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# European Distribution : Focus on Czech Republic and Slovakia

by Isabella Weber

Moving towards East, Europa Distribution's enquire on the current state of indie film distribution continues; after [Belgium](#), [the Netherlands](#), [Germany](#) and [Spain](#) it is time for Czech Republic and Slovakia to unveil their distribution scenario.

## Two Countries, One Market?

Up until 1992, Czech Republic and Slovakia were united in the Federal Republic of Czechoslovakia and today the two countries still share an important cultural heritage. Looking at the big picture from a distribution point of view, it is important to remark that although Czech and Slovak are formally considered two different languages, with different grammars, they are in fact similar enough to not consider language a distribution barrier, although younger generations in Czech Republic do not speak Slovak. Films are screened with Czech subtitles in both countries and the only exception to this practice is represented by films dedicated to children that, to be distributed in Slovakia, need to be subtitled in Slovak by law. Television follows the same trend: several Czech TV channels are watched by Slovak audience and broadcasted in both countries.

As it happens in the BENELUX, films' rights are bought for the two territories either by companies who operate in both countries, in collaboration with partners or yet through sub-licenses. Looking at the proportions it is clear that the market is not equally split in two: Slovakia has 1/2 of the Czech population and only 1/3 of its film-goers. "Czech Republic has a very strong cinema cultural heritage, especially in comparison with Slovakia where there are very few state cinema theaters. Slovakia does not have the Czech infrastructures and it is not as centralized. Bratislava can count on very few arthouse cinemas while in Prague that are many" comments **Ivan Hronec** from **Film Europe**, a distribution company operating in both Slovakia and Czech Republic. According to Hronec, although with the mentioned differences, the two territories can be considered as part of one distribution market.

## Local Strengths and Challenges

Looking at the number of admissions, the first temptation is optimism. From 2013 cinema theaters in both countries not only have not lost spectators but have actually registered a raise in the number of admissions: 11,5% for Slovak cinemas and 2,2% in Czech Republic. The modest but steady growth of admissions in Czech Republic goes together with a raising of the number of screenings. "This is a small territory if we compare it with France or Italy but there is an important film tradition. There are local productions, national studios and important film schools, renown outside the country. Cinema theaters are spread throughout all Czech Republic, contrary to most European countries where they are often only present in the big cities. Cinema here exists" affirms with conviction **Sylvie Leray** from **Artcam distribution**.

**Ivo Andrlé**, CEO of **Aerofilms**, also stresses the importance of domestic productions to account for the strength of the Czech film market, which has the highest rates for local production in Europe, but shows some concerns about the future: "In Czech Republic there is a kind of audience who goes to the cinema only once or twice a year, waiting for the release of the films of Bohdan Sláma, Jan Svěrák, Zdeněk Troška... Advertising the "New Czech Film" was always a sexy marketing tool for us but things are starting to change." Over the last few years, local products have not been as "sexy"

as they used to be. From 2007 to 2008 the number of Czech films released in the country has doubled but their position on the market has started to decline significantly: while in 2007 the 20 Czech titles released attracted 32% of the audience, in 2013 the 49 Czech films only got 25% of the total admissions. According to Andrlé, the reasons of this drop are several: on the one side within the increased numbers of Czech releases of the last years there were fewer good films and the expectations of audience were often unfulfilled; on the other side piracy, the great problem of distribution today, affected the Czech market more deeply than ever before.

### **Distribution models**

Compared to any other window release, cinema theaters still hold an indisputable primacy for film distribution and it is therefore natural that this remains the greatest concern of Czech and Slovak distributors. Ivan Hronec talks of the difficulty of placing films in theaters as the number one problem of his company. “When at the beginning of 2000s the first multiplexes started to open we thought this was an opportunity to have more space for screenings. Now it is obvious this was a very naive idea. Independent films do not find a space in multiplexes and besides they need a completely different atmosphere.” The local market seems to encourage in fact distributors to become also exhibitors and the other way around. This is the case for Aerofilms (who started as exhibitor), for Artcam (who manages a small arthouse cinema) and Film Europe makes no exception with the opening of a cinema in Bratislava. Despite the challenge to fight against Hollywood blockbusters, common to all distributors of independent films, Czech distributors still find an audience for their films, and not only in their own cinemas. “Even with a small arthouse film we manage to have between 200 and 400 screenings” affirms Sylvie Leray who estimates that cinemas represent about 80% of Artcam incomes, the remaining 20% being equally covered by TV and VOD, while the DVD appears to be irrelevant.

Television sales do not represent a great potential for profit in Czech Republic. Czech Television is the only channel buying arthouse films and in this monopoly context, indie distributors have almost no contractual power and have to accept “take it or leave it” sort of deals. HBO pay TV does broadcast in both Czech Republic and Slovakia but their program is made at a multi-territorial level so deals need to be made in agreement with distributors from all the other territories. “Czech Television is fairly correct but I would welcome some more competition in the market,” – admits Ivo Andrlé – “when it comes to pay TV distributors don’t have much power as multi-territorial programming automatically brings in the sale agents.”

Last February, Netflix announced his entrance on the Czech and Slovak scene by the end of 2016 but the arrival of this new actor does not seem to worry exceedingly indie distributors. “You need to have a dedicated infrastructure for arthouse films, it cannot be the same used for commercial films and this won’t change with Netflix. They are not curators, they just put together the mass of the films but don’t make any promotion and don’t seem interested in sharing any of the marketing costs” comments Ivan Hronec, CEO of Film Europe who in 2011 launched its own TV Channel dedicated to European cinema. Ivo Andrlé, whose company owns its own VOD platform, even dares to be optimistic, hoping that Netflix might bring a change of viewing habits making legal VOD more common.

### **Alternative distribution and alternative contents**

Film Festivals are largely spread in Czech Republic while Slovakia can also count several. In the past few years they have become first players in the promotion’s path of arthouse films. Demonstrating this new essential role of film festivals in the distribution chain, the Karlovy Vary International Film Festival ([KVIFF](#)) partnered up last year with Aerofilms and Czech Television to create a joint distribution label to secure domestic distribution to some high profile arthouse films, starting with *Youth* by Paolo Sorrentino. Besides the two international films festivals of Karlovy Vary and Bratislava ([IFFB](#)), there are several local festivals used by distributors to premiere their films. The [Animefest](#), the [Mezipatra Gay and Lesbian Film Festival](#), the [Nordic Films](#), La Película Festival of Spanish Films and the French Film Festival represent excellent occasions to launch films

in Czech Republic counting on the interest of a selected audience. Aware of the potential for distribution of the “festival effect,” Film Europe gave birth in Slovakia to [Scandi](#) and [Crème de la crème](#) for Nordic and French films and to the recent [Be2Can](#), a showcase of international titles bought by Film Europe for distribution and selected by the most important Film Festivals in Europe (Data on the number of Film Europe’s releases in 2014 and 2015 which were premiered in festivals and not).

After being exposed in Film Festivals (when possible) most films follow traditional distribution paths while some others (still a small percentage) try their luck with alternative strategies. Day&Date releases prove to be effective in some cases. “We do D&D quite frequently – explains Ivo Andrlé – and in our experience this works well for small films where we do not expect big incomes and that we cannot bring everywhere through big releases. D&D can be in this case our opportunity to still touch the whole country.” Andrlé and Hronec agree that this release strategy makes sense also with late releases, when the film is already online and VOD offers an alternative to piracy. Aerofilms was in fact one of pioneer of VOD and created its own platform, [Aerovod](#), already in 2012. “Traditionally we had never been strong in video distribution but with VOD we saw a big potential. Now with the platform we have reached the point where the incomes covers all the costs leaving still some margin for profit. Aerovod makes more than 5.000 transactions a year and the numbers are growing fast every year” proudly announces Andrlé. Sylvie Leray, who comes from the music sector, also believes in the potential of VOD. Artcam works today with 3 different platforms to distribute its films online: “Films such as *Eat your bones* and *White God* proved to be more performing on the VOD than in cinemas.”

The frontiers opened by new technologies also shed some light on the distribution of “alternative contents”. Under this wide umbrella fall all audio-visual products which are not films but have turned out more and more attractive for a cinema audience. In Czech Republic Aerofilms is today the leading distributor in the sector and its “catalogue” is largely dedicated to operas, concerts and theatre shows from the Metropolitan Opera of New York, the Royal Albert Hall in London, the British National Theatre and other worldwide popular institutions. Live concerts and documentaries about bands and rockstars are proving to have a growing audience in cinemas: the release in 100 Czech and Slovak cinemas of *Roger Waters The Wall* broke the record of admissions for cinema events with 20.000 persons in one evening.

Traditional venues can benefit from alternative contents but it also works the other way around. Sylvie Leray tells us that Artcam is currently working on crossover projects, finding alternative spaces to screen selected films: “Bringing our films in concert halls gives us the chance to touch an entirely different audience.”

Czech and Slovak distributors will be called to face important challenges over the next few years , similar to those of their European neighbours, with Netflix as new player and the Digital Single Market knocking at the door. But as long as “cinema exists” they will be probably looking at the bright side.

### ***Get to know our Members!***

#### **[Artcam \(CZ\)](#)**

As a distribution company Artcam only deals with arthouse films. They also own and manage the Studio Béla cinema in Prague, which “helps taking risks,” but also have excellent connections with the Europa Cinemas theaters in Czech Republic. Last releases: *Trois souvenirs de jeunesse*, *Aferim!*, *Marguerite*

#### **[Aerofilms \(CZ\)](#):**

Since they moved from exhibition to distribution in 2006, they have not stopped. Started off with only arthouse film and documentaries, today Aerofilms is the first distributor of alternative contents in the territory and one of the leading distribution companies for arthouse cinema. From 2012 they

use their VOD company and run three cinemas in Czech Republic. Last releases: *Le tout nouveau testament*, *Arcade Fire: The Reflektor Tapes*, *Rams*

#### Film Europe (SK):

Distributor of “Art Packages” rather than single films, Film Europe dreams that “Cultiplxes” will one day replace multiplexes. They are present in Czech Republic and Slovakia (where they are now opening a cinema) but also in several other EU territories with their TV channel dedicated to European cinema. Their editorial line is focused on festival hits and European films. Last releases: *Dheepan*, *Victoria*, *La famille Bélier*

Main sources:

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