

Cinema and regulation: “the things we say, the things we do”

OLIVIER HENRARD

Olivier Henrard has been Director General of France’s Centre national du cinéma since 2019, and he has had enough of the endless defensive rhetoric of the “French cultural exception” designed to justify and support our film policy. He demonstrates that other countries, in more or less different ways, are doing exactly the same in support of their own cinema industries. In other words, there is no such thing as an exception. And he adds that the results achieved by French policy are sufficient to justify it. Using these arguments, he updates and elevates the debate to ensure it can be more effective in future.

COMMENTAIRE

A “blessed year”, a “record-breaking year”, a “banner year”, a “fantastic year”, a “crazy year”: the press has been full of superlatives to describe the excellent results achieved by French cinema in 2024. It has been celebrating the remarkable talent shown by French filmmakers across the whole artistic spectrum, from the heritage epic *Le Comte de Monte-Cristo* (Alexandre de La Patellière and Matthieu Delaporte) to the social comedy about disability *Un p’tit truc en plus* (Artus), via the contemporary romantic drama *L’Amour ouf* (Gilles Lellouche) and the hymns to the uniqueness of our territories such as *Vingt Dieux* (Louise Courvoisier) and *Le Royaume* (Julien Colonna).

This success in diversity – indeed, *through* diversity – was widely commented on and analysed at the start of the year as a magnificent demonstration of the vitality and creativity of our cinema, and its ability to reinvent itself. It is also a magnificent demonstration of the effectiveness of the public policy that France has systematically pursued in support of its film industry for almost 80 years, with cultural exception as a fundamental pillar.

This concept emerged in the early 1990s during the so-called “Uruguay Round” negotiations on international free trade agreements. In response to pressure from the United States to liberalise cultural services, especially in the audiovisual sector, many countries – including France – have successfully defended the idea that culture cannot be traded like an ordinary commodity, and that each nation must have the right to support its own creative expression through whatever policies it deems effective.

Today, this principle and its practical applications (public funding for film production, regulation of broadcasting, etc.) are once again under threat. There is an increasing number of

actions against the measures put in place by governments – particularly in Europe – in support of what international trade treaties and EU law refer to as audiovisual services, i.e. the industry that creates programmes for film, television or radio.

There is every reason, and not least the explicit statements by the President of the United States, to believe that such actions are set to become more widespread.

I will not repeat here the many arguments in favour of the cultural exception, about which a great deal has been written in recent decades. Instead, the purpose of this article is to show that the right of peoples to support the perpetuation and dissemination of their own imaginative worlds, their representation of themselves and of the world, is so fundamental and self-evident that the very countries that have fought most fiercely against the use of this principle by others have always upheld it for themselves.

Choice of Arms

The long-standing strategy employed by detractors of the cultural exception has been to equate state regulatory systems for the cinema and audiovisual sector with an insular outlook and a violation of the freedom that should apply to all works (freedom to circulate unhindered throughout the world) and to all viewers (freedom to choose what they wish to watch). According to them, this dual freedom could only be fully realised in a deregulated market, free from all state intervention. As the famous Jack Valenti, head of the powerful MPAA¹, declared in 1993 in an interview with the newspaper *Le Monde*: “We ask only that each country allow its citizens to watch, read or listen to whatever they want²”, pointing to the high quality of American programmes as evidence and claiming that the sole explanation for their success is that they receive “not one dollar” from the government.

This artistic and economic utopia was perfectly summed up by producer Robert Shaye³ in the same year: “Entertainment is one of the purest marketplaces in the world. If people don’t like a movie or a record they won’t see it or buy it. The fact that the American entertainment industry has been so successful on a worldwide basis speaks to the quality and attractiveness of

¹ The Motion Picture Association of America, an association of the major Hollywood studios, now renamed the MPA (Motion Picture Association).

² *Le Monde*, 11th March 1993.

³ At the time, the company had produced titles such as the “Freddy Krueger” blockbusters *A Nightmare on Elm Street* (Wes Craven), *Freddy’s Revenge* (Jack Sholder), *Dream Warriors* (Chuck Russell) and *The Dream Master* (Renny Harlin).

what we're creating.⁴”

From then on, the great battle of cultural exception pitted the defenders of local culture against the self-proclaimed champions of freedom. Such rhetoric was obviously very clever – after all, who would dare oppose freedom? – but here, as is so often the case, “idealism cloaks the will to power⁵”, as General de Gaulle wrote.

The truth is that no film-producing country adheres to this doctrine of absolute freedom – or more precisely, regardless of any professed adherence, none of them actually practises it. Every film-producing country has intervened, and still intervenes, in one form or another to support the seventh art. And rightly so, for we have yet to see a film emerge spontaneously of its own accord and float through the void of space to find its audience naturally, no matter how brilliant it may be. In the well-known words of André Malraux, cinema is an art “and at the same time an industry⁶”, but one cannot exist without the other. But while art may drift indefinitely through the minds of individuals, the industry and market that enable it to exist are shaped by history; they are subject to cycles, crises, technological accelerations, changes in customer habits and other upheavals inherent to economic activity. No cinema in any country in the world, no matter how talented its creators, could have survived without the help of a strategic – and thus interventionist – national government with a full grasp of the key role played by this art form in its economic and cultural sovereignty and global influence.

Everything You Always Wanted to Know About Film Regulation (But Were Afraid to Ask)

The rhetoric of opponents of the cultural exception resembles Milton Friedman’s “magical thinking”, as criticised by the economist Dani Rodrik in his book *La Mondialisation sur la sellette*:

In his zeal to champion the power of markets, he drew too rigid a line between the market and the state. In reality, he presented the state as the enemy of the market. Yet in doing so, he obscured an obvious reality: all thriving economies are, in fact, mixed

⁴ Quoted in T. MILLER, “The crime of Monsieur Lang” , *Film Policy. International, National and Regional Perspectives*, Routledge, 1996.

⁵ CH. DE GAULLE, *Mémoires de guerre* (1954-1959), Plon, 2016, p. 510.

⁶ A. MALRAUX, *Esquisse d'une psychologie du cinéma* (1946), in *Écrits sur l'art*, vol. I, edition by J.-Y. Tadié, Gallimard, “Bibliothèque de la Pléiade” , 2004.

*economies*⁷.

As Rodrik reminds us, echoing the great Karl Polanyi⁸, a market without a state simply does not exist.

In an article co-written with Réka Juhász and Nathan Lane, Rodrik further demonstrates that a state has countless ways – some more visible than others – of supporting an industry⁹. The most obvious and well-known form is, of course, the subsidy. However, what is known as a “subvention” in French forms only a tiny part of what Rodrik, Juhász and Lane categorise as “subsidies”, which also include tax reductions, deductions and credits.

The three authors point out that state intervention can also take other indirect forms, such as protection against imports, exemptions from certain regulations or the provision of public resources. Lastly, since government attention is a particularly scarce resource, the very fact that the government maintains a close dialogue with a specific sector also constitutes a form of intervention in favour of that sector.

Every film-producing country has employed, and continues to employ, this array of tools in a variety of configurations. South Korea, for example, has become a dominant presence on screens worldwide today precisely because its government – an ardent defender of cultural exception – has consistently championed its film industry for over half a century¹⁰. It was declared a “national treasure” in 1962, when the first film law was passed, paving the way for the introduction of import and screen quota systems, and was declared a “strategic national industry” in 1995, when a new law introduced tax incentives for film production. These measures were enacted despite, or in direct opposition to, pressure to liberalise the market, and have historically varied according to the intensity of this pressure and the ability of the South Korean authorities to exert pressure in return. A great many countries around the world – with France foremost among them – have thus shaped their cultural policy *as a reaction* to US demands to liberalise the moving image sector on an international scale, lending credence to the grand narrative of a war between the protectionist camp and the camp of freedom.

So preoccupied are they with keeping score and weighing up the arguments on each side, few analysts of this influence war have ventured behind the scenes to check whether both sides

⁷ D. RODRIK, *La Mondialisation sur la sellette*, translated from English by J. Duquène and Fr. Rajewski, preface by CHR. CHAVAGNEUX, De Boeck Supérieur, 2018, p. 129.

⁸ See K. POLANYI, *La Grande Transformation. Aux origines politiques et économiques de notre temps* (1944), translated from English by M. Angeno and C. Malamoud, preface by L. Dumont, Gallimard, “Bibliothèque des sciences humaines”, 1983.

⁹ R. JUHASZ *et al.* “The new economics of industrial policy”, August 2023, available on the Harvard University website.

¹⁰ A. LEVEAU, “Cinéma coréen : une ambition dans la durée”, *OutreTerre*, no. 39, May 2014, p. 338-349.

are actually following the rules they seek to impose on the other. In his book *Exception Taken*, which traces this battle from the French point of view since the Lang years, Jonathan Buchsbaum points out that the involvement of the American state in Hollywood's success has indeed been studied by economists, though they have struggled to document it precisely. He offers a possible explanation for this: "Despite its complexity, the French system of film support is much easier to examine¹¹." Such are the benefits of public transparency.

The Grand Illusion

This involvement of American public power in its film industry is counter-intuitive; not only because of the official libertarian rhetoric I mentioned earlier, but also because, if there is one country whose free-market proclamations are readily believed, it is the United States. Its powerful economic assets include a domestic market far larger than that of any of its "competitors" and a language that has now become almost universal – advantages so colossal that one might reasonably assume its film industry could do without public support.

However, the United States has implemented – and continues to implement – the full spectrum of public policies cited by Juhász, Lane and Rodrik in support of its film industry. The best known and most well-documented of these seems to belong to the most indirect form of state intervention: the close relationship that has existed, since the dawn of cinema, between the government and the industry's largest players, united under the banner of the powerful MPAA, and later the MPEA¹², the branch created in 1945 for the distribution of American cinema abroad. The reasons for this relationship have also been well documented: cinema has always been at the forefront of the "American way of life", advancing US soft power and driving the export of consumer goods. As William H. Hays, President of the MPAA between 1922 and 1946, famously stated, "*Trade follows the film*".

From the outset, therefore, the MPAA's interests were so closely aligned with those of the US government that in the 1940s it considered itself to be "a small State Department¹³". It was in this capacity that, along with the MPEA, after the Second World War, it developed what was effectively a foreign policy strategy, putting pressure on countries to open up their markets to Hollywood productions – just as we have seen in the case of South Korea. In France, this

¹¹ J. BUCHSBAUM, *Exception Taken. How France Has Defied Hollywood's New World Order*, Columbia University Press, 2017, p. 11.

¹² Motion Picture Export Association of America.

¹³ N. MINGANT, "La Motion Picture Export Association de Jack Valenti (1966-2004), corps diplomatique des majors hollywoodiennes à l'étranger", *Revue française d'études américaines*, n° 121, 2009/3, p. 102-114.

pressure materialised through the Blum-Byrnes agreements of 1946, under which the United States waived a portion of European debts in exchange for a reduction in national film quotas in cinemas. France responded by creating the Centre national du cinéma (CNC) in the same year. This merger of government and Hollywood studio interests thus took the form of substantial state support for the international expansion of US film distribution¹⁴.

In reality, interventionist policies were embedded within the MPEA from its inception. The MPEA was an association operating under the Webb-Pomerene Act, a 1918 US law that granted exemptions to antitrust laws by authorising cartels to form insofar as they acted for export; in other words, outside the borders of the United States. This enabled major entertainment companies to form commercial agreements to jointly manage the distribution of their films abroad – an arrangement that would have been considered anti-competitive in the American market, but deemed legitimate and legal for the (often much smaller) markets outside its borders. While on the one hand the MEPA was pressurising entire countries to apply free competition on a global scale, it itself represented a direct contradiction of these very principles.

However, the US government's support was far from limited to exports. Researcher Thomas Guback has shown that, as early as the 1960s, representatives of the American film and audiovisual industry began lobbying the government to adopt measures that were... quite similar to the French system! Their first proposal was a tax on cinema ticket prices, the proceeds of which would then have been shared by the production companies. Although this proposal was not adopted, the idea gained ground and the film and audiovisual industry ultimately became eligible for the tax incentives introduced by the 1971 Revenue Act. In this way, it received support both as a cultural expression abroad and as an industry at home. Guback notes that, since 1971, it has become public practice to provide tax benefits to production companies, although the word “subsidies” is of course carefully avoided: “Yet a subsidy is precisely what it is: governmental aid to a private company¹⁵.” In addition to this system, Thomas Guback invites us to consider the broader spectrum of public intervention among various public authorities – large cities and states.

¹⁴ However, these agreements are not the only support in kind that the United States has given to the spread of the “American way of life” through cinema in the 20th century. Researchers Toby Miller and Richard Maxwell cite a 1964 report to the Foreign Affairs Committee of the US House of Representatives which reiterated John F. Kennedy's request to the US Information Agency to use film and television as a means of propaganda, and noted that the government had already financed 7,541 projectors for cinemas in 106 countries (T. MILLER and R. MAXWELL, “Film and globalization” , in O. BOYD-BARRETT (ed.), *Communications Media, Globalization and Empire*, Indiana University Press, 2006, p. 33).

¹⁵ TH. GUBACK, “Government financial support to the film industry” , in BR. A. AUSTIN (ed.), *Current Research in Film. Audiences, Economics, and Law*, vol. III, Praeger Publishers, 1985, p. 88 (our translation).

Researchers Toby Miller and Richard Maxwell confirm this, concluding in a 2006 article that “for decades, the US film industry has been aided by tax credit systems, state and Department of Commerce representation, Small Business Administration loan funding, and support for independents, foreign exchange assistance from the Media Guaranty Program, a vast array of state, regional, and municipal film commissions coordinated by ‘Film US’, and hidden subsidies to the film industry through lower local taxes, free access to law enforcement, and the blocking of public streets¹⁶”.

This constitutes a comprehensive and proactive public policy in support of the industry. An article in the *New York Times* last year put state spending on film production at over 25 billion dollars¹⁷. At that time, 38 states were offering incentives in one form or another.

This is clearly a far cry from “laissez-faire”, both internationally and within the domestic market. But, as Baudelaire wrote, “the Devil’s finest trick is to persuade you that he does not exist”. This deception has been so effective that it has shaped decades of defensive rhetoric on our part, forcing us to shelter behind an exception even while our strongest critic has made these very principles a cornerstone of its own strategy. It is now time to move beyond such defensive attitudes to regulation on our part, and to look at what France has achieved in 80 years of proactive film policy.

The French Dispatch

In France, these public policies are acknowledged as such and are transparent – every year the CNC publishes a 300-page report detailing its measures, their effects and the state of the market. Like any large-scale public action, they are the subject of public discussion, debate and criticism. They are scrutinised closely by industry professionals, journalists, essayists, researchers and national representatives – no fewer than four public reports were published on the subject in 2023¹⁸. Such monitoring ensures continuous improvement to address the challenges presented by an ever-changing sector.

While these mechanisms can always be improved, their fundamental principles are widely accepted. They successfully integrate three elements that are universally agreed on when taken separately, but generally create a kind of triangle of incompatibility when combined:

¹⁶ T. MILLER and R. MAXWELL, “Film and globalization”, *idem*, pp. 43 (our translation).

¹⁷ M. STEVENS and CHR. KUO, “States have spent \$25 billion to woo Hollywood. Is it worth it?”, *The New York Times*, 21st March 2024.

¹⁸ Report by the Senate Finance Committee, 17th May 2023; report by the Senate Culture, Education and Communication Committee, 24th May 2023; report by the Cour des Comptes on the management of the CNC for the period 2011-2022, 20th September 2023; report by Bruno Lasserre, 6th April 2023.

1. The CNC's policy has no negative financial impact whatsoever on either the State budget or on the general government deficit;

2. For the past 80 years, it has applied principles of public interest to the entire industry's economy;

3. This sector represents one of France's greatest economic and cultural success stories, both domestically and internationally.

At a time when there is much talk of restoring our economic and cultural sovereignty, and of re-industrialising the country, and when both the State and the economy are being asked to rediscover purpose beyond mere rationality, a model such as this one – built and adapted with constancy for nearly 80 years – should provide more inspiration for public action as a whole. I will therefore examine each of these three points, which are usually difficult to reconcile, in turn.

The first is essential and all too often overlooked: the budget of the CNC, which administers France's entire policy for the moving-image sector, does not cost the state budget a single euro. Its entire funding – i.e. both from the public administration that is the CNC and from all of the financial support it provides – comes exclusively from a tax contribution¹⁹ from all broadcasters – cinemas, DVD publishers, video-on-demand services, television channels, Internet access providers and, more recently, paid and free streaming platforms. In this way, the industry itself is investing in its own stability and future through this over-taxation, according to the now well-known river metaphor: “downstream finances upstream” – while at the same time financing the state budget and all other public policies through general taxation.

This system is based on the reality that there can be no market without the state. One example of this invisible public hand that enables the market to exist is the CNC's support for operators in their investments. Thanks to this policy, France has the densest stock of cinemas in Europe, and maintains the highest quality standards. This network of cinemas also significantly benefits American productions, which consistently perform well in France. Because the French government has taken it upon itself to implement a structuring policy to ensure that this market remains attractive, and does so transparently, it is in a legitimate position to impose certain conditions on those who benefit from it.

¹⁹ This is an earmarked tax based on cinema tickets, advertising revenues and subscriptions from various broadcasters, as well as on so-called “triple-play” subscriptions from Internet service providers. Its total yield is around 800 million euros a year. For more details, please refer to the *CNC's Document stratégique de performance du CNC dans le cadre de l'examen du projet de loi de finances pour 2025 (Strategic Performance Document in the context of the review of the Finance Bill for 2025)*, available on the CNC website.

In this regard, it is interesting to note that foreign broadcasters such as streaming platforms, who were once thought to be certain to refuse such conditions, have ended up playing along with French regulations. As well as contributing to CNC funding, platforms are now required to invest a minimum of 20% of their revenue in the production of French and European works.

This ambitious policy is the strictest in Europe, yet has yielded significant fruit. Two reports²⁰ confirmed its effectiveness at the end of 2024. They show that, thanks to these investment obligations, the platforms have become fully-fledged players in the French ecosystem, making them new partners for our creators as well as for our traditional broadcasters.

One of the biggest hits of 2024, *L'Amour ouf*, was co-financed by Netflix, Canal+ and France 2; *Monsieur Aznavour* (Mehdi Idir and Grand Corps malade) was supported by Netflix and the TF1 group. Everyone stands to gain from such partnerships: French creators gain new sources of funding; platforms expand and diversify their offering; and audiences, of course, enthusiastically embrace these works.

These examples confirm that private interests can align with the common good, provided that the public authorities take the trouble to negotiate intelligent, appropriate rules with all stakeholders. Some may label these measures protectionism; but if so, protectionism means fostering equitable partnerships through a public policy that has, for 80 years, consistently ensured that its national moving image industries benefit from a well-managed global market.

Finally, like all major film-producing countries, though to a lesser extent than many, France also supports its local industries through tax credits aimed at keeping domestic production within the country and making its infrastructure attractive to foreign productions. These tax incentives are regularly assessed, and consistently prove their effectiveness. Beyond their significant impact on employment and in terms of the image of France and its regions, estimates suggest that every euro of tax expenditure associated with film and audiovisual tax credits generates between €6.40 and €7.60 of expenditure in France, including €2.10 to €2.90 of social and tax revenue²¹.

The Artist

Since its inception, the CNC has applied principles of general interest to the entire economy

²⁰ F. RAYNAUD and H. NAUDASCHER, *Rapport sur les équilibres de l'industrie audiovisuelle et cinématographique à l'heure des grandes plateformes de vidéo à la demande; Étude Arcom-CNC sur la mise en œuvre du décret SMAD*, November 2024.

²¹ CNC, *Rapport d'évaluation des crédits d'impôt 2023*, September 2023.

of film, audiovisual media and animated images. Yet it does so without interfering in any way with the content of the works. The only “French way of life” promoted by this public action is the guarantee of creative freedom.

In *Time Regained*, Marcel Proust gave this famous definition of art:

Only through art are we able to emerge from ourselves, find out what another sees of this universe that is not the same as ours, and whose landscapes would have remained as unknown to us as those that may exist on the moon²².

If art is indeed a singular perspective on the world, a public policy in support of culture will ensure that artists have both the freedom and the means to express their point of view in all their diversity, and that the public has access to all these perspectives as broadly as possible. This is no easy task, and it is especially challenging for cinema which, as we have seen, is an art form that cannot exist independently of the complex industry that supports it.

The strength of the model established in France lies precisely in its recognition of this interdependence between art and industry. It has refused to choose between the two, and has maintained this stance with great consistency. The CNC’s mission is to ensure that every player in the industry – regardless of size – can play its own part, whether it is producing or distributing a popular comedy or a particularly demanding auteur film. This principle was eloquently defended by André Malraux on 9 November 1963 before the National Assembly, in the now famous speech in which he presented the cultural affairs budget:

We are here to ensure the entire film industry makes money. Measures that would ruin the industry in order to create masterpieces might be desirable from an artistic perspective, but would be absurd from a governmental standpoint. Yet while the cinema industry has to make money, not every film has to do so (...) we must accept a certain degree of risk in our cinematographic choices, as in all choices concerning art.

The inevitable consequence of this policy is that it has, from the outset, been the target of contradictory criticisms: some argue that it supports successful comedies that need no help, and others claim that it funds obscure works that nobody goes to see.

The first thing to note about this back-and-forth process is that both criticisms are based on hindsight. It is very difficult, if not impossible, to predict the commercial success of a work.

²² M. PROUST, *Le Temps retrouvé* (1927), in *À la recherche du temps perdu*, edition by J.-Y. Tadié, Gallimard, “Bibliothèque de la Pléiade”, 1989, p. 474.

This is a prototype economy, as the aforementioned Senate report pointed out in 2023: “As with books and music, it is impossible to determine in advance what will resonate with the public. As one producer put it; “If we knew what was going to succeed, that’s all we’d finance !”²³”

These uncertainties cannot be mitigated – at least, not in the long term – by repeating the same recipe. As the saying attributed to Gérard de Nerval goes: “The first man who compared a woman to a rose was a poet; the second, an imbecile.” It’s not uncommon for a predicted blockbuster to perform poorly at the box office; and conversely, for a film on which no-one had bet to become a runaway success in cinemas: the producers of *Un p’tit truc en plus* – who, I should add, received CNC funding – didn’t even dare dream of reaching the million mark, yet in the end, they exceeded 10 million.

So what kind of public policy should be implemented? The kind that will give works every chance of reaching their audience, without making commercial success a prerequisite for production. In practical terms, this policy is implemented via two types of support from the CNC. The first, known as “soutiens automatiques” (automatic support), has historically provided the foundation for the sector.

As the name suggests, these grants are awarded automatically to a producer solely on the basis of the success of their previous works. So yes, the CNC does support popular films; and indeed, it actually needs popular films. First, because “popular” does not mean “mediocre”. France has a long tradition of directors and scriptwriters who excel in this field and of whom we should be proud, from Gérard Oury to Olivier Nakache and Éric Toledano, not forgetting Patrice Leconte. Second, because the success of these works, and indeed of American blockbusters, finances our entire model via the levies allocated to the CNC, as I explained earlier.

In addition to this automatic support, the CNC provides so-called “selective” support based on more specific criteria of artistic excellence. These funds are allocated by independent committees, renewed every one or two years and composed of professionals from a wide range of ages, backgrounds, training and artistic horizons. There are different types of aid depending on the stage in the life of the film or series at which the CNC becomes involved. The most emblematic is undoubtedly the “advance on receipts”, which supports unique projects that are considered less likely to be financed by the industry. This is what often becomes the target of the second major critique: the supposedly inaccessible nature of the works financed.

However, one only has to look at the attendance figures for 2024 to see that this criticism is

²³ Senate report on the state of the film industry in France, 2023.

unfounded. Many of the films that have received such support have been significant box-office successes: at the time of writing, *Emilia Pérez* (Jacques Audiard) has topped one million admissions; *Vingt Dieux* has attracted 800,000, and *Louise Violet* (Éric Besnard) has attracted over 600,000; *L'Histoire de Souleymane* (Boris Lojkine) and *La Plus Précieuse des marchandises* (Michel Hazanavicius) have both attracted over 500,000. Six others – including *Pas de vague* (Teddy Lussi-Modeste), *Le Roman de Jim* (Arnaud and Jean-Marie Larrieu), and *Ni chaînes ni maîtres* (Simon Moutairou) – topped the 400,000 mark; *Le Royaume* topped the 150,000 mark.

In addition to attendance figures, many of these works have also won critical acclaim. In 2024 alone, *Emilia Pérez* won the Jury Prize and the Best Actress Prize at the Cannes Film Festival, *L'Empire* (Bruno Dumont) the Jury Prize at the Berlinale and *Dahomey* (Mati Diop) the Golden Bear at the Berlinale, to name but a few. Once again, these films would probably never have come to fruition without public intervention. While some contrary spirits might still argue that France could have lived without one, several or even none of them, I think the majority would agree that it would have been a great loss to the public and to our country's influence.

On the more specific subject of works “that nobody goes to see”: if this means that the CNC *also* supports works that are not a hit with the public, that is a position that it fully accepts. Films drawing fewer than 20,000 viewers, many of which are first films, have accounted for less than 1% of screenings and less than 5% of support (financial aid and tax credit) over the last ten years. This is a small price to pay for ensuring the result achieved, which is nothing less than the continuous renewal of creative talent. The archetypal example is that of director Justine Triet, whose four feature films have all benefited from advance on receipts funding: the first, *La Bataille de Solferino*, attracted 37,000 spectators; the fourth, *Anatomie d'une chute*, more than 2 million and won a Palme d'Or and an Oscar – among other prestigious international awards.

A Little Something Extra

The complementarity of the CNC's automatic and selective support mechanisms enables a wide variety of economic structures to coexist. The French film and audiovisual industry sustains a large number of players who are involved in projects with widely varying budgets, in which the State's contribution remains very minor, as shown in the two charts opposite.

CHART 1 French-initiated films by production cost (as %, 2023)

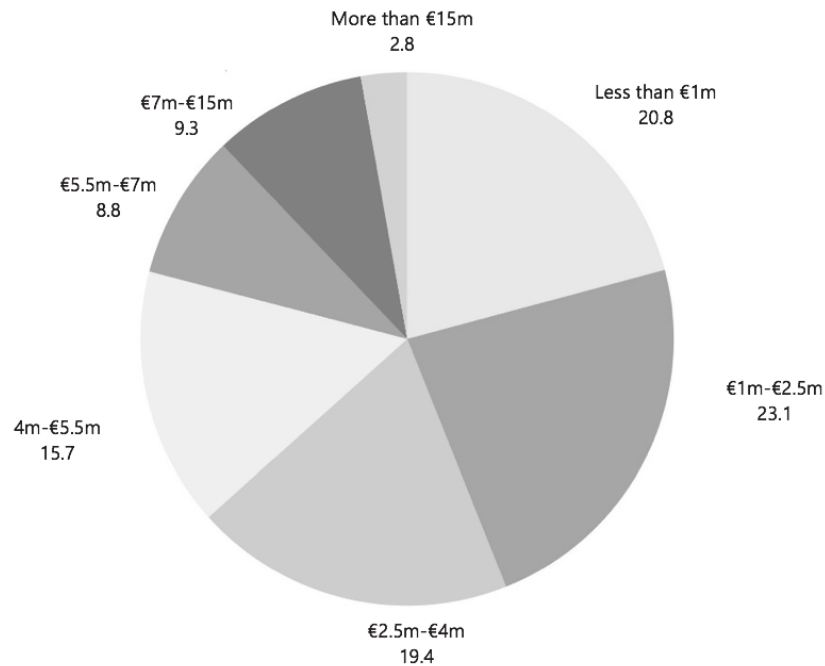
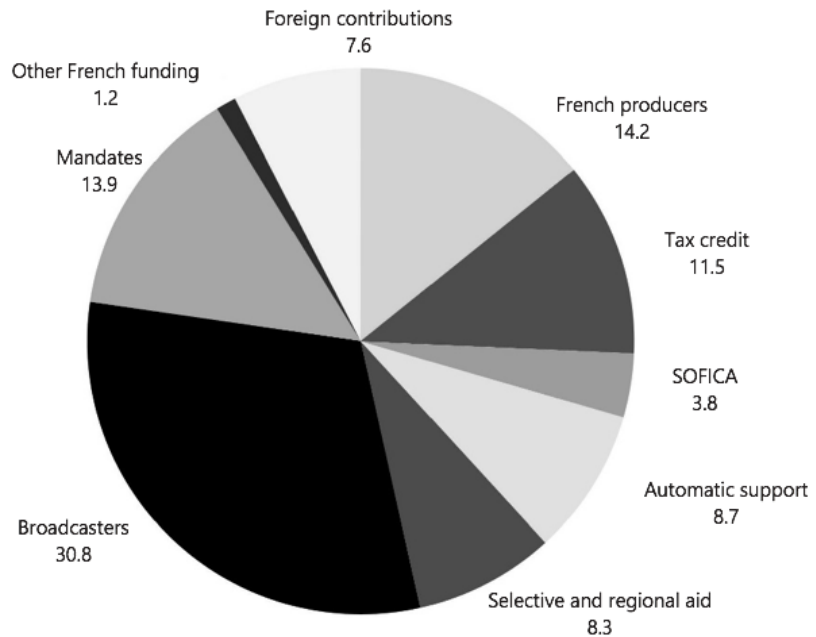


CHART 2 Breakdown of funding for French-initiated films (as %, 2023)



The best proof that this public model, based on diversity, works is the success that French films achieve in our own country. In this respect, the decline in American film offerings in 2024 – a consequence of the strikes that affected Hollywood – was something of a “trial by fire” for many European countries, whose attendance figures are largely linked to the success of blockbusters. French cinema more than held its own, achieving 181.3 million admissions –

the best post-Covid recovery of any comparable country (including the United States). France is practically the only one of these countries to have recorded higher attendance figures in 2024 than in 2023.

Our country is also the only one in Europe in which the domestic market share of national films (44.4%) is higher than that of American films (36.7%). The tables opposite highlight just how exceptional this situation is.

TABLE 1 Box office / attendance in selected territories

	2024	Change: 2024/2023	Change: 2024/ave. 2017-2019
World (\$bn)	30.5	-10%	-27%
North America (\$bn)	8.8	-3%	-23%
South Korea (m entries)	123	-2%	-46 %
United Kingdom (m entries)	121	-2%	-31%
Germany (m entries)	90	-7%	-22%
Spain (m entries)	71	-5%	-30%
Italy (m entries)	75	+1%	-24%
France (m entries)	132	+0.5%	-12.8%

TABLE 2 Share of national films in total attendance (2023)

France	40%
United Kingdom	3.8%
Germany	23.7%
Italy	25.9%
Spain	17.5%

TABLE 3 Concentration of attendance on the biggest titles

	Top 5-2019	Top 10-2019	Top 5-2022	Top 10-2022
United Kingdom	24.7%	38.5%	26.1%	43.4%
Germany	22.4%	34.6%	23.6%	37.3%
Italy	19.3%	28.9%	23.5%	36.4%
Spain	22.8%	34.7%	23.3%	37.8%
United States	23.5%	38.3%	31.5%	51.8%
France	17.1%	26.1%	17.2%	26.9%

At a time when market liberalisation has dried up many national film industries around the world, France stands out as an oasis for its creators but also – a less well-known fact – for filmmakers from all over the world. France is indeed the beating heart of international co-production, and a welcoming land for the best of world cinema. With 62 co-production agreements, its model is wide open to talent from outside its borders, to which the CNC also offers dedicated selective support. The world cinema support programme has benefited filmmakers from 111 countries since its creation, including such diverse and prestigious names as Nuri Bilge Ceylan, Naomi Kawase, Nanni Moretti, Maryam Touzani, Agnieszka Holland and Ruben Östlund.

In 2024, for example, this support enabled the financing of films such as *The Seeds of the Wild Fig Tree* by Iranian director Mohammad Rasoulof²⁴ and *All We Imagine as Light* by young Indian director Payal Kapadia. These two works achieved great critical success (Jury Prize at the Cannes Film Festival for the first, which was also nominated for 13 Oscars, and Grand Prix at the Cannes Film Festival for the second).

They also enjoyed strong box office successes in France, with over half a million admissions for the former and more than 150,000 for the latter.

What we should take away, from both the support these films received from France and the reception they were given when they were released, is that our country is highly open to the imaginations of others, in addition to nurturing its own – and I would even go so far as to say, *because* it nurtures its own imagination. This curiosity is not limited to the more challenging gems of foreign cinema: thanks, once again, to the density of our cinema network, and also thanks to a proactive film education policy, France is the biggest market for films from the United States after China, as shown by the huge success of *Moana 2* (Dana L. Miller *et al.*), as

²⁴ See J.-M. ROPARS, “Qui sème la violence...”, *Commentaire*, digital exclusive, September 2024.

well as *Juror No. 2* (Clint Eastwood). Proportionally speaking, it is not uncommon for American directors to enjoy far greater success in France than they do in their own country.

If there is one place where films circulate freely and where audiences, from a young age, have access to a genuine diversity of unique perspectives, it is France. At the conclusion of this overview – and not without irony – given that over 80% of the market share is monopolised by its own major studios, the US market is a much better illustration of the inward-looking attitude so decried by the critics of the cultural exception. One recalls the remark made by director Bong Joon-ho when he accepted the Golden Globe for Best Foreign Film for *Parasite* in 2020: “Once you overcome the one-inch tall barrier of subtitles, you will be introduced to so many more amazing films!”