

# Portugal: Government prepares answer to huge demand to film in the country

By LUSA

The government is preparing “a solution” to meet the “huge demand” for Portugal as a filming destination because it has exhausted this year’s budget for tax incentives for foreign productions, a source from the Cinema and Audiovisual Institute told Lusa.

According to the same source, this year, there were 43 applications for tax incentives for filming in Portugal under the Fund to Support Tourism and Cinema, having reached the maximum ceiling of €12 million budgeted for 2022.

This “high number” of applications “demonstrates interest in this financial mechanism, combined with a resumption of activity in the film sector, in contrast to 2020 and 2021, years of pandemic and consequent reduction in filming,” explained the Institute of Cinema and Audiovisual (ICA).

At stake is a recent funding mechanism, under the 2018 Fund to Support Tourism and Cinema, which provides incentives to foreign production companies that want to make films, series or other audiovisual works in Portugal with the involvement of national production companies.

To obtain tax incentives, production companies must make a minimum expenditure in Portugal of between €250,000 and €500,000, depending on the projects to be shot in the country or depending on the participation of Portuguese professionals in different production areas.

According to the legislation, the general rate applicable to eligible expenses to access the ‘cash rebate’ is 25%, which can be increased to 30%.

“This mechanism has proved to be a success. There has been a total global investment in Portugal worth €171 million for a total incentive amount allocated of €46 million,” the ICA revealed.

Last week, the ICA revealed that access to this financial mechanism of the Cinema and Tourism Support Fund was suspended precisely because the budget allocation foreseen for this year had been reached.

With the application process still suspended in the first half of this year, the ICA revealed that the government, through the Economy and Culture areas, “is working on a solution that meets the huge demand Portugal has had as a filming destination”.

Asked by Lusa, the same source refused to give further details about the response to that demand.

Between 2018 and 2021, the Support Fund for Tourism and Cinema received 171 applications to encourage film and audiovisual production.

Productions such as the series “Operation Black Tide” and “Underwater Crimes” or the films “Frankie” by Ira Sachs, “The Child” by Marguerite de Hillerin and Félix Dutilloy-Liégeois, and “The Man Who Killed Don Quixote” by Terry Gilliam were supported, which represented the involvement of hundreds of Portuguese professionals linked to the sector.

Among the most recent projects announced for Portugal were the fifth season of the series “Casa de Papel”, the series “Hasta el cielo” and the film “Damsel” – all of them for the Netflix platform -, the series “House of the Dragon” or the film “Furious Speed 10”, whose shooting will take place this summer in various locations.