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# 5 Eastern European Countries to Shoot Your Next Film and Save Money



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by Nick Holdsworth

Incentives, tax rebates, versatile locations and experienced crews — there's never been a better time to shoot in Eastern Europe (even if your movie is set on Mars).



Courtesy of Twentieth Century Fox

When a group of Lithuanian and Polish film producers set out to sail from one Baltic seaport to another in September, it was not simply a nautical jaunt. The two-day voyage, aboard the 120-foot-long twin-mast schooner Brabander, brought together a dozen film professionals with a raft of potential joint projects to discuss.

The voyage from Klaipeda in Lithuania to Gdynia in Poland, the brainchild of Liana Ruokyte-Jonsson, head of film promotion, information and heritage at the Lithuanian Film Center, was designed to focus attention on a small filmmaking nation that is competing with others in Eastern Europe to attract international co-productions.

Where once Hollywood and international producers could pick low-cost territories to shoot in the region based on currency value, location and crew availability, the expansion of the European Union, economic growth and globalization have now combined to create a more level playing field.

## Berlin International Film Festival 2016

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Attempts to gain an advantage by introducing tax incentives prompted a race to offer 20 percent to 30 percent cash or tax rebates that rapidly produced near-identical offers. Even tiny Estonia, with a population of about 1.3 million, offers rebates worth up to 30 percent.

Now the rivals are emphasizing their unique attractions – as well as financial incentives – as outlined here:

### Czech Republic



#### CASE STUDY: *ANTHROPOID*

Shooting on location in Prague was a natural choice for the producers of *Anthropoid*, British director Sean Ellis' new wartime thriller that stars Jamie Dornan and is based on the true story of the assassination of Reinhard Heydrich, the SS general who was the author of the Nazis' "Final Solution" meant to eradicate the Jews in Europe. The British plan involved parachuting Czech agents into the German-occupied country to carry out the killing. The exact location of Heydrich's assassination has changed beyond recognition, but many of the original sites, including a church where the secret agents were trapped and killed by the Germans, still exist, lending authenticity to the film.

Daria Spackova, managing director of local co-producers Lucky Many Films, says the Czech Republic system could not have worked better. "The incentives system is clearly arranged and simple," she says. Lucky Many used the rebates for its previous film, *Lost in Munich*, and plans to apply again for its next project, *Zatopek*, both from Czech directors.

#### INCENTIVES

A cash rebate system features 20 percent available for qualifying Czech spending and 10 percent for international spending that applies to film and TV, including all postproduction work. Productions must satisfy minimum expenditure and cultural tests. The incentives have been in place for five years, and this year, \$32 million is available. The Czechs have rebated \$65 million to more than 130 projects. "We have the kind of expertise foreign producers look for," says Ludmila Claussova, the Czech Republic's film commissioner. "You can find everything here – crews, set builders and designers, English-speaking crews, great studios and locations. We offer value for money – the exchange rate is positive for dollar-denominated productions – and we are still cheaper than Berlin, London and

other European locations." Other recent international shoots include *The Zookeeper's Wife* and *Underworld: Next Generation*.

### TALENT TO WATCH

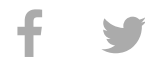
A 1995 graduate of Prague's FAMU famous film school, Petr Vaclav has developed a reputation for versatility. His first feature, *Marian* (1996), won awards in Locarno; his second, *Parallel Worlds*, was selected for the San Sebastian New Directors Competition. In 2014, Vaclav, who has lived in Paris since 2003, saw his *The Way Out* screen as the first Czech film at Cannes in 16 years.

### IN BERLIN

Three Czech films are in selection: Vaclav's *We Are Never Alone* (Forum), an existential drama set in modern-day Europe; Tomas Weinreb and Petr Kazda's *I, Olga Hepnarova* (Panorama), the story of the last woman put to death in Czechoslovakia (and a co-production with Poland); and Petr Oukropec's children's film *In Your Dreams* (Generation 14plus). Michal Hogenauer's *Outside* is at the Co-Production Market, and EFM screenings include *Devil's Mistress*, Filip Renc's drama about Czech actress Lida Baarova, who was Joseph Goebbels' mistress.

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## Estonia



### CASE STUDY: *THE FENCER*

Klaus Haro's Cold War period piece *The Fencer* — Estonia's second minority co-production to be submitted for Oscar consideration (the first was last year's *Tangerines* by Georgian director Zaza Urushadze, which landed a foreign-language nom) — is based on a true story by Finnish writer Anna Heinamaa, penned while she studied screenwriting at Salford University in England. It's set in Soviet-occupied Estonia in the early 1950s, when a champion fencer with a dark, wartime secret goes on the run from Stalin's secret police and finds refuge in a remote school.

The film, Haro says, was his most challenging yet, involving "children and two languages [Russian and Estonian] I have not mastered." While incentives — which only were introduced this year — were not a factor in attracting the film to the northern Baltic state, a policy of seeking to support co-productions to boost the small number of features produced in the tiny country should ensure Estonia continues to punch above its weight. Rebates worth 500,000 euros (\$540,000) this year, and rising to more than \$2 million next year, should make it more attractive to foreign shoots. "We have been concentrating on minority co-production and quite successfully," says Edith Sepp, CEO of the Estonian Film Institute. "Estonia has all the prerequisites to

succeed in the film business: 100 years of filmmaking experience and international visibility.”

### INCENTIVES

Called "Film Estonia," the country's new system of cash rebates – introduced in 2016 with the first of four annual submission deadlines in early February – is designed to “encourage better cooperation between local and foreign film producers to shoot in Estonia.” By providing rebates worth up to 30 percent of in-country production costs, the incentives, though small, are among Europe's most generous and cover features, telefilms, documentaries and animation.

### TALENT TO WATCH

Martti Helde, 28, has already won international recognition for his debut feature, *In the Crosswind*, which screened in competition at Toronto in 2014 and has won many other awards, including the best director prize in Beijing last year. A graduate of Tallinn University's Baltic Film, Media, Arts and Communication School and the Estonian Academy of Music and Theatre, he also is trained in painting and composition. *In the Crosswind*, about the harsh choices forced upon young Estonians torn between the Soviet invasion and Nazi support during World War II – reflects Helde's innovative approach to form and film language.

### IN BERLIN

Estonia has no films in official selection, but for the first time, it's presenting a project, *Comrade Child*, directed by Moonika Siimets, at the Co-Production Market. EFM titles include *Family Lies*, directed by Manfred Vainokivi and Valentin Kuik; *The Polar Boy*; *Ghost Mountaineer*; and *Mother*.

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## Hungary



Courtesy Twentieth Century Fox

### CASE STUDY: *THE MARTIAN*

Ridley Scott chose Hungary's Korda Studios to film *The Martian* because it has some of the largest and tallest soundstages in Europe. The film's production team took over the studios, located 18 miles west of Budapest, and built the Mars plain – using 4,000 tons of local soil on a massive 64,300-square-foot soundstage – where Matt Damon's astronaut character battles the Red Planet's elements. Other sets, including a NASA Mission Control Room, were constructed on the studio's five other stages. Korda boasts a total of nearly 162,000 square feet of soundstages, with the tallest reaching 65 feet, and has a 37-acre empty backlot and 25 acres of ready-built medieval, renaissance and New York City sets. Producer Howard Ellis of Budapest-

based Mid Atlantic Films, which he runs with co-founder Adam Goodman, notes that Hungary's long-established and generous incentives system was instrumental

in bringing yet another Hollywood production to the country.

"Right now, Hungary has a rare combination that is not found in any other location outside of the U.S., Canada and the U.K.," he says. "The talent and maturity of crew, deep infrastructure for film and very reliable and attractive tax incentives create the perfect storm – in a good way – for filmmakers." Ellis adds that his company in the past year has worked on such Hollywood productions as Universal's *Emerald City*, Fox's *Tyrant* and NBC/Universal *The Last Carnival*.

### INCENTIVES

Hungary is an experienced player in Europe's movie incentives game. One of the first former Eastern Bloc countries (in 2004) to introduce generous tax incentives, it has progressively increased the amount available to up to 30 percent of eligible productions. Officially recognized by the European Audiovisual Observatory for the boost its incentives give to film production – between 2010 and 2013, movie spending in Hungary accounted for on average 0.15 percent of GDP, double that of the U.K. and France – national film fund managers are expecting \$200 million in incoming production spending this year alone. A new statutory commitment by the government to maintain a 14 billion forints (about \$50 million) deposit account to ensure money is available to be paid out for approved tax rebates is the latest tool to keep Hungarian studios, crews and locations busy with international productions. "There is confidence and trust toward the Hungarian film industry and its representatives from filmmakers and producers worldwide," says Agnes Havas, CEO of the Hungarian Film Fund.

### TALENT TO WATCH

Karoly Uij Meszaros, with a track record as a director and producer of commercials, short films and a stage play, has made his feature debut with *Liza the Fox-Fairy*, a quirky romantic comedy set in Hungary in the late 1960s. The film, inspired by the work of the Kaurismaki Brothers and Wes Anderson, has become a box-office hit, with more than 120,000 admissions in Hungary.

### IN BERLIN

Bence Fliegauf returns to Berlinale's Forum – where his debut feature, *Rengeteg*, screened in 2003 – with *Lily Lane* (*Liliom osveny*), the story of a mother and her young son whose relationship is inextricably linked to stories and fantasy. And Reka Bucsi's animated *Love* will screen in the festival's shorts competition.



## Lithuania



Courtesy of BBC

### CASE STUDY: *WAR AND PEACE*

The BBC's six-part adaptation of *War and Peace*, which premiered in January, used Lithuania as its main base as well as Russia and Latvia. A co-production among BBC Cymru Wales, The Weinstein Co. and BBC Worldwide/Lookout Point, it is the first British TV adaptation of the Leo Tolstoy epic since the BBC's 17-part series starring Anthony Hopkins screened in 1972-73.

The new production, unlike the previous one that was filmed in Yugoslavia, was able to take advantage of genuine locations that then were part of the Soviet Union and off-limits to Western filmmakers. Producer Julia Stanndard said during production that filming had gone "extremely well in Vilnius. Everyone was really helpful and supportive, and we were made to feel so welcome in this beautiful city." Added local producer Lineta Miseikyte of Baltic Film Service, "The scale and length of the production was challenging, but we were able to provide the necessary resources locally and met the demands of the show."

And director Tom Harper, speaking when the series screened in Vilnius for the Lithuanian cast and crew, said "There were a number of reasons [we filmed here]. It was the tax credit, it was the [locations]. It was the combined effect of it all." Jurate Pazikaite, head of the Vilnius Film Office, says the project was the biggest shot in the capital city last year.

### INCENTIVES

Under a plan introduced in January 2014, productions that spend up to one-fifth of their budget in Lithuania can qualify for a 20 percent tax rebate via a local production partner, which may use the rebate to reduce local corporate income tax liability. The incentive is available to feature films, telefilms, documentaries and animated movies. Domestic films, co-produced or commissioned films can take advantage of the incentive, which is managed by the Lithuanian Film Center. Ruokyte-Jonsson says that in the current European environment, standing out from the crowd is what matters. "It's a very tough competition to attract foreign productions when it comes to tax incentives," she says. "Twenty percent today maybe is not a sky-high benefit, but combining this with a super effective, highly professional multilingual local crew makes the whole package attractive and valuable. Everything is possible in Lithuania." Last year, in addition to the two-day co-production networking event on the schooner, Ruokyte-Jonsson promoted Lithuanian film by setting up a 50-seat theater in the departure lounge of Vilnius International Airport.

## TALENT TO WATCH

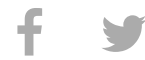
Director Mantas Kvedaravicius brings an intellectualism and philosophical angle to his newest documentary, *Mariupolis*, which examines the stress of living in a frontline town during the civil war in Ukraine. An academic who teaches visual culture and critical theory at Vilnius University, he holds a masters from Oxford and a Ph.D. from Cambridge

## IN BERLIN

*Mariupolis* has its world premiere in the Berlinale's Panorama Documentary section. At the EFM, Wide is repping Mikko Kuparinen's *2 Nights Till Morning*, about a French woman architect and Finnish DJ who meet while on business trips in Vilnius and end up spending the night together. When a volcanic ash cloud grounds their flights, their one-night stand is extended.

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## Poland



Courtesy of Sundance Institute

## CASE STUDY: *AGNUS DEI*

The French-Polish co-production, directed by Frenchwoman Anne Fontaine (*Coco Before Chanel*), was among a range of foreign shoots in Poland in 2015. Shot in the northern province of Warmia, the film, which just premiered at Sundance, addresses the repercussions of evil when a French doctor comes across a convent where the nuns are pregnant after being repeatedly and brutally raped by Red Army stages in the closing days of World War II. "The suitable locations that came up to the producers' expectations, the Polish talent and the financial support from the Polish Film Institute were the main factors that attracted *Agnus Dei* to Poland," says Anna Dziedzic of Film Commission Poland. Other recent international shoots included *True Crimes*, which stars Jim Carrey, and the French black comedy *Les Affaires Reprennes*, a debut feature by Gerard Pautonnier. Both shot in the city of Krakow.

## INCENTIVES

The country's system of film support differs from the rest of the region. The Polish Film Institute uses a revolving door system of grants, rather than tax incentives. Chiefly designed to support local productions in one of the few Eastern European markets with a big enough domestic exhibition market to offer commercial potential to local producers, it also is available for co-productions. The PISF subsidizes up to 40 features a year as well as 160 documentary and animated projects. Changes being introduced this year under new institute head Magdalena Sroka will ring-fence funding for minority co-productions. "There will be a separate commission only for minority co-productions, so they

won't compete with national films," PFI exec Robert Balinski says. "We plan to double the number of minority co-productions this year from three or four to approximately eight and spend about 2 million euros (\$2.2 million) for them."

#### TALENT TO WATCH

Tomasz Wasilewski has taken a well-trod path to his Berlinale competition screening slot for *United States of Love*. His debut feature, *In a Bedroom*, about a dishonest but beautiful Warsaw prostitute, had its world premiere at Karlovy Vary in 2012 and toured the festival circuit. *Floating Skyscrapers*, which bowed at Tribeca in 2013, won the East of the West debut competition at Karlovy Vary the same year. *United States of Love*, the story of four unhappy women whose decisions to change their lives coincide with the collapse of communism in Poland in 1990, was presented at Berlin's Co-Production Market last year.

#### IN BERLIN

Official selection titles also include *I, Olga Hepnarova* (Panorama), the Czech co-production; Marta Minorowicz's *Zud* (Generation Kplus); Adrian Sitaru's *Illegitimate* (Forum), produced with France and Romania; and Joaquin del Paso's *PanAmerican Machinery* (Forum), a co-production with Mexico. *Agnus Dei* is on offer at EFM via Films Distribution.

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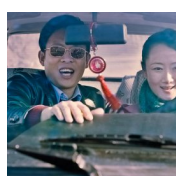
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