direction générale
des relations
internationales

CULTURAL INDUSTRIES INVESTMENT ASSISTANCE PROGRAMS: COMPARABLE MEASURES IN EUROPEAN COUNTRIES

GROUPE
ICP
GROUP

Le Groupe des
politiques comparées
internationales

Communications
Canada

Canada

2.

CULTURAL INDUSTRIES INVESTMENT ASSISTANCE PROGRAMS: COMPARABLE MEASURES IN EUROPEAN COUNTRIES

♦ ♦ ♦

1.
Vladimir SKOK

MARCH 1990

Working Paper - 2nd Report
Vladimir Skok
International Comparative
Policy Group DPT

International Relations Branch

TABLE OF CONTENTS

1. PURPOSE

The purpose of this short ICP working paper is to provide an initial survey of European public sector measures which provide loan and investment-related assistance to firms in the cultural industries.

2. SCOPE

This international comparative review has been limited to 10 European countries, given the availability of information on hand and the limited time frame. Since the U.S. is noted for the active role of it's commercial banks in supporting the domestic entertainment industry, it is only referred to indirectly. No attempt was made to examine the Australian experience though this could be pursued, if requested. Countries included are:

* Austria
* Denmark
* Federal Republic of Germany
* France
* Italy
* Netherlands
* Norway
* Spain
* Sweden
* Yugoslavia (for contrast, ie. a socialist country employing market mechanisms)

Besides a summary overview, all loan and investment-related programs reported by the governments of these countries are reviewed by cultural industry:

* Book Publishing
* Newspaper and Periodical Publishing
* Sound Recording
* Film and Video

Values are expressed in national currencies. Exchange rate tables can be found at the end of the paper.

Information was obtained through a literature search, review of government documents and a limited series of telephone interviews. Of immense help was the still incomplete Council of Europe survey of cultural Industries measures in Europe which International Comparative Policy (ICP) contributed to and documentation from the European Institute for the Media, Manchester.

3. SUMMARY

A legacy of minimum involvement by European banks

At first sight, the idea of establishing Canadian investment-related programs may appear to be a novel approach of public sector support for the cultural industries. However, as the survey demonstrates, numerous European countries (notwithstanding their strong cultural identities and history) have included such public policy tools in the mix of direct and indirect assistance made available to domestic cultural industries.

Compared to the United States, European banks, much like the big five in Canada, have long been reluctant to become involved in the financing of what is considered to be generally risky cultural industries, and especially film and television production. In the U.S., the development of the Hollywood film industry, for example, has been supported by a range of loans, direct and indirect investments, services and other related financial advice and assistance from U.S. banks. The television industry in that country equally benefitted from this tradition. In some ways, the dynamic and supportive role of the banking sector is a major factor in defining U.S. cultural industries from those of Europe and Canada.

In those instances where European banks offered credit, they generally favoured assisting segments of the cultural industries which provided actual services or infrastructure, rather than production. This hesitancy was somewhat less visible for the publishing sector which, because of its relatively longer and financially stable history, was considered to be less of a risk. In fact the financial strength of European publishers such as BERTELSMANN, HACHETTE, NEWS CORPORATION, the MAXWELL GROUP and the HERSANT GROUP have allowed them to parallel diversification patterns of U.S. publishers such as TIME INC. and become the major investors in the audiovisual and sound recording areas.

In broadcasting, the traditional European near monopoly by public broadcasters has been a major factor in limiting bank involvement. Even with the advent of commercial television

services, in some countries, such as France and the United Kingdom, banking groups have remained in the background. This is contrasted with Belgium's GROUPE BRUXELLES LAMBERT, which has a long history of investing in broadcasting (through the Swiss holding company, PARGESA SA), and more recently a variety of Italian banks which supported Silvio Berlusconi's dramatic growth, notwithstanding the role of his holding company, FININVEST.

Public incentives for banking sector investments

Probably one of the most disheartening aspects to European cultural nationalists of the limited role of the banking sector in European cultural industries is the strong investment interest in the U.S. entertainment business shown by these institutions. While European banks have moderately increased their investment activities in these activities in general, they unfortunately have tended to invest in U.S. companies where the opportunities to obtain higher returns are perceived to be better. Banks such as the CREDIT LYONNAIS AND BANK NEDERLAND have substantial credit interest in U.S. firms such as the CANNON Group. In fact, in 1986, this bank assisted 10 of the top fifty U.S. film.

Given the historical caution of European banks in providing credit for domestic cultural industries, and the tendency to invest in less risky sectors or in U.S. cultural industries, a number of European governments now provide financial guarantees and credit at preferred rates to support investment in a range of cultural industries including newspapers, periodicals, film and video, books and, less often, sound recording. Areas of attention include product development, production and distribution, capital improvements and management consulting. These measures, which are used to attract commercial banking participation, should be distinguished from direct subsidies and fiscal incentives. However, the distinction between direct subsidies and loans are sometimes difficult to discern, depending on the conditions of loan repayment in the case of a low return on the investment. Still, to be as comprehensive as possible, loan programs, like those offered by Telefilm Canada, have been included in this survey.

Key features

In many countries, programs used in direct low interest loans, loan guarantees or preferential rate schemes involve the cultural ministry, or a cultural agency reporting to it, as the central

player. While depicted as a manifestation of cultural policy, the measures are very much structured according to the realities of the commercial environment. Besides those programs which offer direct low interest loans (often labelled, with a some degree of optimism, as advances on receipts), most of the countries apply these measures to loans obtained from commercial banks. There are some exceptions, and they are significant due to the comparable large size and draw of services on the program

In Italy and Spain, two clearing banks, BANCO NAZIONALE DEL LAVORO - BNL (in Italy) and BANCO CREDITO INDUSTRIAL -BCI (in Spain) have an established a tradition of supporting the cultural industries, with the public bodies involved providing approvals and funding for the measures applied. Variations exist: in Italy, the BNL assists only the film and video industry, while government agencies assist the publishing industries directly from their own funds or supporting loans obtained from commercial banks. In Spain, the BCI includes publishing. As of 1988, neither country has extended these investment-related programs to the sound recording industry.

In France, a special guarantee agency, the Institut de financement des industries culturelles (IFCIC) was created by the Minister of Culture in 1983, based on Quebec's SODICC. All cultural sectors, including sound recording as well as "arts and crafts" can use the scheme. While no other country reviewed has gone as far as France, a proposal for a similar agency is being considered in the French Community in Belgium where market share of domestic films is below that even of Canada (1% of revenues, 1986).

On a broader scale, work towards a European Banking Pool for the film industry has been initiated with a number of banks and agencies including IFCIC, BNL, BCI as well as some U.K. merchant banks expressing interest. It is expected that the Pool or a similar fund will eventually become part of the EC's MEDIA program. The idea behind this pan-European fund is that producer would not have to recover his stake in the film from the domestic market, but would own a share in the production corresponding to the value of the foreign rights in it. This would remove some of the necessity for loan guarantees against potential failure in the film's major, domestic market.

4. SURVEY

AUSTRIA

1. Book Publishing

The Federal Ministry of Education, Fine Arts and Sport is responsible for federal policy which encourages both experimental and traditional literature, "in those instances where financial intervention is appropriate, all manifestations of literary activity" including the publication of periodicals and books. The primary form of assistance is through direct subsidies. Programs related to investment measures are:

- Interest free loans (as well as subsidies) for the printing costs of scientific publications. Federal Ministry of Science and Research. 10.5 million schillings in 1987.

- Subsidies for planned books of literary value. While not providing loans or loan guarantees, the Federal Ministry of Education, Fine Arts and Sport, Literature and Publishing department, supports, concurrently within provincial (lander) assistance, assisted 90 projects for 1.78 million schillings in 1987. Comparable to the Canadian industry, this Austrian program "takes into account the (difficult) situation of small publishing firms and is justified by the small domestic market and strong competition of German publishers."

- Bundesveriag, a government-owned commercial publishing firm which specifically publishes school textbooks, scientific works and books on Austrian culture. Profits are re-invested in the firm. Again, while not providing loans or loan guarantees, this is an example of direct state investment in the publishing industry.

2. Sound Recording

- no loan or investment-related programs identified

3. Film and Video

- no loan or investment-related programs identified

DENMARK

1. Newspaper and Periodicals Publishing

- Aid for investment consists either of loan guarantees for loans obtained on the capital market or subsidies paid directly to "press undertakings." The loan guarantees are made by the Institute for Financing the Daily Press and "must be allocated for modernizing and extending equipment." This is a relatively small program, with loan guarantees are in the range of 15-20 million Dkr for, on average, 3 clients per year.

2. Sound Recording

- no loan or investment-related programs identified

3. Film and Video

- Loans and loan commitments for feature film production are funded by the Danish Cinema Institute. Loans are interest free. A loan commitment covers that part of the loan which is not repayable by the producer 6 months after the film has been completed, or one year after the start of its casting, and is given on the basis of committed costs. In 1987, 11 film producers benefitted a total of 55 million Dkr.

- Similar loan and loan commitment assistance is offered by the Danish Radio-Television Co-production fund (13 million Dkr in 1987).

- Compensation to offset losses. Special aid for offsetting possible investment losses may be included in aid for production, with criteria including quality and the projected amount of losses. (in 1987, 700,000 Dkr allocated to 14 producers).

FEDERAL REPUBLIC OF GERMANY

Under the FRG constitution, the provinces or landers are responsible for almost all aspects of domestic cultural policy.

1. Publishing - newspapers and periodicals

The common characteristic of measures for these cultural industries is that they are structured "on the basis of economic criteria" since neither the Lander nor the Federal Government can "take direct measures of a cultural and selective nature for the purpose of influencing the mass media."

- "Aid for investment" takes the form of subsidies from the Federal Ministry of Economy to small and medium "press undertakings" which regularly provide information on political matters. (15 million DM per year).

2. Sound Recording

- no loan or investment-related programs identified.

3. Film and Video

Besides "cultural aid", "economic aid" is available which considers the "film industry primarily as an economic phenomenon and aims at encouraging the production in German of a sufficient number of both profitable and artistically acceptable films."

At the federal level:

- Film projects can receive loans, if both the project and the producer "are liable to raise the standard or profitability of German films in general." Loans are repayable if the film makes a profit. Up to 1 million DM.

- Similar loan assistance is available for script development, with the maximum being 20,000 DM and in exceptional cases, 50,000 DM.

At the lander level:

- Several lander provide loans for production in the form of which are limited to actual production costs.

- Interest-free loans and subsidies are available for film distribution, namely, print copying and marketing costs.

FRANCE

Cultural Industry Loan Guarantees in liaison with IFCIC

The Institute for Financing the Cinema and the Cultural Industries/Institut de financement des industries culturelles (IFCIC) is a joint-stock company whose capital is held by the Central Government (20%), the Credit National (20%), the CEPDE (a banking institution for small to medium-sized firms) (20%) and various banks.

Its role is to intervene, as a priority in the case of operations by the Ministry of Culture in helping the development of the cultural industries, especially the cinema, as well as book publishing, sound recordings, and, in more general terms, all cultural undertakings in the commercial sector.

IFCIC offers banks and credit institutions a financial guarantee that enables them to take calculated risks, by granting increased credit opportunities to business ventures. IFCIC is able to cover risks through the guarantee of loans based on public funds. Two broad categories of credit financing are guaranteed by the IFCIC:

- medium and long term loans, particularly "participation loans" and lend-lease arrangements

- short term loans to finance the production and distribution of feature films and broadcast programming.

The Institute may also grant medium-term loans, known as "non-corporeal investment credits" to the publishers/producers of books, sound recordings and music scores to assist them in their production activities.

At September 30, 1988 total liabilities for IFCIC guarantees amounted to 537 million francs for credit liabilities of 850 million francs and 83 million francs of guaranteed funds.

In order to extend the scope of its support through its capacity to intervene with its own resources in the cultural industries, IFCIC, in liaison with the Ministry of Culture has been endowed with a guarantee fund for venture capital. This initiative has been consolidated through the creation of a venture capital company, CAPITAL IMAGES, a subsidiary of IFCIC, which has brought together a number of banking partners.

The Ministry of Culture provided IFCIC with an annual endowment of 3 million francs in 1988, rising to 5 million in 1989.

Direct Aid to the Cultural Industries provided by the Bureau de l'Economie Culturelle (BEC), Ministry of Culture and Communications

Since 1982, BEC has provided support for the cultural industries to assist in the funding of efforts to improve their management and strategic investment and business plans. For 1989, the program received a budget of 14 million francs.

Assistance is allocated according several criteria. These apply either to the funding of new product development and marketing (productive investments, promotional activities) or companies whose critical financial position requires reexamination of current structures or a market analysis (financial restructuring, cooperation with new partners) or the need to conduct structural or strategic studies to, for example, broaden the range of products or revamp distribution networks.

In 1989, the Ministry of Culture dedicated 3 million francs towards a new program component providing specific assistance for the creation of new cultural industry enterprises in the regions. The funds provided partial funding for preliminary consulting studies including feasibility studies, legal research and expenses, marketing analyses and business plans. Assistance is limited to 70% of total study costs, which must be conducted by third party consultants.

1. **Book Publishing**

- **IFCIC loan guarantees to book publishers.** See discussion above on IFCIC. No details of conditions of guarantees for book publishing industry.

- **Interest-free loans for the publication costs** of literary, scientific, philosophical and artistic works, caricature and literature for the young from the Centre National des Lettres, CNL. (1987, 364 works were supported for a total of 16.3 million francs.

- **Endowments to 2 mutual societies which underwrite loans requested by publishers from banking and financial institutions.** This measure is aimed at compensating for chronic underfinancing "typical of small and medium-sized publishing houses." Since set up in 1982, mutual societies have underwritten 114 loans for a total of 69.1

million francs. (Ministry of Culture, Directorate of Books and Reading, Publishing and Dissemination Office DLL-BED).

- Economic support for small and medium-sized publishers. This involves "exceptional support" for measures to assist restructuring or development in the form of subsidies or the "provision of instruments of economic analysis and planning." 2.1 million francs in 1987 (DLL-BED).

- Underwriting of export risk through a subsidy (3.2 million francs in 1987) to the "Centrale de l'Edition" -which protects members from export credit loss, "whether commercial or political (DLL-Cultural Fund for Books-FCL).

- Participation in the financial costs incurred by exporters in lengthy delays in payment. The Centrale de l'Edition received a 1.5 million francs subsidy in 1987 which it distributes according to geographical areas of high financial risk.

- Underwriting loans for book retailers. Since 1982, 64 loans have been underwritten for a total of 24.2 million francs.

- support for the training of booksellers. 0.35 million francs in 1987. (DLL-FCL).

Newspaper and Periodical Publishing

- Aid for capital investment is provided indirectly through special tax provisions for investments: part of the profits (60% for dailies, 30% for other periodicals) may be deducted for allocation, tax-free, to capital investments made within five years. The lose to tax revenues was estimated to have been 370 million francs in 1984 and 250 million francs per year since then (Ministry of the Economy and Finance-MEF).

2. Sound Recording

- Since 1987, the IFCIC program of loan guarantees has been extended to the sound recording industry (including music videos). To administer the program, an agreement was concluded between the IFCIC and the Fondation pour la Creation et la Diffusion Musicales et Sonores (FCDMS). See above discussion of IFCIC.

- The Intervention Fund for Phonographic Dissemination (FIDIP) was created in 1988 is aimed at encouraging the modernization of the retail distribution of sound recordings

in response to the significant decrease in the number of record retail outlets in France. The fund is finance through monthly payments from record publishers and distributors (0.35% of the list wholesale price excluding VAT or each unit). The FIDIP projected 2-year budget is 30 million francs (agreement between the Ministry of Culture and the professional organization of record distributors).

3. Film and Video

The majority of programs provide direct subsidy assistance to the production and distribution industries. In 1987 direct aid to the industry was 581 million francs, including 431 in the form of "automatic support." Of the total, 250 million francs goes towards film and video production.

- IFCIC provides guarantees for commercially-obtained loans to companies in the film sector. IFCIC guarantees do not cover only 50-70% of the total. The liabilities of IFCIC guarantees for the cinema amounted to 238 million francs on December 31, 1987 including 179 million francs of liabilities for guarantees for short term funds.

- IFCIC also provides loan guarantees for television program producers up to 75% of funds requested. Two types of credit financing exist: medium-term credit (2-7 years) and short term financing (bridge loans). The liabilities of IFCIC guarantees for broadcast production totalled 140 million francs on December 31, 1987, divided almost 50-50% between the short and medium term.

- In terms of complementary activities, IFCIC administers two companies for financing film and video products (SOFICA), SOFICA INVESTIMAGE and INVESTIMAGE 2.

- A funding society, CINECAUTIONS, created in 1977 by the CNC and the CEPME, provides loan guarantees for small and medium-sized firms operating commercial cinemas.

ITALY

1. **Book Publishing**

- Preferential interest rates for publishers of quality works, is designed for publishers producing books of "high cultural or scientific standards in order to cover production costs and ensure distribution. Interest rates are paid down 50% on loans, with up to 10 year terms, received from commercial financial institutions. 4 billion lira for 5 years (1986-1995). Minsterio per i Beni Culturali e Ambiantali (MBCA).

Newspaper and Periodical Publishing

- Interest loan rate "bonuses for economic modernization" is available to periodical companies, news agencies or distribution firms undertake "modernization plans." 25 billion lira per year. Presidency of the Council of Ministers, Directorate General for Information, Publishing, Literary, Artistic and Scientific Property (PCM-DIE).

- Reduced rate loans for improving the financial position of firms are available to companies in the sector involved in the publication of major dailies, weeklies and periodicals of "high cultural standards." This program is targeted at firms experiencing financial difficulty. 15 billion lira per year (PCM-DIE).

2. **Sound Recording**

- no loan or investment-related programs identified.

3. **Film and Video**

The following loan-related programs are available to film and video producers, distributors and exhibitors and in some instances, related technical industries.

- **"Ordinary" loans for the film industry.** Available for producers, distributors, cinemas and technical industries. For production, loans can cover 60% of costs. 105 billion lira loaned in 1988. Sezione autonoma per il credito cinematographico presso la Banca Nazionale del Lavoro (BNL).

- **Low-interest loans for feature films** with "artistic or cultural aims", with funding covering up to 30% for productions which provide for the "financial

participation"(investment?) of creative and technical staff. 1988 budget: 23 billion lira. Ministry of Tourism and Entertainment (MTS) and BNL.

- Interest reductions on loans granted by financial institutions. Reductions up to 3%. 1988 budget:4.3 billion lira. MTS and BNL.

- "Intervention fund for low cost financing" of production, distribution and exporting activities and for technical industries. While it is not clear if this program is loan-related or a direct subsidy, 126 projects were assisted in 1988, with a budget of 12.3 billion lira. MTS and BNL.

- Intervention fund to financially strengthen production, distribution and technical firms. The companies financial performance is assessed for the past 5 years. 14 firms were assisted in 1988, amounting to 12.3 billion lira. MTS and BNL.

- Tax exemption on income reinvested by film and video companies in the production of new films and television programs. Up to 70% of income earned by film companies from related activities can be tax-exempt if reinvested. Ministry of Finance.

NETHERLANDS

1. Newspaper and Periodical Publishing

- Loans and subsidies to general interest publications for either new titles or " for maintaining in operation any title in difficult circumstances." The assistance is for a limited period, with the objective of the publication becoming "economically viable within a reasonable time period." 14 titles received support from 1974 (when the Press Fund (BP) was establihsed) to 1987 for an amount of 18 million guilders.

- **Aid for the restructuring of dailies.** While an important funding program, this measure also contains a technical assistance dimension, "by facilitating auditing or the preparation of collective projects with a view to improving the operation of press corporations" . The major criterion for access to this program is that the newspaper firm have financial losses due to weak market position or low circulation levels (which impact of advertizing revenues). For 1983-1988 14 dailies received support at a total cost of 59.2 million guilders. (BP).

2. Sound Recording

- no loan or investment-related measures identified.

3. Film and Video

- **Loans and subsidies for artistic films.** Loans are given for the production of both feature and short films, and may be extended to for their distribution and promotion. For 1988, 190 projects assisted (subsidies and loans) with a budget of 5.37 million guilders. Administered by the Dutch Film Fund, Stichting Fonds voor de Nederlandse Film (SFNF).

- **Loans for the production of Dutch full-length feature films.** While this measure serves to complement direct subsidy programs, it is aimed at those productions with "distinctly more commercial potential." Loans may be made for up to 60% of the production budget, up to a limit (in 1987) of 800,000 guilders.

- Loans to cover operating costs of non-commercial cinemas showing artistic films. The purpose of this program is to encourage additional screening of artistic films in cinemas and especially at improving the conditions in which films are screened. 175,000 guilders in 1988.

NORWAY

1. Book Publishing

- no loan or investment-related measures identified.

Newspaper and Periodical Publishing

- Aid for capital development by use of loans and loan "commitments" (guarantees) for purchasing modern equipment that would contribute to improving production. Priority is given to investments which may promote co-operation between different newspapers: a loan guarantee for current operational expenses is granted in very exceptional cases. Loans may cover as much as 75% of any investment and (in 1987) were set at 12%. In 1987, 25 loans were granted amounting to 23 million Nkrs. No loan commitments were granted in 1986 and 1987. Funded by the State Loan Fund for Newspapers.

2. Sound Recording

- No loan or investment-related measures reported.

3. Film and Video

- Loan guarantees on production costs. Guarantees up to 90% of the production budget. No other information available on program design. 8 projects supported in 1987.
  Ministry of Cultural and Scientific Affairs (MCSA) and the Norweigian Film Institute (NFI).

SPAIN

1. Book Publishing

- Loans on preferential terms are available for publishers, printers, distributors and booksellers. The loans are granted by the Banco de Credito Industrial (BCI) while the Centro del Libro y de la Lectura (CLL) assesses the projects and distribute the assistance in the form of a "bonus" 4% reduced preferential interest rate applied to the BCI loan. Loans may cover up to 60% of the planned investment of not more than 6 million Pts. 200 million Pts allocated to this credit measure in 1988. BCI and CLL.

2. Sound Recording

- no loan or investment-related measures identified.

3. Film and Video

- **Credit financing for the film industry.** Production companies, dubbing studios and distribution firms listed on the Spanish Film Company Register are eligible for loans from the Banco de Credito Industrial (BCI) , upon confirmation by the Instituto de la Cinematografia y de las Artes Audiovisuales (ICAA) of the "Spanish nationality of the film". Loans are granted to cover no more than 70% of the planned investments or the production costs and are refundable, according to particular cases, within 3 to 7 years. In 1987, 13 production companies and 1 distribution company were awarded 533 million Pts in loans. BCI and ICAA.

- **Preferential interest rates for capital improvements or construction of cinemas.** The company must have obtained credit financing from the BCI. The ICAA then provides the assistance by paying down, by 4 interest points, the BCI loan. The loan must be repayed within an 8-year period and may cover as much as 70% of the total costs of the project. In 1988, 9 companies received assistance amounting to 75 million Pts. BCI and ICAA.

  N.B. In 1987 a direct investment subsidy measure for capital development of cinema was abandoned entirely in favour of the preferential rates program.

SWEDEN

1. Book Publishing

- Loan commitments for publishers are made available for publishing houses "whose economic viability is acknowledged or will be reached in the short term". State commitments for ordinary bank loans and may cover up to 75% of the total loan amount. The decision to provide aid is taken by the SIND (a government institution administering subsidies for industry in general). SIND submits projects to the State Kulturrad (National Council for Cultural Affairs - NCCA) for approval of all culturally-related projects. Does not appear to be a very active program. In 1985/86, 2 loan commitments amounted to 270,000 Swk; in 1986/87, 1 commitment was made for 100,000 Swk and 0 were granted in 1987/88. For those years, total loan commitments from SIND amounted respectively to 2.7 million Swk, 1.4 milliom Swk and 0.9 million Swk.

- Loan commitments and investment loans for book retailers. State support bears on ordinary banking funds and may amount annually to as much as 1.5 billion Swk. Book retailers may also make a direct request for a government loan, on regular terms, within an annual limit of 2.4 million Swk. As much as 50% of the budget of a bookshop (excluding loans) may therefore by assisted. The Finance Institute of the Book Branch (BFI) which belongs to the Swedish Booksellers Association, administers the public funds for such aid and selects the projects after consultation with the NCCA. 7 book retailers were assisted in 1987/88 amounting to 1 million Swk. BFI and NCCA.

Newspaper and Periodical Publishing

- **Loans for capital investment in newspapers.** Loans may be granted for investment in new technological equipment with preference given to projects involving co-operation between competing newspapers. The interest rate is reduced by 3% points below the market level. Repayment of inerest may bedeferred from 2 to 5 years and reimbursement of the principal up to 5 years. 7 loans were granted in 1986/87, 11.4 million Swk of funds were distributed in 1987/88 and 25 million Swk budgeted in 1988/89.

2. **Sound Recording**

- no loan or investment-related measures identified.

3. Film and Video

- no loan or investment-related measures identified.

YUGOSLAVIA

While functioning under a modified economic system of state-run market socialism, one example of western market mechanisms have been incorporated in cultural industry measures in the Yugoslavian Republic of Croatia.

- Short term loans for publishers. This program available to all book publishing "organizations" within the Socialist Republic of Croatia (SRC) which publishes works of literature, natural science, the social sciences, philosophy arts and children's books. Loans are granted through the National Bank of Croatia following decision by the Executive Board of the Assembly of the SRC with the recommendation of the Community of Croatian Publishers. Loans are offered at rates up to 60% lower than usual levels. Repayment must take place, however, within a year, though there is the possibility of extension. 28 loans were granted in 1987 amounting to 1.3 million dinars.

5. CURRENCY EXCHANGE RATES

1. June 1987

Country	Currency	Canadian Dollars
Austria	Schilling	.1047
Denmark	Dkr	.955
FRG	DM	.7361
France	Franc	.2204
Italy	Lira	.001017
Netherlands	Guilder	.6536
Norway	Nkr	.1996
Spain	Pt	.01060
Sweden	Swk	.2112

2. June 1988

Country	Currency	Canadian Dollars
Austria	Schilling	.09867
Denmark	Dkr	.1823
FRG	DM	.2055
France	Franc	.6929
Italy	Lira	.00933
Netherlands	Guilder	.6164
Norway	Nkr	.1907
Spain	Pt	.01049
Sweden	Swk	.1997

SKOK, VLADIMIR
--Cultural industries investment assistance programs : comparable measures in European countries

DATE DUE

DEC	19 1994		
JUN 2	6 1996		
OCT	18 1999		

GROUPE
ICP
GROUP

International Relations Branch
Communications Canada, 300 Slater Street
Ottawa, Canada K1A 0C8
Tel: (613) 990-4226 • Fax: (613) 952-1231

Direction générale des relations internationales
Communications Canada, 300, rue Slater
Ottawa, Canada K1A 0C8
Tél. : (613) 990-4226 • Fax : (613) 952-1231