

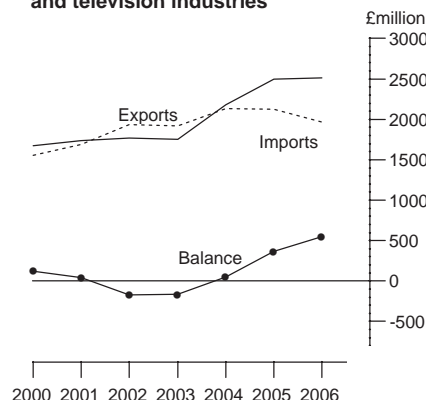
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Coverage
United Kingdom
Theme
Economy

International transactions of the UK film and television industries, 2006

In 2006, exports of all services, including “other services”, by the UK film and television industries were £2,511 million, a slight increase of 0.6 per cent on that recorded in 2005. Imports were £1,966 million, a decrease of 8 per cent on the 2005 imports of £2,128 million. The net surplus of £367 million in 2005 has increased by 49 per cent to £545 million in 2006.

International transactions of the film and television industries



Key findings

- The film industry showed a net surplus of £128 million in 2006 in film and television services; a 21 per cent decrease from the 2005 figure of £163 million.
- The television industry showed a net surplus of £112 million in 2006 in film and television services. Last year, as in the previous years, the net figure was a deficit with the value for 2005 being £332 million.
- Net earnings for ‘other services’ have reduced by 43 per cent to £305 million in 2006.

The chart above and table below show the changes since 2000 in total international transactions of the film and television industries.

Total international transactions of the film and television industries *

£million

	2000	2001	2002	2003	2004	2005	2006
Exports of services	1677	1739	1766	1751	2181	2495	2511
Imports of services	1555	1693	1938	1917	2131	2128	1966
Balance	122	46	-173	-166	50	367	545

* See background notes

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Film industry

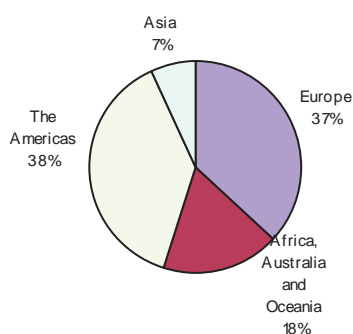
Table 1: Exports (receipts) of the film industry in 2006 have decreased slightly from £967 million in 2005 to £913 million, some 6 per cent. Imports (payments) have decreased by 2 per cent from £804 million in 2005 to £784 million in 2006. As a result, the positive balance of the film industry has decreased from £163 million in 2005 to £128 million in 2006.

Table 2 shows the proceeds from royalties. Export royalties (receipts) have decreased by 12 per cent to £582 million in 2006. Import royalties (payments) for 2006 are at a similar level as in 2005 with only a £6 million decrease.

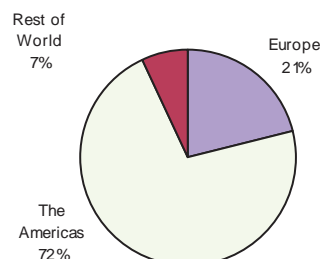
Table 3 shows the transactions broken down by the category of the company. Imports by UK subsidiaries of major US film companies decreased to £272 million. This is a 24 per cent decrease on the 2005 level of imports of £359 million and is the lowest level since 2002. Imports by other companies increased to £512 million in 2006. This is a 15 per cent increase on the 2005 level of £445 million and is the highest figure yet recorded.

Table 4 is a geographical analysis of the international production and royalties transactions by the film industry. In 2006 film industry exports to the USA decreased significantly to £333 million. This was 36 per cent of all film industry exports, down from £590 million in 2005. For imports, 70 per cent, or £549 million, of the total were from the USA. In 2005 the USA had made up 73 per cent of total imports. In 2006, £338 million (37 per cent) of film industry exports and £165 million (21 per cent) of their imports were to and from Europe respectively.

Film Industries: 2006 Exports



Film Industries: 2006 Imports

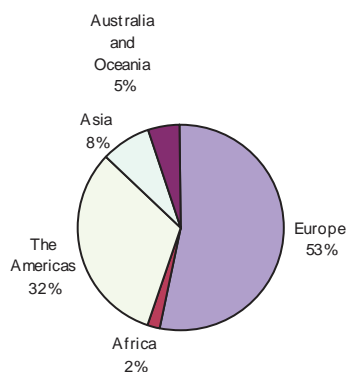


Television industry

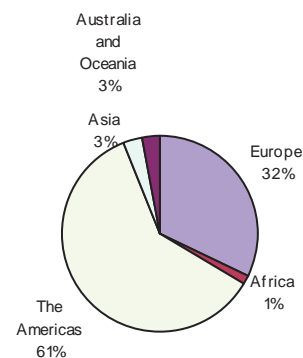
The television industry consists of terrestrial broadcasters and satellite and cable companies, where these were concerned with television functions other than simply transmitting channels via direct broadcast or cable. Table 1 shows that exports have increased from £740 million in 2005 to £995 million in 2006, a 34 per cent increase. Imports decreased by 17 per cent from £1,071 million in 2005 to £884 million in 2006. These movements of exports and imports produced a positive balance for international transactions by the television industry, rising from a deficit of £332 million in 2005 to a surplus of £112 million in 2006.

Table 5 shows the geographical analysis of the television industry's international transactions. As in 2004 and 2005, the largest share of exports (53 per cent) was to Europe, amounting to £532 million, followed by exports to the USA of £271 million, or 27 per cent of the total. The television industry imports from the USA were £516 million, 58 per cent of total imports. Imports from Europe decreased by 43 per cent to £284 million.

TV Industries: 2006 Exports



TV Industries: 2006 Imports



Other transactions in services

Table 6: In 2005, exports of 'other services' by the film and television industries have decreased by 23 per cent from £788 million in 2005 to £603 million in 2006. Imports have increased from £253 million in 2005 to £299 million in 2006.

Table 7 shows that exports for motion picture video production and distribution combined have decreased from £214 million in 2005 to £183 million in 2006.

BACKGROUND NOTES

BASIC QUALITY INFORMATION

1. **Link to Summary Quality Report:** A Summary Quality Report for Film and Television Industries can be found at www.statistics.gov.uk/qualityreports. This report describes, in detail, the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them. In 2004 the film and television questionnaire was part of a full scale International Trade in Services (ITIS) questionnaire review undertaken by Data Collection Methodology Section.

Relevance to users

2. **Source of data:** Apart from a fixed panel of the largest companies, businesses are randomly sampled from the businesses classified to standard industrial classification (SIC) 92110, 92120 and 92202 on the Inter Departmental Business Register (IDBR) and stratified by employment. Companies are asked to provide figures for the current calendar year where possible, although some companies provide figures for their actual accounting year.

3. **The tables**

These tables show the International Transactions of the film and television industry through a variety of formats. Many tables compare figures over several years, whilst other tables provide the most recent geographic and industry information. The tables provide information in as much detail as possible, without disclosing the details of individual companies. Any disclosive data is replaced by the following symbol throughout the tables "...". It is important to note that within the geographical tables, amounts are shown against the geographical area from which they were received, irrespective of where they were first earned.

4. **Types of transaction covered**

Production

The statistics on film and television 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. Performances in cinemas or on television are also covered. Performances in cinemas or on television include the outright sale or purchase of films as well as receipts or payments for rentals.

Production of films includes international receipts and payments for activities such as film processing, printing, editing, 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.

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 (exports). 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.

Royalties

These include items such as rights to use franchises, copyrights, licenses, patents and trademarks.

Other

The statistics also include transactions by the film and television industries for "other international service transactions". These include items such as management fees, merchandising and agency fees, which are included in the headline figures and shown separately within the tables.

5. Transactions not covered

Not all of the international transactions of the film and television industries 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.

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. Examples of these are 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.

Accuracy

6. Response rates

A total of 763 film and television companies were approached for the film and television survey of 2006. 672 forms were returned, giving a response rate of 88 per cent.

Standard errors

Because the sample is selected randomly from the IDBR, it is possible to give an indication of the possible error in the estimates due to the sampling process. These errors have been estimated for 2006 as follows:

(£ million)	estimate	standard deviation
Exports of services	2,511	156
Imports of services	1,966	247

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 £2,199 million and £2,823 million. Similarly the value of imports lies between £1,472 million and £2,460 million.

The nature of the Film and Television Survey means that the estimated standard errors are not particularly robust. This is due to extreme values which tend to be a feature of the survey.

7. Notes to tables

European Free Trade Association (EFTA) comprises Iceland, Liechtenstein, Norway and Switzerland.

The sum of constituent items in tables may not always agree exactly with the totals shown due to rounding.

The following symbols have been used throughout:

.. Figures suppressed to avoid disclosure of information relating to individual enterprises.

- Nil or less than half the final digit shown.

Publication policy

8. Further information

The complete series of First Releases are available to download free of charge at <http://www.statistics.gov.uk>.

Details of the policy governing the release of new data are available from the Press Office.

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**Table 1 International Transactions 2000 - 2006:
Film and Television Material**

	<i>£million</i>						
	2000	2001	2002	2003	2004	2005	2006
Exports¹							
Film companies ²	698	700	657	633	842	967	913
Television companies	551	673	684	677	664	740	995
Total	1249	1373	1341	1310	1506	1707	1908
Imports³							
Film companies ²	610	456	470	538	753	804	784
Television companies	767	1007	1237	1142	1100	1071	884
Total	1377	1463	1707	1680	1853	1875	1668
Exports less imports							
Film companies ²	88	244	187	95	89	163	128
Television companies	-216	-334	-553	-465	-436	-332	112
Total	-128	-90	-366	-370	-347	-168	240

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 the Film Industry 2000 - 2006:
Analysis by type of transaction**

	<i>£ million</i>						
	2000	2001	2002	2003	2004	2005	2006
Exports¹							
Royalties	487	468	434	400	399	660	582
Production of films	210	232	222	233	444	307	330
Total	697	700	657	633	842	967	913
Imports²							
Royalties	497	405	403	430	616	704	698
Production of films	113	50	67	108	136	100	86
Total	610	456	470	538	753	804	784

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 the Film Industry 2000 - 2006:
Analysis by type of transaction and category of company**

	<i>£ million</i>						
	2000	2001	2002	2003	2004	2005	2006
Exports¹							
UK subsidiaries of major US film companies	416	371	345	340	492	..	427
Other	281	329	312	293	350	..	486
Total	697	700	657	633	842	967	913
Imports²							
UK subsidiaries of major US film companies	366	209	231	298	501	359	272
Other	244	246	239	240	252	445	512
Total	610	456	470	538	753	804	784

.. 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 4

**International Transactions 2006:
Analysis of the Film Industry by Geographical Area**

£ million

	Exports ¹	Imports ²	Net
EUROPEAN UNION			
Austria	..	..	-
Belgium	..	..	-2
Denmark	..	..	2
Finland	2	1	2
France	13	14	-
Germany	16	16	-
Greece	..	..	24
Irish Republic	..	..	13
Italy	24	35	-12
Luxembourg	-	-	-
Netherlands	..	..	-35
Portugal	7	1	7
Spain	..	..	15
Sweden	..	..	2
EU Institutions	-	-	-
Czech Republic	1	7	-5
Estonia	..	..	-
Hungary	1	2	-1
Latvia	..	..	-
Lithuania	..	..	-
Poland	2	1	1
Slovakia	..	..	..
Slovenia	..	..	-
Cyprus	..	..	2
Malta	..	..	..
Total European Union	167	154	13
Total European Free Trade Association	6	6	-1
Other European Countries			
Russia	..	..	6
The Channel Islands	147	-	147
The Isle of Man	..	..	-
Turkey	3	1	2
Rest of Europe	..	..	3
Europe Unallocated	..	..	3
Total Europe	338	165	173
The Americas			
Brazil	..	..	-
Canada	5	1	5
Mexico	..	..	-6
USA	333	549	-216
Rest of America	..	..	-4
America Unallocated	..	..	-
Total America	344	565	-221

Table 4 continued

**International Transactions 2006:
Analysis of the Film Industry by Geographical Area**

£ million

	Exports ¹	Imports ²	Net
Asia			
China	..	..	..
Hong Kong	3	-	2
India	32	3	29
Indonesia	..	..	-
Israel	..	..	1
Japan	..	..	7
Malaysia	..	..	1
Pakistan	-	-	-
Phillippines	..	..	..
Saudi Arabia	..	..	..
Singapore	..	..	-
South Korea	..	..	-1
Taiwan	..	..	-
Thailand	..	..	-1
Rest of Asia	8	36	-28
Asia Unallocated	..	..	4
Total Asia	63	46	17
Africa, Australia and Oceania			
South Africa	..	..	15
Rest of Africa	..	..	1
Nigeria	..	..	-
Africa Unallocated	1	-	1
Australia and Oceania	..	..	143
Total Africa, Australia and Oceania	167	8	160
Rest of World Unallocated	-	-	-
International Organisations	-	-	-
WORLD TOTAL	913	784	128

.. 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 2006:
Analysis of the Television Industry by Geographical Area**

£ million

	Exports ¹	Imports ²	Net
EUROPEAN UNION			
Austria	1	-	1
Belgium	27	1	25
Denmark	..	..	22
Finland	6	-	6
France	59	25	34
Germany	37	9	29
Greece	4	-	3
Irish Republic	11	25	-14
Italy	20	2	18
Luxembourg	..	..	-6
Netherlands	27	24	3
Portugal	17	1	15
Spain	36	18	19
Sweden	..	..	8
EU Institutions	-	-	-
Czech Republic	4	1	3
Estonia	..	..	1
Hungary	..	..	17
Latvia	1	-	1
Lithuania	..	..	-
Poland	24	1	23
Slovakia	..	..	2
Slovenia	2	-	2
Cyprus	1	-	-
Malta	..	..	-
Total European Union	408	194	214
European Free Trade Association			
Iceland	1	-	1
Liechtenstein	..	..	-
Norway	..	..	11
Switzerland	..	..	-43
Total European Free Trade Association	40	71	-31
Other European Countries			
Russia	14	1	13
The Channel Islands	..	..	..
The Isle of Man	..	..	..
Turkey	3	-	2
Rest of Europe	39	1	38
Europe Unallocated	..	..	..
Total Europe	532	284	248
The Americas			
Brazil	2	1	1
Canada	29	10	19
Mexico	1	-	-
USA	271	516	-245
Rest of America	..	..	2
America Unallocated	..	..	8
Total America	320	534	-214

Table 5 continued

**International Transactions 2006:
Analysis of the Television Industry by Geographical Area**

£ million

	Exports ¹	Imports ²	Net
Asia			
China	2	1	1
Hong Kong	2	1	1
India	3	7	-3
Indonesia	1	-	1
Israel	6	2	4
Japan	19	3	16
Malaysia	1	-	1
Pakistan	-	-	-
Phillippines	..	..	1
Saudi Arabia	1	-	1
Singapore	..	..	-7
South Korea	3	-	3
Taiwan	..	..	1
Thailand	1	-	1
Rest of Asia	..	..	23
Asia Unallocated	..	..	3
Total Asia	76	29	47
Australia and Oceania			
Australia	36	27	9
New Zealand	10	2	9
Rest of Australia and Oceania	..	..	..
Oceania Unallocated	..	..	..
Total Australia and Oceania	48	28	20
Africa			
South Africa	16	6	10
Rest of Africa	..	..	..
Nigeria	..	..	..
Africa Unallocated	-	-	-
Total Africa	19	8	11
Rest of World Unallocated	-	-	-
International Organisations	-	-	-
WORLD TOTAL	995	884	112

.. 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 2000 - 2006

	<i>£million</i>						
	2000	2001	2002	2003	2004	2005	2006
Exports¹	431	365	425	441	675	788	603
Imports²	180	230	231	238	278	253	299
Net	251	135	194	203	397	535	305

See background notes for definition of "Other services"

1. Sums receivable from residents in other countries

2. Sums payable to residents in other countries

Table 7 Other International Service Transactions by the Film and Television Industries 2005 - 2006: by industry

	<i>£million</i>			
	2005		2006	
	Exports ¹	Imports ²	Exports ¹	Imports ²
Motion Picture Video Production	10)		10	3
Motion Picture Video Distribution	204)	81	173	..
TV Activities	574	171	420	..
Total	788	253	603	299

.. Denotes disclosive data

1. Sums receivable from residents in other countries

2. Sums payable to residents in other countries