

The Global Animation Industry

November 30th, 2011

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There is perhaps no genre of film or television more global than animation. Success for a film or TV series in one country can translate often very quickly into a global hit. And success in these primary markets can feed through into DVD and generate a business from the sale of licenses to toy companies, publishers, and many other manufacturers.

Animation is also a genre which spans the whole range of media creation, from the US-based studio conglomerates led by the Walt Disney Company though to individual artists equipped with little more than a PC and some software. The gap is widening between the studios which plough huge budgets into their animated movies and feed a growing network of branded networks in the US and around the world with new TV series and independent producers, who are encountering increasing difficulties in raising funding.

Changes in the television market which the current worldwide recession has further exacerbated have destabilised the traditional source of commissions for most independents, who do not have the guaranteed pipeline to market offered by the studios' distribution operations and networks.

Many countries in particular France and Canada are reaping the benefits of an ecosystem of financial support programmes, tax breaks and broadcast quotas that serves to bolster their animation sectors. Even these industries are not immune to a weak international market, relying on coproduction, presales and licence fee revenue for a significant part of their funding.

The physical production of animation TV and film is a time-consuming and labour-intensive process involving the creation of thousands of images, backgrounds and objects. Because of the amount of time involved, much of this work is subcontracted to companies in lower wage countries which are able to provide the sheer manpower involved to deliver a project to a tight deadline.

Companies that remain committed to the animation industry are pursuing one of two major business models (or in many cases both): earning a living from fees the traditional position of most animation producers or retaining rights in the intellectual property they create and generating royalties and revenue from its exploitation. Many of the largest intellectual property companies now subcontract the physical production of animation to third parties, operating as what could be termed financing producers.