***This is the 2022 Intersteno PRACTICE DICTATION.***

***READY. BEGIN.***

The European audiovisual industry has enormous cultural, social, and economic significance. It shapes identities, (15) projects values, and can be a driver of integration by contributing to a shared identity. As well, it contributes to growth, employ (30) ment, and is a catalyst for innovation.

This field is also noteworthy for being more regulated than other creative areas (45) and greatly reliant on public funding. Europe’s diverse film heritage elicits worldwide praise and has inspired generations of filmmakers. (1:00)

***END OF PRACTICE DICTATION.***

***THIS IS THE OFFICIAL 2022 MAASTRICHT REALTIME COMPETITION TEXT. READY. BEGIN.***

***1st minute***

While Europe produces a high number of diverse feature films, most do not reach all their potential audiences in Europe and even fewer (15) in the global market. For the most part, movies remain in national markets, but even in those venues, a number never reach the silver screen (30) or secure any other distribution channels.

This failure is a missed opportunity to spread Europe’s distinctive cultures worldwide, to im (45) prove competition, and to address the existing trade deficit with other countries.

The digital revolution offers more possibili (1:00) ties ***2nd minute*** and flexibility for distribution and has a fundamental impact on audience behavior. It is essential, therefore, to adapt to the dig (15) ital era. Using its potential will help to retain existing audiences and reach new ones. It will also build bridges between cultural diversi (30) ty and competitiveness.

This innovation comes with challenges for the industry in testing new business models and audience development strategies. (45)

Review of recent developments has identified current challenges in public policies impacting the movie business, and changes may be needed at (2:00) ***3rd minute*** regional and national levels. Common directions to better embrace opportunities and address challenges related to the digital shift will strengthen the global (15) efficiency of existing funding tools.

There is an imbalance between the number of motion pictures produced and the number that reach their targeted audience. Substantial (30) ly more European than American and Canadian productions exist, but European films are distributed on a smaller scale and have difficulty in reach (45) ing a wider audience in non-domestic markets.

Success cannot be measured by box office revenues or market share alone. Films may target niche audiences, which can (3:00) ***4th minute*** result in lower market shares in Europe and on a worldwide level.  Nonetheless, those that succeed in reaching their targeted audience form an important part of cultural diversity. (15)

From an economic point of view, the relative success of a film must also be regarded in terms of profitability; that is, the ratio between the investment in production (30) and distribution versus the revenues generated.

For a significant number of movies, however, the theater release remains limited or even nonexistent, espec (45) ially outside of the domestic market. Moreover, they do not seem to achieve a better audience through other forms of distribution.  The situation may differ across the vari (4:00) ous ***5th minute*** methods of marketing, such as cinema, broadcast, digital video, and video on demand.

Generally, European features represent sixty-three percent of releases and thirty-three (15) percent of admissions, but box office receipts and admissions fall far behind those of American productions. In two thousand twelve, United States productions accounted for twenty percent of releases (30) and sixty-five percent of admissions in the European Union.

Only a small minority of films are released in cinemas outside Europe where they reach a modest audience in terms of market (45) share at the box office. In fact, over nineteen percent of total admissions of European productions were generated outside Europe in two thousand ten.

Television remains the most widely used (5:00) ***6th minute*** platform for watching films. In two thousand eleven, almost half of the one hundred twenty-two thousand feature films which were shown on TV in Europe were exclusively of European origin.

Video on demand (15) is a relatively new form of distribution expected to grow significantly in the coming years. In two thousand twelve, this market recorded a growth rate of fifty-nine percent in Germany and fifteen percent (30) in France.

Many providers offer their services and use their brand in only one territorial market while only a few offer their activities under the same brand globally.

Although video on demand of (45) fers an unlimited capacity for distribution, there is little data available about the availability and market share of European films on these platforms. Early studies indicate that most (6:00) ***7th minute*** of the revenues generated may come from non-European films.

Available data show that a global player in twenty-six countries has more blockbusters and award winners than national video-on-demand providers. Thus, (15) there is potential for a higher level of distribution across all channels, both within Europe and beyond.

According to a recent survey conducted among Europeans aged four to fifty years old, ninety-seven percent of (30) them watch films of all origins. One quarter of viewers are enthusiastic fans who say they watch more than eleven movies per month.

While attendance has remained stable in recent years, the survey indicates that many people go to the (45) theater less than once a month and some not at all.

Europeans also watch films on free TV, on video disc, and through on-demand services. Home or mobile viewing represents an important market because viewers increasingly 7:00 EIGHTH MINUTE expect to be able to watch content anytime, anywhere, and on every device.

The same survey concluded that illegal material is also being utilized and that a fraction of the public desires to interact with and partici (15) pate in its creation or programming through apps or social media.

Television remains the medium used most often to watch entertaining programs with viewing times around four hours a day.

Average video online viewing increased by nearly two (30) hundred percent between two thousand eight and two thousand eleven.

The audiovisual sectors vary greatly from country to country across Europe. Industry size, production volume, and the linguistic environment as well as ~~t~~he ways in which (45) films are financed differ widely.

As each motion picture is a unique prototype, any attempt to model success factors runs the risk of oversimplification. It is evident that some basic weaknesses may have a serious impact on the (8:00)

***9th minute*** likelihood of European films to reach their possible viewers both at home and abroad.

The European film industry is composed mostly of small and micro enterprises relying on limited intangible assets. Filmmakers face growing difficulties (15) to raise appropriate funding and must rely largely on public financing.

The average production estimates also fluctuate across Europe, from eleven million Euros in the UK to five million in Germany and France. In comparison, in Hungary (30) or Estonia, films are produced with a budget of about three hundred thousand Euros. According to the Motion Picture Association of America, the ordinary budget for US-produced movies is fifteen million dollars, although the major studios (45) anticipate and plan for costs over one hundred million dollars.

Given the high level of costs required in film production, high revenues from the box office remain necessary to achieve economic viability. Despite the magnitude of market share, (9:00) ***10th minute*** several recent US blockbusters had difficulty in paying back their high investments.

While some European movies could reach the break-even point with a relatively small number of admissions, a large majority are not profitable and do not recoup their total cap (15) ital outlay. This fact makes it difficult for European companies to become more stable, to move away from a single-project approach, and to grow.

The complex production financing system is being challenged by changes in distribution and consumption which have been triggered (30) by digital technologies. TV revenues might be affected by the proliferation of channels and fragmentation of the audience.

Though online revenues are experiencing dynamic growth, they do not yet compensate for the loss of digital disc revenues. It (45) appears that television series, whether on demand or on TV, are very popular and achieve high viewing figures.

New players, such as on-demand platforms and technology operators, have a large role in distribution but are not involved in production or financing. (10:00)

***END OF DICTATION.***