



KZN FILM MARKETS AND FESTIVALS STUDY

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Prepared for:	Moses Kotane Institute (MKI), in partnership with the KwaZulu-Natal Film Commission (KZNFC)
Contact Person	<p>MKI - Dr Thembinkosi Twalo (Manager: Research and Development) Email: thembinkosi.twalo@moseskotane.com Tel: +27 (0)31 266 1777</p> <p>KZNFC - Dr Ngqabutho Bhebhe (Manager: Research and Development) Email: ngqabuthob@kznfilm.co.za</p>
Prepared by:	Urban-Econ Development Economists
Contact details:	<p>37 Hunt Road Glenwood Durban 4062 South Africa Tel: +27 (0)31 202 9673 Email: durban@urban-econ.com</p>
Contact Person:	Eugene de Beer



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LIST OF ACRONYMS

Acronyms	Description
ACF	Asian Cinema Fund
ACFM	Asian Contents and Film Market
AFA	Asian Film Academy
AFM	American Film Market
AFRIFF	African International Film Festival
APM	Asian Project Market
Berlinale	Berlin International Film Festival
BIFF	Busan International Film Festival
CAD	Canadian Dollars
CCMS	UKZN Centre for Communication, Media, and Society
DFM	Durban Film Mart
DIFF	Durban International Film Festival
DTI	Department of Trade and Industry
DUT	Durban University of Technology
ECIFF	Expresion En Corto International Film Festival
EFM	The European Film Market
EIA	Economic Impact Assessment
FESPACO	Pan African Film and Television Festival of Ouagadougou
FIFAK	Festival International du Film Amateur de Kelibia
FIAPF	Fédération Internationale des Associations de Producteurs de Films/ International Federation of Film Producers Associations
FIFF	Cartegena International Film Festival
FILMART	Hong Kong International Film and Television Market
GDP	Gross Domestic Product
GIFF	Gramado International Film Festival
GVA	Gross Value Added
HKTDC	Hong Kong Trade Development Council
IFFI	International Film Festival of India
IFFR	International Film Festival Rotterdam
IP	Intellectual Property
JCC	Journées Cinématographiques de Carthage
JFF	Joburg Film Festival
JIFF	Joburg International Film Festival
KAFF	KwaZulu-Natal African Film Festival
KFF	Kwasukasukela Film Festival
KIFF	Hong Kong International Film Festival
KIMF	Kathmandu International Film Festival
KZNFC	KwaZulu-Natal Film Commission
LMM	Latino Media Market
MCG	Multichoice Group



Acronyms	Description
MICE	Meetings, Incentives, Conferences, and Exhibitions
MKI	Moses Kotane Institute
MoU	Memorandum of Understanding
MPPC	Motion Picture Patents Company
NALIP	National Association of Latino Independent Producers
NDP	National Development Plan
NFVF	National Film and Video Foundation
NGO	Non-Governmental Organisation
NPC	National Planning Commission
NPO	Not-for-Profit Organisation
PIFF	Pusan International Film Festival
PPP	Pusan Promotion Plan
SAFI	South African Film Industry
SIFF	Seattle International Film Festival
SWOT	Strengths, Weaknesses, Opportunities and Threats
SXSW	South by Southwest International Film Festival
TFF	Tribeca Film Festival
TIFF	Toronto International Film Festival
UFF	uMgungundlovu Film Festival
UGUFF	Ugu Film Festival
US	United States
UKZN	University of KwaZulu-Natal
VIFF	Vancouver International Film Festival
ZDF	Zweites Deutsches Fernsehen
ZIFF	Zanzibar International Film Festival



EXECUTIVE SUMMARY

Film festivals and film markets are sub-sectors of the film sector value chain. They typically take the form of events, where audiences from the public and private sector, and from within and outside of the film sector, gather to view films and partake in associated activities, in the case of film festivals, or to conduct business, in the case of film markets. While they are each distinct and separate events in their own right, it has become common practice for film markets to occur concurrently with a film festival. Nevertheless, there are numerous instances where each event is held as a standalone event, for example, the American Film Market (AFM), the National Association of Latino Independent Producers Media Summit (NALIP), and the HKTDC Hong Kong International Film & TV Market (FILMART).

The primary purpose of film festivals is to develop an appreciation of film amongst a broad spectrum of society and to develop an interest in film within this audience. It is also a platform to launch a film as a component of a sales and distribution strategy. This is achieved in a variety of ways, with the chief activity being the screening of acclaimed international and local film productions, and showcasing of the respective producers, over the course of several days. In recent years, with the rapid advances in technology, film screenings have been made available online, a feat which has extended the duration of these screenings. This trend has been accelerated by the government-imposed restrictions on gatherings that are part of a suite of non-therapeutic interventions intended to curb the spread of transmission of COVID-19.

The main purpose of film markets, on the other hand, is to facilitate an environment in which film industry role-players, in the distribution and sales component of the value chain, can meet and negotiate license agreements, and enter contractual arrangements. They essentially represent the bringing together of the supply and demand components of the value chain in time and space. The audience for film markets is therefore almost entirely separate from film festival audiences, although there is some overlap with film market audience sometimes attending film festivals. There are, however, instances in which film festivals are targeted only at film industry professionals and not open to the public, such as the Cannes Film Festival,

Since its inception in 2013, the KwaZulu-Natal Film Commission (KZNFC) has encouraged and supported the hosting of several KwaZulu-Natal (KZN)-based film festivals and film markets. This support is premised on the understanding that film festivals and film markets stimulate economic activity within KZN and have broad societal benefits. The benefits of film festivals and film markets are potentially wide-ranging, and include, for example;

- The general marketing of the KZN film sector to the public. Local film festivals are funded primarily to grow audiences for film in KZN, with the local public the primary target audience for local content screening. International film festivals, such as the Durban International Film Festival (DIFF) market the KZN film sector on a larger scale, with local, continental, and international films being screened to a wider audience.
- Showcasing the films, skills, and talent of KZN film producers to local, national, and international markets.



- Encouraging networking between interest groups through hosting industry workshops and industry programmes, such as networking sessions at the end of each business day of the event.
- Facilitating information sharing through providing film entities a platform to share information about their programmes and initiatives.
- Identifying creative, innovative ideas and concepts being developed in the industry¹ markets for the transaction of film content and staying abreast of industry trends.

Considering this, the film the research study sets out to investigate how film festivals and film markets can be used to advance and grow the film industry in the province, and how they can contribute to the growth of the provincial economy.

The study utilised a mixed method approach that incorporates both quantitative and qualitative techniques and makes use of both primary and secondary data sources. 16 open-ended interviews were conducted with key stakeholders in the KZN film sector, from June to September 2020, during the height of the COVID-19 pandemic's first wave in South Africa. To contribute towards flattening the curve of infections, all interviews were conducted virtually through either telephone, email, or virtual meeting platforms such as Zoom and Microsoft Teams. Desktop research was undertaken to develop robust case studies of international and South African film festivals and film markets. This research included a review of annual reports of film festivals and markets, journal publications, news articles, and previous research conducted on the film sector.

To understand how film festivals and film markets can create socio-economic benefits, the research utilised a case study model to benchmark KZN-based film festivals against current best practice. Four international and three African film festivals were reviewed to develop this benchmark. Thereafter, four KZN-based film festivals that have received support from KZNFC were reviewed. From the case studies, the research team gleaned key lessons and learnings for the KZN film sector, which broadly fall into three main categories, namely, management and ownership; film selection, programmes, and initiatives; and partnerships. Key findings in relation to these three focus areas are:

1. Management and ownership of well-run, successful film festivals and film markets is typically independent of the public sector, with many of the organisations that run these festivals established as not-for-profit entities. Independence provides flexibility in decision-making and enables the development of partnerships with a broad spectrum of interested parties. As not-for-profit entities, these organisations are dependent on revenue in the form of grants, tax incentives, entry fees, and donations from funders.
2. Well-run film festivals generally owe their success to the programmes and film selections that are on offer, with quality controls in place to ensure that only acclaimed films are screened. The largest film festivals, such as the Berlin Film Festival (Berlinale), typically have up to ten different film sections or genres, while others, such as the Encounters

¹ The term "sector" is used in this report to refer to the all-inclusive value chain of activities in the film market. The term "film industry" is used in a narrower context and refers to the actors involved mainly in the filmmaking process, i.e., film production companies, film studios, screenwriters, distributors, film directors, actors, and film crew personnel.



Film Festival, Hot Docs, and the Sheffield Doc/Fest, specifically have a narrow focus only on documentary films. In addition to film screenings, successful film festivals have a strong focus on initiatives that are intended to develop and grow their audience, build the sector's capacity, and encourage new entrants into the value chain.

3. Partnerships are considered vital to the long-term success of film festivals and film markets. These partnerships take many forms and typically include both monetary and non-monetary forms of support. For example, the International Film Festival Rotterdam generates as much as 38% of its financial requirements from external public and private sector organisations, while the Toronto International Film Festival (TIFF) raises around CAD\$17 million a year from 100 small donors/ funders (PwC, 2020). In-kind sponsorships have recently emerged as a critical way to leverage mutual benefit, such as L'Oréal Paris' sponsorship of TIFF and Berlinale which provides complimentary make-up artists and hair stylists in return for significant market exposure. Audience development partnerships constitute another key partnership model. Typically, these include partnerships that can increase the reach of the film festival or film markets through broadcast deals, such as when a festival partners with a broadcasting entity to market the festival. The festivals receive coverage and attracts audiences which the broadcaster then leverages to generate advertising revenue.

Cognisant of the potential impact of the film industry and its socio-economic impacts, KZNFC provides funding for four KZN-based festivals, with a total of R2.7 million contributed in 2018 (KZNFC, 2019). The four film festivals are:

- KwaZulu-Natal African Film Festival (KAFF),
- Kwasukasukela Film Festival (KFF),
- DIFF,
- Ugu Film Festival (UGUFF) (last funded in 2017).

Additionally, beyond 2018, the KZNFC has extended support to other small-scale festivals, such as uMgungundlovu Film Festival. KZN film festivals, even though many are small-scale, have made a positive difference within their host communities and the local film industry. These impacts have been imparted despite notable challenges faced by the sector, such as funding availability and accessibility, and general support available to ensure a successfully run event. To identify the internal and external factors influencing the success or failure of KZN-based film festivals and film markets, a SWOT analysis was undertaken. The SWOT analysis revealed notable internal strengths and weaknesses, as well as some significant external opportunities and threats.

KZN's physical attributes are considered a major drawcard for the film sector. When coupled with the considerable tourist appeal and the existence of a growing film sector, it emerges as a potentially ideal film location, a factor that can potentially generate substantial economic activity in the province. However, the relative unavailability and inaccessibility of financial resources and the issues around concentration of demand within Durban, are constraints to further development. The effects of this are broad, and include, amongst others, a skills deficit in the sector, poor accessibility to major film titles, limited virtual presence, and inability to undertake audience development.



Arguably the largest risk facing the KZN film sector is the ongoing COVID-19 pandemic and associated curtailment of economic activity imposed by the government to reduce transmission. While the COVID-19 pandemic is likely to be temporary, the effects on economic activity and behavioural change at a societal level, are likely to be felt in the longer-term, with some permanent changes anticipated. As large gatherings, limitations placed on the size of gatherings create notable challenges for festival organisers, while perceptions of health risk amongst travellers are dampening tourism demand. Occurring in a macro-economic environment that was already under strain, festival organisers are truly facing the 'perfect storm'. As with other businesses across the country's economic sectors, small-scale festivals will struggle to weather the storm. On the upside, this risk factor has accelerated the monumental gains made in digitisation in the last few years, with many festivals around the world, and in South Africa, swiftly moving to adopt a hybrid event which includes both public screenings (in line with COVID-19 health protocols) and digital or virtual screenings. These present potentially limitless opportunities to expand reach into untapped audience markets and to consider other models of revenue generation.

Based on an understanding of the KZN Film sector in general, and the five KZN-based film festivals in particular, and in conjunction with the targeted stakeholder engagements, the following factors are considered key drivers of socio-economic activity:

Advancing and growing the sector:

- Raising awareness in communities that otherwise would not have been exposed to the film sector.
- Raising awareness of opportunities and incentives available to aspiring market entrants.
- Audience development initiatives that focus on capacity building, skills development and, training of role-players across the value chain, with a strong focus on encouraging new entrants.
- Development of partnerships between film industry professionals which leads to information sharing and other meaningful collaborations.

Developing KZN's economy:

- Stimulating entry into the marketplace by aspiring entrepreneurs (if they establish themselves as enterprises in the value chain, they will drive economic activity through commercial activity, tax revenues etc.)
- As large events, they generate economic activity through induced spending by visitors (forward and backward linkages into the value chain, hospitality sector, accommodation, transportation, etc.)
- As large events, the economic activities generated can lead to the creation of new job opportunities for the local population.
- Public sector authorities in the tourism value chain can leverage the appeal of film festivals and film markets in the marketing of their respective jurisdictions, which in turn can generate notable economic activity through induced spending of attendees, while also potentially encouraging attendees to return to the city for holidays in the future.



Through a gap analysis and socio-economic impact assessment, the following emerge as the major impacts of KZN-based festivals:

- **Impact on host community:** Positive impacts from film festivals and markets include employment opportunities for the resident population, and increased economic activity for local companies, which induces additional spending, leading to businesses increasing their capacities to accommodate the influx of visitors. There are negative challenges involved such as social dislocation, crime, and vandalism. However, these are relatively easy to mitigate through additional security presence and ensuring that service provision is adjusted to accommodate visitors.
- **Impacts on the film sector:** Film festivals and markets have become drivers of the film industry and play an important role in promoting the global film industry. Through film festivals and markets, new ideas are generated, networks and collaborations are formed amongst film industry professionals, and aspiring filmmakers get an opportunity to showcase and pitch their work to potential sponsors. All of this leads to growth within the film sector.
- **Impacts on urban environment:** There are positive and negative impacts imparted on the urban environment with regards to film festivals and markets. The positive impacts include a significant increase in tourism and subsequent economic activities within the host community as there is an influx of non-residential visitors, this could lead to development of new facilities within the host communities to accommodate the influx of visitors. The negative impacts include congestion, noise, traffic, and other activities that potentially degrade the local urban environment.
- **Impacts on the national development priorities:** Film festivals and markets can positively contribute towards the national fiscus through some of their revenue generating activities. However, the film festivals and markets are run by non-governmental organisations (NGOs) or not-for-profit organisations (NPOs) which limits their direct tax revenue generation.

The following gaps between major international film festivals and KZN-based film festivals can be highlighted:

- **Audience development:** Local film festivals and markets, especially small-scale festivals, have limited resources and opportunities to engage in audience development activities. These limitations can be attributed to the lack of sufficient funding to sponsor these activities.
- **Sustaining the festival and market experience:** Film festivals and markets, especially small-scale festivals, are currently once-off events. There are no activities in place to keep the momentum of the festival or market going outside the specified event time.
- **Leveraging tourism demand:** There are limitations regarding the utilisation of the existing tourism product offerings within the province to enhance the festival offering, and vice versa. This applies mainly to small-scale festivals as they have limited resources and knowledge to realise the tourism product offering.
- **Skills development:** The skills development programmes offered, especially for small-scale festivals, are unsustainable and have little to no real economic impacts for participants. This is mostly due to limited resources necessary to create sustainable skills development programmes.



- **Partnership development:** Partnership development, especially for small-scale festival organisers, is at a very basic level since there is very limited information on organisations available and willing to sponsor these events.

The study proposes several recommendations for growing the KZN Film Sector and leveraging the sector for the economic development of KZN. The recommendations are highlighted below.

RECOMMENDATIONS FOR FUNDERS

Community-focused events

1. Audience Research – to measure and ensure positive impact of film festivals and markets funded, the funding organisations must engage on a regular basis with film industry players to review and improve existing policies in support of audience development.
2. There is currently very limited research on the impacts that the film festivals have both socially and economically and this is a notable weakness in enabling the assessment of their impacts. It is therefore suggested that the funding bodies ensure that full impact studies are conducted for every film festival and film market that receives funding, as part of the project's close-out. This could be ensured, either through making the impact studies an implicit requirement of the funding application and ring-fencing the budget allocation for this, or as a separately funded study, to be funded by the funding organisation.
3. KZN is rich in culture and heritage, and there appears to be scope to better leverage these assets through a cultural film festival and through integration of locally produced cultural productions into existing film festivals in the province. Research into the feasibility of hosting such an event is recommended as this type of focus has the potential to position KZN as both a film production destination and a major tourism destination, through effective partnering with tourism authorities.
4. Partnerships with tourism authorities should be established to develop mutually beneficial marketing strategies that could support both the tourism sector and the individual film festival as it enables effective co-leveraging of the attractive elements of both the festival and the location in which it is hosted.
5. Funding bodies should create platforms that provide necessary training for small-scale festival organisers and a level of exposure at an international level. This will encourage collaboration with organisers of major festivals and provide learning opportunities for the small-scale festival organisers.
6. Funding bodies should encourage small-scale festivals to invest in the marketing aspects of their events. A requirement can be made by the funding body for a specific percentage of funding to be strictly used for marketing purposes, which would encourage small-scale film festival organisers to develop marketing strategies that could attract prospective partners and funders, while also ensuring events are well-attended.
7. Migration towards hybrid events requires considerable investment in massification of broadband connectivity, especially in deep rural parts of the province. Failure to do so



is likely to continue to entrench existing patterns in accessibility and result in a concentration of demand and audiences in urban centres.

8. The research revealed that funding uncertainty and the challenge with accessing funding are existential threats for smaller scale film festivals. Simplifying the application process and providing medium-term funding certainty should be considered. Possibilities include a simplified application procedure for festivals that have an operational history of at least 2 years. This will go a long way to providing funding certainty and will enable proactive engagement in planning for growth, rather than focusing on survival.

Internationally/ nationally focused events

1. Audience Research – to measure and ensure positive impact of film festivals and markets funded, the funding organisations must engage on a regular basis with film industry players to review and improve existing policies in support of audience development.
2. There is currently very limited research on the impacts that the film festivals have both socially and economically and this is a notable weakness in enabling the assessment of their impacts. It is therefore suggested that the funding bodies ensure that full impact studies are conducted for every film festival and film market that receives funding, as part of the project's close-out. This could be ensured, either through making the impact studies an implicit requirement of the funding application and ring-fencing the budget allocation for this, or as a separately funded study, to be funded by the funding organisation.
3. Establishing partnerships with tourism authorities to develop mutually beneficial marketing strategies could support both the tourism industry and the individual film festival or market as it enables effective co-leveraging the attractive elements of both the festival and the location in which it is hosted.
4. While the future trajectory of the COVID-19 pandemic remains largely unknown, the structural changes in the economy and shifts in consumer behaviour are likely to persist, in some shape and form. This creates challenges for hosting large-scale events that rely on the physical presence of people. Harnessing the rich culture and unique scenery of KZN and broadening the reach of such events using digital platforms, has the potential to position KZN as an attractive film production destination, which in turn can drive economic growth, grow the KZN film sector, and impart positive socio-economic impacts. The business model for film festivals and film markets will need to change and research will need to be undertaken to understand how they can still generate revenue and contribute to economic growth.
5. Due to fundamental structural changes in the industry, from COVID-19 and other factors such as digitisation, an investigation is needed into growth-stimulating incentives for the film festivals and film markets sub-sector. Funders should promote partnerships with both public and private organisations to develop complementary incentives/ rates rebates, and to secure additional sponsorship and funding. This should have a strong focus on vulnerable groups, such as B-BBEE, youth, women.



RECOMMENDATIONS FOR FILM FESTIVALS AND MARKETS ORGANISERS

1. Proactive engagement in audience research and development is an essential enabler of success since it allows organisers to both grow their target market but also learn more about their target market's preferences.
2. Film festivals and markets, especially those funded by the KZNFC, should keep standardised information that will enable the organisation to measure the impact of the events.
3. In addition to the regular festival programme, organising several events linked to the films screened, and other festival activities, extends the festival experience and creates more opportunities to engage with the festival audience for a sustained period.
4. Marketing plays a significant role in ensuring that an event attracts a large enough audience. Organisers should, where possible, involve marketing professionals in their teams to develop effective marketing strategies for their events.
5. Film festivals and events have the potential to attract non-resident visitors, and this presents an opportunity to engage with the relevant tourism authority and tourism product suppliers to integrate their events into the tourism offering of the authorities.
6. Organisers should develop a framework for making strategic decisions to grow their respective event, with a key element focusing on formal impact studies that identify visitor satisfaction trends and key performance metrics such as, visitor numbers, visitor expenditure, festival expenditure, employment creation, and local procurement.
7. To increase the impact of the film festival, festival organisers should constantly explore opportunities for strategic partner development, while building on and developing existing partnerships.
8. Recently, a growing number of festival organisations have been capitalising on the influx of filmmakers, producers, and other professionals' events and have sought to exploit the presence of these production-oriented stakeholders. Berlinale, for example, pioneered the Talent Campus in 2003. Busan followed, in 2005, with its Asian Film Academy (AFA), and DIFF with the Durban Film Mart (DFM). Many other festivals provide forum space for interpersonal encounters and negotiations between companies and creatives, or hold special events (pitching sessions, development fund awards, sessions for additional financing rounds) that foster production-related activities as part of their festivals. This component should be incorporated in smaller-scale festivals, as it will create an opportunity for filmmakers from disadvantaged areas to network and sell their films.
9. Skills development training programmes must be reviewed by industry professionals to ensure a focus on relevant content development, understanding the target audience, and alignment of content to audience preferences (including indigenous language preferences). Where possible, accreditation should be pursued.



1 INTRODUCTION

1.1 BACKGROUND

Film festivals and film markets are part of the film sector value chain and are therefore treated as sub-sectors of the film sector. Film festivals can be defined as film sector events where films are screened to audiences comprising the public, media organisations, and stakeholders active within the film sector value chain. Film festivals are distinct from film markets in that they are mainly aimed at presenting and showcasing the abilities of the (local) film industry to the public, and media organisations through the output products of the value chain i.e., the completed films. Film markets on the other hand, bring together the demand (the audiences) and supply sides (film producers) of the value chain in time and space (Falicov, 2016, p. 9).

Film festivals, in addition to the screening of the films, often host information sharing and networking sessions in a variety of formats, such as, panel discussions, and masterclasses held by industry professionals for special interest groups, such as scriptwriters and actors, amongst other value chain role players. Film festivals usually take place over a specific time, in a defined location and fall within the broader category of the meetings, incentives, conferences, and exhibitions (MICE) market, which includes thematic festivals such as cultural, art, technology or science-related events, and specialised festivals dealing with specific topics such as tourism, sport, ecology, nature, environment, gastronomy, fashion, and health (Falicov, 2016, p. 9).

In contrast to film festivals, film markets are events centred around the business and commercial aspects of film production and distribution. These are special events where actors in the supply-side of the sector, such as producers, filmmakers, buyers, investors, and distributors, meet, and conclude trade agreements. They are generally only open for industry trade purposes and entry fees are normally charged to limit the attendance to industry stakeholders. At these events, films are often screened to potential buyers, referred to as licensee holders, who do not purchase ownership of the films but the license to distribute the film for a specific period in their respective defined localities. Like film festivals, these events normally take place over a specified period, at a defined location, and may have a pre-regulation or selection procedure by which participants are approved to attend the event (Hall, 2013).

Since its inception in 2013, the KZNFC has encouraged and supported the hosting of several KZN-based film festivals and film markets. It is generally perceived that film festivals and film markets in KZN assist promote and develop the province's film sector and simulate economic activity. The benefits of film festivals and film markets are potentially wide-ranging, and include, for example;

- The general marketing of the KZN film sector to the public. Local film festivals are funded primarily to grow audiences for film in KZN, with the local public the primary target audience for local content screening. International film festivals, such as the DIFF market the KZN film sector on a larger scale, with local, continental, and international films being screened to a wider audience.
- Showcasing the films, skills, and talent of KZN film producers to local, national, and international markets.



- Encouraging networking between interest groups through hosting industry workshops and industry programmes, such as networking sessions at the end of each business day of the event.
- Facilitating information sharing through providing film entities a platform to share information about their programmes and initiatives.
- Identifying creative, innovative ideas and concepts being developed in the industry markets for the transaction of film content and staying abreast of industry trends.

From 2014 to 2019, the KZNFC supported the attendance of 18 filmmakers at national and international markets and festivals to enable showcasing of their products on various platforms, with support provided to attend the following festivals and markets in 2018/2019 (KZNFC, 2019):

- KAFF.
- KFF.
- DIFF.
- UGUFF.

The KZNFC also provides funding directly to film festivals and markets. This funding seeks to create an environment and platforms that enable local filmmakers to interact with other local and international industry players and explore collaboration opportunities, as well as to secure foreign funding. This is executed through exhibitions, networking sessions, and targeted appointments.

Collectively, approximately 10 000 people attended these film festivals between 2018 and 2019, which illustrates the significant exposure they have for the film industry (KZNFC, 2019).

1.2 PURPOSE OF THE STUDY

The overall objective of this study is to investigate and provide an understanding of how film festivals and markets can be used to advance and grow the film industry and how they can contribute to growing the KZN economy. This study will assist the KZNFC to identify social and economic impacts that film festivals and markets generate and how these can be used, in the KZN context, to advance and grow the film industry and the economy of the province.

To achieve the objectives of this study, the research investigates the nature and extent of film festivals and markets through an exploration of local, African, and other international examples of best practice to glean learnings from their experiences and approaches and formulate recommendations about actions and mechanisms that can be implemented to increase the positive impacts of the film festivals and markets.

The scope of the study is broad and includes the following:

- To provide an in-depth analysis of KZN film markets and festivals in terms of its size, growth, and its strengths, weaknesses, and sustainability.
- To review the socio-economic impact of film festival and markets in KZN for the film industry through a series of interviews with relevant stakeholders and analysis of all available documentation such as annual reports and impact studies.



- To measure the return on investment (RoI) for KZNFC in funding film markets and festival through interviews with relevant stakeholders and analysis of all available documentation such as annual reports and impact studies.
- To provide a comparative analysis and benchmarking of KZN offerings with four selected international (Berlin International Film Festival, Toronto International Film Festival, International Film Festival of Rotterdam), and three national/African (Zanzibar International Film Festival, Encounters International Documentary Film Festival, and Joburg Film Festival).
- To conduct an analysis of the extent to which the film markets and festivals have been able to grow audiences in KZN.
- To conduct an analysis of the impact and access to film markets and festivals by KZN filmmakers based in the province.
- To give recommendations on appropriate model/s that will grow the KZN film markets and festivals.

This research is undertaken during a time that the film sector is going through significant structural changes due to external influences, namely the COVID-19 pandemic, impacting on it². Most important are the changes that technological developments are having on all aspects of film production, distribution, and market consumption. The impact of the global COVID-19 pandemic is also notably impacting the film industry, with film festivals and film markets particularly affected since they are, by their nature, reliant on large gatherings. The COVID-19 pandemic is accelerating the already rapid changes taking place in film production, distribution, and marketing through digital platforms. The implications of these changes for this study are that many of the past trends and historical data about the performance of the sector may be less relevant in the future.

1.3 METHODOLOGY AND APPROACH

The design of the research methodology is structured to provide both qualitative and quantitative information about the film festival and market sector and utilises both primary and secondary sources.

1.3.1 DATA SOURCES

Both primary and secondary sources of data were used in this research, with each of the data sources described below.

1.3.1.1 Primary data: stakeholder engagement

Stakeholder engagement formed a key component of the study; local film markets and festival organisers, and filmmakers were interviewed through accessing contact details via the KZNFC, the National Film and Video Foundation Council (NFVF) database, and through social media platforms.

² Observations from the consultation phase.



Interviews were conducted in-person, as well as through a range of digital platforms, such as telephonically, through email correspondence, and virtually. Pre-designed, open-ended questions were developed to guide and facilitate the discussions and interviews (see ANNEXURE 1: INTERVIEW DISCUSSION GUIDELINES). Each interview allowed the respondent to provide their interpretations on experiences about the sector as well as their assessments of the potential of the film markets and festivals. The stakeholder engagement schedule can be found in ANNEXURE 2: STAKEHOLDER ENGAGEMENT SCHEDULE.

Restrictions imposed by the COVID-19 pandemic's induced lockdown impacted the availability of targeted respondents, creating challenges in conducting interviews. Many of the targeted respondents were either not working, or were working from home, with disruptions to normal communication channels. As a result of social distancing, digital platforms, such as Zoom, and Microsoft teams were the most practical way of conducting interviews, but where necessary, telephonic and/ or email correspondence was utilised.

1.3.1.2 Secondary data: desktop research

An extensive desktop review of existing reports, studies, and available research material were undertaken, with the following types of documentation reviewed:

- Annual reports of film festivals and film markets.
- Websites of film festivals and film markets.
- Funding applications for KZN-based film festivals.
- News articles.
- KZN research documents.
- Journal publications and articles published in the last 5-10 years.
- Previous research conducted into the film sector by various organisations in the public and private sector.

A comprehensive list of all documentation reviewed and cited is provided in section 7 of this report.

1.3.2 APPROACH

The research approach is depicted in the figure below, with a brief description of each step provided thereafter.

Figure 1. Study approach



- **Step 1: Project orientation**

In this step, the research team orientated themselves with the project objectives, purpose, and scope of works, with project planning the key activity.

- **Step 2: Data collection**

To enhance understanding of the film sector, a wide range of secondary data sources were reviewed, with a focus on the identified film festivals and markets, but also including a broader literature review of the sector. Learnings from previous studies in the film sector value chain were also considered. The initiation of the primary research was included in this step, although the stakeholder engagement occurred throughout, running concurrently with the other steps.

- **Step 3: Case study development**

A thorough, in-depth review of cases of best practice was performed, with a focus on understanding the factors which support the perceived success of these film festivals and film markets, the type of socio-economic impact they have, and how they have adapted to the COVID-19 pandemic.

- **Step 4: Impact and gap analysis**

This step entailed the identification of potential impacts arising from the economic activities of film festivals and film markets, with a focus on the socio-economic impacts. A gap analysis between best practice film festivals and film markets and their KZN-based counterparts was undertaken to inform the recommendations.

- **Step 5: Recommendations**

Based on the key findings of the research, recommendations to improve the impact of KZN-based film festivals and film markets are proposed.

1.3.3 LIMITATIONS

Despite detailed and thorough research, the outcomes of the research were impacted by a lack of robust data that can be used to measure the socio-economic impacts of film festivals and film markets. Furthermore, quantitative data on financial performance, such as, visitor expenditure, festival, or market expenditure, tax revenue generation, level of subsidies received, etc. could not be sourced for most of the film festivals and markets reviewed. The documentation was not available on any of the websites, nor provided on request. This prevented a standard socio-economic impact assessment from being undertaken and constrained the ability to identify gaps between best practice and KZN-based festivals with a high confidence level. Similarly, quantifying Return on Investment (RoI) for KZNFC funding was constrained.

To mitigate these constraints, some subjectivity was applied based on the anticipated socio-economic impacts of film festivals and markets, which is informed by previous socio-economic impact assessment studies on events in the MICE sub-sector. With respect to determining RoI, the approach adopted was to focus on a qualitative analysis of the RoI which speaks to the developmental mandate of KZNFC.



1.4 REPORT STRUCTURE

This report has the following sections:

- **Section 2: The film festivals and markets sector**
This section contains an overview of the generic film sector value chain and associated elements of the value chain. Also included is a brief explanation of the role of film festivals and film markets in the value chain.
- **Section 3: Case studies**
The third section of this report develops case studies on four international and three national (South African) film festivals. The case studies focus on an overview of the respective festival, the initiative and partnerships of the festival, socio-economic impacts, and the implications of COVID-19 for the future of these events.
- **Section 4: Film festivals and markets sub-sector in KZN**
In this section, an overview of the KZN film festival and markets sub-sector is presented through a focus on four KZN-based events which have received funding from KZNFC in 2018. Key challenges faced by the sector, arising from primary data collection, are also included. Finally, a SWOT analysis of the sub-sector in the province is provided.
- **Section 5: Impacts of KZN film festivals and markets**
The fifth section undertakes an assessment of the socio-economic impacts of film festivals and film markets. A gap analysis is undertaken to identify gaps which then inform the recommendations.
- **Section 6: Recommendations**
The final section of the report presents recommendations to grow and develop the KZN film festival and film market sub-sector.



2 THE FILM FESTIVALS AND MARKETS SECTOR

Film festivals and film markets play an important role in the development and growth of the film sector. They play a pivotal role in bringing a diverse spectrum of interested parties involved in the film sector together. They are often significant events in the film sector's calendar that facilitate exchanges of information and interests. It is during these events that new ideas are often formulated and where new relationships and liaisons are formed. The viewing of the films is only one part of the total spectrum of activities that take place at these events. Facilitating opportunities for networking between the participants is an important activity, since this often creates a space for developing new innovative ideas and concepts in the production and marketing of the films.

While separate, film festivals and film markets often overlap when the film market is hosted concurrently with the film festival. Some festivals, such as the Berlinale and Cannes Film Festival, operate concurrently with an accompanying film market. However, other major film markets such as the American film Market (AFM) and the Independent Film Project (IFP) operate independently. An overview of the history of film festivals and film markets is provided in the following section to contextualise the sub-sectors of the film sector.

2.1 AN OVERVIEW OF FILM FESTIVALS AND MARKETS

2.1.1 FILM FESTIVALS

The first film festival in the world, the Venice Film Festival, was founded in 1932, and was followed by a wave of festivals on the European continent, such as the Cannes Film Festival in 1939, the Locarno Film Festival, the Edinburgh Film Festival, and the Karlovy Vary International Film Festival in 1946, and the Berlinale in 1950 (Dovey, 2015, p. 33).

On the African continent, it took until the 1960s, during the period of decolonisation, for African countries to start hosting their own arts festivals, which also had a strong film presence. The first festival to be held regularly in Africa was the Festival International du Film Amateur de Kelibia (FIFAK), founded in Tunisia in 1964 (Dovey, 2015, p. 33). This was followed by other regular festivals, such as, the Journées Cinématographiques de Carthage (JCC) also founded in Tunisia in 1966, the Festival Pan-African du Cinema et de la Television de Ouagadougou (FESPACO) which originated in Burkina Faso in 1969, the Cairo International Film Festival, founded in Egypt in 1976, and the Durban Film Festival, founded in South Africa in 1979. Festivals focusing on African film but from outside the African continent were initiated in 1979, beginning with the Festival des 3 Continents in Nantes, France (Dovey, 2015, p. 33).

In the late 1990s, a new wave of film festivals began flourishing, particularly in Western Europe. In Africa, several new international film festivals took place, the first of which was the Zanzibar International Film Festival (ZIFF), founded in 1998. At this time, 'A-list' international film festivals, such as the Toronto International Film Festival (TIFF), began to introduce curators and programmes dedicated to films produced by Africans (Dovey, 2015, p. 34). The grading of film festivals is regulated by the International Federation of Film Producers Associations (FIAPF) (International Federation of Film Producers Associations, 2019).



This federation, among other regulatory functions in the audio-visual sector, recognises namely category '1' or 'A' festivals around the world. In 2020, there were 45 film festivals accredited by this organisation, the accredited festivals are expected to meet the following standards³:

- Good year-round organisational resources.
- Genuinely international selections of films and competition juries.
- Good facilities for servicing international press correspondents.
- Stringent measures to prevent theft or illegal copying of films.
- Evidence of support from the local film industry.
- Insurance of all film copies against loss, theft, or damage.
- High standards for official publications and information management (catalogue, programmes, fliers) (International Federation of Film Producers Associations , 2019).

Film festivals differ in size and in the type of films showcased. They can range from large star-studded events, such as the Cannes International Film Festival in France, or the TIFF in Canada, to small, independent, local awards that are attended by only a few hundred people. A common feature of all film festivals is that they celebrate the art of filmmaking, and champion the artists who produce the films (Utian-Preston, 2017). Film festivals differ in scope; some are broad in their coverage of the types of films screened, while others are highly focused and specialised.

There are film festivals that are specific to one film genre, such as documentaries. One example is the Encounters Documentary Film Festival that focuses only on documentary films. Most festivals operate on a non-profit, membership-based model, with a combination of ticket sales, membership fees, and corporate sponsorship constituting most of the revenue streams. Like most representative art organisations (performing arts, museums, etc.), film festivals typically receive few donations from the public and are usually organised as non-profit associations (Utian-Preston, 2017).

Film industry members often have significant curatorial input, and corporate sponsors are given opportunities to promote their brand to festival audiences in exchange for monetary contributions. Private parties, often to raise investments for film projects, constitute significant 'fringe' events. Larger film festivals maintain year-round staffs often engaging in community and charitable projects outside the festival season (Utian-Preston, 2017).

³ The FIAPF is the only organisation to accredit International Film Festivals as Category A (also referred to as category 1). To receive accreditation from the organisation, an application process is followed, however, the specific indicators and criteria against which accreditation applications are assessed is not publicly available, except in the broad terms mentioned. An aspiring festival seeking accreditation needs to send an inquiry to info@fiapf.org. Access to documentation is only available for already-accredited festivals.



Table 1 provides examples of notable film festivals around the world⁴ which supports the selection of case studies.

Table 1: Notable festivals around the world

Area	Notable festivals
Europe	<ul style="list-style-type: none"> • Cannes International Film Festival • Venice International Festival • Berlin International Festival • International Film Festival of Rotterdam
North America	<ul style="list-style-type: none"> • Toronto International Festival (TIFF) • Seattle International Film Festival (SIFF) • Tribeca Film Festival (TFF) • South by Southwest International Film Festival (SXSW Film Festival) • Vancouver International Film Festival (VIFF)
Latin America	<ul style="list-style-type: none"> • Cartagena International Film Festival (FIFF) • Gramado International Film Festival (GIFF) • Expresion en Corto International Film Festival (ECIFF) • Guadalajara International Film Festival (GIFF)
Asia	<ul style="list-style-type: none"> • International Film Festival of India (IFFI) • Kolkata International Film Festival (KIFF) • Hong Kong International Festival (HKIFF) • Busan International Film Festival (BIFF) • Kathmandu International Mountain Festival (KIMF)
Africa	<ul style="list-style-type: none"> • Zanzibar International Film Festival (ZIFF) • Durban International Film Festival (DIFF) • Joburg Film Festival (JIFF) • Pan-African du Cinema et de la Television de Ouagadougou (FESPACO) • The Encounters Documentary Film Festival • African International Film Festival (AFRIFF)

The socio-economic benefits that film festivals produce for society and economy are usually more important than their financial profitability (Dovey, 2015). For example, film festivals conduct skills development workshops for aspiring filmmakers and other industry professionals providing advancement opportunities, and exposure to the film industry. The greater benefit of these events lies in the economic spin-offs created through the forward and backward linkages in the tourism sector, and the generation of new creative and innovative filmmaking concepts and the associated films that are produced.

⁴ This list is an overview of the notable festivals around the world. They are listed in no order and may exclude other festivals that the public may deem notable.



2.1.2 FILM MARKETS

Where film festivals focus on showcasing the film sector value chain's outputs, film markets are focused on the business of film production, such as financing, co-production opportunities, and distribution licensing arrangements. These events exist to connect filmmakers and/or film sales agents to distributors and other major film industry role-players.

Whilst there are several film festivals in the world, there are fewer film markets, and there are very limited reliable sources published with regards to this subject matter. Table 2, provides an overview of the world's notable film markets by continent/region to provide some contextualisation regarding the composition of the sub-sector.

Table 2: Notable Film Markets

Region	Film Market	Description
North America	The American Film Market (AFM)	<p>The AFM is one of the well-known film acquisition, development, and networking events in the world. AFM is a marketplace where production and distribution agreements are made. More than US\$1 billion in contract agreements are sealed every year on both completed films and those in the process of development and production (AFM, 2020).</p> <p>Over 7 000 industry role players from more than 70 countries converge in Santa Monica every November. They include acquisition and development executives, agents, attorneys, directors, distributors, festival directors, financiers, film commissioners, producers, writers, the world's press, and others who provide services to the motion picture industry (AFM, 2020).</p>
	The European Film Market (EFM)	<p>The EFM is one of the top three meeting places of the international film and media industries. It has close links with the Berlin International Film Festival (Berlinale) as it is hosted along the film festival itself. Its position at the heart of Berlin's vivid creative economy, is a defining characteristic of the Berlinale's film market. Yet, the EFM is more than just an agile marketplace for trading film and audio-visual content, it has also positioned itself as a platform for innovation and change (Berlinale, 2020).</p> <p>Over a period of eight days, around 10 000 representatives of the international film and media industries, primarily producers, buyers and sales agents, distributors, and financiers, come together to network, exchange, inform, and do business (Berlinale, 2020).</p>
	The Cannes Marché du Film	The Marché du Film is the annual meeting for film industry professionals across the globe. The market provides business opportunities, reinforce international visibility, and



Region	Film Market	Description
	(Cannes Film Market)	<p>put industry professionals in the prime location to discover all the latest innovations in the rapidly changing film industry (Keslassy, 2020).</p> <p>As the world slowly recovers from the COVID-19 pandemic and theatres start reopening, sales agents and distributors, whose business traditionally drives the independent film sector, are facing an uncertain future while trying to make the best of 2020's shortened festival circuit. The Cannes Film Market, along with a sales initiative led by Hollywood agencies, hosted the first major virtual market since the start of pandemic. It started on the 22nd of June 2020 and it was attended by at least 7 000 accredited participants (Keslassy, 2020).</p>
Latin America	Latino Media Market (LMM)	<p>The LMM is a National Association of Latino Independent Producers (NALIP)⁵ Signature Program created for content creators attending the NALIP Media Summit (NALIP, 2019). The market focuses on selected projects in the following categories:</p> <ul style="list-style-type: none"> • Low-Budget Features in Development or Pre-production, • Documentary Works-in-Progress, • Scripted TV/Streaming concept/pilot, • Digital Web Series. <p>The market is designed as a steppingstone for NALIP fellows and their projects through meeting industry representatives who provide relevant information and advice on advancing and distributing their productions (NALIP, 2019).</p> <p>During the LMM, one-on-one meetings take place for selected projects between filmmakers and other film industry professionals such as studio and network executives, agents, distributors, and mentors (NALIP, 2019).</p>

⁵ NALIP is a national membership organization committed to helping Latinx content creators with their professional goals.



Region	Film Market	Description
Asia	Hong Kong International Film and Television Market (FILMART)	<p>Organised by the Hong Kong Trade Development Council (HKTDC), the Hong Kong International Film and TV Market (known as FILMART online) has positioned itself as Asia's premier film and television market. This event provides an important trading and publicity platform for film and television programmes as well as other production-related services (FILMART Online, 2020).</p> <p>In 2019, the event hosted 670 exhibitors from 38 countries and regions including new participation from Argentina, Brazil, Austria, Greece, Ireland, Netherlands, Switzerland, Israel, and Jordan. At least 6 900 participants from 73 countries and regions attended the market, including first time visitors from countries such as Croatia and South Africa.</p> <p>The market provides strong support for the Chinese filmmakers and other industry professionals. This platform serves as the place for Chinese filmmakers, television programs creators, and animation and industry players to promote their productions to buyers from both experienced and emerging markets, especially from Asia (FILMART Online, 2020).</p>
	Asian Contents and Film Market (ACFM)	<p>This film market is a product of, and is hosted along, Busan Film Festival (see Busan International Film Festival). Formerly known as the Asian Film Market, ACFM has positioned itself as one of the leading film business markets in Asia for an array of film industry events that include financing, production, post-production, sales, and distribution. Associated with this market are the Asian Project Market, and Entertainment Intellectual Property Market which provide diverse business opportunities to participants during the BIFF (BIFF, 2020).</p> <p>In 2019, the market hosted 2 188 professionals from enterprises located in 56 countries participated and actively engaged in production, acquisition, distribution, and sales for film, broadcasting and original content rights (ACFM, 2020). The number of enterprises participating in booths has increased by 17% from the previous year, to promote and sell a wider range of content and copyrights (ACFM, 2020).</p>



Region	Film Market	Description
Africa	DISCOP Africa	<p>The DISCOP Africa markets cater to servicing the community of professional executives involved in the development, production, sales, programming, acquisition, marketing, and funding of film, television, digital, radio, and video-gaming content. These markets facilitate content production and distribution business, and the common goal is to fast-track the development of Africa's diverse and unique entertainment, media, and advertising marketplace. DISCOP Africa plans two in-person markets each year, DISCOP Abidjan in May, and DISCOP Joburg in July. There is also DISCOP Africa, a virtual market focused on Africa (DISCOP Press, 2020).</p> <p>In 2020, the president and founder of DISCOP markets, Patrick Zuchowicki, announced that the African markets were postponed from May and July to September and October. This postponement also came with an announcement to shorten each market to one day instead of the normal 3-day event. This was due to the COVID-19 pandemic infection rates increasing in African countries at the time (DISCOP Press, 2020).</p>

2.2 THE ROLE OF FILM FESTIVALS AND MARKETS WITHIN THE VALUE CHAIN

Film festivals and film markets play different roles in the sector value chain and therefore have different impacts on the development of the industry and the economy. Figure 2 displays the generic film value chain, which has three main components.⁶

Development – This component of the value chain deals with the initial processes of film conceptualisation. After the film idea or concept is created and acquired, processes such as screen play creation (through many drafts), securing development funding for the scriptwriter, and initiating the production financing occur.

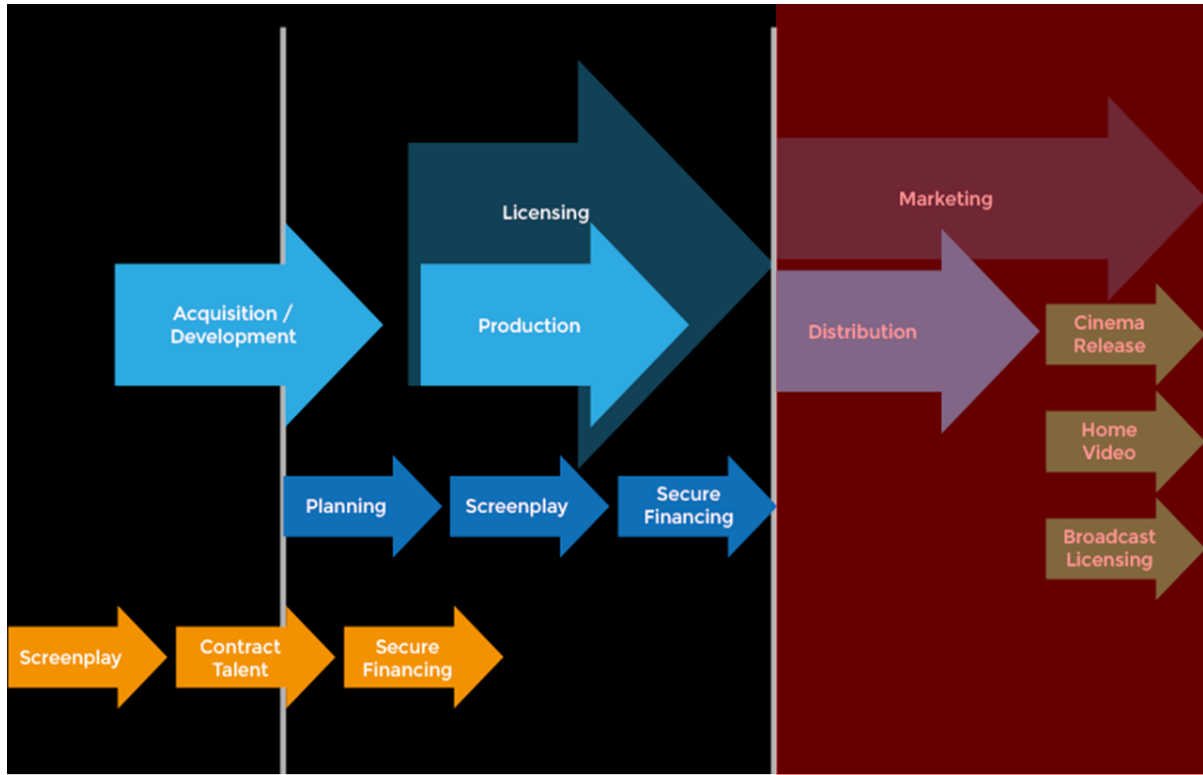
Production – The production of a film takes place during this component of the value chain. Post-shoot activities are also included in this component and involve activities such as, film editing processes, including the addition of special effects and music.

Distribution – The marketing and distribution of a film falls within this component of the value chain. It deals with the distribution (sales and licensing) and exhibition of finished product. The distribution level is where most of the direct impacts of film festivals and markets occur.

⁶ Each level has different components within it, but for the purposes of this report those components are not explored in detail.



Figure 2: Generic film industry value chain



Source: Adapted from (Benghozi, et al., 2015)

The different roles of film festivals and markets within the film sector value chain is illustrated in Table 3.

Table 3: Film festivals and film markets position in the film industry value chain

ACTIVITIES	FILM SECTOR VALUE-CHAIN COMPONENTS	
	DEVELOPMENT	DISTRIBUTION
Meeting of film industry role players	FM	FF
Networking and concept generation	FM	FF
Knowledge transfer amongst industry stakeholders	FM	FF
Business agreements and conclusion of contracts		FM
Film screenings for audiences		FF
Impacts on tourism and hospitality		FF
Networking and knowledge transfer		FF

Source: Urban-Econ Analysis, 2020

Table key - FF = Film Festivals; FM=Film Markets

As seen in Table 3, the activities of the film festivals fall primarily within the distribution component of the value chain, whereas the film market activities fall mainly within the development component of the value chain. These events offer filmmakers a platform to introduce their films, discuss topics shown in the film, as well as the filmmaking process. This platform encourages film production and collaboration amongst filmmakers.



2.3 CONCLUSION

The following can be drawn from this section of the report:

Film festivals are events where films are screened to live audiences, which comprises the public, media organizations, and other stakeholders in the value chain, such as, directors, producers, actors, distributors, make-up artists, scriptwriters, set designers, and all other relevant and/or interested parties. In addition to film screenings, festivals facilitate information sharing, through a combination of panel discussions, workshops, and industry-led masterclasses. The activities of film festivals relate primarily to the distribution component of the value chain.

Film markets are events centred around the commercial and business activities of the value chain, where industry stakeholders meet, and where trade agreements are negotiated. These events are limited mainly to film industry stakeholders including producers, filmmakers, buyers, investors, and distributors. The films are screened for potential buyers and licensees who buy the right to distribute the film. Most of the activities and impacts of film markets fall within the distribution component of the value chain.

There is often an overlap between film festivals and film markets as many festivals are hosted concurrently with film markets. These are notable film festivals, such as the Berlinale hosted alongside the EFM, and the International Film Festival of Rotterdam (IFFR) hosted alongside the CineMart, the film market aspect of the festival.



3 CASE STUDIES

The purpose of this section is to provide insight into, and greater understanding of, the role that film festivals play in the development of the sector through case studies. These case studies are explored through a uniform approach that provides information on background, initiatives and partnerships, COVID-19 implications, and socio-economic impacts. These festivals play an important role in advancing their respective countries' film industry and there are important lessons for the KZN film festivals sub-sector which can be gleaned through this analysis and review.

The following film festivals have been reviewed due to their perceived success, high profile within the international film sector, and ability to support growth in the sector and provide valuable contribution to the economies in which they located:

Table 4. International and African film festival case studies

INTERNATIONAL FILM FESTIVALS	AFRICAN FILM FESTIVALS
Berlin Film Festival	Zanzibar International Film Festival
International Film Festival Rotterdam	Encounters South African International Documentary Festival
Busan International Film Festival	Joburg Film Festival
Toronto International Film Festival	

3.1 BERLIN FILM FESTIVAL

3.1.1 BACKGROUND

Established in 1951, the Berlin Film Festival, also known as the Berlinale, has developed into a platform of intercultural exchange for critical cinematic exploration of social issues. As a result of being shaped by the turbulent post-war period in the 1950s, the Berlinale is considered the most politically oriented of all major film festivals. According to (Kurten, 2016), in comparison to other major European festivals, the Berlinale has always been criticised for focusing more on social relevance than on their aesthetic qualities. For example, Kurten (2016), notes that in recent years, the winners of awards such as the Golden and Silver Bears have often been more politically important than artistically innovative. Outside the competition, its various sections feature documentaries, political film essays and socially committed feature films.

According to (Berlinale, 2020), the festival runs for 11 days and has over 500 000 estimated attendees from across the world. Showcasing films from all genres, the festival showcases an estimated 400 films in several sections across cinematic genres. The festival brings major actors of international cinema to Berlin where new acting talents are often discovered.



The festival has ten different film sections, with the Competition programme being the focal point and the centre of gravity for the festival. In the Competition programme, there is a wide-ranging presentation of the best-established amateur films from around the globe. The programme also elevates new directors to the upper echelon of international filmmaking (Berlinale, 2020).

3.1.2 INITIATIVES AND PARTNERSHIPS

Several special events and programme partnerships have developed around the Berlinale, leading to a greater spread of the economic impacts of the festival itself. The most important of these are:

European Film Market – Due to the success of the Berlinale, the EFM was established as a business event during the time of the festival. The market hosts at least 500 exhibitors from 62 countries, selling films to approximately 1 100 buyers from all over the world (Berlinale, 2020).

Berlinale Co-Production Market – Hosted as a separate, four-day event, but initiated based on the success of the Berlinale, the Berlinale Co-Production Market attracts around 600 international producers, sales agents, distributors, as well as broadcasting and funding representatives who are active in international co-productions (Berlinale, 2020).

World Cinema Fund – Together with the Federal Foundation for Culture, and in cooperation with the Goethe Institute, the Foreign Ministry and German producers, the World Cinema Fund develops and supports global regions with a weak film infrastructure. In doing so, it promotes cultural diversity in German films. The World Cinema Fund provides funding support to films that require additional funding. This often includes films that are unconventional and with an aesthetic approach (Berlinale, 2020).

The Berlinale Africa Hub – The hub offers the latest insights into the African film industry as well as an international forum for communication and networking to African film professionals encompassing the entire African continent and its diasporas. The platform allows distributors, buyers, filmmakers, and other professionals of the creative industries from or with a focus on Africa to come together, make contacts and exchange ideas on the innovative developments, trends, potential and visions (Berlinale, 2020).

3.1.3 SOCIO-ECONOMIC IMPACTS

The Berlinale has had notable socio-economic impacts, such as:

- Attracting local and international tourists who spend an estimated €100 million in hotels, restaurants, and shops during the festival period (Hassink & Lee, 2018).
- Tourist attendees have doubled over the last decade. It is estimated that 5 out of 7 tourists visit Berlin as an indirect result of the cultural attractions promoted through the Berlinale (Hassink & Lee, 2018, p. 7).
- As a direct result of the festival, Berlin has become a centre of international co-production, with the city being used as a film location (Hassink & Lee, 2018, p. 7).
- The Berlinale has led to an alternative film industry being established in Berlin which, in the past, struggled to be sustainable (Hassink & Lee, 2018, p. 7).



- The Berlinale has become an important showcase event for the local film industry. Local small producers have an opportunity to network and meet other producers and funders.
- An increasing number of large-scale films, such as the popular Budapest Hotel, Monuments Man, and The Beauty and the Beast, were produced in Berlin and then screened at the Berlinale.
- The festival has indirectly spurred the establishment of international film studios in Berlin. A mutually beneficial relationship exists between the festival and the film studios which both benefit from the spatial and cognitive proximity. Young producers participating in the Berlinale Talents event can visit the studios and talk to production experts.

The festival is the product of an independent organisation that not only hosts the festival but is also involved in capacity building activities and commercialisation of Berlin's film industry.

3.1.4 COVID-19 IMPACT

The 2020 running of the Berlinale was negligibly impacted by the COVID-19 health crisis, since it was held in February 2020, before rapid global transmission drove world leaders to enforce country-wide lockdowns. Encouragingly, festival organisers implemented extreme precautionary measures to reduce transmission risks.

Anticipating a continuation of the pandemic into 2021, but still wanting to host a physical event that promotes dialogue and knowledge exchange, festival organisers have adopted strict health and safety protocols, in accordance with the regulatory requirements of the State of Berlin. Measures include mandatory mask-wearing, no queuing in front of cinemas, admission restricted to pre-booked tickets only, advance payment, limited access to EFM, reduction in printed materials, and a strong focus on hygiene. A dedicated webpage providing COVID-19 related information is embedded on the official website (Berlinale, 2020).

3.1.5 LESSONS FOR KZN FILM FESTIVALS DRAWN FROM THE BERLIN FILM FESTIVAL

The Berlinale has played a significant role in the growth and development of the European film industry. Since KZN festivals seek to grow their impact and drive greater economic spin-offs they should focus on the following:

- The festival organisers should position the events in a way that not only markets the country's unique culture, but also as a meeting point for international and local filmmakers and other industry professionals to achieve exposure and recognition within the industry.
- Ensuring that the festival incentivises international film production within the host province/city through encouraging collaboration between international and local filmmakers and other industry professionals. This stimulates economic activity within the city as filmmakers and their crews spend money on restaurants, accommodation, and transportation, amongst other consumption items. This spending generates tax revenues, employment opportunities, and generally helps with sustaining and supporting livelihoods of the local population.



- Developing initiatives that will create opportunities for filmmakers and other industry stakeholders to network, sell their films, exchange ideas, and develop each other's productions.
- The festivals should actively support the establishment of alternative, emerging film production sectors and ensure their sustainability.

3.2 INTERNATIONAL FILM FESTIVAL ROTTERDAM

3.2.1 BACKGROUND

Established in June 1972, the International Film Festival Rotterdam (IFFR) is an initiative of the Rotterdam Arts Foundation. The festival initially showcased films purchased for distribution to what was then a newly established circuit of art house cinemas in the Netherlands. The film festival was first known as the Film International of Rotterdam, with only seventeen attendees in the audience for the opening night on 28 June 1972 (IFFR, 2020). The film festival was managed by Hubert Bals, as director, from its initiation until his death in 1988. After the festival founder's sudden death in 1988, the Hubert Bals Fund was initiated to support filmmakers from developing countries (IFFR, 2020).

From inception, IFFR has positioned itself as a promoter of alternative, innovative, and non-commercial films, with an emphasis on the Far East and developing countries. The film festival showcases films from all genres, with film selection typically including about 570 feature, mid-length, and short films from almost 90 countries, and offering a high-quality line-up of exhibitions, performances, masterclasses, and film talks (IFFR, 2020). Annually, the festival hosts over 340 000 public admissions and almost 2 700 film industry professionals⁷, of which, approximately 350 are filmmakers (IFFR, 2020).

The film festival hosts four different screening programmes or sections, the main aim of which is to address issues of contemporary social relevance in a unique and exciting way, and to promote cinematic innovation. The festival organisers have ensured that quality films reach audiences, with an online viewing strategy that allows for screening opportunities to wider audiences (IFFR, 2020).

In 1983, the festival launched CineMart, to serve as the film market component of the festival, and later modified the business model to a "co-production market" that helps a select number of film producers and facilitates connections with possible co-producers and funders (IFFR, 2020).

⁷ For the purposes of this report, 'industry professionals' is considered to include industry stakeholders involved in the development and production stages of the value chain, such as, producers, directors, and filmmakers.



3.2.2 INITIATIVES AND PARTNERSHIPS

CineMart – This was the first platform of its kind to offer filmmakers the opportunity to launch their ideas to the international film industry, and to identify potential investors and co-producers required to bring film ideas to the screen. The International Film Festival Rotterdam launched CineMart in 1983, as a typical film market (IFFR, 2020). However, it soon became clear that there was a greater need for a new platform to present projects that look for additional financing. With that in mind, IFFR remodelled CineMart as an effective co-production market, then the first of its kind. CineMart has proven to be an integral part of the film industry, providing an indispensable platform for support of the realisation of new film projects. It heralds the start of each new 'film season' (IFFR, 2020).

Along with CineMart, the film festival offers year-round guidance and support to emerging film professionals, through the Hubert Bals Fund. This is facilitated through the Rotterdam Lab programme which offers many forms of training, guidance, and support. It is a five-day training workshop for promising producers from around the world. The aim of this programme is to provide emerging industry professionals with the means to build and develop an international network. Training assists capacitate professionals with the skills required to understand international film production, including financing, sales, and distribution.

A rigorous screening and selection process ensures that there is a balance in the calibre of participants in terms of their production experience. Firstly, all participants must belong to a CineMart partner affiliate, of which the Durban FilmMart/Durban Film Office is one of the affiliates. Secondly, participants should be emerging producers who have produced at least one or two short films and not more than two feature films (IFFR, 2020).

IFFR Pro – This platform enables filmmakers to network, debate, mentor and collaborate with leading experts and organisations in the film industry (IFFR, 2020). Besides promoting talent development, IFFR Pro organises an annual conference, gives the film industry professionals an opportunity to network in the Pro Hub, and fosters numerous initiatives through collaboration. IFFR Pro demonstrates its reflective side with its one-day conference, the Reality Check, a debate platform, and workshop that discusses current challenges in the European and global film industry. It invites the knowledge and expertise of high-profile speakers and thinkers from the film industry and beyond (IFFR, 2020).

IFFR Unleashed – Since 2018, the festival has developed an online streaming platform called IFFR Unleashed. The aim of this platform is to sustain the festival's momentum throughout the year by allowing festival audiences to continue watching films online. In early 2020, the platform moved from standalone website to an environment integrated into the festival's website⁸, allowing for a more intuitive and contextualised presentation of the films on offer. Prices were lowered to €1 per short and €4.50 per feature film (IFFR, 2020). IFFR Unleashed aims to grow audiences and releases a full film programme a month in advance of IFFR, leading to growth in audience size.

⁸ <https://iffr.com/>



IFFR data-driven audience research - The IFFR has a digital service, run through the IFFR app in 2020, IFFR made strides in data-driven audience research. Partnering with Price Waterhouse Coopers (PwC) and Blauw Research, the festival attains invaluable insights through data analysis and explores data-driven strategies in the build-up towards the 50th edition (IFFR, 2020).

IFFR Partnerships - Support is provided to the festival by its partners. For the past three years (2017-2019), Fonds 21⁹ has been the main partner, driving the festival to place a stronger emphasis on audience development and education. Other partners include Bank Giro, Stitching Droom en Daad, vfonds and de Volkskrant. These partners ensure that the IFFR has the necessary platforms from which it can grow and develop. Furthermore, the Rotterdam City and its Council, the Ministry of Education, Culture and Science and Creative Europe MEDIA¹⁰ have an ongoing commitment to support the festival. Each annual festival counts on the support of several local partners and businesses, funders, and other private contributors (IFFR, 2020).

3.2.3 SOCIO-ECONOMIC IMPACTS

Rotterdam-based businesses provide the festival and its audiences with services and unique festival experiences, such as locally produced tiger chocolates, coffee from roaster Ketelbinkie, and a successful partnership with beer brewers Kaapse Brouwers who brewed a limited-edition festival beer and facilitated a special film evening, together with Windt Le Grand Leeuwenburgh, for the youngest sponsors of the festival: The Next Film Patrons.

PricewaterhouseCoopers (PwC) undertook an economic analysis of the 49th edition of IFFR (2020), and noted significant economic impacts imparted on the City of Rotterdam economy. Illustrated in Table 5.

Table 5. Top line economic impacts of IFFR 2020

INDICATOR	METRIC
Total visitors	340 000
Estimated expenditure/ visitor	€413 ¹¹
Total estimated visitor expenditure	€8 million - €14.3 million ¹²
Expenditure by IFFR	€3 million
Total combined expenditure	€9.8 million -€16.1 million
City of Rotterdam Council subsidy	€1.2 million
Return on Investment for City of Rotterdam Council ¹³	717% - 1 242%

Source: Adapted from (PwC, 2020)

⁹ Fonds 21 is an enterprising and socially involved fund that aims to make a positive contribution to society in the 21st century by supporting idealistic causes aimed at Art and Culture, and Youth and Society (FONDS21, 2020)

¹⁰ The MEDIA sub-programme of Creative Europe supports the EU film and audio-visual industries financially in the development, distribution, and promotion of their work (European Commission, 2020)

¹¹ Expenditure breakdown: Food and beverage-50.2%; Overnight stay-18.1%; Shopping-13.8%; Transport-11.4%; other costs – 6%; Museums, theatre and attractions-0.5%

¹² The range in expenditure is a function of uncertainty regarding the number of unique visitors and the representativity of the visitor survey sample

¹³ Return on Investment calculated as follows: (total expenditure – subsidies)/ subsidies x 100



The impact analysis also measured visitor perceptions of IFFR and the City of Rotterdam, with the following key findings:

- 49% of IFFR visitors were in Rotterdam solely due to the film festival.
- 93% of visitors feel the IFFR positively contributes to Rotterdam's image.
- 47% of non-residents indicate they intend to visit Rotterdam again at least once in the next year because of the festival.

3.2.4 COVID-19 IMPLICATIONS

The 49th edition of the IFFR was hosted in January 2020, before COVID-19 was declared a global pandemic, and before countries around the world entered periods of government-enforced lockdown. Fortunately, the pandemic, therefore, had a negligible impact on the festival, a considerable advantage over other festivals, such as the Cannes Film Festival and TIFF, which launched online platforms to stave off wholesale cancellations of their respective festivals.

With the 50th edition of the event scheduled for early in 2021, IFFR organisers have adopted a unique approach to ensure the festival still goes ahead: it will hold two separate events, one in early February (a Winter event), the other in early June (a Summer event), with a series of events in between to link the dates together. A hybrid physical-virtual event will be held in the Winter event, with CineMart and the Rotterdam Lab project moving online, while the Summer event will include large public screenings, should the situation with COVID-19 pandemic allow this (Roxborough, 2020).

3.2.5 LESSONS FOR KZN FILM FESTIVALS DRAWN FROM IFFR

The IFFR has played a significant role in the growth and development of the European film industry. Since KZN festivals seek to grow their impact and drive greater economic spin-offs they should focus on the following:

- Creating year-round audience development initiatives, and investment in data-driven research on the festival. These audience development initiatives can include physical screenings of films around the province. This helps keep the momentum of the festival going, while at the same time stimulating growth of the festival audience size.
- Encourage local businesses to be part of the festival through providing their services and supplying their products to the festival audiences. This in turn, generates economic activity in the local economy, through forward and backward linkages, including, amongst others, sustaining and creating employment opportunities and contributing towards tax revenue collection.
- Festival organisers should invest in data-driven research which will provide them with insights on opportunities to continuously improve the festival's impact through direct feedback from their audiences.
- Creating and developing initiatives that provide skills development to aspiring filmmakers and other industry professionals.



3.3 BUSAN INTERNATIONAL FILM FESTIVAL

3.3.1 BACKGROUND

Founded in 1996, as the first international film festival in South Korea, the Pusan¹⁴ International Film Festival (PIFF) was Asia's largest film festival. Held annually in Haeundae-gu, Busan, South Korea in October every year, the focus of the festival is to introduce new films and first-time directors to film markets. The festival is popular with young people, mainly due to its efforts to develop and promote young film producers and support film industry professionals. In 2011, the festival was renamed the Busan International Film Festival (BIFF) and has been adopted by the citizens of Busan as their own event, with a large local contingent supporting the festival each year (BIFF, 2020).

In 2011, following its renaming as the BIFF, the 16th iteration of the festival was moved to a new permanent location at the Busan Cinema Centre, in Centum City. The Busan Cinema Centre is a US\$150 million structure of about 30 000 m² and includes a 4 000-seat outdoor theatre, four indoor screening rooms under a LED-covered roof, a media centre with space for archiving films, and conference rooms. The new location also allows the festival to hold industry forums and educational activities. The festival receives significant support from the Ministry of Culture, Sports and Tourism, and the Metropolitan City of Busan (BIFF, 2020).

3.3.2 INITIATIVES AND PARTNERSHIPS

There are several initiatives and partnerships associated with the BIFF, the most important of which are:

Asian Contents and Film Markets – As a result of the success of BIFF, festival organisers launched the Asian Contents and Film Markets, which is positioned as a comprehensive marketplace for an array of film industry events that include financing, production, post-production, sales, and distribution. Associated with this market are the Asian Project Market, and Entertainment Intellectual Property Market which provide diverse business opportunities to participants during the BIFF (BIFF, 2020).

Asian Cinema Fund (ACF) – This Fund is an initiative to support Asian independent filmmakers in making feature-length films and documentaries. By supporting Asian film projects from script development, production, and post-production stages, ACF strives to activate new independent film productions and to provide a stable production environment for talented Asian independent filmmakers (BIFF, 2020).

¹⁴ The city of Busan was formerly Romanized as Pusan, which closely resembled the Korean pronunciation of Busan. The city is now officially known as Busan Metropolitan City



Asian Film Academy (AFA) – The Academy is an educational program hosted jointly by the BIFF, Busan Film Commission and GKL Foundation¹⁵. The aim is to develop young Asian film talent and build their networks throughout Asia. Over the past 14 years, AFA produced 337 alumni from 32 Asian countries. Many of their films have been invited to be screened at prestigious festivals throughout the world (BIFF, 2020).

Platform Busan – This is an annual networking event hosted by BIFF. In 2019, 216 participants from 25 countries around Asia joined the networking events. As an already leading initiative in Asian cinema, BIFF wants this event to become the keystone for Asian independent filmmakers to expand their global network and to make a greater impact in the world of cinema (BIFF, 2020).

Asian Project Market (APM): Initially launched as the Pusan Promotion Plan (PPP) in 1998, this is a first launched co-production platform in Asia that offers emerging filmmakers the opportunity to meet international leading film industry professionals. Each year the market discovers new feature film projects ranging from big scale commercial films to low-budget films to link them with global film investors, producers, and distributors (BIFF, 2020).

3.3.3 SOCIO-ECONOMIC IMPACTS

Since inception in 1996, BIFF has developed into Asia's prominent film event and a major testing ground for new directors from the region (Steger, 2017). BIFF has positioned itself as the hub of Asian visual culture, which in turn has elevated the image and brand of the host city. In recognition of the important role played by BIFF, in 2014, the United Nations Educational, Scientific, and Cultural Organisation (UNESCO) designated Busan a UNESCO Creative City an acknowledgment that it is a global film city (Busan City of Film, 2019). A major Asian film location, between 2015 and 2018, more than 370 films and TV series have been produced in the city. Production in the city is incentivised through the production support project, which provides funding for film planning for any feature film produced in Busan (Busan City of Film, 2019).

Data on the socio-economic impacts of BIFF is not readily available but the impacts are anticipated to be wide ranging due to the concentration of economic activity associated with the large audience the festival attracts, as well as the city's use as a film location. Film production on location generates impacts through the expenditure and consumption of the film crews, actors, and support personnel, through tax revenue contributions, and the multitude of forward and backward linkages into other economic sectors.

¹⁵ GKL Foundation was established in 2014 as a public benefit organization under the Ministry of Culture, Sports and Tourism. The Foundation is funded entirely by GKL, a leading public corporation in the tourism industry established for the purpose of contributing to national economic development (GKL Foundation, About GKL).



3.3.4 COVID-19 IMPLICATIONS

In 2020, festival organisers successfully hosted a physical, socially distanced film festival. The festival showed 192 films compared to the normal 300 films, an 80% reduction in total screenings when repeat screenings are considered. Due to the strict conditions imposed in 2020, the festival cancelled activities such as the opening ceremony, red carpet parades, after-party and outdoor fan events. Attendees had to wear masks and social distancing was enforced by making available only a quarter of theatre seats. Only 45 public screening talks were scheduled, and they featured only South Korean filmmakers and actors. No foreigners were invited to the film festival since South Korea imposed a two-week quarantine on international arrivals, making short visits impractical. However, some industry professionals participated through online platforms. Most of the other components of BIFF, including judging, press conferences, film and project markets and discussion forums were still held during the festival, but online (Noah, 2020).

3.3.5 LESSONS FOR KZN FILM FESTIVALS DRAWN FROM BIFF

BIFF has played a significant role in the growth of the Asian film industry and is a major contributor to tourism in Busan. Since KZN festivals seek to grow their impact and drive greater economic spin-offs they should focus on the following:

- The festival organisers should provide capacity building programmes that will ensure filmmakers and other industry professionals achieve economic returns on their productions.
- The festival organisers should develop initiatives that ensure that the industry is commercially successful and that up-and-coming filmmakers, producers, directors, and other industry professionals within the country are sufficiently skilled. Therefore, creating programmes within the film festivals that encourage partnerships and collaboration between film industry professionals proves beneficial for the growth of the film industry.
- The festival must align itself with local government and other relevant stakeholders who could potentially provide continuous funding, which will help sustain the festival as funding is one of the key factors that keep the festival operational.

3.4 TORONTO INTERNATIONAL FILM FESTIVAL

3.4.1 BACKGROUND

The Toronto International Film Festival (TIFF) is one of the largest and most important film festivals in the world. Founded in 1976, it was formerly known as the Festival of Festivals, but was renamed the Toronto International Film Festival in 1995. Held in September each year in Toronto, Canada, the vision of the festival is to transform the way people see the world through film. The festival aims to screen films from other film festivals thereby becoming an apex-event in the film industry's calendar (TIFF, 2019).



With over 480 000 people attending annually, this festival has become a destination of choice for film lovers (TIFF, 2019). The festival is located at the TIFF Bell Lightbox, which opened in 2010 and serves as the headquarters of the TFF. As an extension of the film festival, the TIFF Bell Lightbox provides all year-round screenings, lectures, discussions, festivals, workshops, and opportunities to meet filmmakers from Canada and around the world (TIFF, 2019).

Key features of the festival are:

- Over 480 000 attendees annually.
- Over 5 500 Canadian and international industry delegates accredited.
- Approximately 8 800 film entry applications received annually, from Canada and the international community.
- Approximately 245 feature films, 82 short films, and six film series screened annually.
- Consists of 13 programmes, with film screenings from 84 countries.
- The festival includes a five-day Industry conference with over 45 discussion panels and over 130 speakers.
- A study commissioned by TIFF in 2012/13 estimated that the direct economic injection in the local economy is CAD\$200 million during the week of the festival. Local businesses report records sales from people attending the festival (Donkin, 2013).

3.4.2 INITIATIVES AND PARTNERSHIPS

The festival's success and ability to reach millions of fans globally is achieved through the sponsorship partnerships with corporate bodies that want to display their logos and wordmarks on the website.

The festival partners with other smaller festivals in and around Toronto and Canada. This also helps smaller up and coming festivals gain recognition as their logos and description are displayed on the Tiff's website, print publications and marketing materials (TIFF, 2019).

For the 2020 TIFF, the organisers collaborated with other film festivals in Toronto, such as the Toronto Reel Asian International Film Festival and the Inside Out Film and Video Festival, and across Canada with the Vancouver International Film Festival. International partnerships have been established with the Venice, Telluride and New York Film festivals (TIFF, 2020).

TIFF Tribute Awards – This is an annual fundraiser to support both TIFF's year-round programming and the organization's core mission to transform the way people see the world through film. The awards acknowledge the film industry's outstanding contributors and their achievements, recognizing leading industry members, acting talent, directorial expertise, new talent, and a below-the-line artist and creator (TIFF, 2020).

TIFF Industry Conference – This is an event that runs over the course of five days alongside the film festival. It features inspiring speakers and provocative discussions, along with innovative business and creative strategies. Open to all accredited film industry professionals, the programming of this event facilitates valuable information sharing for a wide spectrum of interested parties, from students to established practitioners (TIFF, 2020).



3.4.3 SOCIO-ECONOMIC IMPACTS

Economically speaking, the modern manifestation of TIFF has proven to have an undeniable effect on the local economy. A study commissioned by TIFF in 2012-13 estimated that by 2015, the economic impact on the local economy would reach \$200 million (Donkin, 2013). During the festival, local businesses extend their patios and report record hikes in sales from people spilling over from the nearby festival headquarters, the TIFF Bell Lightbox, throughout the weekend.

A significant socio-economic impact of TIFF is a strong focus on supporting and elevating women in film, with 48% of guest speakers being women, and 156 women receiving scholarships, fellowships, access to opportunities, and professional development, through TIFF's 'Share Her Journey' initiative, in 2019, with 36% of films screened at the festival directed, co-directed and created by women (TIFF, 2019). Additionally, TIFF's community initiatives work with over 70 partner hospitals, youth organisations, and community health programmes, to create inclusive environments for connection and self-expression through film. Through this initiative, 1 500 people were reached in 2019, including youth recently immigrated to Canada, and adults struggling with mental health complications (TIFF, 2019).

TIFF is also committed to the collection, preservation, exhibition, and promotion of film, loaning 35mm films and digital cinema packages to cinemas around the world (TIFF, 2019).

Additional data on socio-economic impacts is not readily accessible.

3.4.4 COVID-19 IMPLICATIONS

As a result of the global COVID-19 pandemic, TIFF Bell Lightbox closed its year-round offices and cinemas programmes. This led to a reduction of 31 full-time staff positions and resulted in the redesign of TIFF's business activities, for both TIFF Bell Lightbox and the Festival. These factors, along with restrictions on travel and large gatherings as well as a projected slow return to normal audience behaviour, resulted in a forecast 50% reduction in revenue from 2019 (TIFF, 2020).

For the 45th TIFF, held in 2020, the organisers have acknowledged that the event will be different from all previous festivals (TIFF, 2020). TIFF will, for the first time, launch a digital platform for the festival. This will create new opportunities for the festival to connect with audiences beyond Toronto. To this end, TIFF has developed an industry-leading online platform for the mass screening of films. The digital platform will host screenings, panel discussions, and special events. Major programmes of TIFF, such as the Tribute awards and the Industry Conference, will now be hosted online (TIFF, 2020).

The 45th TIFF still included some physical festival events, but for the most part screening took place online. The physical events took place within the constraints of the necessary social distancing restrictions. Festival goers were able to enjoy drive-ins and outdoor experiences, a break away from the conventional theatre-based events (TIFF, 2020).



Although the COVID-19 pandemic has had a negative impact on the physical festival events, it has created new and exciting opportunities for global expansion of TIFF's market. Local tourism and hospitality businesses are likely to suffer from a notable reduction in tourists travelling to Toronto (TIFF, 2020).

3.4.5 LESSONS FOR KZN FILM FESTIVALS DRAWN FROM TIFF

TIFF has played an important role in the growth of the North American film industry, as well as economic growth through tourism. Since KZN festivals seek to grow their impact and drive greater economic spin-offs they should focus on the following:

- The festival organisers must focus on developing and sustaining meaningful partnerships. These form the backbone of the festival in terms of funding, sponsorship, and other audience development activities.
- Involvement in community-based projects is another aspect that help the festival keep its impact in host communities alive. This can potentially result in local communities taking ownership of the festival, thus increasing its local audience.
- Encouraging the involvement of local businesses is another way to increase the economic impact of the festival within the host community. Allowing local businesses to sell their products, especially locally produced products and arts will not only yield positive economic impacts for the businesses but will also grow cultural tourism within the host city.

3.5 ZANZIBAR INTERNATIONAL FILM FESTIVAL

3.5.1 BACKGROUND

The Zanzibar International Film Festival (ZIFF) is the largest multi-disciplinary art and cultural festival in Africa dedicated to the showing of films and performance of music (ZIFF Press, 2019). Established in 1997, the festival is hosted in Zanzibar, Tanzania. During the festival, films are shown in Stone Town Zanzibar City as well as surrounding rural Zanzibari Villages (ZIFF, 2018).

ZIFF exhibits each year more than 150 films made in Africa, Middle East, Europe, Latin America, USA, and Asia. Priority is given to films made in Africa by Africans including the African diaspora not currently living on the continent. Over 100 000 admissions are allowed into the festival annually (ZIFF, 2018).

The festival runs 15 programmes over a 10-day period, with the most important programme being the film competition event, which includes the conferring of 12 awards by five international juries. An important feature of the festival is the range of workshops facilitated by recognised industry professionals. They include a variety of topics aimed at capacity building, training, and networking. A web series of workshops, focusing on topics such as, the creation of webisodes¹⁶, scriptwriting, and practical advice on fundraising also features in the annual ZIFF (ZIFF, 2018).

¹⁶ A webisode is an original episode derived from a TV series, made for online viewing, such as, an online video that presents an original short film or promotes a product, film, or TV series.



3.5.2 INITIATIVES AND PARTNERSHIPS

There are several initiatives and partnerships associated with the ZIFF, with the most important being:

National Film and Video Foundation (NFVF) – In 2019, the NFVF formalised its relationship with ZIFF through signing on a Memorandum of Understanding (MoU) which focuses on training and development opportunities for young filmmakers as well as identifying co-production opportunities. As part of this partnership, the NFVF hosted the South African pavilion and launching the first-ever student mentorship programme where six South African students participated in a short film competition alongside Tanzania and Saudi Arabia. The programme is a skills exchange initiative which is meant to develop scriptwriting and production skills (ZIFF Press, 2019).

United States (US) Embassy – In 2017, the US Embassy formalised a partnership with ZIFF by signing a Memorandum of Understanding (MoU) for a cultural exchange programme that brought an American film director and a film expert to Tanzania for the film festival. Through this partnership, the film director and expert worked directly with emerging Zanzibar filmmakers during the 20th annual ZIFF. A series of workshops were conducted on documentary filmmaking, the marketing and distribution of films, as well as a workshop, focussing on women in the film industry (ZIFF Press, 2019).

3.5.3 SOCIO-ECONOMIC IMPACTS

As the festival was established to promote social and economic growth through the development of the film industry and other cultural endeavours in the region, the Zanzibar tourism commission estimates that the festival attracts at least 7 000 foreign tourists to the country each year (Zanzibar Commission for Tourism, 2018). The festival creates many short-term direct and indirect jobs before, during and after the festival event. Local businesses generate revenue by selling various curios including African artifacts and local Zanzibari cuisines (ZIFF Press, 2019).

Currently, there are no specific figures available regarding economic growth and employment contribution of the festival.

3.5.4 COVID-19 IMPLICATIONS

The 23rd edition of the festival was due to take place from the 4th of July until the 12th of July 2020, however, due to the impact of the COVID-19 pandemic, the festival was cancelled. The lead time between the start of the lockdown period was insufficient for the organisers to make alternative arrangements. The 2021 plans for the festival, in light of the COVID-19 pandemic, have yet to be released.

3.5.5 LESSONS FOR THE KZN FILM FESTIVALS DRAWN FROM ZIFF

ZIFF has played a significant role in the growth of the East African region film industry, as well as the economic growth in Tanzania through the tourism impact. Since KZN festivals seek to grow their impact and drive greater economic spin-offs they should focus on the following:



- The festival organisers should focus on developing and sustaining partnership with high-ranking stakeholders both locally and internationally.
- The festival should be positioned in a way that it encourages tourism within the city and the province. This will ensure positive economic returns for both the film industry and the province.
- Developing initiatives that focus on training emerging filmmakers on a low budget but high-quality film production, these initiatives enable aspiring filmmakers to enter the sector.
- The festival must allow local businesses to market and sell their products to festival attendees; this leads to short-term direct and indirect jobs and other economic opportunities for the community.

3.6 ENCOUNTERS FILM FESTIVAL: THE SOUTH AFRICAN INTERNATIONAL DOCUMENTARY FESTIVAL

3.6.1 BACKGROUND

The Encounters Film Festival has been running for 22 years, making it the second oldest festival in South Africa. It is also the largest documentary film festival in Africa (Sipeka, 2020). The festival receives support from a variety of national and international public and private organisations. It is globally recognised and has formed partnerships and liaisons with other well-known film festivals, such as Hot Docs¹⁷, the Sheffield Doc/Fest¹⁸ and Sundance Film Festival¹⁹. The festival runs annually in Cape Town and Johannesburg (Encounters, 2020).

An important feature of the festival is 'Encounters Talks'. These 'talk' events occur during the festival and play host to high-quality industry discussion sessions focussing on critical and urgent issues facing the documentary industry. These events are hosted in partnership with the Documentary Filmmakers Association, Wesgro, Swiss Films, DOK.fest Munich, Electric South, the University of Cape Town (UCT) Centre for Film and Media Studies, the University of the Western Cape Centre for Humanities Research, and First National Bank. Typical discussion topics include navigating the documentary industry during COVID-19, forms of online platforms, alternative distribution strategies, effecting social change through genre-based topics, and deep-dive conversations about the industry itself (Encounters, 2020).

¹⁷ Hot Docs Canadian International Documentary Festival is North America's largest documentary festival, conference, and market. Each year, the Festival presents a selection of approximately 200 cutting-edge documentaries from Canada and around the globe (hotdocs, 2020).

¹⁸ Sheffield Doc/Fest is an international film and arts festival and marketplace, with a mission to spark imaginations and empower our capacity for change by celebrating, championing, and debating documentary film and art as a collective form of engagement (Sheffield Doc/Fest, 2020).

¹⁹ The Sundance Film Festival is an annual film festival organized by the Sundance Institute. It takes place each January in Park City, Utah, Salt Lake City, and at the Sundance Resort, and is the largest independent film festival in the United States (Wikipedia, 2020).



3.6.2 INITIATIVES AND PARTNERSHIPS

The Close Encounters Laboratory – This initiative is in partnership with the South African Broadcasting Commission (SABC) and ETV. Through this programme, 10 laboratories have been developed and have produced 48 films to date. This programme has launched careers for several young, innovative South African filmmakers (Encounters, 2020).

Industry Events – This initiative sits at the core of the festival's objective to encourage and develop young filmmakers. This is an industry programme aimed at equipping filmmakers with business skills, in partnership with organisations such as the City of Cape Town, FNB, and Wesgro, the Western Cape's tourism, trade, and investment promotion agency. A series of workshops and presentations are conducted to help filmmakers reach a global market with the Documentary Filmmakers Association (Encounters, 2020).

The festival has formed strong partnerships with major international documentary film festivals such as the Sheffield, Hot Docs, and Sundance film festivals, to name a few. The partnerships typically focus on collaboration, with the intention of sharing knowledge and information. The main partnerships and collaborations are with the following organisations:

- Visions du Reel, Switzerland.
- Leipzig Documentary Festival, Germany.
- One World International Film Festival, Czech Republic.
- Brussels African Film Festival.
- Birds Eye View Festival, UK.
- New York Africa Film Festival, USA.
- Movies that Matter Festival, Netherlands.
- Thessaloniki Documentary Festival, Greece.
- CinemaAfrika, Sweden.
- SilverDocs, USA.
- Sichuan TV Festival, China.

3.6.3 SOCIO-ECONOMIC IMPACT

The Encounters Festival is organised and operated by a small group of four to five people, with additional staff contracted during the running of the festival.

The Encounters Film Festival encourages young South African filmmakers to enter the documentary film industry, through initiatives such as the industry events and Close Encounters Laboratory. Although the documentary sub-sector is known to be the least profitable sub-sector in filmmaking, barriers to entry are relatively lower than for other sub-sectors and they create an easier entry point into the filmmaking industry (Sipeka, 2020). The festival provides opportunities to young filmmakers to establish themselves within the industry, with investors from Showmax, Netflix, and other documentary channels all scouting for potential filmmakers. The festival provides a platform for recognition by the film industry which could result in their films being showcased at other major film festivals. The Encounters film festival attracts both domestic and foreign tourists (Sipeka, 2020).



The partnerships with other major international film festivals, such as the Sundance Film Festival and Hot Docs, provide exposure of the festival to industry professionals from countries outside the African continent (Sipeka, 2020).

3.6.4 COVID-19 IMPLICATIONS

Due to the impact of the COVID-19 pandemic, the 2020 festival adopted a virtual model, providing free access to all screenings, which increased the reach of the festival to an untapped audience segment. The pandemic has negatively impacted the festival, including a loss of some key funders due to the decision to livestream the festival which has had a negative impact on the tourism and hospitality industry and driven investors and funders from this sector away.

Despite the withdrawal of some funders, the Encounters' organisers welcomed the change to host the festival digitally. A digital hosting of the festival opens new ways of promoting the festival and reaching audiences without them having to incur travel and accommodation costs. In addition to moving the festival to a digital platform, the organisers launched a drive-in screening facility and event. The new approach to hosting the festival was welcomed by audiences as the first screening took place at Kyalami, Gauteng.

The Encounters organisers are currently exploring other new and alternative approaches to hosting the festival in future on digital platforms to achieve greater market exposure.

3.6.5 LESSONS FOR KZN FILM FESTIVALS DRAWN FROM THE ENCOUNTERS FILM FESTIVAL

Encounters has played a significant role in the growth of the South African film industry, as well as economic growth through the tourism impact and partnership development. Since KZN festivals seek to grow their impact and drive greater economic spin-offs, they should focus on the following:

- The festival organisers should focus on developing partnerships with other premier festivals around the world. This will play a significant role in ensuring the success of all initiatives and programmes that the festival runs.
- The organisers should focus on strategically ensuring a consistent operation of the festival and its programmes through sourcing funding from a diverse number of funders. This provides surety in the event of any one funder withdrawing support.
- The organisers should ensure that they are ready to implement useful strategies such as adapting to new technologies as the world changes. The COVID-19 pandemic has illustrated how important it is for the film industry to be flexible and constantly adapting to new changes.

3.7 JOBURG FILM FESTIVAL

3.7.1 BACKGROUND

Established in 2018, the Joburg Film Festival (JFF) is a six-day event that celebrates African and international films. The festival is organised by Native Yard Solutions and runs at six different venues around Johannesburg. Three of the venues are located in the Sandton area and the other three in Rosebank, Maboneng, and the Kings Theatre in Alexandra (JFF, 2020).



The festival is hosted in November each year, with 2020 being the 3rd annual running of the festival. The festival showcases at least 60 films from more than 16 countries, including African and international feature films, short films, and documentaries (JFF, 2020).

The main objective of the festival is to create a platform that tells stories from Africa and recognises the continent's excellence in filmmaking. The festival was inspired by Discop Africa, a film market that brings together content buyers, independent producers, and distributors, and which provides an opportunity for stakeholders in the entertainment and media environment to connect and share experiences about best practice trends in film production (JFF, 2020).

Only in its third year in 2018, the festival had already achieved significant milestones that normally take other local festivals number of years to achieve. These milestones are listed below (JFF, 2020):

- Expertly curated over 100 African and international releases.
- Held over 116 screenings with over 3500 attendees across six days.
- Achieved public relations (PR) coverage of just under R20 Million.
- Over 40% of the films showcased in 2016 and 2018 respectively, were from women directors and producers.
- A record 37 international guests attended the 2018 Joburg Film Festival, of which over 50% were from the African continent.
- Successfully hosted a Youth & Audience Development Programme with over 707 youth from across six regions of Joburg, in collaboration with the National Broadcast Institute (NABI).

3.7.2 INITIATIVES AND PARTNERSHIPS

The main partners of the Joburg Film festival are the Multichoice Group (MCG), the Gauteng Film Commission, the Gauteng Department of Sports, Arts and Culture, and Discop Africa. As the leading entertainment business in the continent, the partnership with MCG is important to the festival's success because it enables the festival to reach audiences across the continent (JFF, 2020).

The main initiatives of the festival are:

The Youth and Audience Development Programme – This is a skills-sharing platform that affords young aspiring filmmakers an opportunity to interact with leading industry stakeholders. Hosted in partnership with the Gauteng Film Commission and MCG, the programme is open to aspiring filmmakers between the ages of 18 and 25. The programme comprises a series of two-day workshops located across Gauteng (JFF, 2020).

Joburg Film Club – Launched in 2019, during the second running of the festival, this is a lifestyle centred group of people gathered for the enjoyment and appreciation of the cinematic arts. The film club aims to bring film lovers together online, where access is provided to a boutique of specially designed experiences and screenings of classic and contemporary films. It comprises a series of fun-filled events that play an important role in the marketing of the event (JFF, 2020)).



Industry programme – This initiative is headed by Discop Africa, Africa's leading film market for content, production, acquisition, and distribution. The programme provides an opportunity for more than 15 000 industry professionals to connect and share experiences about best practice trends. The programme is run through a series of masterclasses and panel discussions that cover important aspects of filmmaking, from scriptwriting and casting to animation and the intersection of film and technology. The facilitators at these events include a range of seasoned and well-known film industry professionals from the continent and abroad (JFF, 2020).

3.7.3 SOCIO-ECONOMIC IMPACTS

The festival contributes significantly to the growth of the film industry, not only in Gauteng but also across the country. This takes place primarily through the industry programme. The JFF brings together industry leaders to network, share insights and trade. The Youth and Audience Development programme, which is designed as a skills transfer platform for young people in previously disadvantaged communities, ensures that young people maintain an interest in the growth and development of the sector. Currently, there are no specific figures available regarding economic growth and employment contribution of the festival.

3.7.4 COVID-19 IMPLICATIONS

In 2020, the JFF followed a notably reduced schedule, running over only two days (28 and 29 November), instead of the usual six days. A hybrid physical-virtual event included a reduction in the number of film screenings, as well as strong focus on development workshops, which will include a 1 day, in-person workshop that will be live streamed and broadcast (Entertainment Writer, 2020).

3.7.5 LESSONS FOR KZN FILM FESTIVALS DRAWN FROM JFF

JFF is playing a significant role in the growth of the South African film industry, as well as economic growth through the tourism impact and partnership development. Since KZN festivals seek to grow their impact and drive greater economic spin-offs, they should focus on the following:

- The festival organisers align form strategic partnerships with relevant stakeholders within the film industry. This helps in advancing the festival's contribution into the film industry through its initiatives and other programmes.
- The festival must create an environment that enables collaboration between aspiring and major film industry players. This has contributed to placing the JFF at the forefront of growing the Gauteng province's film industry.

3.8 OVERALL LESSONS FROM THE CASE STUDIES FOR KZN FESTIVALS

From the case studies, there are a range of lessons to be learned. These lessons broadly fall into the following categories or focus areas:

- Management and ownership
- Film selection, programmes, and initiatives
- Partnerships



Each of these focus areas is explained below.

3.8.1 MANAGEMENT AND OWNERSHIP OF THE FILM FESTIVAL

Management and ownership of film festivals and markets is an important determinant of success because independence provides organisers with greater flexibility in determining the strategic positioning of the event, in the partnerships that are established, and in the source of investment and funding that are pursued.

All the large international festivals and markets, such as TIFF and Berlinale, are owned and managed by independent organisations that operate year-round, with a contingent of permanent employees.

These organisations are typically established as not-for-profit organisations (NPOs), which promotes independence from funders and supports fundraising and sponsorship efforts targeted at a variety of public and private sector organisations.

3.8.2 FILM SECTIONS, PROGRAMMES, AND INITIATIVES

The selection of films screened, and the initiatives facilitated by the events are arguably the main drawcard for attendees, who are interested in attending to view the latest films and participate in the various associated activities and initiatives.

Film festival programmes and sections

The success of film festivals is closely related to the programmes or sections that they present to the film market. Audiences learn what to expect at the festival due to the selection of programmes that are advertised.

Successful film festivals carefully plan their film sections and apply high quality controls in the selection of films screened.

Clear guidelines are provided for the type and quality of film submissions that filmmakers can submit.

Notable international festivals such as the Berlinale have at least ten different film sections, TIFF has at least 13 film sections, the IFFR has at least four film sections, and BIFF has at least 11 film sections.

Typically, festivals include competitive and non-competitive sections, with the competitive section including submissions for competition purposes, and non-competitive sections including films submissions for showcasing only. In most cases, the competitive sections of the film festivals are the most popular sections.

Film festival sections attract different audiences, from the public to industry stakeholders that are looking to showcase their films, as well as those looking to invest in film production or purchase screening licenses.



Film festival Initiatives

Most of the notable film festivals have grown and formed major partnerships through their various development initiatives, which have become important audience attractors in their own right. EFM, as an initiative of the Berlinale, has become a world-renowned networking event for industry professionals to interact and engage in business. Some industry professionals attend the festival mainly because of their interest in the EFM activities.

BIFF has an initiative called the Platform Busan, an event designed to create networking opportunities for aspiring filmmakers and other industry stakeholders to build relationships and exchange ideas. This event hosts at least 216 participants from 25 countries around Asia.

The educational initiatives hosted by BIFF, under the AFA help foster up-and-coming Asian filmmakers, producers, directors, and other aspiring film industry professionals to help them extend their contact networks throughout the continent. These educational initiatives include programmes such as the 'Young Film Professional Program' which offers overseas training opportunities in mature film industries for early and mid-career young film professionals in their respective disciplines (Asian Film Academy, 2019).

The IFFR has initiatives and associated events running throughout the year, beyond the festival season. Through these events, the festival engages its audience with special screenings, developmental events, and through the dedicated online streaming service, IFFR Unleashed.

Smaller-scale festivals, such as those located in KZN, typically face funding challenges that limit their ability to host year-round initiatives that could support audience growth and development (Mchunu, 2020).

3.8.3 PARTNERSHIPS

The types of partnerships associated with the film festivals can be categorised into the following three elements:

- Financial support
- In-kind sponsorships (non-financial)
- Audience development.

Each of these types of partnerships is explained in more detail below.

Financial support

All the major film festivals secure funding and financial support from a range of public and private sources. For example:

- TIFF receives funding from three major funders, and more than 100 small funders who collectively contribute at least CAD\$17 million a year to the festival and its annual programmes (TIFF, 2019).
- The Berlinale receives at least €8.2 million a year from the government and its other private funders, such as, Magenta TV, and Mastercard Foundation (Berlinale, 2019).
- IFFR secures 38% of its funding from external public and private funders such as the Ministry of Education, Culture and Science, the Rotterdam Municipality, as well as other



private donations (IFFR, 2019). The remaining 62% of its funds come from ticket sales, food, and beverages, as well as other revenue generated from the events.

In-kind sponsorships

Forging partnerships that provide non-monetary, or in-kind sponsorships has become common practice in the film festival sector, with many of the successful international festivals leveraging notable benefits through their sponsorship partners (Berlinale, 2019). For example:

- L'Oréal Paris has become a major sponsor of both TIFF and the Berlinale. The in-kind sponsorship entails complimentary provision of teams of make-up artists and hair stylists to festival organisers.
- Automotive companies, such as Audi, are also key sponsors of Berlinale. This sponsorship entails provision of at least 250 vehicles to the Berlinale to chauffeur actors and other important people to and from the main event.

In all instances, the sponsorship partnerships are mutually beneficial, as they provide exposure to the sponsor and serve a utilitarian purpose for the festival organisers. Audi used its sponsorship opportunity to showcase its latest electric vehicle at the festival, providing significant marketing exposure for the vehicle maker and the vehicle (Berlinale, 2019).

Audience development

Audience development is an important component of all film festivals. These partnerships are mostly with the media and other marketing agencies that assist in promoting the festival in different market segments (Berlinale, 2019). For example:

- The Berlinale has partnered with Zweites Deutsches Fernsehen (ZDF), a major television broadcaster in Germany. ZDF produces and broadcasts all the stage events at the Berlinale Palast, from the Opening Gala, the presentation of the European Shooting Stars and Honorary Golden Bear, to the Award Ceremony with the International Jury. ZDF is also in charge of providing TV images to countless national and international TV broadcasters covering the festival.
- In South Africa, the JFF benefits greatly from the involvement of the MCG, a major media company, which provides numerous opportunities for audience development through significantly enhancing the festival's reach.
- All the major film festivals maintain a strong presence on social media and allow free access to journalists from around the world, which ensures that the festivals reach is extended beyond the confines of the festival.
- Smaller local festivals are often only able to offer acting workshops, scriptwriting workshops, and sometimes information-sharing sessions in a form of panel discussions with industry professionals, during the festival period itself. However, through establishing more effective partnerships, smaller scale festivals may also be able to start hosting an event throughout the year.
- Audience development is also supported through the development of relationships with other local and international film festivals. For example, TIFF partners with other smaller festivals in and around Toronto, as well as in countries outside Canada. The UGUFF, on the KZN south coast is an example of such a partnership, which serves to grow and develop audiences for both TIFF and UGUFF (Zindela, 2020). The organisers



of UGUFF usually get sponsorship to attend TIFF, where they are afforded opportunities to showcase themselves as a festival thus growing their audience overseas. TIFF also sends representatives to UGUFF each year to showcase their work at the festival and network with local filmmakers. However, this does not mean that UGUFF has completely adopted the TIFF model, but the partnership is beneficial in guiding UGUFF to grow. This partnership is structured in a more mentorship and mentee relationship, UGUFF being the mentee receiving guidance on aspects such as festival planning and operations. This partnership also provides exposure for filmmakers whose films get screened in UGUFF as it is always attended by some of the TIFF officials.

3.8.4 COMMON SUCCESS FACTORS FROM THE CASE STUDIES

From the above analysis and lessons, highlighted below are some of the primary common success factors that have played an important role in the growth of the each of the events and their significant contribution to the film industry.

- **Developing and running capacity building programmes**
Each of these festivals have made capacity building a core initiative of their event and identity. At each event, different programmes catering to both experienced and aspiring film industry professionals facilitated. These typically continue beyond duration of the festival and encourage continuous interaction between industry professionals.
- **Investing in audience development initiatives**
Each of these event organisers dedicate time and resources to planning and hosting extended festival events, aimed at growing their audiences within the host city and beyond. These extended events are a valuable marketing tool for the festival to attract more audiences. Larger audiences impart more meaningful impacts on the film industry as they create status for filmmakers, which in turn encourages them to continually improve their film offerings.
- **Developing partnerships with influential stakeholders within and outside the film industry**
Each of these event organisers spend a considerable amount of time in developing partnerships with influential stakeholders that can assist in ensuring that the event reaches its intended goals. These partnerships can create both monetary and non-monetary benefit for the festival and enable sustainably and growth.

3.9 THE SOCIO-ECONOMIC IMPACTS OF FILM FESTIVALS AND FILM MARKETS

Film festivals and film markets have the potential to impart significant socio-economic benefits, both on the host community, as well as the broader global community. As large gatherings with the potential to attract large audiences, both local and foreign, they have the potential to contribute meaningfully to the growth and development of multiple economic sectors, including, the tourism, hospitality and events sectors, the transportation sector, and the property development sector, among others. Key positive socio-economic impacts include:

- Employment creation, both permanent and temporary.
- Gross Value Added (GVA) contributions, for the host city.



- Development of Small Medium and Micro Enterprises (SMMEs) in the film sector value chain, as well as a multitude of service provision industries.
- Personal income generation opportunities.
- Tax revenues for the host city.
- Infrastructural improvements and enhancements.
- Improvements in quality of life for the host city, such as, an enhanced sense of place, promotion of heritage, perceptions of belonging, and enhanced security and liveability.
- Capacity building development of communities and those aspiring to enter the sector.
- Facilitation of entry into the sector value chain through targeted support and funding.
- Promotion of democracy and the adoption of a mindset that supports multi-culturalism and diversity.

Events of this nature do, unfortunately, also have some negative socio-economic impacts which festival organisers should aim to mitigate in collaboration with host city authorities. Such impacts include:

- Cultural dilution and homogenisation as host communities are exposed to, and increasingly adopt American and European lifestyles.
- Potential conflicts around development priorities and budget allocations towards the film industry rather than broad societal development.
- Local residents being priced out of the market through products and services targeted at more wealthy, international guests. These products and services include over-priced local art objects, locally designed clothing, and accommodation in and around the host city of the festival.
- Increased congestion of public facilities, including transportation networks, open spaces, and other services and amenities.



4 FILM FESTIVALS AND MARKETS SUB-SECTOR IN KZN

This section explores the film festivals and market sector in KZN and the impact they have in advancing both the film sector and the economy of the province.

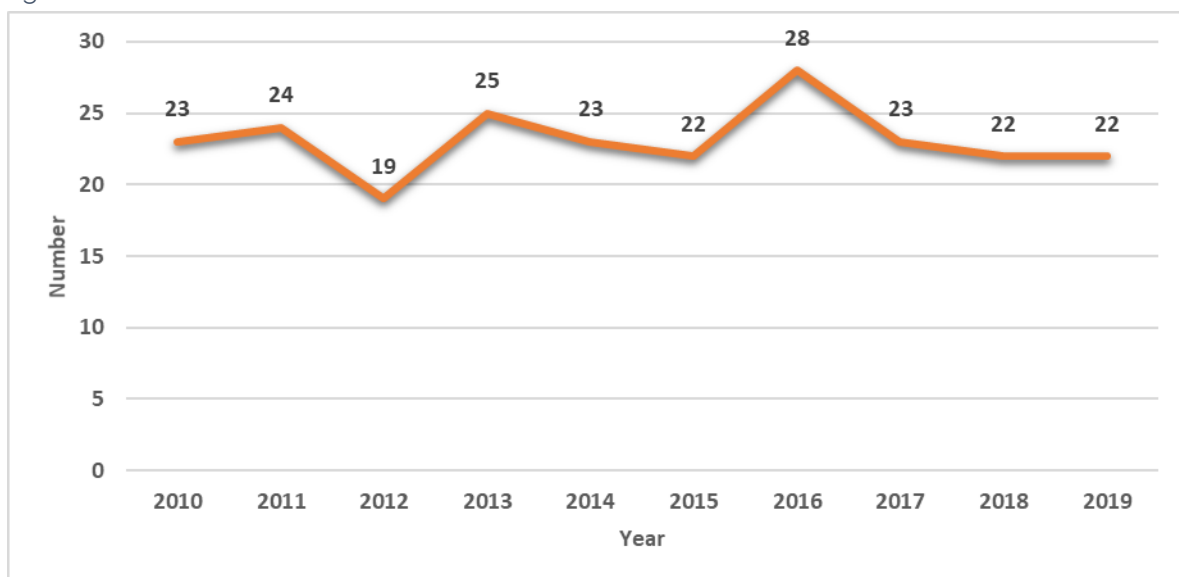
4.1 KZN FILM SECTOR PROFILE

The latest research undertaken by the National Film and Video Foundation (NFVF), in January 2018, found that South African film productions recorded R45,2 million of box office sales during the 2017/18 financial year, a 35% decrease from the previous year. Locally produced films have been struggling to compete with the increased inflow of foreign film, which are generally better received by South African audiences. Insufficient support for locally produced films by the South African audience is cited as one of the factors contributing to the local South African sector's challenges (KZNFC, 2019).

The trend of decline in both the quality and number of local productions, and their profitability is partly a reflection of the broader macro-economic trends in the South African economy. The South African economy has been in a state of low growth since the 2008/09 global financial crisis. Although the economy showed encouraging recovery by the third and fourth quarters of 2018, recording growth rates of 2.6% and 1.4% respectively, the overall weak performance in output growth remains evident in the long-term trends of key market segments (KZNFC, 2019).

Locally produced films represent 5% of box office revenue in the country. Figure 3 illustrates that the number of films released annually in South Africa ranges between 19 in 2012 and 28 in 2016 (NFVF, 2020).

Figure 3: Domestic Films Released in SA 2010–2019



Source: NFVF, 2020



The KZN film sector is relatively small in comparison to the Western Cape and Gauteng film sectors. Measured in terms of the number of productions, KZN's contribution to the South African film industry's film production is 9% (NFVF, 2020). Over 55% of all film operations are concentrated in the Gauteng province, followed by the Western Cape with almost 25% of activity and KZN with less than 10% (NFVF, 2017).

Since KZNFC's inception in 2013, the KZN film sector has shown year-on-year growth (KZNFC, 2019). The number of participants in the sector has grown and there is improved coordination and infrastructure in the form of the KZN Film Cluster. An increasing number of filmmakers are recognising KZN as an attractive location for film production due to its favourable climate, scenic landscapes, and diverse cultures. Consequently, there has been notable growth in the province's film sector in the last five to ten years (Olsberg SPI, 2020). However, there are a handful of factors which continue to inhibit the growth and development of the sector, namely (KZNFC, 2019) :

- A shortage of skilled film crews and supporting infrastructure.
- Local films are poorly distributed.
- Producers and audiences have poor access to local films.
- A relatively small talent pool compared to the other two main film producing provinces, namely Gauteng and the Western Cape, especially with respect to scriptwriters and actors.

Film festivals and film markets are two platforms that have the potential to address many of these constraints; they provide exposure to local film producers, create networking opportunities for local industry stakeholders, provide skills development opportunities through associated initiatives, and enhance distribution of locally produced content, amongst others. It is for this reason that the promotion, growth, and development of film festivals and markets is incorporated into KZNFC's intervention strategies. The relevant interventions are as follows:

Film festivals and Markets support

KZNFC has a mandate to market and promote KZN as a film destination of choice throughout the film sector value-chain, as well as transform and grow the local film industry. To achieve this, the KZNFC has partnered with film festivals within KZN to create an environment that enables and provides opportunities for local film industry professionals to engage with international counterparts, with the hope that discussions may result in co-production and/ or skills transfer.

The Film Industry Transformation Initiative (FITI)

This initiative "aims to increase specialised skills in key areas of the film sector value-chain that will remain as residents in the province and become the core team that serves local and international productions" (KZNFC Press, 2017). The following key learning areas were identified through research and skills audit surveys:

- Script development.
- Film production.
- Camera and lighting.
- Film directing.



- Audio.
- Animation and visual effects.
- Editing.

The above-identified five-year programmes and targets can only be achieved through pursuance of strategic partnerships with business and key role players within the industry including local government and other spheres of government such as a Provincial Education Department, film festivals and markets, as well as other state entities at national level as the available budget cannot and will not be sufficient to achieve all the intended outcomes (KZNFC Press, 2017).

Locations and Facilities

In March 2017, KZNFC officially launched the KZN Film Cluster, boasting rentable offices, editing suites, hot desks, a private cinema, and training rooms. The facility is fitted with state-of-the-art equipment to ensure access to facilities for emerging filmmakers and small to medium companies. The availability of these facilities will allow the skills development workshops taking place during festival times, especially for small-scale festivals, to be continued outside festival times which might yield measurable impacts for filmmakers and the community at large (KZNFC Press, 2017).

4.2 KZN FILM FESTIVALS: A COMPARATIVE REVIEW

Cognisant of the potential impact of the film industry and its socio-economic impacts, KZNFC provides funding for five KZN-based festivals. The five film festivals are:

- KAFF.
- KFF.
- DIFF
- UGUFF
- uMgungundlovu Film Festival (UFF).

Each of these festivals, except for UFF, is explored in more detail in the sub-sections which follow. The information has been gathered through a combination of targeted interviews, as per the stakeholder engagement schedule contained in ANNEXURE 2: STAKEHOLDER ENGAGEMENT SCHEDULE of the report, and through review of relevant documentation.

4.2.1 KWAZULU-NATAL AFRICAN FILM FESTIVAL

Interviews were conducted with Thando Mchunu, on 15 June 2020 and 10 September 2020, respectively, to gain better understanding of the KAFF in terms of its background, film sections, partnership and initiatives, workshops and activities, and socio-economic impacts. The salient points are included in the analysis that follows.



BACKGROUND

Established in 2003, KAFF is the first community-based film festival and the longest running African film festival in KZN. It is an initiative of the KwaMashu Community Advancement Project. All activities of the film festival occur in KwaMashu, a township located just north of Durban, in the eThekweni Municipality. The choice of location is a strategic decision in support of the festival's main objectives, which are:

- To create a platform for aspiring filmmakers, producers, directors, and other behind the scenes film industry professionals in the township and rural communities.
- To create access to quality cinemas and films that are produced around the country and on the continent.
- To build local film production capacity in the township.
- To grow, develop and transfer filmmaking and marketing skills to persons from these communities that show an interest and inclination toward the industry.
- To build local film production capacity in the township. There is a significant amount of talent (actors, filmmakers, directors, producers, scriptwriters, and other behind the scenes industry professionals) in these communities. The labour pool in these disadvantaged communities has poor access to the enabling support systems and infrastructure that could nurture and grow their skillset and facilitate entry into the film industry.

FILM SECTIONS

The festival has three film sections:

1. Low budget films – Typically consists of eight films that have been created on a low budget, primarily by filmmakers with limited production and filming experience.
2. Animation films – Typically consists of seven films that are produced for younger audiences and screened during the day.
3. Main features films – Films included in this section are mostly from highly experienced local and international filmmakers and producers.

WORKSHOPS AND ACTIVITIES

A series of workshops are hosted over the duration of the festival, with the objective of building film industry capacity in the local communities. The workshops are:

- Acting for Camera - Facilitated by industry professionals and usually including South African actors, the workshops provide training for aspiring actors.
- Make-up – Facilitated by four industry professionals, the training is targeted at qualified make-up artists and includes lessons focused on the technical application of make-up for the film industry.
- Scriptwriting – Facilitated by a prominent, professional scriptwriter, this workshop is targeted at aspiring scriptwriters.
- Film production – Facilitated by experienced and recognised filmmakers, the workshops target aspiring film producers.
- Directing – Facilitated by at least one industry professional, the workshop targets aspiring film directors.



- Set design – Facilitated by at least one industry professional with experience in film set design, the workshop targets aspiring set designers.
- Editing – Targeted at aspiring filmmakers and producers, the workshop provides training on the technicalities of video editing.

INITIATIVES AND PARTNERSHIPS

The festival has a strong partnership relationship with DIFF through the Centre of Creative Arts at the University of KwaZulu-Natal (UKZN). This partnership has played an important role in KAFF's inception and ongoing sustainability. Conceptually, KAFF arose from the belief that DIFF's target audience was exclusive and did not facilitate easy access to disadvantaged communities or UKZN students. KAFF attempted to fill this void by improving accessibility to the township and rural communities which did not have convenient access to DIFF.

The festival has developed strong partnerships with Hollywood actors and other international industry professionals. These actors and film professionals often attend the festival and are involved in facilitating training and mentorship workshops. In 2018, KAFF further strengthened their historical ties with filmmakers and industry professionals from other African countries with successful film industries, such as Nigeria and Kenya.

KAFF has also established partnerships with local radio stations, such as, Ukhozi FM and Gagasi FM. These partnerships support the marketing initiatives of the festival, which is further augmented through advertising in local newspapers and social media, such as Facebook and Instagram. The main aim of these partnerships is to share information with fellow African countries and to grow the African film sector.

To fulfil the objective of providing communities with access to film screenings and to build capacity in young, emerging, and aspiring producers, directors, actors and other industry specialists, the festival has eight satellite venues where a series of workshops are conducted, namely: Umlazi, Mbazwana, uPhongolo, Ndwedwe, Maphumulo, Groutville, Umlalazi, and Ulundi.

SOCIO-ECONOMIC IMPACTS

Due to its growth over the years, the festival has become an important contributor to the economic development of the township (KwaMashu).

- In 2019, festival organisers reported at least 86 job opportunities created through the activities of the festival.
- In addition to these temporary opportunities, KAFF allows vendors to gather at the venue to sell beadwork, clothing materials, food and beverages, and another artwork. The beadwork has been incorporated into the staff uniform, creating local craft making opportunities.



COVID-19 IMPLICATIONS

The festival usually runs in December each year, to coincide with the holiday period. This has given festival organisers opportunity to plan, strategize, and consider alternative requirements in the face of COVID-19 protocols. Although other festivals in KZN, such as, UIFF and DIFF will make use of virtual platforms, KAFF organisers, are still committed to hosting a physical film festival, with strict adherence to all the necessary COVID-19 protocols that are in place at the time. This is projected to notably reduce the anticipated social and economic impact of the festival.

4.2.2 KWASUKASUKELA FILM FESTIVAL (KFF)

An interview was undertaken with Thando Mchunu, KFF Festival Organiser, on 15 June 2020, to gain better understanding of the KFF in terms of its background, film sections, partnership and initiatives, workshops and activities, and socio-economic impacts. The salient points are included below.

BACKGROUND

KFF takes place in KwaMsiyana area, a rural settlement in Jozini Local Municipality, in uMkhanyakude District Municipality (UKDM), on KZN's north coast. The KwaMsiyana area is poorly developed, with limited access to infrastructure, and resources.

The goal of the festival is providing the rural areas of KZN, which have a relatively high youth population that has limited exposure to the film industry, with access to film productions and exposure to the film industry. It is estimated that at least 20% of households in the local area own televisions, a key medium through which the festival could extend its reach and exposure (Mchunu, 2020). The first running of KFF focused primarily on children in the area, with an invitation extended to all the schools in the area to attend. From these humble beginnings in a community hall, KFF managed to attract an audience of 2 000 predominantly rural UKDM residents in only its second running in 2018.

FILM SECTIONS

The festival has three film sections, with films selected in each section based on audience age:

1. Children – Films in this section are targeted strictly at children under 12 years of age.
2. Teenagers – Films targeted at teenagers, from 12 to 18 years of age.
3. Adults – Films targeted strictly at adults.

The structure of the festival in this way requires careful planning and consideration of the availability of the respective target audience and alignment with venue availability. As such, the film sections run at different times of the day, with children viewing in the morning, teenagers in the afternoon, and adults in the evening.

WORKSHOPS AND ACTIVITIES

The festival currently runs three workshops, namely:

1. Acting classes
2. Scriptwriting workshop



3. Make-up classes.

These workshops are facilitated primarily by external industry professionals and run for the duration of the festival. To embed learnings from the workshops, all workshop attendees are required to collaborate to produce a short film that utilises all the skills acquired. These workshops are a highlight of KFF. The participants of each workshop get do not only get a rare opportunity to explore their area of interest, but there is also additional exposure into the industry and potential mentorship opportunities.

PARTNERSHIPS AND INITIATIVES

The festival organisers have developed and grown partnerships with all the local municipalities in UKDM. The partnerships promote and advertise KFF to residents and assist residents to access the festival through provision of transportation provision. KFF continues to develop partnerships with other local organisations that provide in-kind support in the form of policing, accommodation of guest speakers and workshop facilitators, and advertising and promotion.

SOCIO-ECONOMIC IMPACTS

The festival has had notable social and economic impacts since its inception. Although the impacts are currently of a temporary nature, it is hoped that they will grow and develop to eventually become a year-round intervention in the local economy. Key impacts of the festival are listed below:

- Employment opportunities – The organiser of the festival hires one young person from the host community to assist with festival logistics a few months before the festival. This opportunity lasts only for the months leading to the festival, mostly due to the shortage of funds to sustain this job. A policy of sourcing from the local labour market provides temporary opportunities for residents during the festival.
- Economic opportunities for local vendors – These vendors include a caterer hired by the festival organisers, and other vendors who independently sell their merchandise (food, beverages, craft, and clothing items) at the venue.

COVID-19 IMPLICATIONS

The festival runs in December every year. In 2020, the festival was hosted while observing all the necessary Covid-19 protocols.

4.2.3 DURBAN INTERNATIONAL FILM FESTIVAL

An interview was conducted with Noel Kok, the organiser of the DIFF programme, on 22 June 2020, to gain better understanding of the DIFF in terms of its background, film sections, partnership and initiatives, workshops and activities, and socio-economic impacts. The salient points are included below.



BACKGROUND

Presented by the UKZN Centre of Creative Arts, DIFF is the largest film festival in KZN, and the longest running film festival in Southern Africa. In 2020 the festival hosted its 41st event, with a programme containing approximately 60 feature films, in addition to several documentaries and short films. Attracting an estimated audience of between 10 000 and 30 000 people, DIFF is one of the premier film industry events on the continent.

FILM SECTIONS

The selection of film sections is determined by the annual theme of the festival. African film productions are always showcased, irrespective of the festival's theme. The festival showcases both documentaries and feature films.

The festival showcases the films at both commercial and public venues, with public venues providing free screenings to the public and commercial venues levying an admission charge. In 2020, a hybrid physical-virtual event was held, with four commercial venues utilised for film screenings. Due to COVID-19 protocols, entry was restricted to a limited number of people at both commercial and public venues in 2020.

WORKSHOPS AND ACTIVITIES

Talents Durban – In 2019, the DIFF and the Durban FilmMart proudly presented the 12th edition of Talents Durban, in co-operation with Berlinale Talents. The five-day intensive programme of workshops, masterclasses, and networking activities is delivered by industry recognised mentors and film professionals. Aspiring and recent market entrants are invited to share their knowledge, establish relationships with each other and to be a part of a specialised professional development programme (DIFF, 2019).

Each of the Talents Durban participants receive a mentor for an intensive programme of one-on-one consultation. Project and strategy development workshops for the entire group are also arranged. The mentors selected are experts in their respective fields and are chosen because they suited the needs of the participants and the respective projects (DIFF, 2019).

The Talents Durban programme features three hands-on development programmes: Doc Lab, Storytelling Lab, and Talent Press. In 2019, the Doc Lab selected three documentary projects in development for coaching and mentoring towards participating in a public pitch at the DFM's pitching forum, The African Pitch. Storytelling Lab is a script development programme for feature, short, TV, web series, and animation projects. Talents were paired with mentors who assisted in clarifying story structures and helping participants to arrive at an advanced draft of their script. Talent Press, presented in cooperation with FIPRESCI, invites three critics to cover the films and events of the DIFF for online and print publications (DIFF, 2019).

Durban Film Mart (DFM) - The Durban FilmMart (DFM) is a joint programme of the Durban Film Office (DFO) and DIFF, and has historically run concurrently with DIFF. In 2020, due to the COVID-19 pandemic, DFM and DIFF were hosted as separate events. The DFM Finance Forum provides selected African filmmakers with the opportunity to pitch film projects to leading financiers (DFM, 2019). The DFM also facilitates networking opportunities for African and international film makers to form alliances for the future (DIFF, 2017).



Micro-budget Films – 2019 marked the third edition of the micro-budget film programme and it has begun to make an impact in the local industry. Five micro budget films were selected and later exhibited at the festival. All exhibitions were locally produced, and screenings were to a full house. The micro-budget screenings continue to gain popularity amongst the audiences in KZN (DIFF, 2017).

Schools Programme – The programme aims to expose pupils from various backgrounds, especially previously disadvantaged communities, to cinema and has been a successful component of the festival for several years, providing some pupils with their first cinema experience. In 2019, the programme transported more than 350 learners from 15 quintile 1-5 schools to attend the festival screenings of films, these are the schools located in previously disadvantaged areas, to attend the festival screenings of films (DIFF, 2019).

Video Production Workshop – The Basic Video Production Workshop is conducted in partnership with the Creative Arts College. It provides the necessary training and resources including cameras, studio, and editing suite for the participants. In 2019, a call was issued on the festival website as well as the social media platforms, with more than 50 applications received for 15 available spaces. Participants came from as far afield as Bloemfontein (DIFF, 2019).

The Mellon Foundation Residency – This programme is a partnership between UKZN's Centre for Creative Arts, the Mellon Foundation, and KZNFC. The residency was initiated to filmmakers in scriptwriting in isiZulu, which is aligned to UKZN's language policy. The programme provides a very basic overview of the elements required to create enthralling concepts for film and TV production, and application for inclusion in the programme is open to the public (DIFF, 2019). In 2019, the three main facilitated focus areas were:

1. Ideation: concept/ selling document.
2. Three act structure: major turning points.
3. Preparing funding application documents.

PARTNERSHIPS AND INITIATIVE

One of the most significant partnerships and initiatives of DIFF is the DFM, which aims to develop and grow the African film industry and provide network opportunities between film industry professionals. The 11th DFM event took place in 2020, and included masterclasses, seminars, workshops, labs, and networking opportunities for African and international filmmakers to collaborate, share knowledge and benchmark their work within a global continental context (DFM, 2019).

Another significant partnership that DIFF has formed is with Berlinale Talents. Supported by the German Embassy in South Africa, the Goethe-Institute of South Africa, the Gauteng Film Commission, and the KZN Department of Economic Development and Tourism, through KZNFC, the partnership has led to the establishment of the Durban Talents initiative, an annual five-day development programme consisting of workshops, masterclasses, and networking activities for emerging African film professionals, Durban Talents is run concurrently with DIFF.



The Isiphethu Community Outreach is an important initiative of DIFF. The initiative consists of a series of community film screenings, school programmes and engagements with various communities in KZN. This programme is a key programme of DIFF and is intended to showcase the industry's work to disadvantaged communities, and to spread the influence of DIFF to a wider audience. The main aims of this programme are to educate, train and up-skill aspiring young filmmakers and share information about the film industry to empower young people.

The festival hosts an awards programme for the different categories of films. In 2019, DIFF awarded 14 awards for both behind-the-scenes and on-screen achievements.

DIFF also has a strategic partnership with the Simon Sabela Film and Television Awards. This is a closed event usually attended by DIFF delegates. These awards are aimed at celebrating the craft of filmmaking and to encourage aspiring and established local film makers. The awards have since 2013 celebrated heroes, legends and veterans who have made a mark in the film industry.

MEDIA COVERAGE

The event was covered by local, national, and international media across print, broadcast and online. In 2019, the objective was to maximize media exposure using various media platforms for the DIFF. These platforms include print, broadcast and online media, social media, and other digital platforms to achieve this. The brief was to maximize media exposure for the DIFF through a pro-active approach to ensure coverage in the print, broadcast, and online media, including using social media and other digital platforms to achieve this (DIFF, 2019).

SOCIO-ECONOMIC IMPACTS

The following socio-economic impacts can be highlighted for DIFF:

- In 2017, DIFF Media Lab collaborated with the UKZN Centre for Communication, Media, and Society (CCMS) to develop a programme that provides students with real-world journalism experience. The students who participated in this programme were trained in journalism, film reviews, communication management, events management, and organisational communication. Through the programme, student stories were published in a range of publications and social platforms, providing them with networking opportunities, exposure to film industry stakeholders, and potential recognition as aspiring journalists.
- Through Isiphethu Community Outreach, the festival has been able to expose youth and school children from disadvantaged communities to the world of film. This has inspired the youth from these communities to expand their horizons and consider career opportunities within the film industry.
- In 2019, the Isiphethu Community Outreach programme had a total of at least 4300 attendees from all its venues, with the Bay of Plenty accounting for the most attendees. This is a 6% increase in attendees compared to 2018, which signifies growth in the exposure to both the programme and the festival (DIFF, 2019).
- Through programmes such as Microbudget films, where micro budget films are showcased, the festival has offered aspiring filmmakers within the province and the country at large an opportunity to showcase their work. This has led to aspiring



filmmakers getting sponsorships and some other relevant support to further their careers within the film industry.

COVID-19 IMPLICATIONS

As a result of COVID-19 regulations and protocols, the festival was required to adapt to a new mode of operation. A partnership with Festival Scope and Shift 72 enabled virtual screening of selected films, while drive-in screenings in Durban, Port Shepstone, Newcastle, and Zululand extended the festival's reach further.

4.2.4 UGU FILM FESTIVAL (UGUFF)

An interview was undertaken with Mr Zindela, on 17 June 2020, to gain better understanding of the UGUFF in terms of its background, film sections, partnership and initiatives, workshops and activities, and socio-economic impacts. The salient points are included on the following page.

BACKGROUND

Ugu Film festival is an initiative of Sollywood (Pty) Ltd, a filmmaking company in Ugu District Municipality, on KZN's south coast. Founded in 2012, 2021 was the 8th running of the festival, with significant growth in audience numbers experienced over this time. It currently attracts at least 6 000 people, mainly from the Ugu District Municipality, but also from other parts of KZN, with some international tourist attendees. The main goal of the festival is to offer emerging filmmakers an opportunity to enter and succeed in the film industry. Furthermore, experienced filmmakers are also given a chance to showcase their films and are encouraged to network and create partnerships with the less experienced filmmakers.

FILM SECTIONS

Film sections for the festival are determined by the annual festival theme. Irrespective of the annual theme, the festival differentiates between film submissions by emerging and experienced filmmakers.

WORKSHOPS AND ACTIVITIES

The festival runs a series of workshops facilitated by industry professionals. These are:

1. Acting classes
2. Scriptwriting workshops
3. Make-up classes
4. Panel discussions

These workshops are run for the duration of the film festival. The panel discussions provide a platform for emerging filmmakers to learn from industry professionals, and for filmmakers to network amongst each other.

PARTNERSHIPS AND INITIATIVES



The festival has ongoing partnerships with the NFVF, Ugu South Coast Tourism, Sollywood Films, and the TIFF. In 2020, Sollywood did not receive any additional funding for the running of the festival. Therefore, the costs of running the festival were singlehandedly carried by Sollywood films.

SOCIO-ECONOMIC IMPACTS

A study conducted by LUMEC suggests that, since inception, the festival has injected approximately R5.8 million into the local economy (LUMEC, 2020).

Besides networking, filmmakers get an opportunity to market their work to potential investors, especially those from outside the country. This creates opportunities for these filmmakers to gain exposure from a wider audience and potentially secure sales.

This event has also become a significant contributor to the development of the local economy and tourism sector of Ugu District Municipality. The South Coast is already a key tourist destination and the emergence of a local film industry offers a great opportunity for the region to become a sought-after film destination. The festival has generated demand for the region as a film destination.



COVID-19 IMPLICATIONS

At the beginning of lockdown, festival organisers announced a cancellation of the 2020 festival. However, in mid-July, this decision was rescinded, as the organisers explored alternative ways of ensuring the continuation of the festival, with the main adaption being a shift to digital platforms, with all films and workshops being hosted online. To facilitate accessibility amongst the primarily poor, unemployed youth that the festival targets, organisers provided complimentary data vouchers on first-come-first-served basis, with preference given to repeat customers.

4.3 KEY FINDINGS FROM STAKEHOLDER ENGAGEMENT

From the interviews conducted amongst organisers of film festivals and film markets in KZN, the following key themes emerge:

- Funding accessibility
- Diversity and inclusivity in the KZN film industry
- Accessibility of major film screenings for small-scale festivals
- The future of film festivals in a post-COVID-19 world.

4.3.1 FUNDING ACCESSIBILITY

While film markets and festivals play a significant role in creating platforms for new and aspiring filmmakers to enter the film industry, the regulatory environment guiding funding access for events of this kind, especially for local film festivals that have little or no international audiences, creates barriers to entry and growth. Even though the 'red tape' is mainly in place to limit corruption, its side effects are limiting when it comes to growing film festivals and markets. All organisers interviewed (refer to ANNEXURE 2: STAKEHOLDER ENGAGEMENT SCHEDULE for a detailed overview of who was engaged) noted concerns around funding accessibility for planning, organisation and operations of their respective film festivals and film markets.

While necessary, the application process is cumbersome and does not differentiate between first time applicants or repeat applicants and does not provide any guarantees over future funding which could secure the long-term sustainability of the respective event. There are also few guarantees over the value of funding provision and its ability to cover operational expenditure, which in turn creates challenges for festival organisers in securing non-government funding since the quantum required is unknown.

Given the nature of planning events of this magnitude, financial commitments are typically required well in advance of the specific event, sometimes up to a year before, to cover the cost of hiring venues and equipment, and securing personnel, among other factors. An inability to have a reasonable idea of the funding available constrains the ability to grow the festivals in terms of size and productivity, since organisers are limited in their potential to implement growth strategies that require financial resources.



4.3.2 DIVERSITY AND INCLUSIVITY IN THE KZN FILM INDUSTRY

Promoting diversity and inclusivity is a priority for the global film industry, which has historically been dominated by men from the United States of America (USA) and Europe. Africa in general, and South Africa in particular, are generally perceived as laggards in terms of promoting diversity and inclusivity in the local film industry, when compared to their counterparts in the USA and Europe. Of significant concern to some of the respondents, is the lack of inclusivity, especially young black filmmakers, in the documentary, nature, and wildlife filmmaking sub-sector (Kok, 2020, and Sipeka, 2020). Structural inequalities that have persisted from the apartheid era have created a pool of previously disadvantaged youth in black communities, with relatively inferior access to relevant information on the film industry in general, and the documentary, nature, and wildlife sub-sector specifically.

It is suggested by the interviewees that the government must ensure funds are provided for capacity building for the youth wanting to enter the industry as filmmakers. In addition, the barrier to entry into the industry for the youth must be reduced by reducing the red tape linked to its funding across the film value chain.

4.3.3 ACCESSIBILITY OF MAJOR FILM SCREENINGS FOR SMALL-SCALE FESTIVALS IN KZN

Due to the film industry being dominated by international players, local filmmakers and producers often look to secure international sponsorships for their films. This leads to major local films being owned by international companies who have a say on where the films can be screened. Some international funders require their films to first be showcased in major film festivals, either locally or internationally, before being showcased at small-scale festivals. This presents a problem for small-scale festivals as they are normally required to wait for these major film festivals to take place before they can get access to current, in demand films, by which time they may have lost relevance to the festival's audience or be misaligned with the festival's theme.

4.3.4 THE FUTURE OF FILM FESTIVALS IN A POST-COVID-19 WORLD

The unprecedented health and economic crises brought about by the global COVID-19 pandemic have had a significant impact on film festivals and markets around the world in 2020, a trend which is likely to persist in the short- to medium-term as governments around the world roll-out mass vaccinations programmes aimed bringing the pandemic under control, with varying degrees of success. Social distancing protocols necessitated by COVID-19 have created challenges for film festivals, which, by their nature, are large gatherings. KZN-based film festivals and markets have not escaped this harsh reality, with all having to consider alternative ways of successfully running in a post-COVID-19 world. The alternatives available to organisers are varied and determined by a range of factors, including, but not limited to, the target audience, availability of financial resources, and accessibility of online content by the target audience. Hybrid models which include both a physical event and a virtual event are being explored by all festival organisers.



Larger festivals such as DIFF, with significantly larger financial resources, and an audience that typically has good access to the internet, have adopted a hybrid physical-virtual model. On the other hand, smaller festivals such as UGUFF, have been forced to confront the reality of significantly reduced turnout which reduces revenue to below break-even. Additionally, given the target audience of the festival, as well as others such as, KFF, the ability to host a virtual festival is constrained by the limited financial resources of the audience, the inappropriateness of an online platform for segments of the audience (children and the elderly), the inability of the audience to access online content due to the limited prevalence of capable smart devices and the relatively high cost of data, and the financial resources at the disposal of the organisers.

While the future of international film festivals is more guaranteed because of the accelerated transition to digital platforms, for small-scale film festivals with fewer resources and target audiences that are based in poorer, rural communities, the COVID-19 pandemic threatens their long-term survival due to prospects of cancellations in the short- to medium-term.

4.4 SWOT ANALYSIS

KZN film festivals, even though many are small-scale, have made a significant positive difference within their host communities and the local film industry. This is despite the challenges faced such as access to funding and general support to ensure the success of the event. To present a summarised picture of the film festivals and markets in KZN, a SWOT analysis was used in Table 6 below.

SWOT analysis is a strategic tool that enables the identification of key internal and external factors that enhance or impede an organisation's likelihood of success. Strengths and Weaknesses are those factors considered internal to the organisation, while Opportunities and Threats are external factors. SWOT analysis can be applied at varying scales, from a personal level to sectoral or even national scale. The scale is determined by the object of the SWOT analysis and in this instance, includes the four film festivals that have been recipients of KZNFC funding.

Table 6: SWOT Analysis of film festivals and markets in KwaZulu-Natal

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> KZN is a geographically diverse and culturally rich location, making it ideal as a film location. KZN is home to major tourist attractions offering festival attendees not only the entertainment value, but the tourism value as well. KZN is home to a well-established film festival sector, with DIFF being a premier international event on the film industry calendar. Established partnerships with other major festivals, both international and local, provides some degree of medium- to long-term sustainability. 	<ul style="list-style-type: none"> KZN film festivals generally do not adequately market the unique culture of the province, with festivals in deep rural regions lacking cultural film selections in the programmes. Less expenditure on research and development activities weakens the festivals' performance due to poor knowledge of their target market. Limited knowledge of target market may lead to ineffective strategizing during the planning stages. Limited financial resources create skills gaps for festival organisers, particularly in the discipline of project management and festival



<ul style="list-style-type: none"> • Strong support of the public sector in supporting growth and development of the film sector. 	<p>management, and accounting, which impacts planning and financial management.</p> <ul style="list-style-type: none"> • High job stress and consequent low employee morale resulting from organisational staff shortages. Due to budget constraints, small-scale festival organisers and their small team often fulfil multiple operational and administrative functions. This results in high levels of inefficiency and high job stress for the person in that position. • Access to major local films is limited because of ownership rights which require screenings at international film festivals before being showcased locally. • Poor access to documentary films (in any subject). • Generally, KZN film festivals, apart from DIFF, have a poor social media presence.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • An array of funding opportunities, in both the private and public sector. • Exponential growth in audiences both locally and internationally. • Rapid digitisation creates opportunities for audience growth through enhanced accessibility. • The diminishing boundaries and rising interconnectedness, globalization, allows the festivals to access international markets. • Enhanced support from public sector, in the form of funding and policy support have the potential to grow the local sector. • There are different funding opportunities that festivals have access to. 	<p>THREATS</p> <ul style="list-style-type: none"> • COVID-19 Global health crisis has required a complete redesign of the film festival and film market experience, with virtual events reducing revenue potential and economic impact. • Uncertainty of funding opportunities, including amount, purpose, and long-term likelihood potentially threatens long-term sustainability. • Generally worsening macro-economic climate has a knock-on effect on consumers and threatens the financial viability of film festivals. • Shortage of skilled filmmakers and industry professionals in documentary filmmaking. • Uncertainty with regards to funding opportunities

As evident from the above SWOT analysis, KZN has several key attributes which make it a good location for hosting film festivals and film markets, with arguably the biggest strength being the high tourist appeal of the province. Additionally, it is already home to a well-established film sector and is growing in demand as a film location. Strong partnerships with large-scale, international festivals, such as the Berlinale and TIFF, and national festivals, such as JFF, support long-term sustainability and create opportunities for the smaller festivals.



There are several weaknesses which constrain the growth and development of the KZN film festivals and markets sub-sector, with the availability of financial resources and concentrated demand being the chief constraints. This creates numerous challenges, including poor accessibility of major film titles, a skills deficit, limited capability to undertake deep audience development and research, and poor to non-existent virtual presence.

There are a few opportunities that could support growth of the sector. The willingness of the public sector to provide funding, especially for smaller scale film festivals such as, KAFF, KFF, and UGUFF, given their strong socio-economic development potential, is a key opportunity. Rapid acceleration in digitisation creates potentially limitless opportunities for film festivals to reach their audience and to expand their reach into new audience segments. The adaptation of film festivals in light of the COVID-19 pandemic are illustrative.

Arguably, the largest threat or risk factor to the development of the KZN film festival and market sub-sector is the ongoing COVID-19 pandemic. The non-therapeutic interventions intended to limit transmission, such as limitations on public gatherings, create enormous challenges for film festival organisers. Furthermore, perceptions of public health risk dampen tourism demand as travellers are less likely to travel as freely as they were before the pandemic, at least until a vaccine has been globally distributed. This threat occurs in an environment that was already under strain, with a long-term trend of economic stagnation and decline, and an uncertain funding environment conspiring to create the 'perfect storm' for film festival organisers. Smaller scale film festivals that fulfil a highly developmental role will require considerable support to weather the storm as they find themselves in an increasingly perilous situation which is exacerbated by limited financial resources with poor revenue generation potential.

4.5 CONCLUSION

Based on understanding of the KZN film sector in general, and the four KZN-based film festivals, in particular, and in conjunction with the targeted stakeholder engagements, the following factors are considered key drivers of socio-economic activity and benefit:

Advancing and growing the sector:

- Raising awareness in communities that otherwise would not have been exposed to the film sector.
- Raising awareness of opportunities and incentives available to aspiring market entrants.
- Audience development initiatives that focus on capacity building, skills development and, training of role-players across the value chain, with a strong focus on encouraging new entrants.
- Development of partnerships between film industry professionals which leads to information sharing and other meaningful collaborations.

Developing KZN's economy:

- Stimulating entry into the marketplace by aspiring entrepreneurs (if they establish themselves as enterprises in the value chain, they will drive economic activity through commercial activity, tax revenues etc.)



- As large events, they generate economic activity through induced spending by visitors (forward and backward linkages into the value chain, hospitality sector, accommodation, transportation, etc).
- As large events, the economic activities generated can lead to the creation of new job opportunities for the local population.
- Public sector authorities on the tourism value chain can leverage the appeal of film festivals and film markets in the marketing of their respective jurisdictions, which in turn can generate notable economic activity through induced spending of attendees, while also potentially encouraging attendees to return to the city for holidays in the future.



5 IMPACTS OF KZN FILM FESTIVALS AND MARKETS

As indicated in the preceding sections of this report, the film industry is intimately linked to cultural practices, with films serving as a lens through which cultural appropriation is made accessible to a wide audience. The cultural processes of film festivals and film markets are therefore inseparable from economic processes and material conditions in the host community in which they occur. Hosting a film festival or market attracts audiences, both resident and non-resident, which necessitates the provision of infrastructure and services within the host community.

Organising film festivals and film markets generates economic activity in a range of economic sectors, as they are essentially an exercise in event management. In most cases, film markets are a separate but integral feature of film festivals, with the two typically running concurrently.

This section assesses the socio-economic impacts of film festivals and markets and categorises the impacts in terms of the phase in which they occur, namely, pre-event (planning) and during the event (operations). For the purposes of this section, film festivals and film markets are considered as a single concept, namely, an exercise in event management within the film sector.

5.1 IMPACT ASSESSMENT

Socio-economic impacts can be quantitative and/ or qualitative in nature and can be classified as social and economic, although social and economic impacts are inextricably interrelated. While there is no widely agreed definition of what a Social Impact Assessment (SIA) should include, the Interorganisational Committee on Principles for Social Impact Assessment defines social impacts as:

“The consequences to human populations of any public or private actions that alter the ways in which people live, work, play, relate to one another, organise to meet their needs and generally cope as members of society. The term includes cultural impacts involving changes to the norms, values and beliefs that guide and rationalize their cognition of themselves and their society (U.S Department of Commerce, 1994, p. 2).”

SIA is best understood as an umbrella or overarching framework that embodies the evaluation of all impacts on humans and on all the ways in which people and communities interact with their socio-cultural, economic, and biophysical surroundings. The main types of social impacts that occur because of these project related changes can be grouped into overlapping categories:

- **Lifestyle impacts** – on the way people behave and relate to family, friends, and cohorts on a day-to-day basis.
- **Cultural impacts** – on shared customs, obligations, values, language, religious belief, and other elements which make a social or ethnic group distinct.



- **Community impacts** – on infrastructure, services, voluntary organisations, activity networks and cohesion.
- **Quality of life impacts** – on sense of place, aesthetics and heritage, perception of belonging, security and liveability, and aspirations for the future.
- **Health impacts** – on mental, physical, and social wellbeing, although these aspects are also the subject of health impact assessment.
- **Socio-economic impacts** – on the incomes and livelihoods of the affected communities and local businesses.

Socio-economic impacts are measured for each of the phases of the project, which, for the purposes of this report, are based on the various stages of organising and running a film festival or film market, namely:

- **Pre-event:** Planning
- **Event:** Operations
- **Post-event:** Debrief and closure

Socio-economic impacts can be rated according to several factors, namely: direction (positive/ negative), extent, duration, and probability of occurrence. Negative impacts should be mitigated to reduce their significance and severity.

5.1.1 RATING THE SIGNIFICANCE OF IMPACTS

To quantify potential social impacts of the proposed development, an impact rating model developed by Urban-Econ is utilised to provide an assessment of each impact in terms of its direction (positive or negative), extent, intensity, duration, and probability of occurrence.

Step1: Determine a consequence score by summing the score for extent, intensity, and duration. The table below presents the rating system.

Table 7. Consequence score

RATING	DEFINITION	SCORE
A. Extent – the area over which the impact will be experienced		
None		0
Local	The host community	1
Region	The province of KZN	2
National/ international	The country's borders and beyond	3
B. Intensity – the magnitude of the impact in relation to the sensitivity of the receiving environment		
None		0
Low	Natural and/or social functions and processes are negligibly altered	1
Medium	Natural and/ or social functions and processes continue, albeit in a modified way	2
High	Natural and/ or social functions severely altered	3
C. Duration – the time frame for which the impact will be experienced		
None		0
Short-term	Once off, for the event duration	1



RATING	DEFINITION	SCORE
Medium-term	Sustained in between events, up to 2 years	2
Long-term	More than 2 years	3

Each consequence score relates to a consequence rating, which is illustrated in the table on the following page.

Table 8. Consequence rating

SCORE(A+B+C)	0-2	3-4	5	6	7	8-9
Consequence rating	Insignificant	Very low	Low	Medium	High	Very high

Step 2: Apply a probability rating to each anticipated impact. This represents the expected probability of each impact occurring. Table 9 displays the breakdown for each probability rating.

Table 9. Probability rating

PROBABILITY OF THE IMPACT (LIKELIHOOD OF OCCURRENCE)	
Improbable	<40% chance of occurring
Probable	40%-70% chance of occurring
Highly probable	70%-90% chance of occurring
Definite	>90% chance of occurring

Step 3: determine the significance rating of each impact, according to Table 10.

Table 10. Significance rating

SIGNIFICANCE RATING	CONSEQUENCE SCORE	&	PROBABILITY OF IMPACT OCCURRING
Insignificant	Very Low	&	Improbable
	Very Low	&	Probable
Very Low	Very Low	&	Highly Probable
	Very Low	&	Definite
	Low	&	Improbable
	Low	&	Probable
Low	Low	&	Highly Probable
	Low	&	Definite
	Medium	&	Improbable
	Medium	&	Probable
Medium	Medium	&	Highly Probable
	Medium	&	Definite
	High	&	Improbable
	High	&	Probable
High	High	&	Highly Probable
	High	&	Definite
	Very High	&	Improbable
	Very High	&	Probable
Very High	Very High	&	Highly Probable
	Very High	&	Definite



5.1.2 IMPACT IDENTIFICATION AND ASSESSMENT

Specific information related to the financial performance, of the four KZN-based film festivals, such as, visitor expenditure, festival expenditure, subsidies, incentives, and public sector grant funding is not readily accessible, creating challenges in quantification of socio-economic impacts. Practically speaking, only DIFF is likely to have a notable economic impact, given its size relative to the smaller KAFF, KFF, and UGUFF. Additionally, the three smaller festivals operate within a highly developmental framework, with most of their impacts being of a socio-economic nature due to their predominantly free public admission policy. They are therefore highly reliant on external funding in the form of public sector grants, in-kind sponsorships, and other funding streams for successful implementation of their respective events.

Based on the case studies of best practice and a review of KZN-based film festivals and film markets, the following socio-economic impacts have been identified for the KZN film sector. The impacts are separated into the phase in which they occur, and in terms of whether they are imparted on the host community, on an economic sector (i.e., the film sector, transportation sector, and the hospitality and events sector), the urban environment, or are supportive of the national development agenda.

The results of the impact analysis are included in the following tables. When interpreting Tables 11 - 13, it is important to consider that very high positive impacts will be shaded red, which may seem counterintuitive. This is because impact assessment typically identifies negative impacts which require mitigation. However, in this assessment, the impacts are largely positive, but the colour scheme and ramp has been maintained as per Table 10.



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Table 11. Pre-event impact assessment

SOCIO-ECONOMIC IMPACTS (PRE-EVENT)		DIRECTION	EXTENT	INTENSITY	DURATION	CONSEQUENCE RATING	PROBABILITY	SIGNIFICANCE
Host Community	Job creation	+	Local	Low	Medium	Very low	Definite	Very Low
	Local procurement	+	Local	Medium	Short	Very low	Definite	Very Low
Sectoral	Audience development	+	Regional	Medium	Long	High	Probable	Medium
	Revenue generation (ticket sales, venue bookings)	+	Regional	Medium	Medium	Medium	Probable	Low
	Partnership and funding opportunities	+	National/International	Medium	Long	Very High	Highly Probable	Very High
National Development Agenda	Tax revenue	+	National/International	Medium	Medium	High	Highly Probable	High
	Diversity, inclusion, and multiculturalism	+	National/International	High	Long	Very High	Definite	Very High

Table 12. Event impact assessment

SOCIO-ECONOMIC IMPACTS (EVENT)		DIRECTION	EXTENT	INTENSITY	DURATION	CONSEQUENCE RATING	PROBABILITY	SIGNIFICANCE
Host Community	Job creation	+	Local	Low	Short	Very low	Definite	Very Low
	New business sales opportunities	+	Local	Medium	Short	Very low	Definite	Very Low
	Local procurement (vendors and service providers)	+	Local	Medium	Short	Very low	Definite	Very Low
	Recognition and elevation of host community 'brand'	+	Local	High	Long	High	Highly probable	High
	Crime and vandalism	-	Local	Medium	Short	Very low	Probable	Insignificant
	Social cohesion	-	Local	Medium	Short	Very low	Highly probable	Very Low



KZN FILM MARKETS AND FESTIVALS STUDY

SOCIO-ECONOMIC IMPACTS (EVENT)		DIRECTION	EXTENT	INTENSITY	DURATION	CONSEQUENCE RATING	PROBABILITY	SIGNIFICANCE
Sectoral	Audience development	+	Regional	Medium	Long	High	Highly probable	High
	Revenue generation (ticket sales, hospitality, transportation)	+	Regional	Medium	Short	Low	Highly probable	Low
	Industry capacity building and skills development	+	National/International	High	Medium	Very High	Highly probable	Very High
	Networking and identification of new business opportunities	+	National/International	High	Long	Very High	Definite	Very High
Urban Environment	Urban renewal	+	Local	High	Long	High	Probable	Medium
	Waste generation	-	Local	High	Short	Low	Definite	Low
	Congestion, noise, and traffic	-	Local	Medium	Short	Very low	Definite	Very Low
National Development Agenda	Tax revenue	+	National/International	Medium	Short	Medium	Definite	Medium
	Diversity, inclusion, and multiculturalism	+	National/International	High	Long	Very High	Definite	Very High

Table 13. Post-event impact assessment

SOCIO-ECONOMIC IMPACTS (POST-EVENT)		DIRECTION	EXTENT	INTENSITY	DURATION	CONSEQUENCE RATING	PROBABILITY	SIGNIFICANCE
Host Community	Job creation/livelihood opportunities	+	Regional	Medium	Short	Low	Highly Probable	Low
	New business sales	+	Regional	Medium	Medium	Medium	Probable	Low



KZN FILM MARKETS AND FESTIVALS STUDY

	Recognition and elevation of host community 'brand'	+	Local	High	Long	High	Highly Probable	High
Sectoral	Audience development and reach extension	+	National/ International	Medium	Long	Very High	Highly Probable	Very High
	Networking and identification of new business opportunities	+	National/ International	Medium	Long	Very High	Highly Probable	Very High
	Revenue generation (consulting service providers - impact assessments, financial close etc.)	+	Regional	Medium	Long	High	Definite	High
Urban Environment	Urban renewal	+	Local	Medium	Long	Medium	Highly Probable	Medium
National Development Agenda	Tax revenue	+	National/ International	Medium	Medium	High	Definite	High
	Diversity, inclusion, and multiculturalism	+	National/ International	High	Long	Very High	Definite	Very High



Negative socio-economic impacts should be mitigated to reduce their significance, while attention should be paid to positive socio-economic impacts to ensure their realisation. The assessed impacts are briefly explored below, including suggested mitigation measures for the negative impacts.

5.1.1.1 *Impacts imparted on the host community*

As large gatherings, film festivals and film markets have a range of socio-economic impacts on the host community. These largely positive impacts are a result of local procurement of labour and services and the new business sales opportunities. This induces additional spending as local companies hire additional labour, increase their capacity, and purchase goods and services that are necessary to fulfil the needs of visitors (Pedersen, 2011, p. 145). Additionally, the host community benefits from strategic brand positioning of their town, as film festivals and markets place their home in the spotlight, creating potentially significant tourism appeal.

The influx of people is not without challenges, with social cohesion/ dislocation and crime and vandalism impacts. However, these are relatively easy to mitigate through increased security presence and through ensuring that resident visitors are also catered for and not just non-resident visitors.

5.1.1.2 *Impacts imparted on the film sector (and associated sectors)*

Film Festivals are drivers of the film industry and play an important role in the in the global film industry, which has, in recent years, been characterised by the differentiation between 'Hollywood' cinema and the so-called art films²⁰ (Maloca, 2014, p. 77). At a time of Hollywood domination in commercial cinemas, film festivals are becoming an important form of distributing and promoting art films, discovering new talent, cinematography, and trends.

Audience development, revenue generation for re-injection back into developing the industry, capacity building and development of aspiring industry entrants, networking and identification of new business opportunities, the development of partnerships, and extending the reach of festivals are all positive socio-economic impacts for the film sector. The running of events also has notable multiplier effects on other economic sectors, such as tourism and hospitality, and transportation, among others.

5.1.1.3 *Impacts imparted on the urban environment*

As events that draw large crowds, film festivals and markets impart socio-economic impacts on the urban environment, both positive and negative. The staging of events of this nature requires infrastructure capable of accommodating large numbers of visitors, with the flexibility needed to screen multiple films, host workshops, masterclasses, and capacity development sessions, and generally provide spaces that are inviting to guests and which are appropriate for the target audience in terms of aesthetics. Furthermore, as attractors of non-resident visitors, they stimulate tourism activities. These factors often drive the restoration and maintenance of public buildings and facilities, which benefit residents and non-residents.

²⁰ Hollywood cinema refers to mainstream films made in a studio setting and released in cinemas. The art films, often referred to as independent films, are produced outside a major film studio and are distinguished by both the style and the artistic way the director chooses to show them.



An influx of people and economic activity in an area has the negative impact of generating congestion, noise, and traffic, which degrade the local urban environment. Consumption of products, such as food and beverages, the distribution and subsequent discarding of printed advertising materials and signage, generates waste, which must then be disposed of by the local authorities. Fortunately, these impacts can be partially mitigated through implementing proactive traffic management such as, signage, traffic pointsmen and through providing residents with advanced notice of potential road closures. Adopting a 'green' waste policy which includes a strong focus on waste material recycling and a limitation on printed advertising materials can reduce the significance of waste generation.

5.1.1.4 *Impacts that further the realisation of national development priorities*

Through their revenue generating activities, film festivals and film markets can positively contribute towards the national fiscus through tax revenue generation. Most film festivals and film markets are run by NGOs or NPOs, thus limiting the direct tax revenue contribution. However, the consumption of products at the events, and the consulting services provided by, amongst others, accountants, economists, and cleaning and security companies, generate tax revenue in the form of Value-Added Tax (VAT).

Arguably, the most important contributions towards national development priorities are the promotion of diversity, inclusion, and multiculturalism. This is because film is a socio-cultural appropriation and in a multiracial and multicultural society such as South Africa, it is important to provide opportunities for exposure to different view in order to promote tolerance. As lenses through which culture is interpreted and disseminated, films play an important role in exposing a wide audience to unfamiliar perspectives and cultures.

5.2 GAP ANALYSIS OF KZN FILM FESTIVALS AND MARKETS SUB-SECTORS

A gap analysis is a useful strategic tool for examining and assessing an organisation or entity's current performance to identify opportunities for improvement. The gap analysis framework considers current performance in relation to desired performance, with the identified performance gap being the target of strategic intervention and action. In this instance, the gap analysis is undertaken based on the learnings from the case studies (desired performance) and the current state of the KZN film festival and film market sub-sector (current performance). The identified gaps inform the recommendations which follow in the final section of the report. Given the developmental mandate of KZNFC, the socio-economic impact potential of the provincial film festival and film market sub-sector is the primary consideration for the desired state, with profitability and financial Rol considered less important.

Table 14. Gap analysis

FOCUS AREA	DESIRED STATE	CURRENT STATE
Audience development	Continuously grow and develop an audience and understand changing trends in preference to deliver an appealing event.	Currently struggling to engage in audience development activities due to limitations such as funding and sponsorships.



FOCUS AREA	DESIRED STATE	CURRENT STATE
Sustaining the experience	Year-round interest in the film festival or film market to curate an enduring experience that lasts between events.	Film festivals and markets are currently a once-off event in a year. There are no activities in place to keep the momentum of the festival or market going outside the specified event time.
Leveraging tourism demand	Utilise existing tourism product offering to enhance the festival offering, and vice versa.	There are limitations regarding the utilisation of the existing tourism product offerings within the province to enhance the festival offering, and vice versa.
Skills Development	Provide skills development programmes that are sustainable and produce real economic impacts in future for participants.	Current skills development programmes offered, especially for small-scale festivals, are unsustainable and have little to no real economic impacts.
Partnership Development	Develop and maintain mutually beneficial partnerships that form an important part in ensuring the growth of the festival in terms of size and impact.	Partnership development, especially for small-scale festival organisers, is at a very basic level since there is very limited information on organisations available and willing to sponsor these events.

5.3 CONCLUSIONS

Through the impact assessment conducted in this section to measure the significant impacts that film festivals and markets, as well as the gap analysis conducted to determine the desired state of the film festivals and markets within the province, the following can be highlighted:

Impact on host community: Positive impacts from film festivals and markets include employment opportunities for the resident population, increased economic activity for local companies, which induces additional spending, leading to businesses increasing their capacities to accommodate the influx of visitors.

There are negative challenges involved such as social dislocation, crime, and vandalism. However, these are relatively easy to mitigate through additional security presence and ensuring that service provision is adjusted to accommodate visitors.

Impacts on the film sector: Film festivals and markets have become drivers of the film industry and play an important role in promoting the global film industry. Through film festivals and markets new ideas are generated, networks and collaborations are formed amongst film industry professionals, aspiring filmmakers get an opportunity to showcase and pitch their work to potential sponsors, all of this leads to growth within the film sector.



Impacts on urban environment: There are positive and negative impacts imparted on the urban environment with regards to film festivals and markets. The positive impacts include a significant increase in tourism and subsequent economic activities within the host community as there is an influx of non-residential visitors, this could lead to development of new facilities within the host communities to accommodate the influx of visitors.

Impacts on the national development priorities: Film festivals and markets can positively contribute towards the national fiscus through some of their revenue generating activities. However, the film festivals and markets are run by NGOs or NPOs that do not operate as profit seeking organisations of which limits their direct tax revenue generation.

The following gaps between major international film festivals and KZN-based film festivals can be highlighted:

Audience Development: The local film festivals and markets, especially small-scale festivals, have limited resources and opportunities to engage in audience development activities. These limitations can be attributed to the lack of sufficient funding to sponsor these activities.

Sustaining the festival and market experience: Film festivals and markets, especially small-scale festivals, are currently once-off events. There are no activities in place to keep the momentum of the festival or market going outside the specified event time, except for DIFF.

Leveraging tourism demand: There are limitations regarding the utilisation of the existing tourism product offerings within the province to enhance the festival offering, and vice versa. This applies mainly to small-scale festivals as they have limited resources and knowledge to realise the tourism product offering.

Skills Development: The skills development programmes offered, especially for small-scale festivals, are unsustainable and have little to no real economic impacts for participants. This is mostly due to limited resources necessary to create sustainable skills development programmes.

Partnership Development: Partnership development, especially for small-scale festivals' organisers, is at a very basic level since there is very limited information on organisations available and willing to sponsor these events.



6 RECOMMENDATIONS

The following recommendations are made for the film festivals and markets sub-sector in KZN.

6.1 RECOMMENDATIONS FOR FUNDERS

6.1.1 COMMUNITY-FOCUSED EVENTS

1. Audience Research – to measure and ensure positive impact of film festivals and markets funded, the funding organisations must engage on a regular basis with film industry players to review and improve existing policies in support of audience development.
2. There is currently very limited research on the impacts that the film festivals have both socially and economically and this is a notable weakness in enabling the assessment of their impacts. It is therefore suggested that the funding bodies ensure that full impact studies are conducted for every film festival and film market that receives funding, as part of the project's close-out. This could be ensured, either through making the impact studies an implicit requirement of the funding application and ring-fencing the budget allocation for this, or as a separately funded study, to be funded by the funding organisation.
3. KZN is rich in culture and heritage, and there appears to be scope to better leverage these assets through a cultural film festival and through integration of locally produced cultural productions into existing film festivals in the province. Research into the feasibility of hosting such an event is recommended as this type of focus has the potential to position KZN as both a film production destination and a major tourism destination, through effective partnering with tourism authorities.
4. Partnerships with tourism authorities should be established to develop mutually beneficial marketing strategies that could support both the tourism sector and the individual film festival as it enables effective co-leveraging of the attractive elements of both the festival and the location in which it is hosted.
5. Funding bodies should create platforms that provide necessary training for small-scale festival organisers and a level of exposure at an international level. This will encourage collaboration with organisers of major festivals and provide learning opportunities for the small-scale festival organisers.
6. Funding bodies should encourage small-scale festivals to invest in the marketing aspects of their events. A requirement can be made by the funding body for a specific percentage of funding to be strictly used for marketing purposes, which would encourage small-scale film festival organisers to develop marketing strategies that could attract prospective partners and funders, while also ensuring events are well-attended.
7. Migration towards hybrid events requires considerable investment in massification of broadband connectivity, especially in deep rural parts of the province. Failure to do so is likely to continue to entrench existing patterns in accessibility and result in a concentration of demand and audiences in urban centres.



8. The research revealed that funding uncertainty and the challenge with accessing funding are existential threats for smaller scale film festivals. Simplifying the application process and providing medium-term funding certainty should be considered. Possibilities include a simplified application procedure for festivals that have an operational history of at least 2 years. This will go a long way to providing funding certainty and will enable proactive engagement in planning for growth, rather than focusing on survival.

6.1.2 INTERNATIONALLY/ NATIONALLY FOCUSED EVENTS

1. Audience Research – to measure and ensure positive impact of film festivals and markets funded, the funding organisations must engage on a regular basis with film industry players to review and improve existing policies in support of audience development.
2. There is currently very limited research on the impacts that the film festivals have both socially and economically and this is a notable weakness in enabling the assessment of their impacts. It is therefore suggested that the funding bodies ensure that full impact studies are conducted for every film festival and film market that receives funding, as part of the project's close-out. This could be ensured, either through making the impact studies an implicit requirement of the funding application and ring-fencing the budget allocation for this, or as a separately funded study, to be funded by the funding organisation.
3. Establishing partnerships with tourism authorities to develop mutually beneficial marketing strategies could support both the tourism industry and the individual film festival or market as it enables effective co-leveraging the attractive elements of both the festival and the location in which it is hosted.
4. While the future trajectory of the COVID-19 pandemic remains largely unknown, the structural changes in the economy and shifts in consumer behaviour are likely to persist, in some shape and form. This creates challenges for hosting large-scale events that rely on the physical presence of people. Harnessing the rich culture and unique scenery of KZN and broadening the reach of such events using digital platforms, has the potential to position KZN as an attractive film production destination, which in turn can drive economic growth, grow the KZN film sector, and impart positive socio-economic impacts. The business model for film festivals and film markets will need to change and research will need to be undertaken to understand how they can still generate revenue and contribute to economic growth.
5. Due to fundamental structural changes in the industry, from COVID-19 and other factors such as digitisation, an investigation is needed into growth-stimulating incentives for the film festivals and film markets sub-sector. Funders should promote partnerships with both public and private organisations to develop complementary incentives/ rates rebates, and to secure additional sponsorship and funding. This should have a strong focus on vulnerable groups, such as B-BBEE, youth, women.



6.2 RECOMMENDATIONS FOR FILM FESTIVALS AND MARKETS ORGANISERS

1. Proactive engagement in audience research and development is an essential enabler of success since it allows organisers to both grow their target market but also learn more about their target market's preferences.
2. Film festivals and markets, especially those funded by the KZNFC, should keep standardised information that will enable the organisation to measure the impact of the events.
3. In addition to the regular festival programme, organising several events linked to the films screened, and other festival activities, extends the festival experience and creates more opportunities to engage with the festival audience for a sustained period.
4. Marketing plays a significant role in ensuring that an event attracts a large enough audience. Organisers should, where possible, involve marketing professionals in their teams to develop effective marketing strategies for their events.
5. Film festivals and events have the potential to attract non-resident visitors, and this presents an opportunity to engage with the relevant tourism authority and tourism product suppliers to integrate their events into the tourism offering of the authorities.
6. Organisers should develop a framework for making strategic decisions to grow their respective event, with a key element focusing on formal impact studies that identify visitor satisfaction trends and key performance metrics such as, visitor numbers, visitor expenditure, festival expenditure, employment creation, and local procurement.
7. To increase the impact of the film festival, festival organisers should constantly explore opportunities for strategic partner development, while building on and developing existing partnerships.
8. Recently, a growing number of festival organisations have been capitalising on the influx of filmmakers, producers, and other professionals' events and have sought to exploit the presence of these production-oriented stakeholders. Berlinale, for example, pioneered the Talent Campus in 2003. Busan followed, in 2005, with its Asian Film Academy (AFA), and DIFF with the Durban Film Mart (DFM). Many other festivals provide forum space for interpersonal encounters and negotiations between companies and creatives, or hold special events (pitching sessions, development fund awards, sessions for additional financing rounds) that foster production-related activities as part of their festivals. This component should be incorporated in smaller-scale festivals, as it will create an opportunity for filmmakers from disadvantaged areas to network and sell their films.
9. Skills development training programmes must be reviewed by industry professionals to ensure a focus on relevant content development, understanding the target audience, and alignment of content to audience preferences (including indigenous language preferences). Where possible, accreditation should be pursued.



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ANNEXURE 1: INTERVIEW DISCUSSION GUIDELINES

The following interview discussion guideline was prepared for the stakeholder engagement required for the study.

Dear [name of interviewee]

Urban-Econ Development Economists is currently working with the KZNFC to conduct a study on the impact that film markets and film festivals have on the provincial film sector and economy. As a key organisation in the film sector, we would like to have a brief discussion with you on the subject matter. The discussion will take the form of an interview where you will be asked a series of questions and answer based on your organisations' experiences and observations.

Participation in the interview is voluntary and you may withdraw from the interview at any point should you not wish to continue, with no negative repercussions.

1. How many people attend the festival and for how long does the festival run?
2. Where do attendees originate– international / local / other provinces?
3. What are the impacts of the festival (ask if there are any impact studies done that, we can get access to)?
 - a. Breakdown of the revenue being generated for
 - i. The festival
 - ii. Other businesses directly related to the festival – caterers, venues hosting the festival.
 - iii. Other businesses / accommodation / restaurants / etc not directly related to the festival.
 - b. Employment creation
 - i. For the organisers
 - ii. Other businesses directly related to the festival – caterers, venues hosting the festival.
 - iii. Other businesses / accommodation / restaurants etc
 - c. How does the film sector itself benefit?
 - d. What other (social or economic) benefits are being created by the festival?
 - e. Are the festivals profitable – are they sustainable without external funding?
4. Are there any (socio-economic / environmental) negatives of a film festival and what are they?
5. What are the latest or new trends in film festivals?
6. Given the impact of the COVID-19 lockdown as an example, how will film festivals change in future?
 - a. How could the “new” trends and formats of festivals in the future be used to increase the socio-economic impacts of film festivals:
 - i. For the film sector itself?
 - ii. For the economy / community at large?



ANNEXURE 2: STAKEHOLDER ENGAGEMENT SCHEDULE

INTERVIEWEE NAME	ORGANISATION	DATE OF ENGAGEMENT	METHOD OF ENGAGEMENT
Thando Mchunu	Kwasukasukela Film Festival and KwaZulu-Natal African Film Festival	15-Jun-20	Interview
Mr Zindela	Ugu Film Festival	17-Jun-20	Interview
Chipo Zhou	Durban International Film Festival	22-Jun-20	Interview
Noel Kok	Nature, Environment & Wildlife Filmmakers Congress (NEWF)	28-Jun-20	Interview
Joy Sipeka	Encounters Documentary Film Festival	30-Jun-20	Interview
Alude Mahali	Human Sciences Research Council	30-Jun-20	Telephone Interview
Lebone Maema	Joburg Film Festival	02-Jul-20	Interview
Antoinette Monty	Durban Film Mart	06-Jul-20	Interview
Sharon Ngcobo	Durban Film Mart	06-Jul-20	Interview
Fezile Theko	Durban Film Mart	06-Jul-20	Interview
Marina Du Toit	South African Guild of Editors	03-Aug-20	Interview
Merljine	International Film Festival of Rotterdam	06-Aug-20	Email Correspondence
Rehad Desai	Independent Producers Association	06-Aug-20	Email Correspondence
Daniel	Toronto International Film Festival Press Office	06-Aug-20	Email Correspondence
Michael Auret	Former Sithengi Film Festival Director	07-Aug-20	Interview
Edmund Mhlongo	KwaZulu-Natal African Film Festival	10-Sep-20	Interview

This list only includes the persons successfully engaged with and does not include those from whom no responses were received. It is listed in chronological order, from date of first engagement to date of last engagement.



ANNEXURE 3: FIAPF ACCREDITED FESTIVALS

Festival name		Festival dates	
		Start	End
Competitive Feature Film Festivals			
1.	Berlin	20 February	1 March
2.	Moscow	22 April	29 April
3.	Cannes	12 May	23 May
4.	Shanghai	13 June	22 June
5.	Karlovy Vary	3 July	11 July
6.	Locarno	5 August	15 August
7.	Montreal	**	
8.	Venice	2 September	12 September
9.	San Sebastian	18 September	26 September
10.	Warsaw	9 October	18 October
11.	Tokyo	31 October	9 November
12.	Tallinn	13 November	29 November
13.	Cairo	19 November	28 November
14.	India (Goa)	20 November	28 November
15.	Mar Del Plata	21 November	29 November
Competitive Specialised Film Festivals			
16.	Santo Domingo	27 January	2 February
17.	Cartagena	11 March	16 March
18.	Sofia	12 March	22 March
19.	Istanbul	10 April	21 April
20.	Transylvania (Cluj)	29 May	7 June
21.	Kyiv	30 May	7 June
22.	Sydney	3 June	14 June
23.	Cinema Jove	19 June	27 June
24.	Nur Sultan City - Eurasia IFF	30 June	6 July
25.	Kitzbühel	24 August	30 August
26.	Lisbon	8 September	13 September
27.	Busan	7 October	16 October
28.	Sitges	8 October	18 October
29.	Antalya	3 October	10 October
30.	Mumbai	5 November	12 November
31.	Minsk	6 November	13 November
32.	Kolkata	6 November	13 November
33.	Skopje - Cinedays	12 November	19 November
34.	Gijon	20 November	28 November
35.	Turin	20 November	28 November
36.	Milan	7 December	13 December
37.	Kerala (Trivandrum)	11 December	18 December



Festival name		Festival dates	
		Start	End
Non-Competitive Feature Film Festivals			
38.	Toronto	10 September	20 September
39.	Rome	15 October	25 October
40.	Vienna	22 October	4 November
Documentary and Short Film Festivals			
41.	Tampere	4 March	8 March
42.	Oberhausen	13 May	18 May
43.	Krakow	31 May	7 June
44.	St. Petersburg	11 September	19 September
45.	Bilbao	13 November	20 November

