

Foreign Film Incentives put SA on the Map

South Africa's film sector received a boost with the recent approval of Fury Road: Mad Max and Black Sails, the largest international productions to be filmed in the country.

Fury Road: Mad Max was intended to be shot in Australia, where the film industry is renowned for its big-budget productions including The Matrix, Star Wars and Mission Impossible, while Black Sails had been earmarked for Spain. The two productions are a major coup for South Africa and it is envisaged that the international film community will take notice of the country as a destination capable of undertaking "mega films".

In June 2004, the Department of Trade and Industry (**the dti**) introduced a Film Incentive Scheme to stimulate economic growth and participation in the film and TV production industry. At the time, the priority was to attract big-budget foreign films to use South Africa as a location.

Between June 2004 and January 2008, **the dti** approved 49 productions, 36% of which were South African, 52% foreign and 12% co-productions. These productions injected a total cash expenditure (QSAPE) to the tune of R2.4 billion for local goods and services, with an incentive payout of R370 million (\$39 million). Between February 2008 and March 2013, a total of 314 applications were approved with the incentive pay-out of R1,5 billion and expenditure (QSAPE) of R 6,8bn

In 2011 **the dti** realised that South Africa was increasingly being chosen for big budget films, but film producers were making individual applications to **the dti** to grant them deviations on the cost sharing cap because it was becoming a relatively insignificant proportion of the total local production spent. **the dti** decided to remove the cap, a step that was welcomed by the industry and further strengthened South Africa's position as a competitive location.

Foreign Film and TV Production Incentive

The South African Government offers a package of incentives to promote its film production industry. The incentives comprise:

- **The Foreign Film and Television Production and Post-Production Incentive**, which aims to attract foreign-based film productions to shoot on location in South Africa and conduct post-production activities in the country; and
- **The South African Film and Television and Co-production Incentive**, which aims to assist local film producers in the production of local content and to support the local film industry.

The Foreign Film and TV Production and Post-Production Incentives are available to foreign-owned qualifying productions and South African qualifying post-production work as follows:

- **Foreign Film and TV Production Incentive**
 - Shooting on location in South Africa, the QSAPE should be R12 million and above, of which at least 50% of the principal photography schedule must be filmed in South Africa for a minimum of four weeks. The incentive is calculated at 20% of the QSAPE.
 - Minimum film running time should be 80 minutes.
 - Incentive level amounts to 20% of QSAPE.

the dti also extended qualifying activities for the Foreign Film and TV rebate to include post-production work on foreign films to be produced in South Africa.

