national film and video foundation
SOUTH AFRICA

Co-Production Report 2010

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Acronyms

AUS	Australia
CAN	Canada
DTI	Department of Trade and Industry
EC	Eastern Cape
FR	France
GER	Germany
GP	Gauteng Province
IDC	Industrial Development Corporation
ITA	Italy
NFVF	National Film and Video Foundation
NW	North West
SA	South Africa
UK	United Kingdom
WC	Western Cape

1. Introduction

The Co-production analysis is an annual survey carried by the National Film and Video Foundation intended to analyse developments in official Co-productions that were assessed and /or certified by the NFVF.

International co-production treaties is another avenue through which the South African film producers can tap into international financing and talent to produce both films and television programmes that will find audience in both the co-producing countries.

South Africa currently has six co-production treaties with the following countries, Canada, United Kingdom, Italy, Germany, Australia and France. The Australian and French Treaties were signed in 2010 as part of the South African government initiatives to foster and promote the South African Culture and exposing local talent to the rest of the world. While the SA/Australian treaty has not been ratified, the SA/French treaty was ratified late in 2010. Treaty co-productions are treated as local content for quota purposes are entitled to financial incentives designed to support local content production in the participating countries.

Co-productions entail financial and creative commitments and the pooling of technical expertise as laid out in the official co-production agreement between the participating countries. There are a number of challenges that have been observed with regards to co-productions. The distribution of co-produced projects remains the biggest challenge, especially in the South African context. A majority of these projects are not exhibited to the South African audience and when exhibited locally, they are poorly marketed.

2. Purpose of the Report

The main purpose of this report is to analyse the impact and the economic value of co-productions and to asses if the objectives of co-production treaties are being met. Data is collected from files submitted for advance ruling application and therefore the information contained in the analysis may not be exact during the time of filming. The report also identifies emerging and existing trends in co-productions.

The report looks at the following indicators:

- Production budgets
- Number of projects per format
- Sources of South African funding and the level of investment
- Stimulated revenue on economic sectors
- Participation of South African cast and crew
- Filming locations and number of shoot days in South Africa

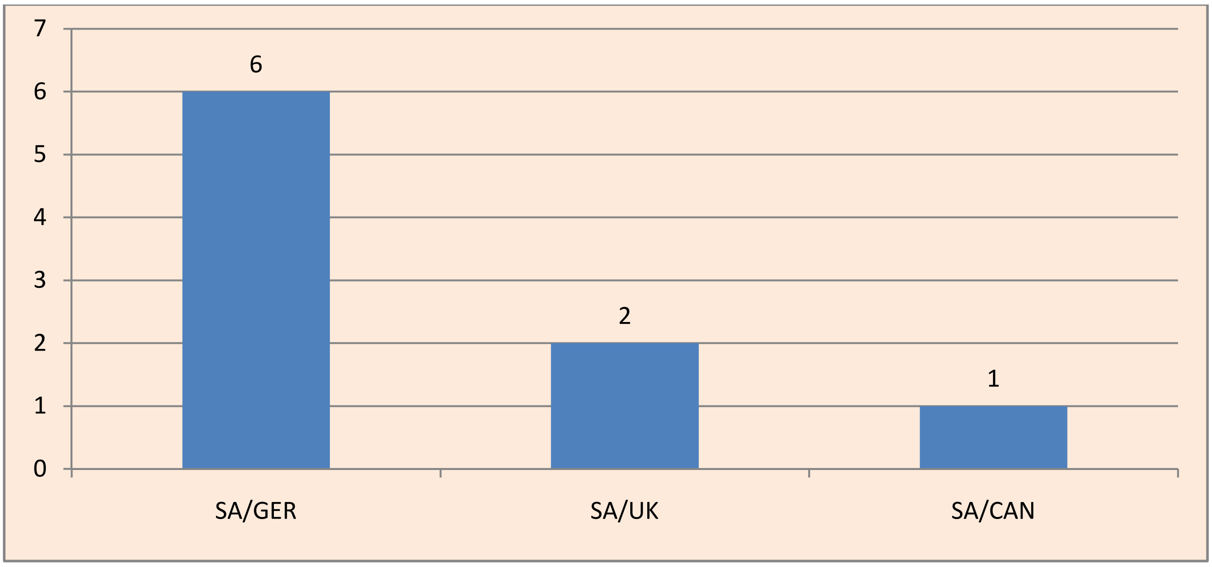
3. Data Collection

The population/sample comprises of all the co-productions projects submitted to the National Film and Video Foundation for advance ruling in 2010. A total of 10 projects were submitted for advanced ruling in 2010, however one project Death Race has been deliberately omitted from the analysis as part of the information was not captured. The first application under the SA/France treaty (Skoonheid), has also been omitted as the treaty was not yet operational.

4. Findings

4.1 Co-producing countries

Figure 1: Number of co-productions per treaty.



Of the six co production treaties South Africa has entered into, only three have been active during 2010. While Germany has cemented its role as a leading co-producing partner to SA, the UK claimed a second spot and Canada dropped to the least active treaty with only one project completed in 2010. According the NFVF 10 year review Germany has been SA's most active co-producing partner for two years running. The report further reveals that the SA/GER co-production created 11 projects in 2009 while SA/CAN only produced 4 projects. (NFVF, 2010). No projects have were assessed from the SA/Italy treaty in 2010.

A decline in a number of co-productions was experienced in 2010. The Ten Year Co-production review report reveals that 16 projects were submitted in 2009 against the 9 that were submitted for 2010. According to the report the 2009 success was speculated to be driven by the price-competitiveness of domestic goods, products and services, fairly stable weather conditions, world class shooting locations, lower interest rates and the weakening of the rand/dollar exchange rate. (NFVF, 2010). For titles of co-produced projects see annexure 1.

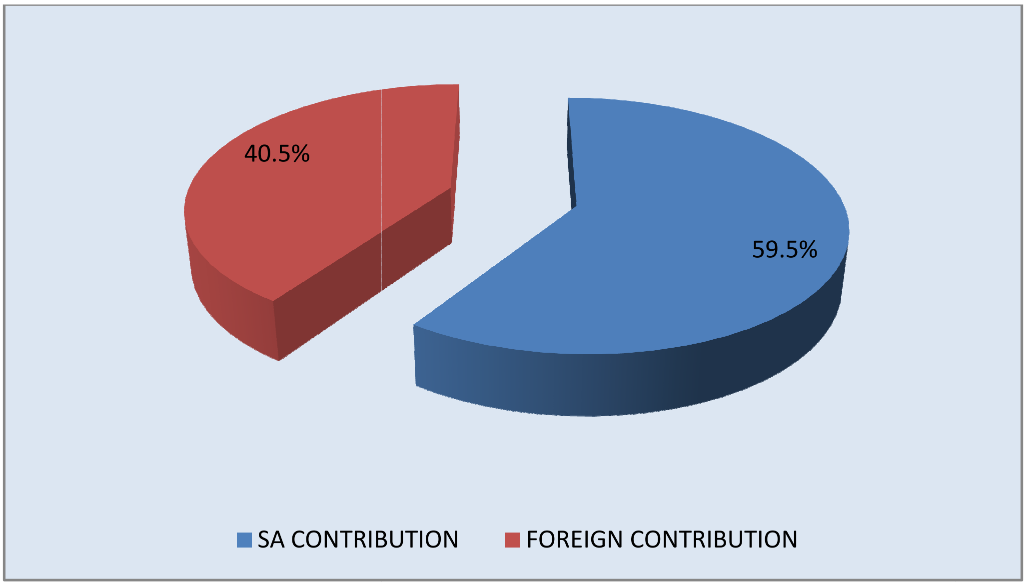
4.2 Production budgets

Table 1: Budget and contributions

CO-PRODUCTION COUNTRIES	TOTAL BUDGET	SA CONTRIBUTION	FOREIGN CONTRIBUTION
SA/GER	R 357 911 368	R 132 818 339	R 225 093 029
SA/UK	R 384 887 459	R 294 686 119	R 90 201 340
SA/CAN	R 94 219 756	R 70 664 817	R 23 554 939
TOTAL	**R 837 018 583**	**R 498 169 275**	**R 338 849 308**

One of the advantages of co-production projects is that they can draw both financial and human resources from both the co-producing countries. As depicted in *Table 1* above, the total volume for co-productions in 2010 was R 837 018 583. South Africa's contribution is value at 59.5% of the production budget. SA's co-producing partners contributed a share of 40.5% to the overall budget of co-productions as depicted in *figure 2* below.

Figure 2: Sources of Funding.



The production of content relies heavily on financing from both the private and public sector. In South Africa the major sources of funding for film production remain the Industrial Development Corporation (IDC), Department of Trade and

Industry (DTI) National Film and Video Foundation (NFVF). The NFVF which is also the competent authority in the certification of co-production is also mandated to provide funding, however in the 2010 co-productions the institution has not contributed financially to any co-production. It has to be noted that not all co-productions projects apply for the NFVF funding. Reasons could be that the producers can raise funding from other private sources from the 2 co-producing countries.

The DTI and IDC contributed with R 46, 240,000 and R 45, 731, 775 respectively with an amount of R265 942 202 coming from the South African private investors.

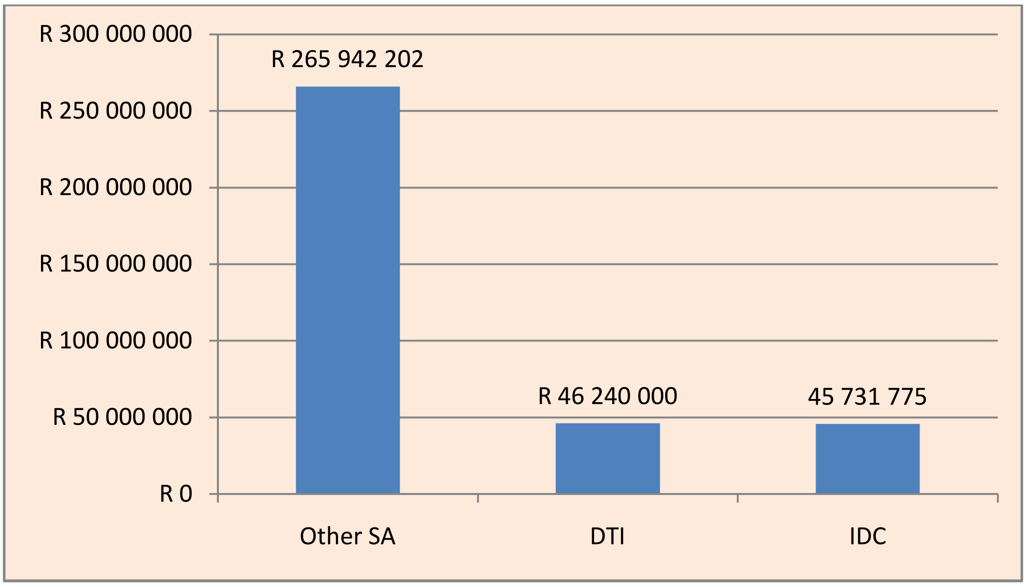


Figure 3: Sources of Funding in South Africa

Table 3 below depicts how R 123, 613, 294 of the budget was spent in South Africa. The table reveals that other economic sectors such as tourism, transport and personal services have benefitted from the co-productions. The biggest beneficiaries from the 2010 co-production projects were the transport sector with 28.9% of the expenditure spent on transportation while a combined 43.4% was spent on tourism i.e (travel and living (20.8), location (22.6%). A further 13.4% was spent on cast and a smaller chunk (3.2%) was spent on hair and make up.

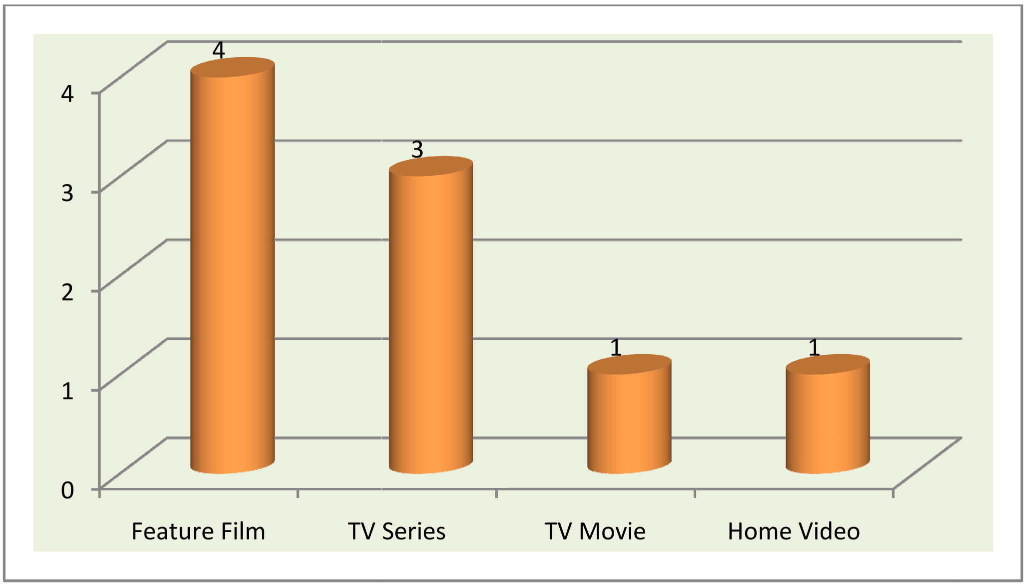
Table 2: Expenditure.

Item	Amount	%
Travel & Living	R 25 688 078	20.8%
Transportation	R 35 784 705	28.9%
Location	R 27 968 737	22.6%
Wardrobe	R 8 099 052	6.6%
Hair and make up	R 3 999 423	3.2%
Cast	R 16 567 512	13.4%
Extras	R 5 505 787	4.5%
Total	**R 123 613 294**	**100%**

4.3 Format of Productions

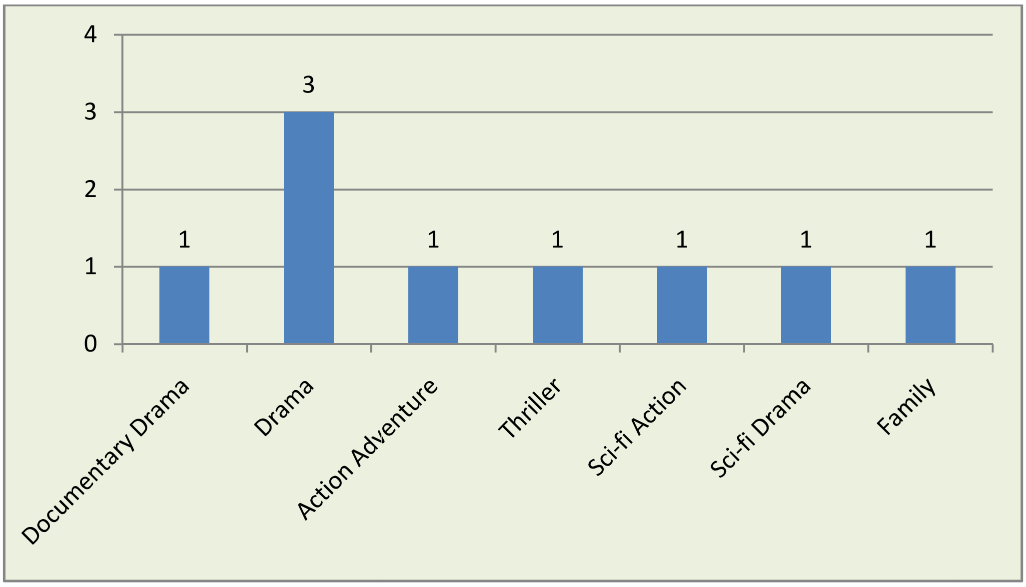
Feature films came out as the most favoured format for co-productions as 4 feature films, 3 TV series, 1 TV movie and 1 home movie were produced during the period under review.

Figure 4: Format of productions



It has to be noted that the definition of drama as a genre has been a complex issue with filmmakers opting to use the word in inclusive terms while drama itself can be defined as melodrama, sports drama, social drama or coming of age drama. However for the purpose of this report it will only be referred to as drama.

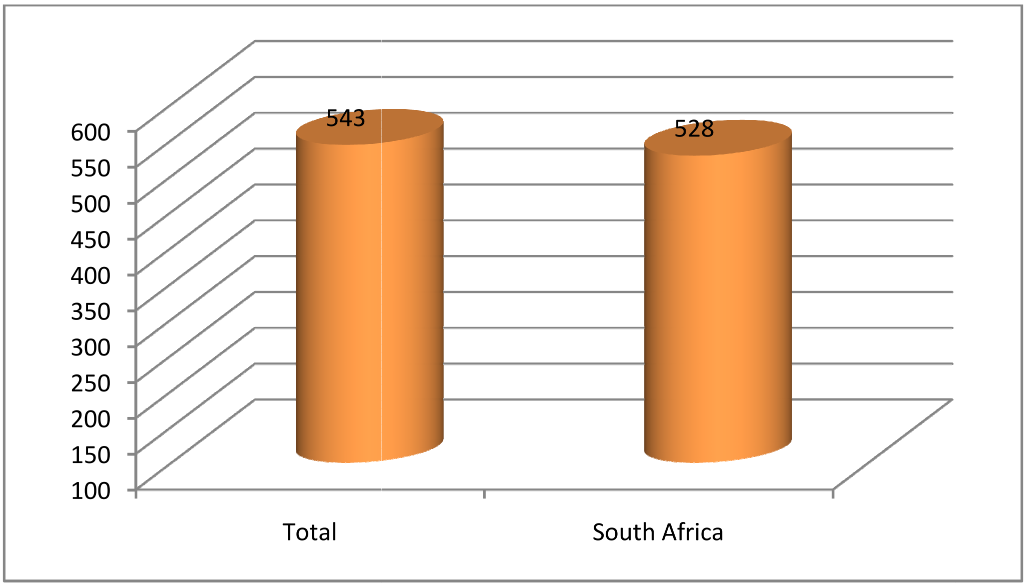
Figure 5: Genre of productions



Drama seems to be most preferred genre for co-productions, of the nine projects more dramas were produced (3) while the rest featured only once.

4.3 Shoot days and locations

Figure 6: Number of shoot days



A total of 543 days were spent shooting and 528 of them were spent shooting in South Africa in four provinces as depicted in *figure 7* below.

Location Shooting

Of all the nine projects, 7 were entirely shot in South Africa while one was shot in locations SA/ Germany and the other in SA/ United Kingdom. From those that were shot entirely in SA the Western Cape (WC) proved to be the leading province preferred for co-production filming with 4 projects. North West (NW), Eastern Cape (EC) and Gauteng (GP) had one project each; however one project was shot in three provinces namely Eastern Cape, Western Cape and Gauteng

Reasons why the majority of projects were filmed in SA could be attributed to the following factors:

- South Africa's landscape and location have come to be among the best export goods in the world.
- South Africa is one of the most affordable countries to film in, with low exchange rates
- The South African crew is considered to be among the most talented and best in the world
- South African crew offers competitive pricing offered for their services.
- South Africa's weather conditions is conducive for production *(www.nfvf.co.za)*

The versatility of South Africa as a shooting location is best illustrated by a remark from a co-producer who recently shot on location in the country.

Versatility and convenience of location — all those landscapes are within a few hours' drive of Cape Town — are keys to South Africa's moviemaking appeal. So is cost. By making Dredd in South Africa, where a nonunion cast and crew is cheaper than it would be in Europe and the U.S. and the government rebates up to 25% of production costs I can make something that will look like $100 million for less than half that figure", says Judge Dredd's British co-producer Andrew MacDonald. (Perry, 2011)

Figure 7: Locations for shoot

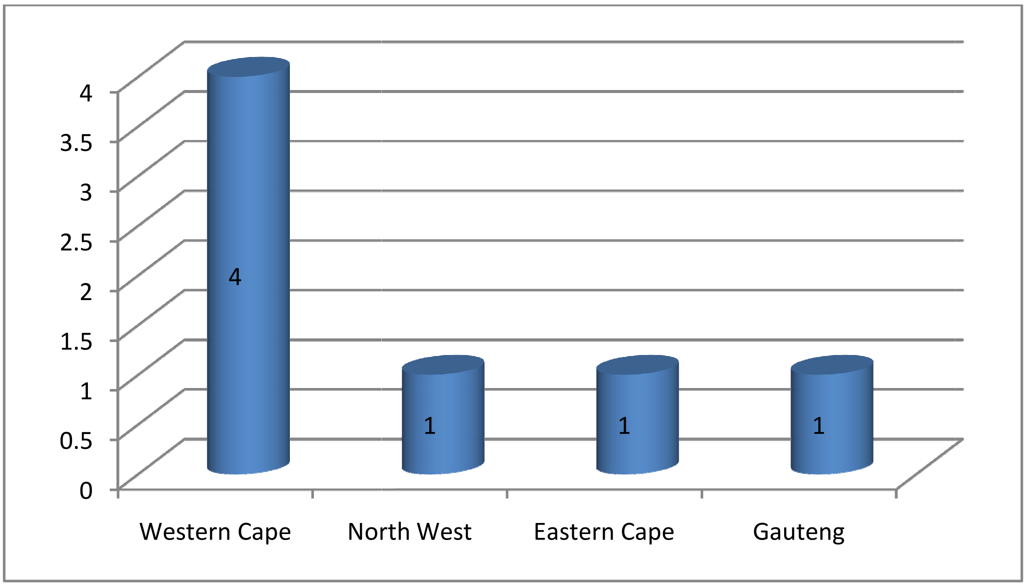
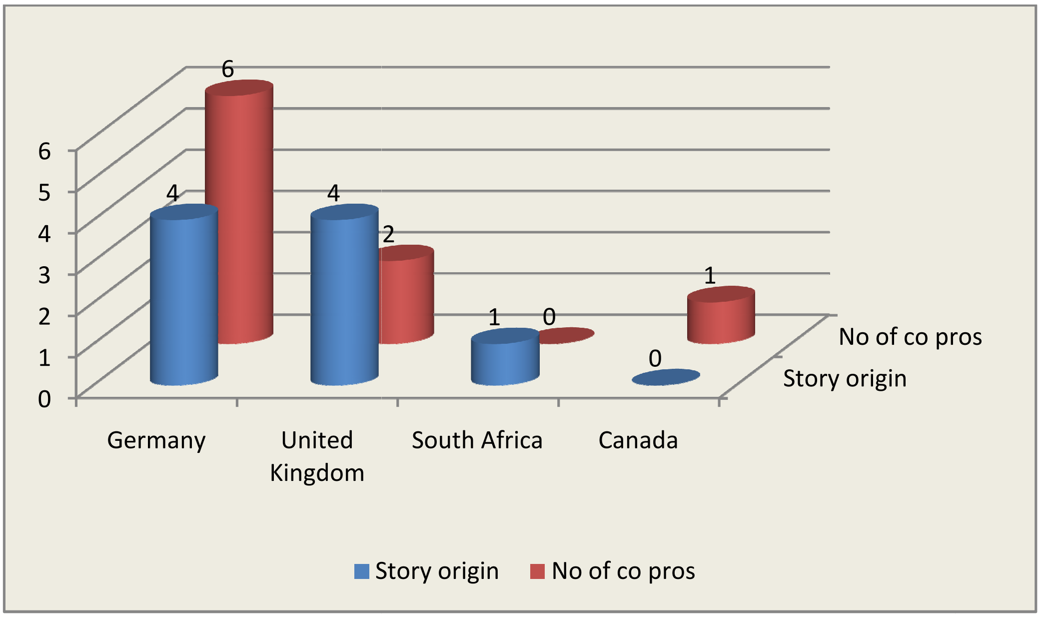


Figure 8: Story origin and number of productions per treaty



Origin of Stories

As depicted in *figure 8* above, only one story originated in SA (Winnie) and four stories had their origins in Germany. This number correlates to 6 co-productions projects that came out of the SA/GER co-production treaty. An interesting observation is that while the SA/GER treaty produced 6 of projects, 4 stories originated in Germany, while 2 of the stories originate in the UK. Of the 9 stories, 8 of them were original work while only was an adaptation. Winnie is based on a book by Anne Marie du Preez Bezdrob and tells the story of Winnie Mandela's life from a schoolgirl in the Transkei to her appearance before the Truth and Reconciliation Commission.

Out of all the projects analysed, only 1 director (Darrel Roodt) is a South African. This is an improvement from the 2008 analysis where none of the projects submitted were directed by a South African. Taking a closer look at the producers, it is apparent that the production landscape is still male dominated with only one female producer Genevive Hofmeyer for *Hominid* and *Blue Crush* the rest of the projects being produced by males.

4.4 Productions Companies

From *table 4* below, one can observe that only 3 companies have been actively pursuing co-productions. The companies; FilmAfrika, Moonlighting, and Two Ocean Productions are continuously involved in co-productions. From a total of 9 co-productions the three companies share a combined total of 66.6% of productions among them. FilmAfrika was involved in three while Moonlighting was involved in two and the remaining four companies completed one project each, this leads to a skewed distribution of skills as skills transfer occurs only between fewer companies. Lack of participation by more production companies can be attributed to a general belief that that co-productions are difficult to understand and sometimes very cumbersome and to a certain extent creative integrity is compromised. (NFVF, 2010) One of the objectives of co-productions is to ensure that skills transfer occurs between the co-producing countries.

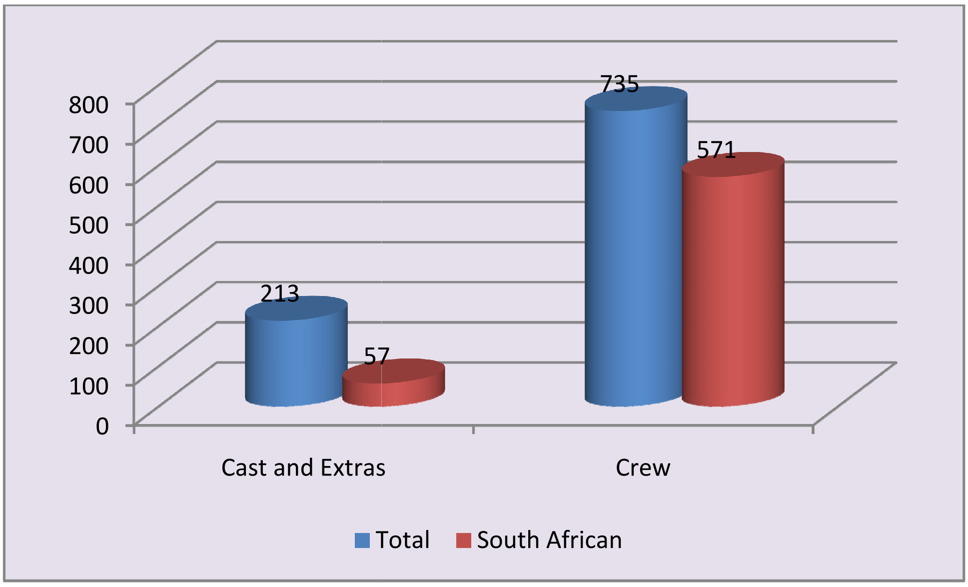
Table 3: Number of Co-productions per company

SA Production Company	No. Of Productions
Film Afrika	3
Moonlighting	2
Out of Africa	1
Two Oceans Productions	1
Ma-Africa	1
Rena Films	1
Total	**9**

Table 4: Scriptwriters and their Nationality.

Title	Co-Production Treaty	Writer	Nationality
Hominid	SA/GER	Colin Swash	German
Treasure Guard	SA/GER	Richard Kurti & Bev Doyle	German
Blue Crush	SA/GER	Randal McCormick & Martina Browner	US
Outcasts	SA/GER	Ben Richards	British
Wild at Heart	SA/GER	Ashley Pharoah, Jack Williams, John Maloney, Matthew Evan, Ben Edwards, Chris Murry, Jack Lothian & Hariet Braun	EU
Mission Crane	SA/GER	Christian Jeltsch	German
Dark Tide	SA/UK	Amy Sorile	British
Winnie	SA/CAN	Andre Pieterse and Darrel Roodt	SA
Judge Dredd	SA/UK	Alex Garland	UK

Figure 9: Cast and crew



The film and television industry is regarded as a labour intensive industry. Each production creates a number of jobs and the following are some of the jobs that are created even though temporary; camera operators, sound and lighting technicians, caterers, plumbers, carpenters, animal trainers, truck drivers, make-up artists, graphic artists, photographers, set designers and actors. F*igure 9* above reveals that a total of 638 South Africans were employed in all the 9 co-productions submitted for approval in 2010.

5. Conclusion

From the above analysis it is evident that Germany has overtaken Canada as South Africa's co-production partner while Italy has been a dormant partner during the year under review. It is disappointing to note that only one South African has featured as a director from all the 9 projects analysed. The South African film industry is still male dominated as evidenced by the fact that out of nine projects only one has been produced by a woman. Both the minimal participation of women and a few companies involved in co-productions points to the slow pace of transformation in the South African Film industry, an anomaly that needs to addressed to ensure equitable distribution of wealth and skills.

The financial contributions towards projects have limiting implication when it comes to the origin of stories. Fact that of all the nine projects all only one story originated in SA bears testimony to this, and in order to gain more rights to stories and ensure that local stories reach international audience SA needs to have more financial contributions and increase its control over stories, thus further ensuring that SA enjoys more creative and crew participation.

A good number of jobs were created from this economic activity, trickling down to other economic sectors such as transport and tourism. As stated in the introduction, although some of the objectives have been met, it still a sad to realise that most of this co-production project are not exhibited in SA, while they enjoy the status of being local content.

6. Recommendations

- Local distribution of co-production projects should be made compulsory to ensure that South Africans can access such productions.
- Transformation and BBBEE policy of the sector should be prioritised as to ensure that more companies are involved in co-productions.
- Ensure that the previously disadvantaged individuals (creatives and technical personnel) receive more training.

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ANNEXURE 1

Title	Production Company	Treaty	Ruling
Hominid	Moonlighting Productions (Pty) Ltd	SA/GER	Advance Ruling
Treasure Guard	Film Afrika Worldwide (Pty) Ltd	SA/GER	Advance Ruling
Blue Crush 2	Moonlighting Productions (Pty) Ltd	SA/GER	Advance Ruling
Outcasts	Film Afrika Worldwide (Pty) Ltd	SA/GER	Advance Ruling
Wild at Heart 6	Out Of Africa	SA/GER	Advance Ruling
Mission Crane	Two Oceans Productions (Pty) Ltd	SA/GER	Advance Ruling
Dark Tide	Film Afrika Eleven-Devils Teeth (Pty) Ltd	SA/UK	Advance Ruling
Winnie	Ma-Africa Films (Pty) Ltd	SA/CAN	Advance Ruling
Judge Dredd	Rena Films (Pty) Ltd	SA/UK	Advance Ruling