are then scanned, prior to computerised colouring. At this level, the use of computers allows for considerable productivity gains with regard to traditional manual colouring. Moreover, the digitised image allows operations that used to be impossible before: correction of errors, addition of effects, modification of framings, inclusion of other images from other sources (real or 3D views). Compositing then replaces the traditional final verifications.

Post-production starts once the sound and visual elements have been completed. The animation's sound line includes the recording of final voices (which can give rise to several language versions) the recording of the music and sound effects. Mixing combines the various sound tracks in order to obtain the final soundtrack. It also consists in assembling the shots and the sound. However, animation does not allow the same operations during editing as real film takes, since the breakdown has been fixed during the storyboard step[14].

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[11]The *design* groups all graphic reference documents.

[12] The storyboard is a graphic description of the film. It combines the script and design elements in a series of illustrations. These show the progress of the action shot by shot. The storyboard can be recorded on a dialogue track, in order to create a visual model and this in view of verifying the correctness of the timing and the relevance of link shots. The display sheet provides a summary of all elements in each shot and updates them as when they are created.

[13] The layout is made from the various sheets of the model, of the storyboard and of the data recorded on the display sheet. They are actual size drawings representing each scene of the storyboard in an animated version. This step makes it possible to prepare each shot with the appropriate framing in view of animation and shooting.

[14] The recent development of 3D has brought some developments to the production process. It includes three phases: modeling, animation and rendering. The modeling of a character aims to create a skeleton that can be

The multiplication and high degree of specialisation of tasks explain the expensiveness of works of animation. In 2004, French works of animation (intended for television) thus had a production cost per minute produced of €9,808, which was hardly lower than that for television fictions (€14,454) despite the fact that these are burdened by star system phenomena that characterise the actors' compensations.

This level is particularly high, considering that French works of animation are intended for less effective advertising slots in terms of pricing than those for television fiction. Above all, the production of works of animation requires a qualified workforce in phase with a permanent technological development. It is thus widely conditioned by the availability of appropriate training.

Under these conditions, the development of animation production is very limited in many countries. For the ten countries in our study, only three have provided information at this level. Moreover, for one of them, this information concerns the production of short animated inserts sometimes included within standard programmes.

The Cambodian programme corresponds to this case. It reflects the reality of local animation production. It generally consists of small animated sequences in adverts. However, the example mentioned has been produced by a company ranked among the high end of Cambodian production. Its production cost ($6,000 for 3 minutes) is twice the price practiced on average on this segment ($6,000 for a six-minute advert).

The production of the sequence required the intervention of a foreign technician specialised in special effects. He was assisted by one or two Cambodian technicians for the animation, storyboard and compositing and played the roles of the director, graphic artist and art director. He thus concentrates the major part of the staff costs. The production manager's salary also is considerable. It is not mentioned, because it is included in the administrative expenses of the project in which the animated sequence is inserted. Generally, the production manager's compensation amounts to 15 % of the overall budget.

Only Colombia and Latvia show a more considerable activity. Moreover, the first Nigerian feature-length animation is currently in production, its overall estimate is valued at $40,000

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animated as well as textures. The animation consists in positioning the animate elements at a specific moment, i.e. in a specific image, and to save a key of this position. In 3D, the rendering of textures is performed at the time of modeling. After the animation, a lighting preparation and shot adjustment phase refines the lighting to guarantee the coherence of the sequence and of the effects. When the shot has been completed, it can be calculated. Once the final images are stored on the desired media (computer file, video tape or 35 mm), the post-production of a 3D work is similar to that of a 2D work.

(for a duration of 100 min). Animation production is very limited in Egypt, most broadcasted programmes are imported. However, over the past five years, two domestic series have met significant success on public channels.

The Colombian animation programme

The Colombian example is an exception that hardly reflects the reality of domestic animation production. It is indeed the only entirely animated programme in the Colombian television's history. Produced by the country's main animation studio, it has been withdrawn from programming after two years due to its high cost, half-hearted reviews and a relative lack of interest from the public. In addition to the expenses mentioned, this project required considerable structural investments: $10,945 for the acquisition of new equipment, $2,500 for furniture and accessories and $440 for art supplies, i.e. the equivalent of a $534 expense per episode. To this are added significant administrative expenses (estimated at $1,280 per episode).

Except for this example, there are no regular animation programs on Colombian channels. Similarly, a single feature-length animation has been produced for theatrical release. However, no budget data is available for this film which has been produced by a half professional and half scholastic organisation. According to our contact, the project involved very little general expenses and the costs were very low. The only significant expenses were the transfer of the video to film reels carried out in the U.S.A. and the printing of 35 mm prints.
In fact, the main use of works of animation is for televised adverts. However, it is an outlet that is by no means insignificant and which allows the existence of a fabric of about a hundred small highly specialised companies (particularly for 3D).

The Latvian animation programme

Historically, animation has always imposed itself as a central genre in Latvian audiovisual production. In 1965, Arnolds Burovs founded the Latvian puppet animation studio. After a slack period in the 80's, the rapid development of the Riga studio allowed the revival of Latvian animation within the scope of a partnership with the French companies Tiramisu and les Armateurs. The Studio has thus actively collaborated in the production of Kirikou and Triplettes de Belleville (more specifically on intervals, scenery and the elaboration of extra characters).

At the same time, new talents have emerged. Director Nils Skapâns perpetuates the tradition of puppet animation films with a genuine international recognition. His film Lidojam received the Glass Bear at the Berlin Children’s Film Festival (1995). His last film (Redzi, Trusi?.. Tētis brauc uz Londonu!) was part of the official selection of the Berlin International Film Festival (2005).

Similarly, director Vladimirs Leščovs (from Studio Riga) has become famous at the international level. His first film (Vectēva medus, 2003), produced using a very particular technique (oil paint on glass), has received awards in several international festivals. His second film (Bezmiegs, 2004, 7 min) produced using the pastel technique also is successfully taking part in numerous festivals.

Animation makes up the main activity of local film production studios. According to IMCA (2004), the production stemming from the thirty or so Latvian production studios in 2002 consisted of two feature films, six short films, ten documentaries and six animation films. Most Latvian audiovisual services companies are also specialized in the animation sector.

The selected work of animation is a mainly Estonian co-production intended for theatrical release. Its budget is close to twice as much as that of a classic Latvian feature film. Its cost/minute produced thus amounts to \$7,667, compared with \$3,831 for a classic work of film. Due to this relative expensiveness, an international co-production is essential to ensure the financial feasibility of the project.

Staff costs capture close to 85 % of the estimate, compared with 35.5 % in the case of a work of film. At this level, the compensation of both directors represents by far the main expense: \$80,098, i.e. close to 14 % of the production estimate. The overall amount of the compensations pertaining to the positions Animators (\$126,968) and Background Colourists (\$110,488) hints at the significant number of personnel assigned to these tasks.

Table 38: Production costs of works of animation

US $	Colombia	Latvia	Cambodia
Format	2D	35 mm	2D
Duration	26 30-min episodes	75 min	3 min, included in an educational documentary film
Production costs	Per episode		
1. Project development			
Screenwriting	440	8,770	(1a)
Feasibility analysis	-	-	-
Other expenses	-	-	-
2. Production team			
Director	600	80,098	1,500 (1b)
Assistant Director	-	16,779	-
Production Manager	500	7,076	(1c)
Production Assistant	-	19,816	-
Production Designer	350	16,417	(1b)
Set Designer	350	-	(1b)
Graphic Artist	-	-	-
Character Animator	350	1,438	500 for one character, or 75/d
Background Animator	350	21,942.1	35/h or 75/d
Colourist	-	-	-
Storyboard Manager	-	-	-
Storyboarder	250	3,474	30/h or 75/d
Layout Manager	-	-	-
Layout Artist	250	16,400	-
Animation Manager	-	18,656	30/h or 75/d
Animator	250	126,968	-
Special Effects Animator	-	-	-
Background Colourist	250	110,488	-
Digital Colouring Manager	-	-	-
Digital Colourists	-	-	-
Digital Compositing Manager	-	-	500
Compositor	-	48,566	-
3. Technical team			
Sound Engineer	350	-	500 (1d)
Assistant Engineer	-	-	-
Computer Engineers	-	-	-
Other technical staff	-	-	-
4. Performance			
Casting	-	-	-
Voices	2,000	-	100
5. Equipment			
Cameras	-	-	-
Computer equipment	-	48,566	-
Equipment for the model and animation	-	-	-
Recording equipment	-	-	-
Lighting equipment	-	-	-
Machines	-	-	-
Other (studio equipment)	-	7,250	-
6. Logistics			
Drivers	-	-	-

Transport expenses	-	-	-
Accommodation for teams	-	-	--
Other expenses	-	-	--
7. Payment of rights			
Copyright purchase/deposit	-	-	--
Sequence/footage purchase	-	-	--
Adaptation rights	-	-	--
Rights on sound	-	-	--
Musical rights	-	-	--
Original score	-	3,290	(1d)
Other rights	-	-	-
8. Other expenses			900 (1c)
Insurance	-	3,629	-
Communication	-	15,441	-
Tips	-	-	-
Furniture	-	-	-
Other	-	-	-
9. Post-production			
Studio cost	-	-	-
Editor	400	-	-
Sound mixing	-	-	-
Sound Engineer	-	-	-
Print costs	-	-	-
Laboratory	-	73,032	-
Dubbing/subtitling	-	10,999	-
Total*	10,000 per episode	659,095, excluding prints: 575,064	6,000

*The overall estimate is the one mentioned by producers and it may not correspond to the sum of the expenses mentioned for each item.

(1a) The writing of the animated sequence is included in the script of the educational documentary for which it has been produced. The total cost of the script amounted to $1,000.

(1b) This sequence required the intervention of a foreign technician specialised in special effects: he played the roles of director, animator and art director and was assisted by one or two Cambodian technicians for the animation, storyboard and compositing.

(1c) The salary of the production manager, who also is the producer, is included in the administrative expenses, representing on average 15 % of the overall budget. These expenses also cover other expenses, such as tips or communication. Please note that producers increasingly allow for a small amount under “unforeseen”, in anticipation of the application of the copyright law or in case a specific tax is created for this type of revenue, which is very likely to occur suddenly in this country.

(1d) This price includes the creation of the soundtrack and of the music.

GENERAL CONCLUSION

The situation of the main audiovisual markets reveals many disparities between the countries in our sample. First of all, these concern the amount of financial resources. With overall resources of more than three billion dollars, the Mexican television thus stands out as one of the main markets at the international level. Its situation strangely contrasts with the position of the African, Cambodian and Latvian broadcasters. In their case, the weight of the television resources in the GNP confirms chronic under-financing with regard to the standards of high-revenue OECD countries.

These financial disparities are also expressed at the level of the resources mobilised within domestic film production. The sole investments of Indian film production exceed by far all the resources mobilised by the nine other countries in our sample when it comes to the financing of their domestic films.

Finally, the discrepancies concern the structural organisation of the programme market. Some countries (Mexico, Colombia, Jordan and Egypt) thus favour a production mode of programmes made in-house by the broadcasters. Conversely, other countries rely on a process founded on the independence of production. It then stands out as either the consequence of an evolution boosted by the market (India), or as the result of a political choice established by a sharp regulation system (Latvia), or as the result of the broadcasters' lack of resources (African countries, Cambodia). In the latter case, the producers' independence can sometimes come hand in hand with a certain closeness (of a technical nature) to broadcasters (African countries). Likewise, the broadcasters' financial weakness generally ends in a significant intrusion of NGOs or organisations aiding the financing of works.

Despite this diversity, all countries covered in our study confirm a common characteristic: the difficulty to provide precise data on the breakdown of the production costs of audiovisual programmes. In many countries of our sample, the production industry of staple audiovisual programmes generally is hardly structured. The production of works thus greatly is a matter of informal economy. Under these conditions, some information could not be filled in for the simple reason that it concerned data that does not exist.

Moreover, when the data is available, producers were reluctant to communicate them due to their strategic nature. The information obtained must therefore be considered with great care: as producers attempt to maximise the contribution from external investments (public as well as private), they generally tend to artificially inflate their estimates.

This is not a characteristic that is specific to developing countries alone. With a few rare exceptions, a similar study on a sample of western countries would most likely have been confronted with similar difficulties.

Yet, this data collection has allowed us to identify certain striking facts. Indeed, if the range of costs found according to genre varies strongly between the countries, the hierarchy of genres according to cost/minute reveals a certain homogeneity. In most cases, the cost of staple works exceeds by far that of throwaway programmes. Only India departs from this principle. The production cost/minute of the selected Indian documentary ($288/minute) thus is lower than that of the magazine programme ($333/minute).

Within staple works, feature films for theatrical release stand out as the most costly productions. The range of estimates extends from $55 000 in the case of Nigeria to $650 000 for Indian production. On this segment, the distribution of estimates according to the country is closely related with the size of the attendance market. Indian films are more expensive, ahead of Mexican, Egyptian, Latvian, Burkinan and Colombian productions. In the case of Burkina Faso and Latvia, the mobilisation of significant resources, with respect to a modest cinema attendance, shows the direct repercussions of public support mechanisms (Latvia) or financing methods based on international co-production (Burkina Faso).

The intrusion of financing mechanisms far removed from the simple dynamics of the market also explains the relative high price for the documentary. Of course, in all countries, the entire set of documentaries studied within the scope of the present study have an overall production cost that is considerably lower than that of feature films for theatrical release and of television fictions, as is the case in the French situation. Yet, an analysis of the production cost per minute in many countries reveals a high price for documentaries that is relatively close to (if not higher than, as is the case in Latvia) that of television fictions or feature films for theatrical release. This closeness of production costs/minute concerns India (documentaries vs. television fictions), Latvia (documentaries vs. television fictions), Egypt (documentaries vs. feature films for theatrical release), Nigeria (documentaries vs. feature films for theatrical release) and Cambodia (documentaries vs. television fictions).

A convergence that is even the more so meaningful that for many countries television fictions, as opposed to documentaries, are produced in-house by the ordering broadcaster, which implies a minimisation of the expenses pertaining to Technical Means.

Such a situation perfectly illustrates the specificity of documentary production in the countries of our study. For most of them, there is no structured market for this genre. In fact, the main broadcasters (excepting public channels) only include a very modest amount of documentaries in their programming. The documentaries' economy is thus conditioned to a large extent by public or semi-public financing (NGOs, international organisations, international co-production with a financing met to a great extent by aid systems). As a result, pricing practices are disconnected from market mechanisms that generally prevail in the case of television fictions or film production.

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