

Global watch on culture and digital trade

CEIM | GRIC | FICDC ◀

CULTURE AND DIGITAL TRADE: POLITICAL AND ECONOMIC ISSUES

**By Dr. Antonios Vlassis (Center for International Relations Studies-CEFIR,
Université de Liège)**

Analytical report, December 2024

The December report begins with concerns toward the new US trade policy under the Trump administration and the implications on Canadian legislation dealing with streaming platforms, such as the Online Streaming Act. The report also highlights the European debate over the private copy levy and the new alliance created by France's largest broadcasters and national film organizations to protect the country's audiovisual financial model challenged by technological transformations. In addition, the report focuses on a new study from the European Audiovisual Observatory that provides a comprehensive overview of the gaming industry and its many complex economic and legal challenges. Besides, the report deals with a comprehensive study published by French authorities detailing the impact of investment obligations from global streamers introduced in France. Moreover, the report emphasizes a study on the important growth that global music copyrights' revenues have experienced following the COVID-19 pandemic, leading the music copyrights industry to outpace cinema box-office revenues. Finally, the report highlights new partnerships and business plans in the platform-based economy, focusing on Netflix, Hulu, MUBI, and Apple.



Regulation issues, digital trade and culture

Concerns toward Trump's trade policy

According to [Inside US Trade](#), for the Business Council of Canada (BCC), a group that includes members of top Canadian enterprises, Canada must take a “clean hands” approach to the upcoming review of the Canada-US-Mexico Agreement (CUSMA). “The government must ensure Canada both is and is seen to be complying with all its commitments”, the group wrote. “Where issues and irritants exist between Canada, the United States and Mexico -- whether they are covered by the CUSMA or are collateral to the Agreement -- the government should proactively, on an expedited basis, propose solutions to address them”. According to the [BCC](#), Canada must respond to US concerns with regard to Canadian digital policies. After [CUSMA](#) was signed, the Canadian government introduced a series of digital policy changes which the US government insists are inconsistent with our CUSMA commitments. The two most frequently cited by the Biden administration and Congress are the Online Streaming Act (C-11) and the unilateral digital services tax (DST). More specifically, the BCC noted “the broad consensus among trade policy experts that Canada’s triggering of the cultural exemption under the CUSMA as its justification for enacting the Online Streaming Act now enables the United States to take retaliatory measures of equivalent commercial effect immediately, should it choose, without first requiring dispute resolution proceedings as in the case of the DST or other disputes. This would have a devastating impact”.

It is worth reminding that the [Online Streaming Act](#) received Royal Assent on 27 April 2023, and is the first major reform of the Canadian Broadcasting Act since 1991. It is about having broadcasters, including online streaming services, carry out key actions for the sustainability of the Canadian audiovisual sector, such as “showcasing Canadian stories and music, contributing to the production of Canadian stories and music in English, French and Indigenous languages, supporting a broadcasting system that reflects Canada’s diversity, and helping to make programs accessible without barriers to persons with disabilities”.

Debate over private copying levy

According to [CMU](#), as the new European Union (EU) Commission has been appointed, the European umbrella organization of the information technology (IT) industry, [DigitalEurope](#), has proposed a radical overhaul of the private copy levy across Europe. The music industry is of the view that “the proposed changes would only benefit American and South-East Asian device manufacturers and shouldn’t be considered”. The Finnish policymaker Henna Virkkunen is the new EU Commissioner dealing with tech sovereignty and will oversee tech policy within the new European Commission. In this context, [DigitalEurope](#) published its new white paper advocating for a change to the private copy levy, supporting the model already employed in [Finland](#).



European Audiovisual Observatory on video gaming industry

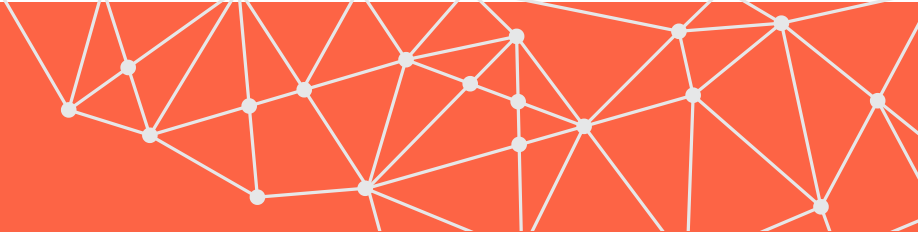
The [European Audiovisual Observatory](#), part of the Council of Europe in Strasbourg, has published its latest report, "[Legal challenges and market dynamics in the video games sector](#)". This is the first time the Observatory has ever looked at the gaming industry and the result is a comprehensive round-up of the current state of the legal and market landscape in Europe. The report charts "the transformation of the gaming industry from a niche market to a powerhouse industry worth nearly USD 187 billion in global revenues". The European video game development has benefited from both technological progress and changing consumer behaviour. The report highlights that "key European markets such as the UK, France, and Germany are defined as established players, with Sweden and Poland emerging as important new creative centres". In addition, the report underlines the importance and difficulty of defining "video games" to clarify the regulatory framework that applies to the sector, noting a shift "from physical products to interactive digital services, with three main segments: console games, PC games, and casual mobile games". The difficulty in defining video games may have "a bearing on compliance with laws covering IP [intellectual property] legislation, consumer protection, and AI [artificial intelligence] regulations".

An alliance to protect France's audiovisual financial model

According to [ScreenDaily](#), France's largest broadcasters and national film organizations have come together to create a body to protect the country's audiovisual financial model. LaFA ([La Filière Audiovisuelle](#)), literally, "The Audiovisual Sector", has joined together the usually competitive TF1, M6 and France Televisions and producers' union SPI and authors and composers' guild SACD, among others. Their objectives are to "make sure the French government maintains funding for public broadcasters, ensure compensation schemes for intermittent entertainment industry workers are preserved, retain the tax credit system for the film, audiovisual and music industries, and protect intellectual property from AI both in France and throughout Europe with a regulatory framework for digital platforms across the continent".

France: report on investment obligations from video-on-demand platforms

According to [Deadline](#), late November French authorities have published a comprehensive study detailing the impact of investment obligations introduced in 2021 requiring global streamers to invest at least 20% of their annual local turnover in French film and television (TV) production. The obligations were introduced as part of the country's transposition into law of the EU's 2018 Audiovisual and Media Services Directive (AVMSD).



The report – compiled by France’s National Cinema Centre (CNC) and audiovisual authority [ARCOM](#) – showed that global streamers had invested more than €974.6 million (USD 1.02 billion) in French film and TV shows from 2021 to the end of 2023. Netflix, Amazon Prime Video, and Disney+ have significantly upped their investment in French film and television, with the three contributing €866 million (USD 906 million) from 2021 to 2023. More concretely, Netflix topped the chart, investing in 66 works, for 40.2% of the total, ahead of Amazon Prime Video with 53 works (32.2%) and Disney+, with 36 works (22%). Other platforms, such as Apple TV+, Paramount+ and Max, had funded nine projects in total.


According to [Variety](#), responding to concerns from national producer unions – who feel that “negotiating without a fuller economic understanding levies them with an unfair disadvantage” – administrators from ARCOM are currently examining a legislative initiative on the trade secrets protections that keep streaming data opaque. “Exceptions can be made when serving a public interest”, said ARCOM’s Antoine Boilley. “We believe that financing audiovisual and cinema creation constitutes a public interest in France”.

Worldwide activities of online platforms

New business plans and geographical expansion

Annual revenues from copyrighted music were USD 45.5 billion last year, 11% up year-on-year, up a quarter since 2021 and double the 2014 figure, according to a report based on data from industry reports. “Make no mistake: it’s boom time”, said [Will Page](#), the report’s author, a former chief economist at music streaming platform Spotify and a fellow of the London School of Economics. His study reviews various industry reports, including those published by IFPI, CISAC, IMPF, MiDIA and Music & Copyright. According to the [Financial Times](#), “revenues for record labels and their artists were 28.5 billion USD, up 12 per cent on a year earlier, showing how the industry has ridden the growth in music consumption helped by the popularity of streaming services”. As such, the growth that global music copyrights’ revenues have experienced post-pandemic led the music copyrights industry to outpace cinema box-office revenues by 38%. “The global cinema box office totaled 33.2 billion USD in 2023, a 29% increase from 2022 but still 8.7 billion USD below its 2019 peak of 41.9 billion USD”.

A study from consulting firm [Oliver Wyman](#) reveals that growth in European video streaming subscriptions is slowing in 2024. While 70% of consumers across the UK, Spain, France, Germany, and Italy subscribe to at least one streaming service (averaging 1.5 subscriptions per person), nearly one out of 10 Europeans are planning to cancel a subscription to a streaming service. “[Fifty-five] percent of Europeans surveyed said a lack of compelling content to watch was the biggest factor, followed by 35 percent who blamed price increases”. Just 6% said their decision was based on having too many [subscription video-on-demand](#) services. In addition, “young adults lead the video service market with around 90 per cent being subscribed to at least one service provider”.



Netflix and NBCUniversal's Universal Filmed Entertainment Group announced a deal to renew their existing licensing deal for animated films from Illumination and DreamWorks Animation. Now, Netflix will have US rights to live-action films from both Universal Pictures and Focus Features “no later than eight months” following their theatrical release. In addition, Fox Entertainment and Hulu, Disney-owned streamer, announced a multi-year content deal whereby the Walt Disney-controlled streaming platform will retain the streaming rights for Fox’s extensive programming slate. The agreement includes “an expansion of their platform marketing arrangement, reportedly valued at over 1.5 billion USD across four years”, according to Deadline.

MUBI, arthouse distributor, streamer and production company, announced the launch of its global publishing house, MUBI Editions, for April 2025, dedicated to cinema and the arts. The new imprint will publish two to three titles in its inaugural year. The company said: “MUBI Editions marks an exciting new chapter for MUBI, building on their long history of championing cinema culture through both film viewing and film publishing”.

Launched in 2019, Apple's streaming service has spent over USD 20 billion to build a competitive online library. For example, Apple spent around USD 700 million on three feature films in 2023 : Killers of the Flower Moon, Napoleon, and Argylle. Despite this, Apple TV+ captured just 0.3% of US screen viewing time in June 2024, according to Nielsen. One key factor is Apple’s marketing strategy. “While Apple has heavily promoted products like the iPhone, its advertising spend for Apple TV+ has been more modest”. In October 2019, “Apple spent 14.9 million USD on commercials for Apple TV+ compared to 28.6 million USD for the iPhone”.

Additional readings for the December report:

- Opening the black box: how “explainable AI” can help us understand how algorithms work, The Conversation, 3 December 2024, [Link](#).
- DIY musicians: how digital “bedroom pop” has transformed the music industry, The Conversation, 23 October 2024, [Link](#).

Indicative sources :

- Canadian business group urges Ottawa to resolve DST, dairy disputes, Inside US Trade, 4 November 2024, [Link](#).
- French broadcasters and film groups create body to protect France's audiovisual sector, ScreenDaily, 15 November 2024, [Link](#).
- What's the current state of the video games industry in Europe?, European Audiovisual Observatory, 8 November 2024, [Link](#).
- France champions EU AVMS directive as streamers invest \$1B in French content over three years, Deadline, 27 November 2024, [Link](#).
- Subscription streaming market starts to slow in Europe, The Desk.net, 28 November 2024, [Link](#).
- Fox and Hulu announce multi-year content streaming partnership, Reuters, 21 November 2024, [Link](#).
- Apple TV+ struggles to compete despite \$20 billion investment in original content, Tribune, 20 November 2024, [Link](#).

PUBLICATION DIRECTOR

Gilbert Gagné, Researcher at CEIM and Director of the Research Group on Continental Integration (GRIC).

AUTHOR

Antonios Vlassis, Lecturer and Researcher, Center for International Relations Studies (CEFIR)-University of Liège, CEIM member.

Centre d'études sur l'intégration et la mondialisation (CEIM)

UQAM, 400, Sainte-Catherine street East, Hubert-Aquin Pavilion, Suite A-1560, Montréal (Québec) H2L 2C5 CANADA. Phone number : 514 987-3000, ext. 3910 / Email : ceim@uqam.ca / Website: www.ceim.uqam.ca

International Federation of Coalitions for Cultural Diversity (IFCCD)

33 Milton street, Suite 500, Montréal (Québec), H2X 1V1, CANADA. Phone number: 514 277-27666 / Email: coalition@cdc-ccd.org / Website : www.ficdc.org

The opinions expressed and arguments put forward in this analytical note are the sole responsibility of the editor and the Centre for the Study of Integration and Globalization and do not in any way commit or reflect those of the International Federation of Coalitions for Cultural Diversity.

