

Global watch on culture and digital trade

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CULTURE, ARTIFICIAL INTELLIGENCE AND ONLINE STREAMERS: REGULATION ISSUES

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Analytical report, February 2025

The February report begins with the discussions toward the Artificial Intelligence (AI) Opportunities Action Plan presented by the British government. The Action Plan includes an exception to copyright law for generative AI systems' training for commercial purposes and raises strong concerns about the copyright regime and the perspectives to create a dynamic licensing market for the use of creative content in building generative AI. The report also highlights a new policy document on the relationship between generative AI and copyright released by the Council of the European Union (EU). In addition, it focuses on the debates about the implementation of the Online Streaming Act in Canada and the requirement from online streaming services making 25 million CAD or more in Canadian revenues and which are not affiliated with a Canadian broadcaster to contribute 5% of those revenues to local content funds. Finally, the report highlights online video revenues in the Asia Pacific region, as well as new partnerships and business plans in the platform-based economy, focusing on Amazon Music, Universal Music Group, Disney, and YouTube.



Regulation issues, digital trade and culture

UK: The AI Opportunities Action Plan raises strong concerns.

According to [MusicBusiness Worldwide](#), the UK's ambitious new plan to make the country a global leader in AI is being supported by several tech and business leaders, but one aspect of the plan is raising strong concerns among copyright owners. In a 50-point [AI Opportunities Action Plan](#) presented to Parliament on 13 January, the UK government states that “the current uncertainty around intellectual property (IP) is hindering innovation and undermining our broader ambitions for AI, as well as the growth of our creative industries. This has gone on too long and needs to be urgently resolved. The EU has moved forward with an approach that is designed to support AI innovation while also enabling rights holders to have control over the use of content they produce. The UK is falling behind”. According to [The Hollywood Reporter](#), the UK government proposes the introduction of an exception to copyright law for [AI systems](#)' training for commercial purposes while allowing rights holders to reserve their rights, so “they can control the use of their content. Together with transparency requirements, the goal is to give them more certainty and control over how their content is used and support them in reaching licensing deals. In turn, AI developers could get greater certainty about what material they can and cannot use”.

However, according to [The Guardian](#), the proposed new law will hand “the creators' copyrighted works – their art, their music, their books – to AI companies, for them to train their technology on, free of charge, unless creators proactively opt out. In essence, this means flipping copyright on its head, so that every work in British creative history will become usable by AI companies unless its creators go through some as-yet-undefined process to say they'd rather that didn't happen”. In addition, the new [Creative Rights In AI Coalition](#), which includes publishers, authors, artists, music businesses, unions, and photographers, said that the UK must ensure that it is “protecting copyright and building a dynamic licensing market for the use of creative content in building generative AI”, insisting that that approach is “the only way that both sectors will flourish and grow”. Besides, the [Coalition](#) has rejected the Labour government's plan to create a copyright exemption to help AI companies train their algorithms, adding that “the UK creative industries generate well over £100 billion annually”. Therefore, “we have, quite literally, earned the right to have our voice heard”. The [Coalition](#) includes the British Phonographic Industry (BPI), the Independent Society of Musicians, the Motion Picture Association, the Society of Authors, as well as Mumsnet, the Guardian, the Financial Times, the Telegraph, Getty Images, the Daily Mail Group, and Newsquest.

Finally, Jo Twist, the CEO of the BPI, the country's recorded music industry association, said “the music industry has long embraced the opportunity of AI and supports a strong market for licensing. However, we remain to be convinced that a copyright exception would move the AI and creative industries closer to agreeing (on) a functioning licensing model, in fact, we believe it would further disincentivize tech companies from doing so”.


Council of the European Union on AI and copyright

The Hungarian Presidency of the EU, in order to facilitate Union-level discussions on AI, created a policy questionnaire on the relationship between generative AI and copyright and related rights. The questionnaire was published and distributed to member states on 27 June 2024, inviting them to provide their respective views and proposals on seven different topics in this area by 1 November. End of December the Council of the EU published a report on the relationship between generative AI and copyright. The report will be a valuable contribution to future policy-oriented discussions in relation to AI and copyright and could feed into the process of elaborating the Work Program of the European Commission for the new institutional cycle. As a common outcome, “most member states agreed that the current EU legal framework is sufficient to address emerging issues involving AI. However, greater clarity and certainty on the topic of AI would be beneficial in the process”.

Transnational streamers vs. Online Streaming Act

In Canada, the Federal Court of Appeal said big streaming companies will not have to pay for Canadian content until it hears their appeal of a decision from the Canadian Radio-television and Telecommunications Commission (CRTC), the country’s broadcasting and telecoms regulator, ordering them to pay. More specifically, following the implementation of the Online Streaming Act or formerly known as Bill C-11, the CRTC, in a ruling unveiled in early June 2024, required online streaming services making 25 million CAD or more in Canadian revenues and which are not affiliated with a Canadian broadcaster to contribute 5% of those revenues to local content funds, starting 1 September 2024. The funding will be directed “to areas of immediate need in the Canadian broadcasting system, such as local news on radio and television, French-language content, Indigenous content, and content created by and for equity-deserving communities, official language minority communities, and Canadians of diverse backgrounds”. Besides, the funding will go to a range of public and private funds, including the Canada Media Fund, the Black Screen Office Fund, and the Indigenous Screen Office Fund.

Three of the world’s largest music streaming services – Amazon, Apple and Spotify – have filed legal challenges against the new regulation. At the same time, the Motion Picture Association – Canada, which represents Netflix, Prime Video and major Hollywood studios, including Disney, Paramount, Sony, NBCUniversal, and WarnerBros. Discovery, has filed a challenge against a similar 5% contribution being imposed on video streaming services.



Besides, according to [MusicBusiness Worldwide](#), both the music and video streaming services say that “requiring them to fund news production in Canada goes beyond the authority granted to the CRTC under the new law”.


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”.

Worldwide activities of online platforms

New business plans and geographical expansion

End of December, [Universal Music Group](#) (UMG) and Amazon Music have announced an expanded global relationship that will “enable further innovation, exclusive content with UMG artists, and advancement of artist-centric principles including increased fraud protection”. UMG will also collaborate with [Amazon Music](#) as it continues to expand in audio, including audiobooks, audio and visual programming, and its investment in livestreamed content. UMG and Amazon will also work collaboratively to address, among other things, “unlawful AI-generated content, as well as protecting against fraud and misattribution”. In addition, UMG CEO and Chairman, Sir Lucian Grainge, commented: “We are very excited to advance our long-standing, excellent partnership with Amazon Music that marks a new era in streaming – [Streaming 2.0](#).” Streaming 2.0 represents a new era of digital music, including the following changes: “(a) Streaming subscription offerings becoming ‘segmented’, with more expensive options for music ‘super-fans’, (b) Subscription ARPU (average revenue per user) moving upwards across music platforms, partly as a result of the aforementioned ‘super-fan’-targeted offerings, and partly as a result of future streaming price rises”.

According to [The Hollywood Reporter](#), over the next five years, online video revenues in the Asia Pacific region will grow from 64 billion USD in 2024 to 89 billion USD by 2029 – a 40% uptick and a massive 16.2 billion USD revenue surge. Traditional TV revenue, meanwhile, will contract by 8 billion USD over the same period, according to a new report from consultancy Media Partners Asia (MPA). According to [Variety](#), India emerges as the powerhouse market in the Asia Pacific region, commanding 26% of projected growth, followed by China (23%), Japan (15%), Australia (11%), Korea (9%), and Indonesia (5%) “in what’s shaping up to be a high-stakes battle for viewers and ad dollars”.




MPA estimates that in 2024 revenues generated in the Asia Pacific region comprised the following share of total sales for the major US video platforms: YouTube, 25% (includes ads and subscriptions), Netflix, 12%, Prime Video, 10%, Disney, 10% (entertainment and sports, but excluding consumer products).

According to the [Financial Times](#), China's box office takings fell by almost a quarter last year as "a lack of blockbusters and tough economic conditions saw consumers turn to streaming services for entertainment". While China's film industry surpassed North America's in box-office revenues for the first time in 2020, its recovery after the [COVID-19](#) pandemic has been weak. The world's second-largest film market recorded total box-office revenues of 5.8 billion USD in 2024, down nearly 23% from a year earlier, said the China Film Administration. A total of 501 films were released (425 local and 76 foreign titles), comparable to 512 titles in 2023. The takings were [34%](#) lower than in 2019, a record year for the movie industry before a slew of pandemic and economic challenges emerged. The market share for foreign films increased from 16.2% in 2023 to 21.3% in 2024, but still lagged behind 2019's 35.9%. According to [CNN](#), the China Film Administration introduced a subsidy program to help the China's box office. According to the official Xinhua news agency, "a number of banks and online booking platforms will jointly spend 82 million USD on offering discounted tickets and lucky draw competitions to boost the number of moviegoers in the new year".

Early January, [Disney](#) said it has an estimated 157 million global monthly active users watching ad-supported content across its streaming platforms – Disney+, Hulu and ESPN+. Disney's [Hulu](#) was one of the first streaming platforms to offer an ad-supported option. More recently, Disney+ introduced an ad-supported tier. Two-thirds of those users specifically come from the United States, or 112 million users. According to [CNBC](#), advertising has become a key driver of profitability for streaming services. In November, [Disney](#) announced it had 122.7 million Disney+ core subscribers, which excludes Disney+ Hotstar in India and other countries in the region. Hulu had 52 million subscribers, while ESPN+ had 25.6 million paid subscribers.

The advertising revenue of YouTube, the world's biggest video-sharing platform, jumped to 8.9 billion USD in the quarter ending 30 September 2024, up from 7.9 billion USD a year earlier. [Google](#) said total revenue of YouTube – including subscriptions – topped 50 billion USD over past 12 months for the first time.



According to [The Hollywood Reporter](#), YouTube's parent company, Alphabet, beats Wall Street's revenue and profit expectations with revenue increased 15% compared to last year to reach 88.3 billion USD, with Google advertising representing most of the revenue, while net income increased 34% to reach 26.3 billion USD.

Additional readings for the February report:

- Australia has a remarkable history of outdoor cinema. Here's why Netflix will never beat it, *The Conversation*, 26 December 2024, [Link](#).
- When does an actor stop, and AI begin? What *The Brutalist* and *Emilia Pérez* tell us about AI in Hollywood, *The Conversation*, 22 January 2025, [Link](#).

Indicative sources :

- Labour's AI plan could be good for British people-except the creatives it will throw under the bus, The Guardian, 15 January 2025, [Link](#).
- UK plans to favour AI firms over creators with a new copyright regime, New Scientist, 17 December 2024, [Link](#).
- The Council of the European Union publishes a report on the relationship between artificial intelligence and copyright, Cineuropa, 14 January 2025, [Link](#).
- Streamers like Netflix, Disney Plus get court reprieve from paying for Canadian content, CBC, 24 December 2024, [Link](#).
- Universal and Amazon Music Strike Deal to Collaborate on Streaming 2.0, Audiobooks and AI Protection, Variety, 22 December 2024, [Link](#).
- China box-office falls 23% to \$5.8bn in 2024, ScreenDaily, 6 January 2025, [Link](#).
- Disney says about 157 million global users are streaming content with ads, CNBC, 8 January 2025, [Link](#).

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