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Stephanie Canet
Inquiry Director
Competition Commission
Victoria House
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30th August 2013

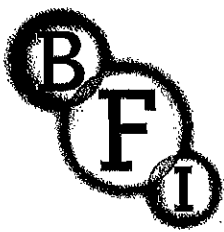
Dear Ms Canet

I am writing in reference to the Competition Commission's investigation of the Cineworld Picturehouse merger.

In 2011, the BFI became the Lead Organisation for Film in the UK. This means that we have a mandate from Government with a remit that encompasses the cultural, creative and economic aspects of film in the UK. As set out in our five-year plan, *Film Forever*, this includes the objective of increasing audience choice and public access to a wider range of film. It is in this respect that we are particularly concerned around the Commission's publication of its Provisional Findings on the merger.

We understand that the Commission has identified a potential competition issue in the areas of Aberdeen, Bury St Edmonds and Cambridge. As you are aware, the BFI have contributed to the Commission's investigation and we understand and fully respect the process that has led to the provisional conclusion that competition in these areas might be lessened as a result of the merger. However, as Lead Organisation for Film we are concerned about the potential consequences of this for audiences in these areas.

As your investigation has identified, there is some programme overlapping between Cineworld and City Screen venues in these areas currently. However, we understand that the City Screen venues still provide a significant added dimension of film choice for audiences through the regular programming of British, independent, foreign language, documentary and classic titles. Our concern is that if these sites are sold as a consequence of the Commission's recommendations, that they will not be replaced and that consumer choice will be damaged. Of particular concern is The Arts



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Picturehouse Cambridge, which we believe is an exemplary regional 'arthouse' cinema. It is host to a well respected annual film festival, carries out strong educational work and is one of a handful of venues in the UK with the facility to show 70mm film.

We are aware of the possibility that the cinemas could be bought by another operator then audience choice may not be lessened. However, as your investigation identifies, the arthouse cinema sector is relatively small and we do not foresee there being more than one, possibly two, organisations interested in and capable of purchasing the sites to run as arthouse venues. Our assessment of the cinema marketplace in the current financial climate leads us to believe that this scenario (the cinemas not being re-opened) is a strong possibility.

If the venues close and are not reopened in a similar capacity, then audience choice in these areas would be severely reduced. This is of great concern to us in terms of our objectives of widening choice and growing audiences for a more diverse range of films. We therefore ask that the Commission considers this when drawing its final conclusions. We did further consider whether placing a covenant on the venues around pricing and / or programming over a period of time might be another way to preserve competition and audience choice. We are unsure if this falls within your remit, however.

Thank you for taking our comments on board and please do get in touch if you would like to discuss this matter further.

Yours sincerely,

Amanda Nevill
Chief Executive

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