EU CONSULTATION ASSESSING STATE AID FOR FILMS AND OTHER AUDIOVISUAL WORKS

Response from Cheshire and Merseyside Tobacco Control Alliance (CMTA)

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About CMTA
The Cheshire and Merseyside Tobacco Alliance (CMTA) has been in operation since 2000. This sub-regional network currently includes eight Primary Care Trusts (PCTs) and nine Local Authorities (LAs) and covers a total population of around 2.6 million people. The Alliance aims to facilitate a strategic overview for tobacco control within Cheshire and Merseyside and support the development of tobacco policy and management of initiatives at a local strategic partnership level. Membership currently consists of: the designated tobacco control leads for each PCT and LA; other relevant agencies with a remit within tobacco control such as Trading Standards; NGOs e.g. Heart of Mersey and the Roy Castle Lung Cancer Foundation; and public sector organisations including the Fire and Rescue and the Police.

Introduction Summary:
The CMTA’s submission to the European Commission’s public consultation on State aid for audiovisual works considers these subsidies from a public health perspective:
- Research demonstrates the link between exposure to on-screen smoking and adolescents starting to smoke.
- The tobacco industry has long been aware of the link and previously paid for product placement in films made for children.
- In the EU €75 million per year of public subsidies for top-grossing films goes to films featuring tobacco (€ 263 million over 42 months).
- Six of the top 10 countries in the world awarding subsidies to top-grossing films with tobacco imagery are in the European Union. They contributed 26% of all such subsidies.

The CMTA recommend that future productions of films and audiovisual work with tobacco content should be ineligible for State aid. Applicants would be required to certify that the production was and would remain tobacco free.
Global research and evidence of smoking imagery and tobacco harm

Young people are exposed to a mix of personal, social and environmental influences that serve to normalise and encourage the onset of smoking, despite its addictiveness, expense and adverse consequences. There is a large, growing and consistent body of international evidence establishing that exposure to on-screen smoking is strongly associated with adolescents starting to smoke and progressing to regular, addicted smoking.

Studies confirm that young people are:
- Almost three times more likely to start smoking if they see smoking in films.
- Sixteen times more likely to develop positive feelings towards smoking if they see their favourite star light up on screen.

A recent study including Germany, Iceland, Italy, Poland and Scotland found the causal relationship to hold across European cultural contexts. This is a conclusion supported by the US National Cancer Institute, the World Health Organization and US Centers for Disease Control and Prevention.

It is clear what these findings confirm and what the tobacco industry has known for many decades: the presence of tobacco imagery in films promotes smoking. Historically the film and tobacco industries have had a cross promotional relationship. From the advent of “talking pictures” in 1927 into the early 1950s, tobacco companies spent millions of dollars to buy brand endorsements from movie stars, brokered by the Hollywood studios that held them under contract, then paid for major movie studios’ national advertising in newspapers, magazines and on radio. After 1970, when tobacco advertising was banned from the US airwaves, major tobacco companies launched systematic product placement campaigns, touching hundreds of mainstream films, including multinational productions.

Policy responses to on-screen smoking

Efforts to reducing youth exposure rates to pro-smoking images could positively impact on decreasing levels of adolescent smoking initiation. Parties to the WHO Framework Convention on Tobacco Control, undertake to ban tobacco advertising, promotion and sponsorship under Article 13. The EU is a party to the Convention. The guidelines adopted for implementing Article 13 include:

- Parties should undertake particular measures concerning the depiction of tobacco in entertainment media products, including requiring certification that no benefits have been received for any tobacco depictions, prohibiting the use of identifiable brands or imagery, requiring anti-tobacco advertisements and implementing a ratings or classification system that takes tobacco depictions into account.

European Union governments allow rating systems that certify films with tobacco use as appropriate for children and many go further by indirectly promoting smoking to youth through the provision of subsidies. State aid for film and television production currently makes no distinction between projects whose tobacco content plays an important role in recruiting adolescents to smoke and those that do not.

The World Health Organization states that State aid programs “should be amended to make film and television projects with tobacco imagery or reference ineligible for public subsidy.” It notes that “Public subsidy of media productions known to promote youth smoking initiation is counter to WHOFCTC [Framework Convention on Tobacco Control] Article 13 and its guidelines. Public support for and policies favouring media producers, whether the rationale
is cultural conservation or commercial competition, should be harmonised with the fundamental public health imperative to protect populations from tobacco promotion and with Article 13 of the WHO FCTC.\textsuperscript{30}

- A recent study of on-screen smoking estimated that, in the UK from 2003 to 2009, £338 million (€387 million) in Film Tax Credits were routed to British productions of US-developed “British” films with tobacco imagery, almost all age-classified for adolescents and children.\textsuperscript{31} Nationally, 6% of 11-15 year olds are current smokers and an estimated 330,000 children under the age of 16 years try cigarettes for the first time each year.\textsuperscript{32}

The same estimation method\textsuperscript{1} applied to the sample of all 488 top-grossing\textsuperscript{2} films released January 2008-June 2011 yields these results for members of the European Union:

- European Union member countries were the primary production location for 16% of top-grossing films whose primary production location offered subsidies.
- Sixty-three percent of top-grossing films shot in EU countries included tobacco.
- EU countries accounted for €433 million (21% of global total) in public subsidies of top-grossing films released over the 42-month period sampled.\textsuperscript{3} 61% (€ 263 million) of public subsidies for top-grossing films went to films with tobacco.
- Within the EU, the United Kingdom accounted for nearly half of subsidies for top-grossing films with tobacco imagery. Germany followed with about one-quarter. Italy (9%), the Czech Republic (7%), France (6%) and Hungary (5%) delivered the balance.
- In recent years, six of the top 10 countries awarding subsidies to top-grossing films with tobacco imagery were in the European Union. They contributed 26% of all such subsidies.

CMTA Recommendations to consultation

There is a danger that the EU review of State aid for films will neglect important public health considerations including EU responsibilities under the Framework Convention on Tobacco Control to which it is a party.

CMTA proposed subsidy remedy to State aid for films and tobacco use among young people is quite clear; that future film and audiovisual productions with tobacco content are deemed ineligible for State aid. Applicants would be required to certify that the

\textsuperscript{1}Publicly available production budget per film was multiplied by a factor (range: 0.95, <US $10 million - 0.50, > US$ 100 million) to estimate the qualified spend eligible for subsidy rate offered in the primary production location. Aggregate results closely match estimates for UK subsidies drawn from program reports for adjacent years.

\textsuperscript{2}Films ranking among the top 10 in box-office gross in any week of their first-run theatrical release in the ‘domestic’ (US and Canada) distribution territory. Top-grossing films are highly correlated across the domestic and European markets.

\textsuperscript{3}The subsidy estimated for top-grossing, mainly US-developed films in this sample does not represent all public subsidies granted to films produced in that country. In France, the majority of national subsidies appear to support French language films with limited distribution in the rest of Europe or in the US. In the UK, Germany and Hungary, by contrast, it appears that most available subsidy funds go to a few large-budget, US studio films.
production was and would remain tobacco free; programme rules would state that “any production that depicts or refers to any tobacco product or non-pharmaceutical nicotine delivery device or its use, associated paraphernalia or related trademarks or promotional material” would not qualify for public benefit.

This requirement to qualify for a subsidy would not prevent filmmakers from including tobacco imagery in any film. It would not bar such content from the screen. Nor would it force a filmmaker to adopt an anti-tobacco message. It would simply bring public subsidies designed to encourage private endeavors deemed in the public interest into harmony with public health policies that EU member states have committed themselves to implement as parties to the Framework Convention on Tobacco Control.

References

18Sargent JD, Hanewinkel R. Comparing the effects of entertainment media and tobacco marketing on youth smoking in Germany. Addiction 2009;104:815-823.