



The Film/TV Industry & Ireland's Economy:

Insights report on the contribution of
Section 481 Film Tax Credit supported
production activity to the Irish economy

Foreword



If we have learned anything in the past year, it is the crucial role that culture plays in a time of crisis.

One of the few rays of light over this period has been the way in which our artists - writers and musicians, actors and directors - have come together to entertain and sustain the nation through unprecedented times. The Film, Television Drama and Animation industries have been central to this, with the extraordinary global success of *Normal People* – with Connell and Marianne becoming household names around the world – and the widespread acclaim for animated feature *Wolfwalkers*, just two highlights among many this past year.

This report, commissioned by Ardmore Studios and Troy Studios with the support of Animation Ireland and Screen Producers Ireland, is a welcome illustration of the positive economic benefits to the Irish economy of a successful and resilient screen sector and builds on the 2020 *Section 481 & The Film/TV Industry: Insights on the Sector's Contribution to the Irish Economy* analysis.

We have continued to see major international projects bring significant inward investment into Ireland – including Netflix's *Winx* to Ardmore Studios (Bray) and Skydance's *Foundation* to Troy Studios (Limerick) – demonstrating the quality and high-regard internationally for Irish studios and production facilities. This investment flows not just to our big urban centres but right across the country, where they support and sustain local and regional economies. And by showcasing our breath-taking landscapes, dynamic cities and unparalleled culture, the sector plays an important role in complementing the tourism industry, which has been particularly negatively impacted this past year.

In addition to the economic analysis, there is another dimension to Ireland's screen success story, and that is the extraordinary growth in the scale and depth of talent working in front of and behind the camera. Our writers, directors, animators and crew are in demand, not just here, but all over the world for their skills - an illustration of how global our industry is. It is no longer possible to count on two hands the number of internationally established actors produced in Ireland;

every year new stars emerge. This suggests two things, we face enormous global opportunity here in Ireland, but we must also compete in a global market.

If you were to point to one thing that has enabled the industry to achieve the successes it has to date, it is the foresight of successive Irish governments to invest in the sector by providing an internationally competitive tax incentive, Section 481, that enables Irish producers and studios go out in to the world and sell our work and our country as a centre of excellence for filmmaking. Section 481 is the cornerstone of Ireland's screen industry and a critical pillar of the financing structure for the industry. In a global market, Section 481 allows Ireland to compete for international production investment and take advantage of the unprecedented opportunities provided by the 'streaming-wars'.

This report produced by PwC further demonstrates why continued support via Section 481 is critical for the sector and for the wider economy. It also makes the case for reviewing the cap upwards on Section 481 projects, to enable Ireland to attract larger productions and create further sustained future growth, at a time when several countries have adjusted their film tax incentive scheme to fully exploit the demand for content during the Covid-19 pandemic.

Whilst this report and its predecessor play a vital role in giving a high-level summary of the industry's economic contribution and potential – annual industry data that can provide deeper insights is required.

This report was compiled with the assistance of producers, directors, studio facilities and accounting professionals from across the Animation, Film, TV Drama and Documentary genres. We thank them for contributing their expertise and insight.

Andrew Lowe

Managing Director (Joint) Element Pictures
Chairman, IBEC Audiovisual Ireland

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Executive Summary

Ireland is recognised as possessing an internationally renowned screen industry. Ireland's screen industry continually delivers high quality output across film, television drama, documentary, animation, vfx and post-production. The skills of the sector continue to receive recognition on the international stage and a number of high-profile international productions have chosen Ireland for production and post-production. As global demand for quality content continues to grow, Ireland's screen industry is seeking to respond to this and drive further sectoral growth.





The success of the industry is underpinned by a range of key factors – the Government's progressive film tax measure, high quality studio and stage facilities, strong talent and skill pool. However, the film tax credit is a key cornerstone of Ireland's screen industry and is a critical pillar of the financing structure of the industry. Ireland's film tax credit allows Ireland to compete for international investment in a market where numerous countries offer a range of similar international financial incentives. Domestically, the tax credit support for domestic activity is integral to Ireland's ability and ambition to build a sustainable competitive indigenous screen industry capable of developing and retaining increasing levels of Intellectual Property.

While the activity of the sector generates content and output that entertains and informs both international and domestic audiences, the industry also make significant contributions to Ireland's economy. PwC was commissioned by Ardmore Studios and Troy Studios, with the support of Animation Ireland and Screen Producers Ireland, to produce this report providing a high-level summary of the economic contribution (output (€m) & employment (FTE)) from the production activity of the 124 productions that applied for the film tax credit in 2019.

In 2019 the 124 productions collectively spent €275.9m on Irish-based labour and suppliers of goods and services. The Total Economic Impact of this expenditure resulted in the production activity contributing €416.9m to the national economy. This operational expenditure also supported 16,952 FTEs in the Irish economy. 3,906 FTEs are directly employed in industry activity supported by the tax

credit. With 124 productions applying for a total of €111m film tax credit in 2019, and a Total Economic Impact of €416.9m, the Irish economy receives a positive 3.8:1 return on the film tax credit investment. Production activity payroll related taxes also contributed approximately €52.2m to the Exchequer. Combining the Exchequer contribution with the Total Economic Impact, the 124 2019 productions generated a Total Economic Contribution of €469.1m.

Engagement with a range of industry stakeholders revealed the existence a number of challenges with the operation of the film tax credit that the sector believe should be reviewed. While the industry has welcomed that the process for applying for and securing the film tax credit has become a lot easier and more straightforward, it was identified that securing the additional 'Regional Uplift' is challenging and that some regional opportunities are being lost due to eligibility concerns. With many of Ireland's screen competitors no longer imposing a cap on their film tax credits, Ireland needs to ensure that its tax credit continues to operates at a competitive international level.



Introduction

Ireland's Screen Industry delivers a positive return on Government support and makes significant contributions to the Irish economy.

Ireland is recognised as possessing an internationally renowned screen industry. Ireland's screen industry continually delivers high quality output across film, television drama, documentary, animation, vfx and post-production. The skills of the sector continue to receive recognition on the international stage and a number of high-profile international productions have chosen Ireland for production and post-production. As global demand for quality content continues to grow, Ireland's screen industry is seeking to respond to this and drive further sectoral growth.

The success of the industry is underpinned by a range of key factors – the Government's progressive film tax measure, high quality studio and stage facilities, strong talent and skill pool. However, the film tax credit is a key cornerstone of Ireland's screen industry and is a critical pillar of the financing structure of the industry. Ireland's film tax credit allows Ireland to compete for international investment in a market where numerous countries offer a range of similar international financial incentives. Domestically, the tax credit support for domestic activity is integral to Ireland's ability and ambition to build a sustainable competitive indigenous screen industry.

While the activity of the sector generates content and output that entertains and informs both international and domestic audiences, the industry also make significant contributions to Ireland's economy through employment creation and support and exchequer payments. In addition, the sector generates a range of ancillary economic and socio-economic impacts. The screen industry supports local jobs and expenditure within regional areas and local economies as a result of filming and production activity in these areas through the permanent presence of studio facilities and productions

purchasing accommodation, transport, hospitality and other support services. Regional production activity plays an important role in sustaining local and rural economies, providing people with opportunities and means to continue to work and live in their local communities. The activity of the industry delivers an important cultural dividend, sustaining production of indigenous historical and cultural programmes. Film tourism provides Ireland's largest indigenous economic sector with a critical medium to market and promote the unique landscape, culture and heritage Ireland has to offer.

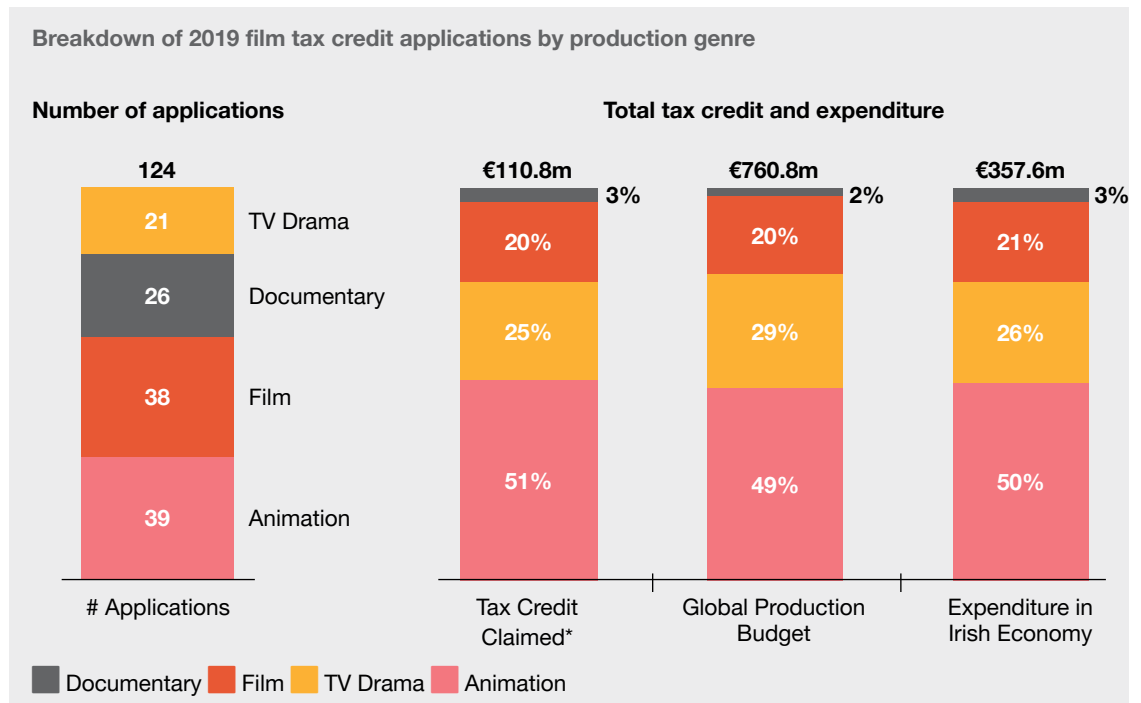
With industry recognition of the critical role that Government support plays in backing the sector, due recognition must also be given to the economic and socio-economic benefits generated by production activity. These benefits demonstrate that the sector is a net contributor to the Irish economy and delivers a positive return on Government support.

In the 2020 PwC report 'Section 481 & The Film/TV Industry: Insights on the Sector's Contribution to the Irish Economy', which examined a subset of 2015-2018 film tax credit supported production activity, the sector recognised the need to produce an annual report identifying the economic contribution of the sector's film tax credit supported activity. Building on this, PwC was commissioned by Ardmore Studios and Troy Studios, with the support of Animation Ireland and Screen Producers Ireland, to produce this report providing a high-level summary of the economic contribution (output (€m) & employment (FTE)) from the sector's 2019 film tax credit supported production activity. While the sector generates important ancillary economic benefits such as its support of film and screen tourism and Ireland's cultural heritage, analysis of such benefits are beyond the scope of this report.

S481 Film Tax Credit Overview

Ireland's Film Tax Credit provided by Section 481 TCA 1997 (as amended) is a critical pillar of the financing structure of Ireland's screen industry and fundamental to the sector's ability to compete for international investment.

124 productions applied for a total of €111m in film tax credit in 2019. The combined global budget of these 124 productions was €761m, of which €358m (47%) was planned spending in the Irish economy.



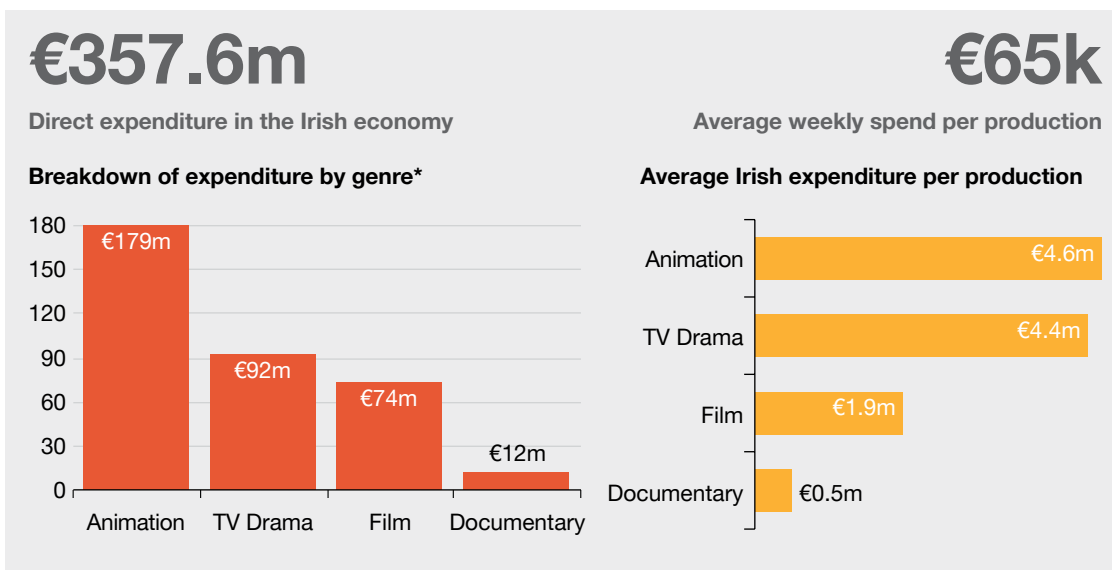
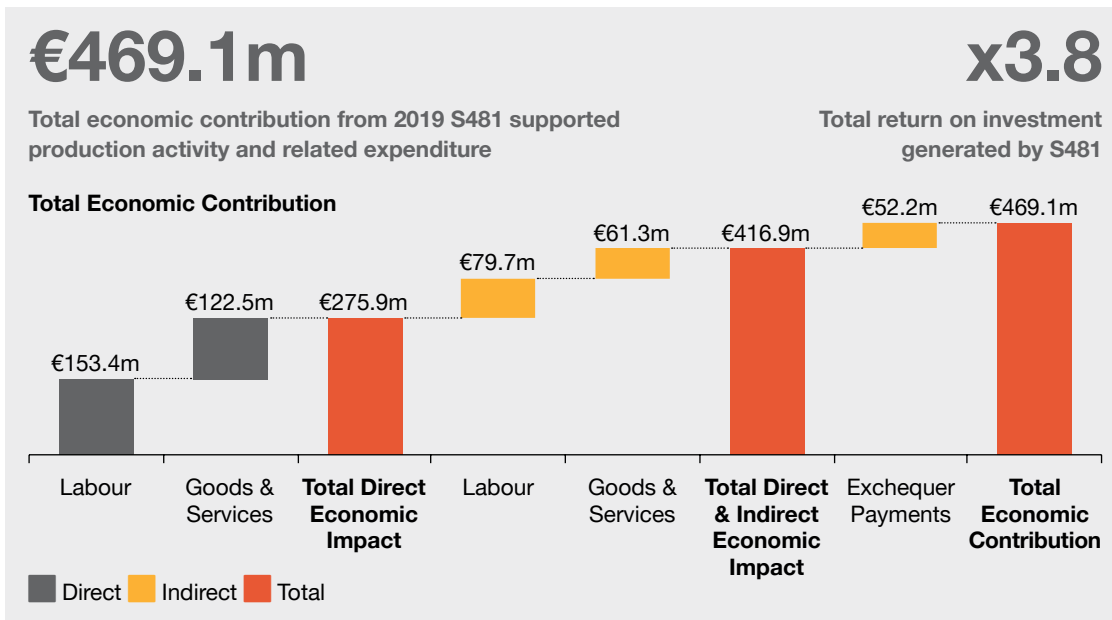
The information in this report was compiled using quantitative data and qualitative insights gained from surveys completed by 62 productions receiving film tax credit in 2019** and interviews with nine representatives across a range of production companies and studios. The analysis was supported by information published on Screen Ireland's website,

* Numbers may not add up due to rounding.

** PwC did not audit the self-reported data contained in the surveys completed by production companies.

Economic Contribution of the Film Tax Credit (S481)

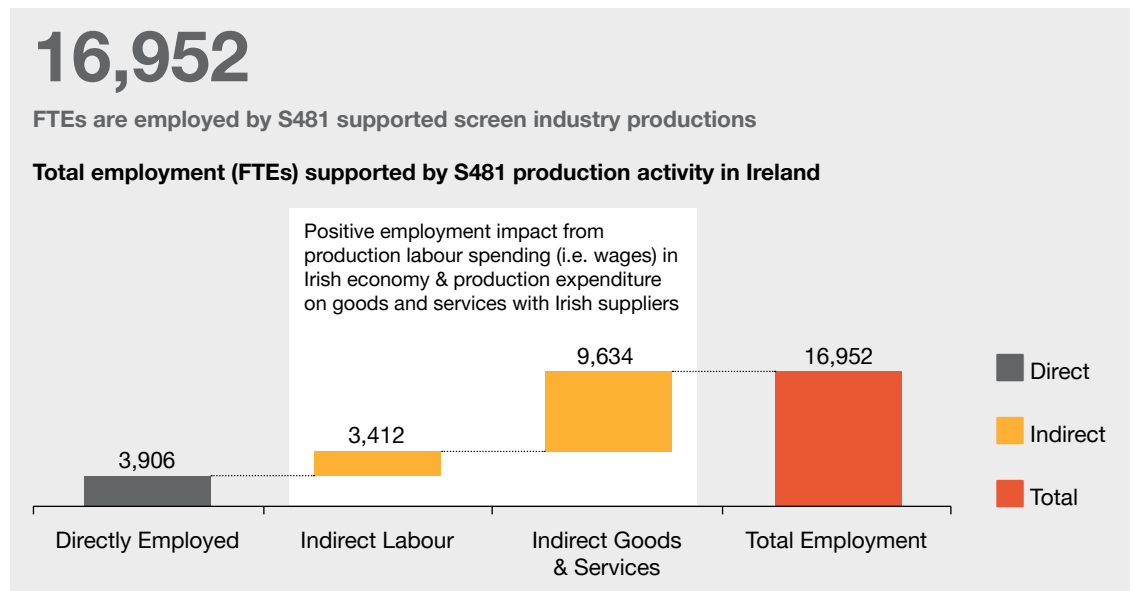
The Film Tax Credit supported film, television drama, documentary and animation production activity is of significant importance to the Irish economy, generating an estimated total economic contribution of €469.1m and a return on investment of 3.8 in 2019.

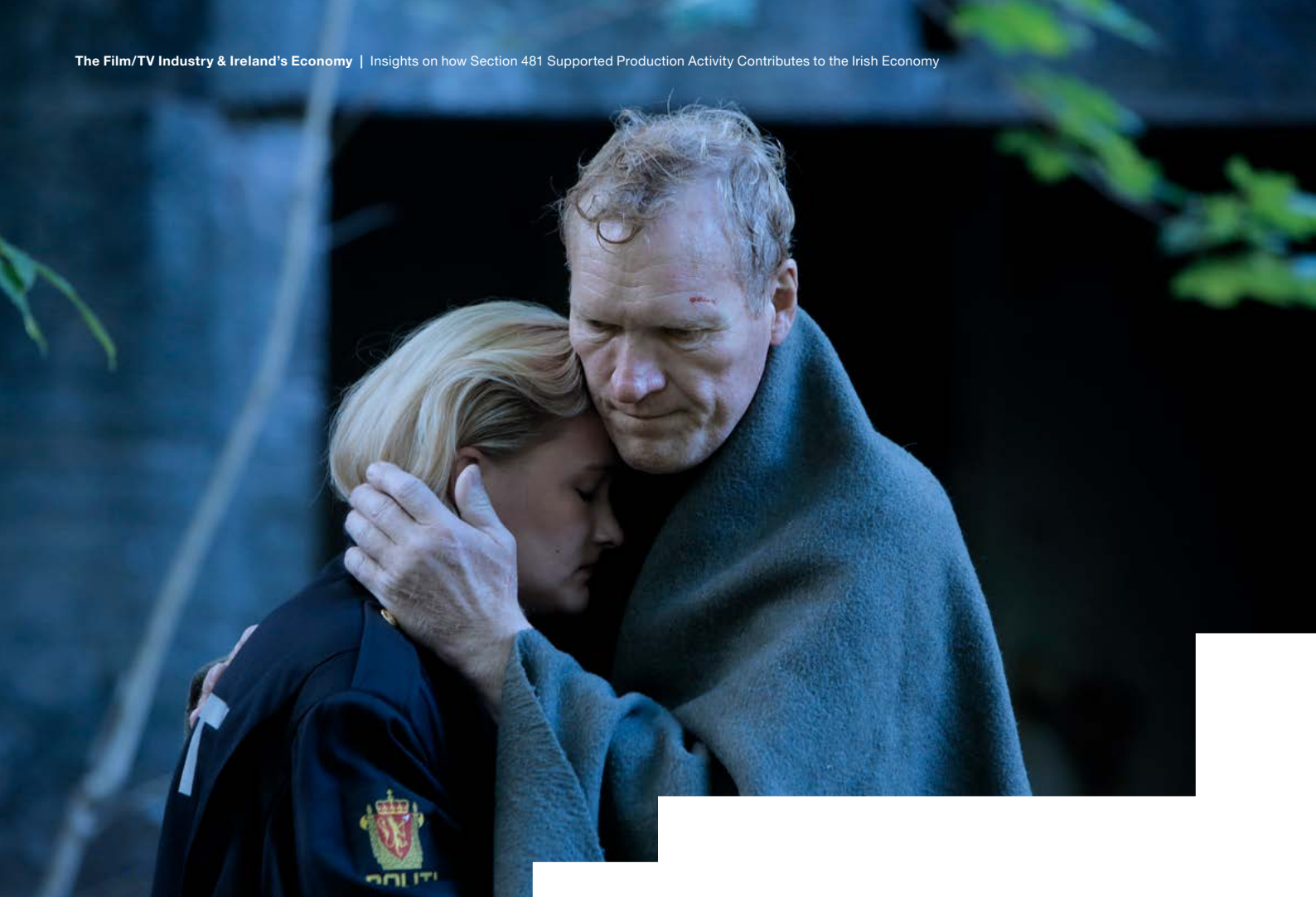


* Numbers may not add up due to rounding.

Employment Impact of the Film Tax Credit (S481)

The Film Tax Credit supported production activity enabled a total of 16,952 FTEs in the Irish economy in 2019. Over 90% of those directly employed are Irish or EU citizens, meaning strong support for the local economy.





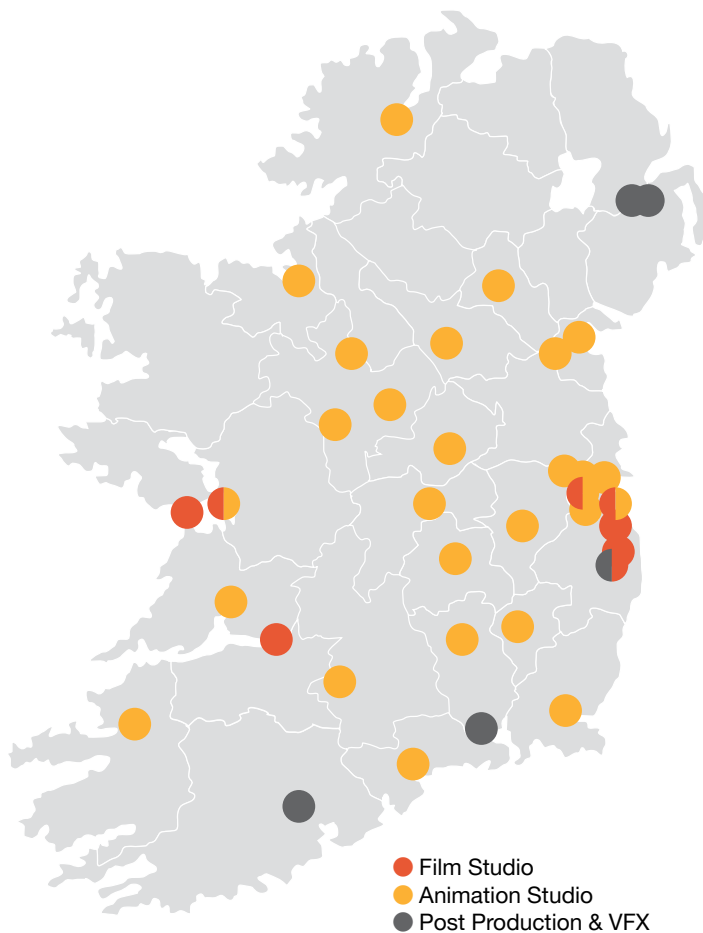
The sector generates both permanent and contract employment across a broad crew range, including actors, producers, animators, directors, editors. 3,906 FTEs represents a total of 19,079 individual jobs due to the part time or contract nature of employment in the industry. As production activity in the screen industry can be subject to year-on-year variations (production lead in times, funding cycles, talent, crew and facilities availability) employment levels will vary accordingly. While 2019 represented

a busy year for the screen industry, 2019 also witnessed the absence of any major production activity. This is not the industry norm for Ireland and occurred due to a number of large productions simultaneously experiencing long-lead in times to the commencement of production activity. This can have a big employment impact as major production activity supports significant direct employment.

The Film Tax Credit & Screen Industry Make Positive Contributions to Government Policy

Production activity promotes regional economic activity and development and future skills training, supporting delivery of Project Ireland 2040, Future Jobs Ireland 2019, and the Audiovisual Action Plan

Regional Development*



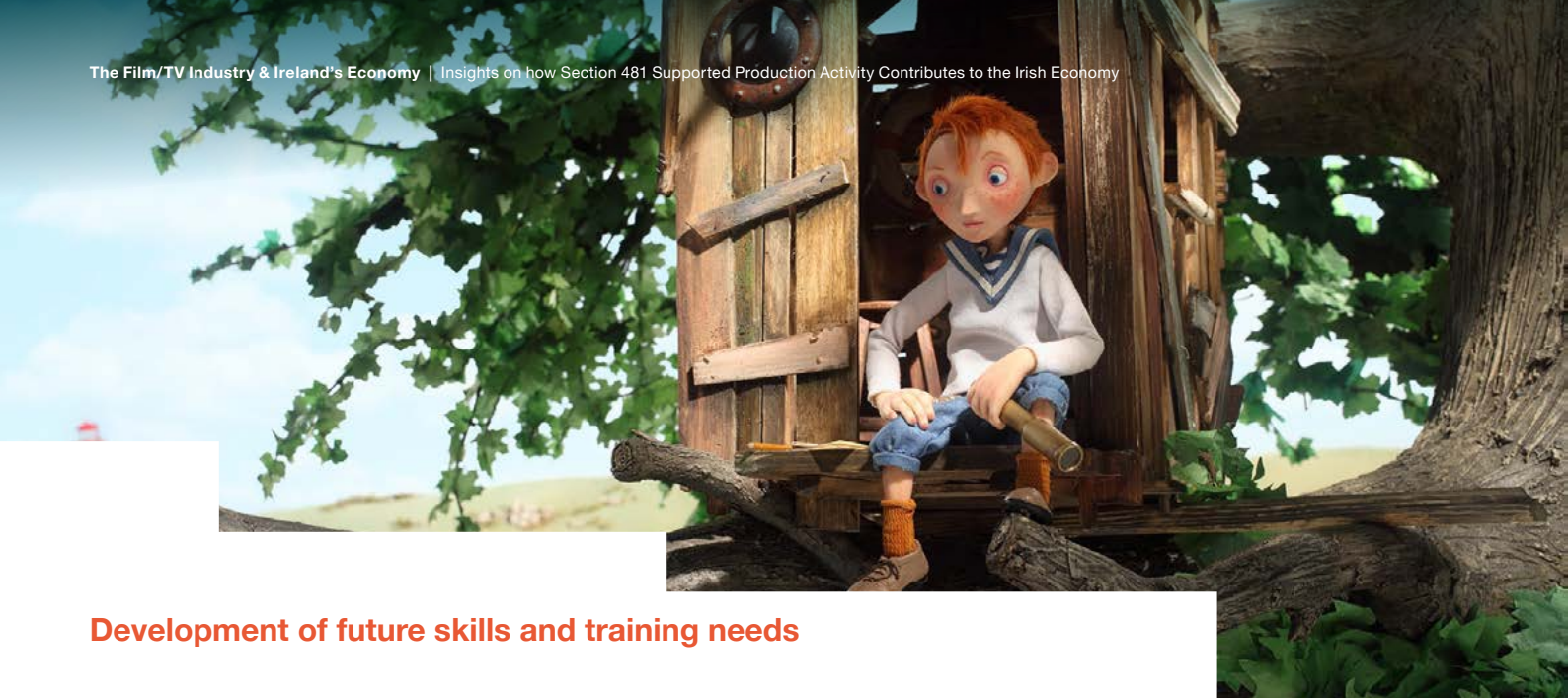
* S481 offers an additional uplift ('Regional Uplift') of up to 5% for production activity occurring in the regions outside of Dublin, Wicklow and Cork, potentially raising the value of the tax credit up to 37%.

“ The landscape and setting of Crossmolina in Mayo is a key character in Wild Mountain Thyme. It is not inexpensive to bring a production to the regions, but the Irish Tax Credit Regional Uplift was instrumental in allowing us to set up and shoot in this beautiful part of North Mayo and by doing so, also contribute meaningfully to the local economy ”

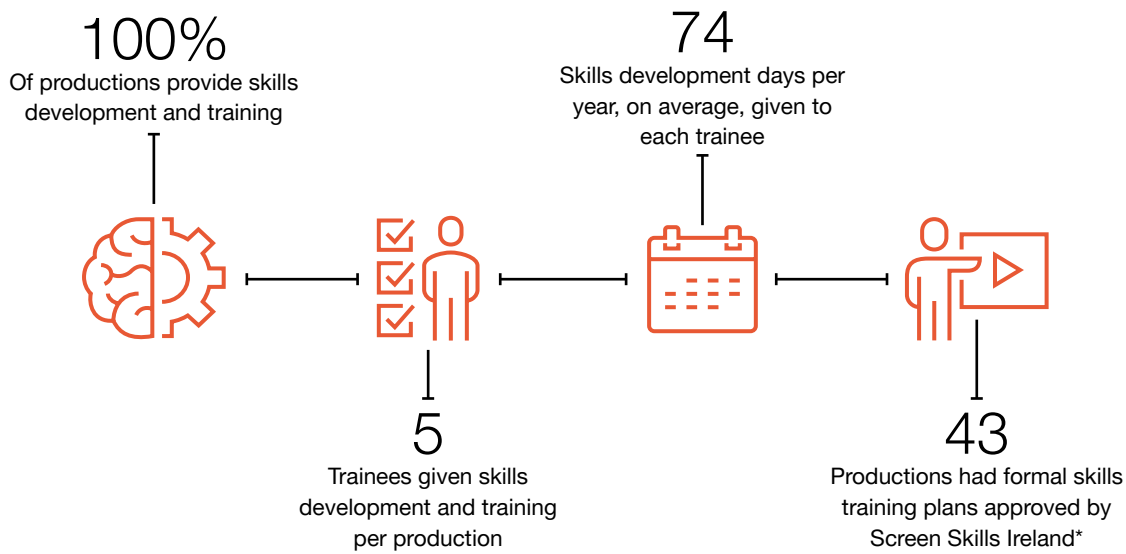
Martina Niland (Producer, Port Pictures)

“ Regional opportunities are being lost in the animation and other sectors because of the 45km radius limit and definition of "habitually resident" prescribed in the Regional Uplift. Consideration should be given to extending the radius to recognise the geographic spread of the regions in conjunction with a definition of "habitually resident" that recognises specific industry requirements ”

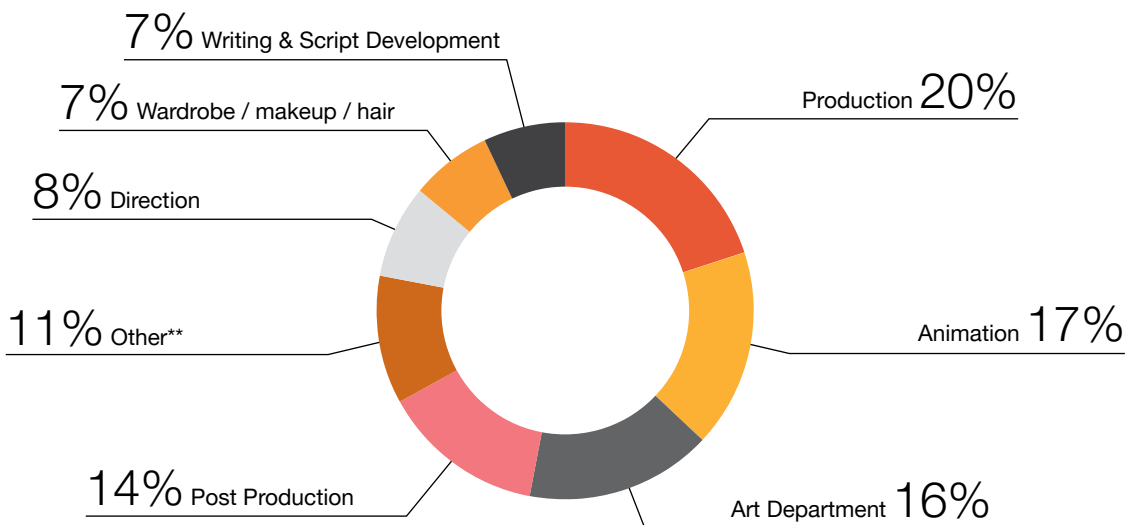
Ronan McCabe (CEO, Animation Ireland)



Development of future skills and training needs



Breakdown of training by skill set



* S481 applications must include a Skills Development Plan (SDP). Productions with eligible expenditure in excess of €2m must submit a copy of the SDP to Screen Skills Ireland for approval. The 43 projects approved all had eligible expenditure in excess of €2m.

** "Other" incorporates Location Scouting, Lighting, and Animal Management, each accounting for less than 5% of total.

Industry Perspective

Industry success requires further action across a range of key areas including the Film Tax Credit cap, infrastructure and talent development. Government must also deliver on the *Audiovisual Action Plan* and *Olsberg SPI* report recommendations.



S481 Cap & Long-term Certainty

Ireland must continue to improve the competitiveness of its tax credit and consider removing the cap or significantly raising it (as per Olsberg SPI).

Many of Ireland's screen competitors such as the UK, Hungary, Australia, New Zealand no longer impose a cap on their screen tax credits.



Without Section 481 there would be no Screen Industry in Ireland ... most developed countries have a tax credit to support their TV and film industry, our industry would stall and shrink if the tax credit didn't exist ”

Andrew Lowe (MD (joint), Element Pictures)



Infrastructure Development

If Ireland is to increase its share of global investment and develop the indigenous sector, Ireland must continue its infrastructure investment in both small and large scale facilities. Many of Ireland's key competitors (e.g. UK / Hungary) are actively expanding their studio capacity

Certainty on S481's future and cap is critical to making infrastructure investment commercially viable.

3 new studio developments in next 5 years will boost Ireland's infrastructure resources



Ireland is losing big budget production opportunities due to limited studio space ”

James Flynn (MD, Metropolitan Films)



Talent & Skills

While Ireland's screen industry has huge potential to grow, skills and talent development is crucial to future growth and Ireland's ability to crew future activity.

It is critical to ensure that a clear synergy exists between the industry's skill and talent needs and the skills development and training opportunities offered by relevant bodies and institutions.

The Film Tax Credit's support of indigenous projects allows people develop sectoral skills. Such experiences are essential to allow Ireland's industry transition from being service focused to one that is also engaged in significant Intellectual Property (IP) development.

Raising the The Film Tax Credit's cap supports increased scale and volume of screen activity, facilitating enhanced work and training opportunities and development of indigenous talent and sector.

* The industry perspective provides a high level overview of key issues that the sector identify as integral to future industry success. These perspectives were derived from discussions with a sample of key industry practitioners engaged in Film Tax Credit (S481) supported production activity. Section 2 in the Supporting Material provides additional insights on a number of themes and issues raised by the stakeholders.



From our writers, directors, producers, actors and crew, to animators, artists and post-production teams, Ireland's screen sector workforce is world class. An ongoing focus on, and investment in, skills development for the screen sector will be critically important to keep our creative workforce upskilled, and to attract and nurture a new and diverse pipeline of talent for the sector, to support continued growth ”

Gareth Lee (Manager, Screen Skills Ireland)



Investment by Irish colleges, in the technology used by the animation sector has greatly reduced the gap between graduate skill levels and industry needs quality of animation graduate is very high ”

Jenni MacNeaney (GM, Boulder Media)

Supporting Material

1. Background & Methodology
2. Interview Themes

1 Background & Methodology

Background

- In the 2020 PwC report 'Section 481 & The Film/TV Industry: Insights on the Sector's Contribution to the Irish Economy', which examined a subset of 2015-2018 S481 supported production activity, the sector recognised the need to produce an annual report detailing the economic contribution of the sector's Film Tax Credit (S481) supported activity.
- Building on this, this report provides a high-level summary of the economic contribution from the sector's 2019 Film Tax Credit (S481) supported production activity.

- The Full Economic Impact was determined on the basis of an economic impact assessment (EIA) underpinned by Screen Ireland 2019 S481 production expenditure data. The analysis was informed by the EIA and economic multiplier methodology developed in the 2020 PwC report and CSO (2019) data.
- 32 production companies, responsible for 62 of the 124 2019 productions, provided PwC with a range of production level operational and expenditure data. This data was used to inform the economic insights on pages 7-9.

Total Economic Contribution of Film Tax Credit (S481) 2019 Production Activity

- The 'Total Economic Contribution' of the 124 2019 Film Tax Credit (S481) supported productions is a function of the sector's Film Tax Credit (S481) supported production activity Full Economic Impact (€416.9m) and Exchequer contribution. With production activity labour related taxes delivering ~€52.2m to the Exchequer, combining these impacts identifies the productions generating a Total Economic Contribution of €469.1m.

Sensitivity Analysis

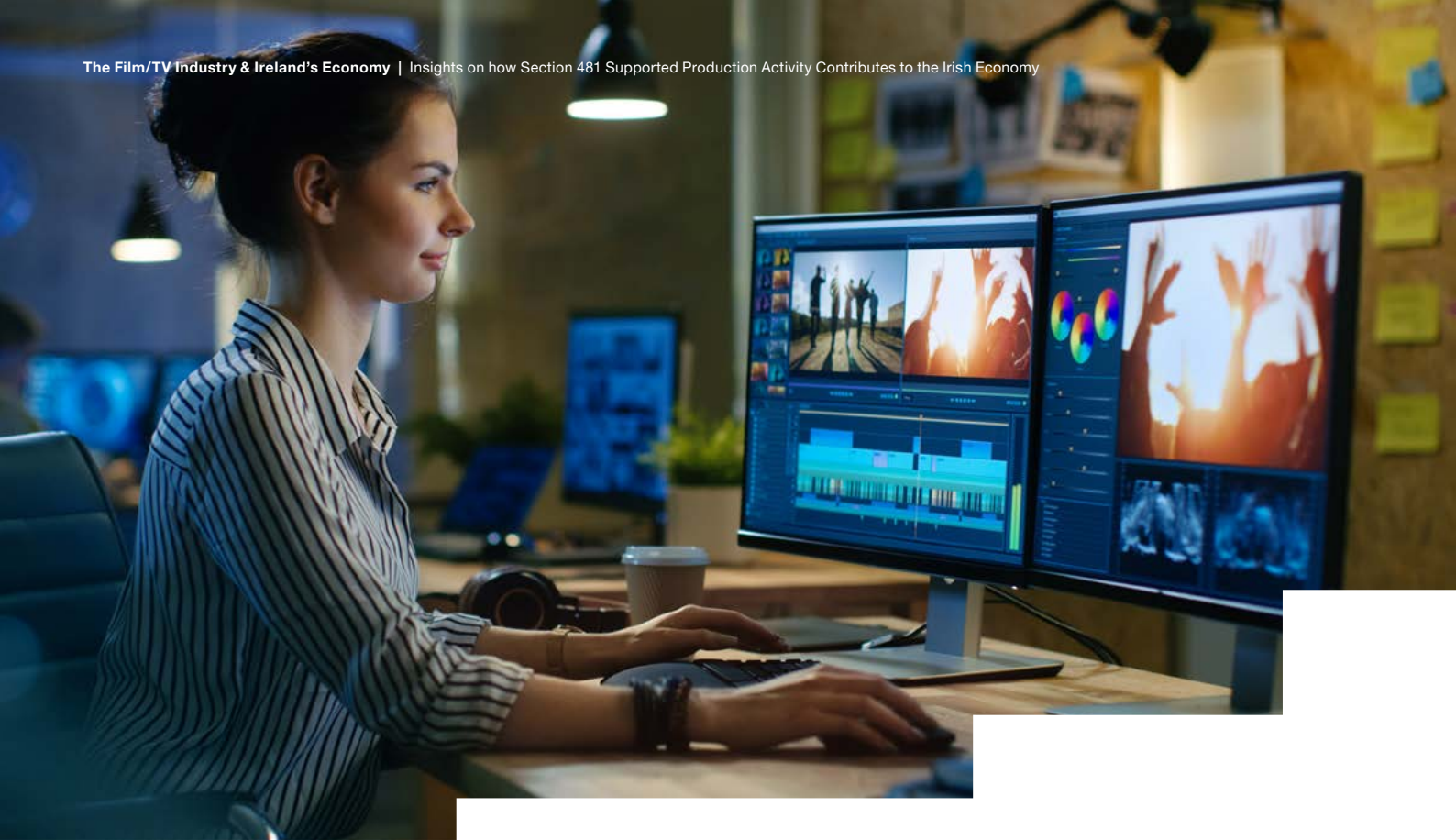
- Page 7 identifies that the economic impact of 2019 Film Tax Credit (S481) supported production expenditure delivers the Irish economy a positive 3.8:1 return on the 2019 Film Tax Credit (S481) investment.
- A number of sensitivities to take account of the costs of Film Tax Credit (S481) (tax foregone and cost of public funds*) are applied to the EIA and Total Economic Contribution analysis. Whilst the application of these sensitivities reduces the 'S481 Investment Economy Return', the Irish economy still receives a positive 1.8:1 return on Film Tax Credit (S481) investment.

S481 Economy Return		
S481 Payment	S481 Production Activity Total Economic Impact	S481 Payment / Full Economic Impact Ratio
€110.75m	€416.85m	3.76

S481 Economy Return Sensitivity Analysis		
S481 Payment Costs**	S481 Production Activity Total Economic Contribution	S481 Payment / Full Economic Impact Ratio
€254.74m	€469.05m	1.84

* A Shadow Price of Public Funds of 1.3 is used to represent the cost of public funds

** S481 payment costs reflects the value of tax foregone from case production activity (€110.75m) as a result of the S481 relief and the shadow price of public funds (€143.98m)



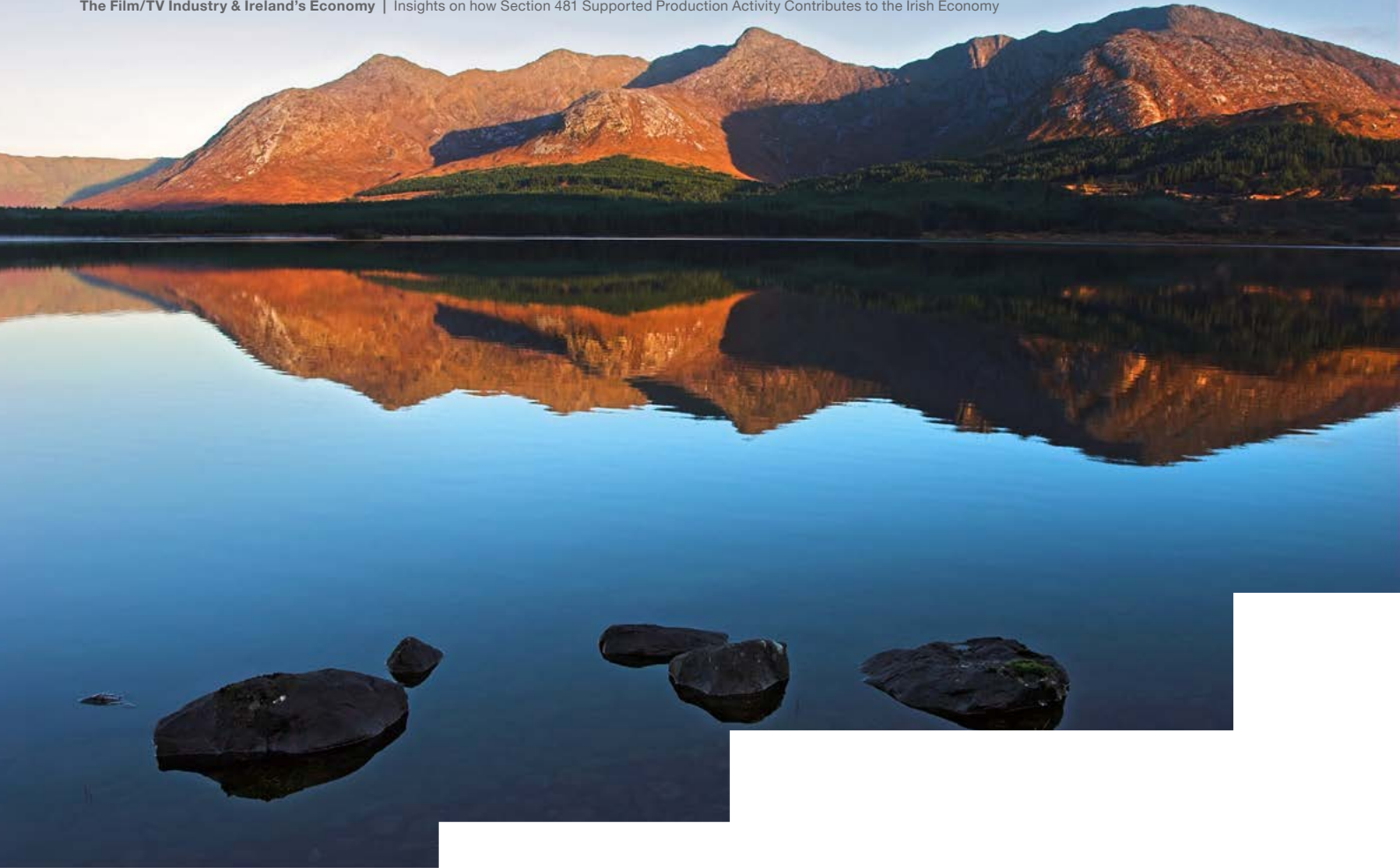
Employment Impact of Film Tax Credit (S481) Supported 2019 Production Activity

- The 'Employment Impact' of the 124 2019 film tax credit supported productions is a function of the sector's 2019 production activity and associated days worked. In any given year, the employment (and indeed economic) impact of the industry's film tax credit supported activity is dependent on the timing of applications for certification versus drawdown of payments and the number and scale of productions taking place in that year. With a number of large scale productions applying for certification in 2020, it is anticipated that the employment impact of 2020 activity will be higher than 2019.
- The Employment Impact was determined on the basis of analysing the direct and indirect employment impacts associated with 2019 production activity.
- To estimate the number of directly supported full time employment (FTE) in the industry a survey was distributed across a wide range of productions where a claim for the tax credit was made in 2019. Within the survey production companies were asked to provide details of the Person Day Schedule (PDS) associated with each production. Of the 124 productions that applied for certification in 2019 58 productions provided the requested PDS data.
- PDS data was assessed for each genre to determine the total days worked on production activity within each genre. An analysis was undertaken to determine the number of productions within each genre that returned data relative to the number of productions within each genre who applied for certification in 2019 (39 @ Animation, 26 @ Creative Documentary, 38 @ Feature Film, 21 @ TV Drama). This analysis facilitated the development of a proxy to assess the total number of days worked on PDS for the productions within each genre who applied for certification in 2019.
- FTEs for PDS were determined by consideration of both the estimated total days worked across all productions and the total industry working days in a year. Industry insights provided by Screen Guilds Ireland from a survey of 300 industry stakeholders identified that on average the 2019 screen industry working year consisted of 175 days worked based on 2019 activity. Recognising that the operational structure of the animation sector differs from other elements of the screen industry, a working year of 240 working days is used for this sector.
- Estimation of the positive indirect impact on employment with Irish suppliers as a result of S481 production activity was informed by the economic multiplier methodology developed in the 2020 PwC report.

2 Interview Themes

A series of in-depth interviews were conducted with 9 leading stakeholders from a across range of production companies and studios. A number of key themes emerged, including the importance of the Film Tax Credit (S481), Film Tax Credit (S481) operational change, IP development, infrastructure investment, and the talent pipeline.

Theme	
Importance of S481 in Screen Industry Funding	<p>The tax credit is a critical pillar of the financing structure of Ireland's screen industry. In many instances US studios for example, frequently wish to understand a projects net cost before investing further in scoping or testing its viability. Having 32% of project finance already in place signals to co-producers, investors that a project is starting from a strong financial foothold. S481 is also critical to indigenous activity. While Public Sector Media (PSM) are an important supporter of the indigenous sector with their production commissioning ability, current funding models are limiting PSM's abilities to invest significantly in indigenous activity. Some stakeholders see this challenge compounded by the limited availability of screen related financing from Irish banks. Funding an Irish creation thus relies heavily on S481 and often on input from co-producer with outside investors and partners.</p> <p style="background-color: #eee; padding: 5px;"><i>"S481 enables producers be more ambitious knowing they can pitch to investors having 32% of financing in place...S481 is encouraging innovation & creativity"</i></p> <p>Paul Donovan (MD), Deadpan Pictures</p>
Raising the S481 Cap & Regional Uplift Eligibility	<p>Ireland must continue to improve the competitiveness of its tax credit and consider removing the cap or significantly raising it. Many of Ireland's screen competitors (e.g. UK, Hungary, Australia, New Zealand) no longer impose a cap on their tax credits. The industry has welcomed that the process for applying for and securing S481 has become a lot easier and more straightforward.</p> <p>It was identified that securing the additional regional uplift is challenging and that some regional opportunities are being lost due to eligibility concerns. A number of concerns relate to the 45km radius limit and definition of "habitually resident". Consideration could be given to extending the radius to recognise the geographic spread of the regions in conjunction with a definition of "habitually resident" that recognises specific industry requirements. It was suggested that animation employees could qualify as "habitually resident" as soon as they move into a region on a medium to long term contract and can start upskilling as part of a Skills Development Plan immediately.</p> <p style="background-color: #eee; padding: 5px;"><i>"Both Canada and France offer additional tax credits on top of the 'regular' tax credit, Ireland must retain the competitiveness of its tax credit to compete internationally"</i></p> <p>Louise Cornally (SVP), Brown Bag</p>



Theme

Developing & Retaining Intellectual Property (IP)

Stakeholders highlighted the importance for Irish companies to keep a dual approach to business development - working on international service development (ISD) and indigenous / co-production activities. Both production strands were identified as being complementary to each other and integral to long term growth. ISD provides opportunities to generate stable revenues, a strong continuum of projects, the upskilling of Irish talent and helps establish and strengthen relationships with international studios and broadcasters.

Whilst ISD represents a strong positive reflection by the international market of the talents and capabilities of the local sector, the long-term growth of Ireland's screen sector is intrinsically linked to the creation and production of indigenous content and IP. The ownership or co-ownership of Irish produced IP creates longer term value and revenue. A successful production or product can last for years, generating significant revenue streams from publishing and merchandising rights. Enhanced IP creation gives the opportunity for a self-sustaining industry able to re-invest in itself.

"IP retention (all or partial) is linked to project financing ... S481 plays a critical role in IP generation as it means that 32% of project financing is already in place before other sources of financing are engaged with"

Paul Cummins (CEO), Telegael

Theme	
Growing importance of investment in infrastructure	<p>It is widely acknowledged that sufficient studio and stage space is a key enabler of future growth. In the short term a lack of studio capacity will become a significant growth constraint. While Ireland has three relatively large studio facilities (Ardmore, Troy, Ashford), demand for these studios is extremely high with projects often selecting other international locations when availability of these studios has been limited. The development of 3 new studio projects (Greystones, Ashbourne, Grangecastle) is an important step in expanding large studio space capacity. Development of larger scale studio facilities would allow Ireland to meet the needs of the biggest productions, particularly those in the €150m-€200m bracket. The indigenous industry also highlight the need for additional smaller studio spaces. While the range of smaller studios is quite limited, an additional challenge persists in that where such studios exist, such as warehouses, they risk being sold or re-purposed. Certainty on S481's future and cap is viewed as critical to making infrastructure investment commercially viable.</p> <p style="text-align: center;"><i>"Ireland is losing big budget production opportunities due to limited studio space"</i></p> <p style="text-align: center;">James Flynn (MD), Metropolitan Films</p>
Continued importance of developing the pipeline of talent	<p>While Ireland's screen industry has huge potential to grow, skills and talent development is crucial to future growth and Ireland's ability to deliver future activity. Although Ireland is generally recognised as having highly skilled industrial and creative talent, talent shortages are emerging in a number of skills areas including production co-ordinators, production accountants and location managers. In addition, Ireland was identified as needing to continue developing its pool of writers to ensure development of a strong pipeline of high-quality writing talent capable of writing commercial content. This will improve Ireland's attractiveness for production/co-production opportunities which is intrinsic to IP generation. It was commented that crews are thin on the ground and that a greater availability of crews is becoming increasingly important.</p> <p style="text-align: center;"><i>"There is very high demand for visual effects personnel and experienced animators both nationally and globally ... addressing talent supply is critical to industry growth"</i></p> <p style="text-align: center;">Jake Walshe (MD), Screen Scene</p> <p>To address these challenges a number of producers suggested that it is critical to ensure synergy between industry's skill and talent needs and the skills development and training opportunities offered by relevant bodies and institutions. Efforts should be increased to highlight the potential to develop long-term careers within the industry and raise awareness of the range of careers within the screen industry - both on the creative and business side. Increasing diversity within the talent base must also be considered. S481 support of indigenous projects allows people develop sectoral skills.</p> <p>Such experiences are essential to allow Ireland's industry transition from being service focused to one engaged in production activity. It was identified that another added bonus of having large scale, international work in Ireland is the ability of Irish talent to work alongside international talent and to gain new skills and experience.</p> <p style="text-align: center;"><i>"The indigenous independent production sector, along with local crew, underpin the success of S481 in attracting incoming productions to film in Ireland. Our members' expertise, skills and experience are critical components within the Irish production sector, which enable our studios and locations to be used by global content creators and why International partners continue to come back to Ireland"</i></p> <p style="text-align: center;">Susan Kirby (CEO), Screen Producers Ireland</p>

Stakeholders highlighted a number of potential growth opportunities for the sector, on both the domestic and the international stage.

Opportunity	
<p>Film for TV</p>	<p>The amended 2018 EU Audiovisual Media Services Directive (AVMSD) is having a positive impact on the industry. While many of the subscription video on demand platforms (SVODs) already source a high volume of content from European producers, the amended directive will help to further promote European works and copper fasten the requirement that all streaming platforms will need to source 30% of their content catalogues from European countries. Many production companies in Ireland welcome the amended directive which will support business development and help maintain a steady demand of production work. In addition, the increasing popularity of European content in the US market is a positive development.</p> <p><i>“There is huge potential in developing films for TV, particularly for subscription video on demand platforms ... They have a huge need to fill demand for TV drama series and TV films and Ireland is well placed to provide this content”</i></p> <p>Elaine Geraghty (CEO), Ardmore & Troy Studios</p>
<p>Service Development Work</p>	<p>The global demand for good quality TV, film, animation and documentary content is growing significantly which in turn impacts the outlook and growth potential of the industry in Ireland. This growth is particularly driven by the content needs of the large subscription video on demand platforms (SVODs), such as Netflix, Disney+, HBO.</p> <p><i>“There is a strong opportunity for Ireland to maximise SVODs opportunities, however, key elements need to be in place, such as, studio space, skilled and available labour, demonstrated experience working on similar projects and availability of the tax credit”</i></p> <p>Andrew Lowe (MD Joint), Element Pictures</p>
<p>Animation</p>	<p>The proposed AVMSD levy is an opportunity for the animation sector as additional funding will allow the sector to develop and retain a greater share of its own IP.</p> <p>There are a number of ways of generating revenue throughout the animation production life cycle, including: script development, animation re-voicing, licencing, merchandising and publishing rights. While Ireland has always had a strong base of writers for TV and film, the animation sector is also now producing a growing base of indigenous script writers which is providing additional sectoral growth opportunities.</p> <p><i>“Telegael has seen an increase in demand and availability of Irish animation script writers, which would not have existed a number of years ago”</i></p> <p>Paul Cummins (CEO), Telegael</p>
<p>Brexit</p>	<p>Post Brexit, SVOD platforms looking to fulfill the requirements of the AVMSD could look more to Ireland as a potential EU base. Productions who traditionally looked at the UK as their gateway to the EU's single market could now also opt for Ireland. Ireland's position as the only English speaking EU country, similar legal system to the UK, coupled with a strong industry ecosystem (strong talent/crew base, infrastructure) could generate particular advantages for Ireland. During this time the industry should leverage its strengths to attract some of this activity to Ireland.</p> <p><i>“Post Brexit Ireland will be in a strong position to attract additional activity for a period of time with producers cautious about undertaking activity in the UK until they have a better understanding of Brexit's implications for industry activity”</i></p> <p>Aoife O'Sullivan, (Producer) Subotica</p>



While Covid 19 has highlighted the adaptability and resilience of the industry as a whole, it has also brought with it a number of challenges.

Impact	
Day to Day Operating Costs	Additional safety measures put in place as a result of Covid have increased the day to day costs of running a production. These include the purchase and delivery of tests, PPE equipment, tracing contacts, replacing staff who need to isolate, compensation to members of staff who fall ill as a result of Covid, etc.
Production Timelines	Because of the health and safety restrictions put in place, production crew bases have been significantly reduced. This is extending the timeline of production schedules and increasing production costs. In many instances this has a disproportionately greater impact on smaller production activities, many of which are from the indigenous sector.
Logistical Challenges	In some cases, due to travel restrictions, actors have had difficulty travelling to Ireland. Whilst this can disrupt training and rehearsal schedules, it can potentially extend production timelines and further impact production costs. As part of Covid protocols some productions are having to restrict trainees being onsite, which is one of the eligibility criteria for receipt of the S481 tax credit.
Difficulty Securing Insurance	Insurance is often a pre-requisite to securing production financing. The current Covid and economic climate is impacting insurance companies willingness to provide production cover. This has created difficulties to getting new productions off the ground.



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