



Eich cyf/Your ref  
Ein cyf/Our ref

David Rees MS  
Chair of the External Affairs and Additional Legislation Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

03 July 2020

Dear David Rees MS

Thank you for your letter of 5 June to the Minister for International Relations and the Welsh Language, Eluned Morgan MS in relation to Council of Europe's Convention on Cinematic Co-Production. I am responding as the screen sector falls within my portfolio.

In relation to your specific questions:

**What is the Welsh Government's view of the impact of the UK's accession to the 2017 Convention on Wales' cinematographic industries?**

The Council of Europe's Convention on Cinematic Co-production is a longstanding piece of legislation that allows co-producing parties to fully access fiscal benefits from other countries. Currently, the UK has one bi-lateral co-production agreement within Europe, namely with France, therefore the Convention is regularly relied upon in order to financially structure European co-productions.

Prior to the UK accession there was concern amongst the industry regarding the loss of the benefits associated with this Convention. The signing of the Convention signals a desire to continue to work collegiately across Europe and shows the industry is open for business with Europe and beyond.

The new Convention also has more favourable terms, including lowering the % contribution required of the minority partner in order to qualify. In addition, it extends opportunities for co-production, for the first time recognising countries outside of Europe as qualifying, resulting in 'official co-productions' rather than official 'European co-productions'.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

European film co-production is a significant component of the overall production scene, particularly so in Wales. Ffilm Cymru has funded 18 feature films as co-productions with other Council of Europe member states. This equates to 25% of the total number of films that have progressed to production with Ffilm Cymru funding. These films, and the co-financing from Council of Europe member states, were made possible through qualifying under the Convention of Europe. Funding equivalent to 75% of the financial investment made by Ffilm Cymru was sourced from these Council of Europe territories.

Aside from the financial benefits of the Convention, there are cultural benefits of having cultural products from Wales available around the world, and the portrayal of the skills and locations of our country. Examples of this include the UK's Oscar submission in 2018, *I Am Not Witch*, which was the Bafta-winning feature debut of Welsh-Zambian writer-director, Rungano Nyoni, and feature animation, *Ethel & Ernest*, a co-production with Luxembourg and the UK, with Welsh co-producer Cloth Cat. The film was nominated as Best Animated Feature at the European Film Awards, sold around the world and attracted over 8 million viewers when it premiered on the BBC over Christmas.

Benefits associated with Convention continue to be realised during the COVID-19 pandemic, and Ffilm Cymru is currently supporting the progress of a European animated feature which has been able to progress due to the animation work taking place remotely. This animated feature adaptation of *Heart of Darkness*, from Welsh writer-director Gerard Conn and his production company, Gritty Realism, is a UK, Belgian, Ireland co-production, which will be able to access national financial incentives in each of these territories because of the Convention.

### **To what extent does the Convention's provisions align to the ambition set out in the Welsh Government's international strategy?**

The International Strategy identifies three sectors in which Wales is renowned for its expertise. These sectors are compound semiconductors, cyber security and the creative industries. With regards to the creative industries, Wales is particularly recognised for its skill in the production of high-end film and television and it is on this particular sub-sector that the Welsh Government has focused its international offer.

During the development of the International Strategy, the Welsh Government consulted widely using in a variety of methods. With regards to the creative industries sector, we ensured that we met with trusted industry partners to ensure that the direction being developed in the strategy was one that they could sign up to and understand how we could use the International Strategy to support their work. These partners included S4C, BBC, ITV, Ffilm Cymru and Sgil Cymru. In addition, renowned institutions, such as the British Film Institute also responded to the consultation process. The strategy recognises the importance of working with partners, and their support in delivering a cohesive international ambition. It also recognises the importance that membership and/or working with international organisations, such as Cine Regio, can have in terms of delivering our international work in the creative industries.

The decision to include the creative industries as one of the centres of excellence in the International Strategy goes much wider than just the economic agenda. The use of film and TV production to promote the Welsh language and our landscape also helps to support the wider cultural and tourism agenda. Whilst the Council of Europe Convention on Cinematic Co-production is not specifically mentioned within the International Strategy (the list contained is not exhaustive), the strategy does chime with its provisions to "defend the cultural diversity of the various European countries"

**Did Welsh Government have prior involvement or notification of the UK's intended accession to the Convention?**

We are not aware of any specific notification to the Welsh Government of the UK's intended accession to the Convention.

**What level of engagement, if any, does the Welsh Government have with the British Film Institute, which, according to the UK Government's Explanatory Memorandum, negotiated the Convention on behalf of the UK as a whole?**

Creative Wales has regular engagement with the British Film Institute, at both the policy and operational level. Officials from within Creative Wales sit on the recently established Screen Sector Taskforce for COVID-19 and have regular meetings regarding other issues affecting the Screen Industry in Wales.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. Elis-Thomas'.

**Yr Arglwydd Elis-Thomas AS/MS**

Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism