

30 October 2003

Coverage
United Kingdom
Theme
Economy

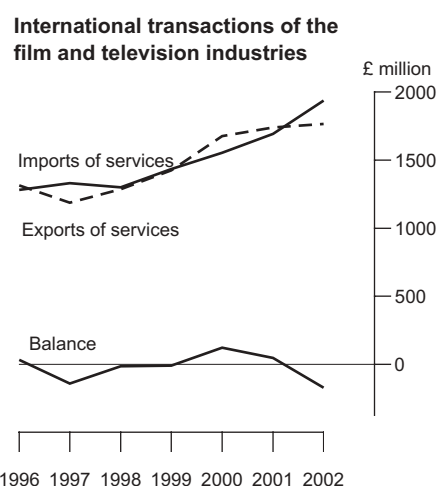
International service transactions of the film and television industries, 2002

In 2002, the total exports of services by the film and television industries was £1,766 million, an increase of 2 per cent on 2001. The total imports was £1,938 million, an increase of 14 per cent on the previous year. The overall effect has been an increase in the net deficit to £173 million in 2002.

In terms of the film and television material alone (i.e. excluding the 'other services' component), the film industry showed a net surplus of £187 million. A 23 per cent decrease from the 2001 figure of £244 million. The television industry showed a net deficit of £553 million.

Net earnings for 'other services' (see background note 7) has risen 44 per cent to £194 million. The second largest surplus in the period covered by this report (Table 6).

The table below shows the changes since 1996 in total international transactions of the film and television industries.



Issued by
National Statistics
1 Drummond Gate
London SW1V 2QQ

Telephone
Press Office 020 7533 5725
Public Enquiries 020 7533 5888

Statistician
Mark Pollard 01633 819098
mark.pollard@ons.gov.uk

Internet
www.statistics.gov.uk

Next publication date
TBA

International transactions of the film and television industries

	1996	1997	1998	1999	2000	2001	2002
<i>£ million</i>							
Exports of services	1314	1188	1286	1424	1677	1739	1766
Imports of services	1282	1331	1300	1435	1555	1693	1938
Balance	32	-143	-14	-11	122	46	-173

Film companies

Receipts of film companies from abroad (exports) have decreased from £700 million in 2001 to £657 million. Payments (imports) have risen slightly from £456 million in 2001 to £470 million in 2002 (Table 1). As a result, the positive balance of the film industry has decreased to £187 million in 2002, from £244 million in 2001.

Table 2 shows the split in the film industry’s international transactions between production and royalties (transmission rights, licences, etc.). Exports for royalties have shown a further decrease of 7 per cent to £434 million. Imports have remained stable at £403 million. Receipts from abroad for the production of films in the UK fell to £222 million, a decrease of 4 per cent from 2001. Payments for production work abroad have increased to £67 million from £50 million in 2001.

The contribution made to the film industry by subsidiaries of the major US film companies that are based in the UK are illustrated in Table 3. In 2002, the value of exports fell by 7 per cent and imports increased by 11 per cent from 2001. Other companies, who are not subsidiaries of major US film companies, show small decreases for both exports and imports. Compared to 2001, exports in 2002 have decreased by 5 per cent and imports by 3 per cent.

Table 4 contains a geographical analysis of the international production and royalties transactions by film companies. 49 per cent of the film industry exports were to the USA, a slight increase from 48 per cent in 2001, while 66 per cent of its imports were also from the USA, an increase from 64 per cent in 2001. By comparison, nearly 40 per cent of film companies’ exports and 31 per cent of their imports were to and from Europe respectively. European exports and imports showed a 5 per cent and a 13 per cent increase respectively compared to 2001 (Charts 3 and 4).

Chart 3 – Film industry: 2002 exports

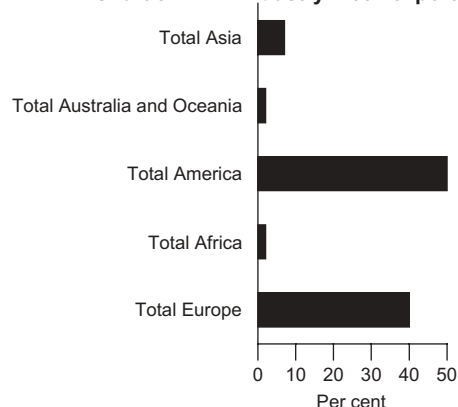
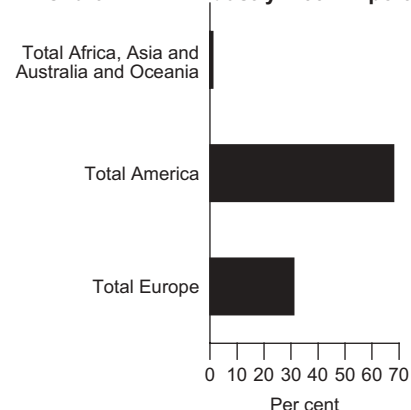


Chart 4 – Film industry: 2002 imports



Television companies

Television companies consist of terrestrial broadcasters and also satellite and cable companies, where these were concerned with television functions other than simply transmitting channels via direct broadcast or cable. Table 1 shows that international receipts (exports) has again increased. Between 2001 and 2002 receipts rose from £673 million to £684 million. International payments (imports) have again shown an increase from £1007 million in 2001 to £1237 million in 2002, an increase of 23 per cent. The negative balance for international transactions by the television industry has increased from £334 million in 2001 to £553 million in 2002.

Table 5 shows the geographical analysis of television companies' international transactions. As in 2001, the largest share of exports (51 per cent) was to Europe, amounting to £350 million, followed by the USA with £194 million or 28 per cent of the total. The television industry imports from the USA were estimated at £742 million and from Europe, £428 million, (Charts 5 and 6).

Other transactions in services

In 2002, exports of 'other services' by the film and television industries rose by 16 per cent to £425 million, almost returning to the 2000 level. Imports remained stable at £231 million (Table 6). The balance therefore rose to £194 million, a 44 per cent increase on 2001.

Chart 5 – TV industry: 2002 exports

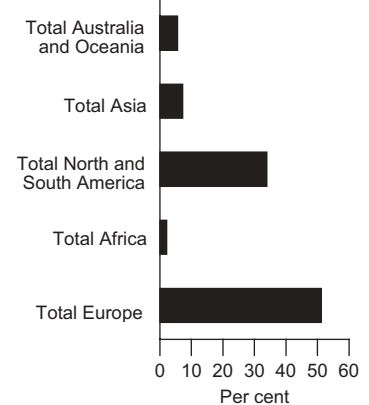
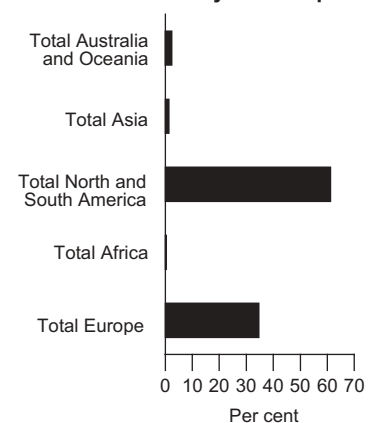


Chart 6 – TV Industry: 2002 imports



BACKGROUND NOTES

1. A total of 671 film and television companies were approached for the Film and Television Survey 2002. Apart from a fixed panel of the largest companies, businesses were randomly sampled from the businesses classified to 92110, 92120 and 92202 on the Inter Departmental Business Register (IDBR) and stratified by employment. Of those that responded, 178 (32 per cent) reported international transactions. Companies were asked to provide figures for the calendar year 2002 where possible, although some firms provided figures for their nearest accounting year.
2. Amounts are shown against the geographical area from which they were received – irrespective of where they were first earned.
3. European Free Trade Area (EFTA) comprises Iceland, Liechtenstein, Norway and Switzerland.

International transactions

4. The statistics on film companies cover the value of transactions between the UK and residents in other countries in respect of the production of films of any width and also recordings on tape, disc or any other media. Performance in cinemas or on television is also covered. Performances in cinemas or on television include the outright sale or purchase of films as well as receipts or payment for rentals.
5. Production of films includes international receipts and payments for film processing, printing, editing, etc. as well as amounts for work done on location. The returns from film companies include their international transactions on behalf of another producer, distributor or agent in the UK.
6. Receipts for production work in the UK comprise funds from abroad or from amounts held in the UK on behalf of residents in other countries, and sums applied to the repayment of loans raised in the UK. Amounts for film production, including location work abroad, remitted from the UK or from amounts held abroad on behalf of UK residents are included as debits (imports). A resident is any individual, enterprise or other organisation ordinarily domiciled in the UK. UK branches and UK subsidiaries of foreign enterprises are regarded as UK resident.
7. The statistics include transactions by film and television companies for "other international services transactions". These include items such as management fees, merchandising and agency fees. These services are included in the headline figures and are shown separately in Table 6.

8. Not all of the international transactions of film and television companies that affect the UK's Balance of Payments are included in these statistics. Excluded are the profits of UK subsidiaries and branches attributable to the parent companies in other countries and also those profits due to the UK from subsidiaries and branches of UK companies operating in other countries. However, these amounts are included under "Investment Income" in the Balance of Payments.
9. The figures reported by companies in this survey include some imports and exports of exposed cinematographic film, which has also been recorded in the overseas visible trade accounts. However, the trade account figures for exposed cinematographic film include a number of elements not covered by this survey: items such as film flown in for processing and immediate return to the location abroad, and films imported and prints exported for and after processing by specialist laboratories on behalf of international customers. It is not possible to state the exact extent of the overlap but the survey results probably include about half of the export figure in the overseas trade account and a higher proportion of the import figure.

General

10. The tables give information in as much detail as is practicable without disclosing the details of individual firms.
11. Because the sample is selected randomly from the IDBR, it is feasible to give an indication of the possible error in the estimates due to the sampling process. These errors have been estimated as follows:

(£ million)	estimate	standard deviation
Exports of services	1,766	62
Imports of services	1,938	34

It is normally assumed that 95 per cent of values will lie within two standard deviations of the estimate. In other words, we are 95 per cent confident that the true value of exports lies between £1,642 million and £1,890 million. Also that the value of imports lies between £1,870 million and £2,006 million. However, there are other sources of possible errors, such as misreporting by contributors to the survey.

12. The sum of constituent items in tables may not always agree exactly with the totals shown due to rounding.
13. The following symbols have been used throughout:

.. disclosive data.

14. Details of the policy governing the release of new data are available from the press office.

15. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from political interference. © Crown Copyright 2003.

TABLE 1 INTERNATIONAL TRANSACTIONS 2002:
FILM AND TELEVISION MATERIAL

	£ million						
	1996	1997	1998	1999	2000	2001	2002
<u>Exports (1)</u>							
Film companies (2)	888	650	581	653	698	700	657
Television companies	234	313	444	440	551	673	684
Total	1122	963	1025	1093	1249	1373	1341
<u>Imports (3)</u>							
Film companies	652	525	437	375	610	456	470
Television companies	516	606	692	843	767	1007	1237
Total	1168	1131	1129	1219	1377	1463	1707
<u>Exports less imports</u>							
Film companies	236	125	144	278	88	244	187
Television companies	-282	-293	-248	-403	-216	-334	-553
Total	-46	-168	-104	-126	-128	-90	-366

1. Sums receivable from residents in other countries
2. Includes transactions by film companies in respect of rights restricted to television
3. Sums payable to residents in other countries

TABLE 2 INTERNATIONAL TRANSACTIONS OF FILM COMPANIES 2002:
ANALYSIS BY TYPE OF TRANSACTION

	£ million						
	1996	1997	1998	1999	2000	2001	2002
<u>Exports (1)</u>							
Royalties	686	438	427	508	487	468	434
Production of films	202	212	154	145	210	232	222
Total	888	650	581	653	697	700	657
<u>Imports (2)</u>							
Royalties	507	419	374	317	497	405	403
Production of films	145	106	63	58	113	50	67
Total	652	525	437	375	610	456	470

1. Sums receivable from residents in other countries, excluding "other services"
2. Sums payable to residents in other countries, excluding "other services"

TABLE 3 INTERNATIONAL TRANSACTIONS OF FILM COMPANIES 2002:
ANALYSIS BY TYPE OF TRANSACTION AND CATEGORY OF COMPANY

	£ million						
	1996	1997	1998	1999	2000	2001	2002
<u>Exports (1)</u>							
UK subsidiaries of major US film companies	623	439	319	362	416	371	345
Other	265	211	262	291	281	329	312
Total	888	650	581	653	697	700	657
<u>Imports (2)</u>							
UK subsidiaries of major US film companies	456	415	214	233	366	209	231
Other	196	110	223	142	244	246	239
Total	652	525	437	375	610	456	470

1. Sums receivable from residents in other countries, excluding "other services"
2. Sums payable to residents in other countries, excluding "other services"

TABLE 4 INTERNATIONAL TRANSACTIONS 2002:
ANALYSIS OF THE FILM COMPANIES BY GEOGRAPHICAL AREA

	£ million		
	Exports (1)	Imports (2)	Net
EUROPEAN UNION			
Austria	..	..	2
Belgium/Luxembourg	..	..	1
Denmark	1	0	1
Finland	..	..	1
France	70	20	50
Germany	63	6	57
Greece	18	0	18
Irish Republic	18	9	9
Italy	25	..	..
Netherlands	9	..	..
Portugal	2	..	..
Spain	13	3	9
Sweden	1	4	-3
Total European Union	224	133	90
Rest of Europe / Europe Unallocated	36	13	24
Total Europe	260	146	114
Total Africa	12	1	11
North and South America			
USA	325	312	12
Rest of America / America unallocated	5	6	-1
Total America	329	319	11
Total Asia	46	3	43
Total Australia and Oceania	10	2	8
Rest of World Unallocated	0	0	0
International Organisations	0	0	0
WORLD TOTAL	657	470	187

.. Denotes disclosive data

1. Sums receivable from residents in other countries, excluding "other services"

2. Sums payable to residents in other countries, excluding "other services"

TABLE 5 INTERNATIONAL TRANSACTIONS 2002:
ANALYSIS OF THE TELEVISION COMPANIES BY GEOGRAPHICAL AREA

			£ million
	Exports (1)	Imports (2)	Net
EUROPEAN UNION			
Austria	2	1	1
Belgium/Luxembourg	5	9	-4
Denmark	17	..	..
Finland	5	1	4
France	27	57	-30
Germany	58	19	39
Greece	2	1	1
Irish Republic	7	8	-1
Italy	26	13	13
Netherlands	30	112	-82
Portugal	4	0	4
Spain	17	6	10
Sweden	15	..	..
Total European Union	214	300	-86
Total EFTA	43	96	-53
Other European Countries			
Poland	18	2	15
Russia	38	1	36
Turkey	1	0	1
Rest of Europe / Europe Unallocated	36	28	8
Total Europe	350	428	-79
Africa			
South Africa	7	2	4
Rest of Africa / Africa Unallocated	7	1	6
Total Africa	14	4	10
North and South America			
Canada	14	6	8
USA	194	742	-549
Rest of America / America Unallocated	24	9	15
Total America	232	757	-525
Asia			
China	4	1	3
Hong Kong	2	1	1
Israel	4	2	1
Japan	9	3	6
Thailand	1	0	0
Rest of Asia/Asia Unallocated	30	10	20
Total Asia	49	17	32
Australia and Oceania of which:			
Australia	29	27	2
Total Australia and Oceania	38	30	8
WORLD TOTAL	684	1237	-553

.. Denotes disclosive data

1. Sums receivable from residents in other countries, excluding "other services"
2. Sums payable to residents in other countries, excluding "other services"

TABLE 6 OTHER INTERNATIONAL SERVICE TRANSACTIONS BY THE FILM AND TELEVISION INDUSTRIES 2002:

	£ million						
	1996	1997	1998	1999	2000	2001	2002
Exports (1)	192	225	261	330	431	365	425
Imports (2)	114	200	171	216	180	230	231
Net	78	25	90	114	251	135	194

See background notes for definition of "Other services"

1. Sums receivable from residents in other countries
2. Sums payable to residents in other countries