

Analysis: European Drama Co-Productions Boom As Broadcasters Seek To Redress The Balance With Global Streamers



The Seed (WT) & ARD's Christoph Pellander L: ARD Degeto/Odeon Fiction/ Dusan Martincek R: Tobias Hase/picture-alliance/dpa/AP Images

As the U.S. streaming giants commission more and more shows from Europe, the continent's traditional broadcasters now see co-productions as the best weapon in their armory. The LA Screenings continues this week, but across the pond the number of expensive dramas with multiple partners is expanding as channels seek to make budgets stretch further.

"International co-productions are an important part of our vast portfolio," says Christoph Pellander, Senior Vice President of Drama at ARD Degeto, the content arm of German public broadcaster ARD. "In the last couple of years they are becoming more and more important for us in terms of volume but also in terms of recognition."

And local broadcasters need to make noise.

While debates rage in several countries over future funding models and governments wrestle with content quotas, Netflix, Amazon and co. keep pouring resource into European originals. Just this month, Netflix opened an office in Rome with a 13-strong line-up of scripted and non-scripted shows, while Amazon revealed it has spent £1.2BN (\$1.2BN) in the UK since 2018.

ARD Degeto – which commissions, buys and produces shows for terrestrial channel Das Erste and streamer ARD Mediathek – currently has around 15 projects with international on its slate, which sit alongside its long-established local scripted production business. As Deadline revealed on Tuesday, among its new projects is *The Seed* (working title), a thriller co-produced with Norway's NRK, Czech studio MIA Film and German producer Odeon Fiction and its parent Leonine Studios, which has acquired sales rights. Also notable is Sky Deutschland co-pro *Babylon Berlin*, which is headed for a fourth season.

ARD's annual production budget is around €250M (\$268M), considerably smaller than its streamer rivals – highlighting why broadcasters are teaming up to reduce the gap. "It depends on the point of view what qualifies as international co-production but we think it is fair to say that 5-12% of our budget is reserved for international co-pros, with a tendency to increase rapidly," says Pellander.

International co-pros in the vein of *The Seed* are nothing new, but sources across Europe say they are taking on a new significance in light of market developments and economic challenges. Simone Emmelius, Senior Vice President for International Fiction – Coproduction and Acquisition at ZDF Studios, the content arm of ARD's fellow German public broadcaster ZDF, has noted the change. "Nearly all interesting high-end co-productions are European," she says.

An example ZDF project is *Fallen*, a cold case drama from *The Bridge* writer Camilla Ahlgren that's also for Scandinavia's C More and TV4, with Swedish film fund Film i Skane and Banijay-owned drama house Filmlance attached. Show is set to shoot in Malmo and Ystad ahead of a 2023 launch.

While ZDF and ARD both have extensive local commissioning remits, statement pieces with overseas partners can make more noise and often sell far better internationally – hence the expanded number of distributors swooping to bridge funding deficits and take rights.

"The interest in international productions has grown a lot – we can see that in shows coming from Germany, Scandinavia and the UK," says Emmelius. "The ability and strength of European production companies has grown and the openness concerning co-production has expanded."

As Dermot Horan, Director of Acquisitions and Co-Productions at Ireland's RTE, adds: "We're all looking to see who we can make alliances with."

RTE's co-pros include *North Sea Connection* with Viaplay, MOPAR Studios, Subotica and distributor A+E Networks International and gangland series *Kin* season two, which is with Viaplay, Canada's Bron Studios, Ten Percent producer Headline Pictures and AMC+ in the U.S. Deadline understands RTE is also working on another high-profile drama series with partners in the UK and the U.S. that is to film around Ireland.

Horan says that "even with Ireland's tax break system," RTE is often around 35% short on budgets for its drama commissions. As such, he is in LA this week pitching several projects to producers, broadcasters and distributors.

Meanwhile, just as the streamers' European scripted pushes have sent prices skyrocketing, the clamor for the best IP for co-productions is contributing to inflation. "It is a very competitive market: production budgets are getting higher and higher and with so many players on the market the race for talent is at new heights," says ARD Degeto's Pellander.

"TV channels that want to stay relevant need to adapt, develop a strategy to combine linear and non-linear programming and cater relevant and thought-provoking series to their audiences. These series need to be able to compete with globally operating OTTs that can sometimes spend as much as \$10M per episode. International co-productions are a chance to guarantee better production values and enrich the creativity as we deal with topics that are not limited to one region but have global appeal, especially for Europe."