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Global watch on culture and digital trade

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REGULATION, ARTIFICIAL INTELLIGENCE AND STREAMING SERVICES: THE BIG UNCERTAINTY?

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Analytical report, March 2025

The March report begins with a new memorandum from the US administration which seeks to defend US companies and technology from ”overseas extortion”, directly attacking EU tech regulations such as the Digital Markets Act and the Digital Services Act and threatening tariff retaliation. Among other policy measures which “dictate how US companies interact with consumers in the European Union”, the memorandum lists local content requirements for streaming services. The March report also emphasizes the discussions in France about investment obligations from transnational video-on-demand (VOD) companies to national audiovisual content and highlights a new study released by the European Audiovisual Observatory on the impact of cinema admissions on subscription(S)VOD usage. Finally, the report focuses on new partnerships and business plans in the platform-based economy, focusing on Amazon Prime Video, Netflix, Warner Bros. Entertainment, and YouTube.

Regulation issues, digital trade and culture

Trump against the EU digital regulation

US President Trumprecently signed a memorandum to defend American companies and technology from ”overseas extortion”, directly attacking EU tech regulations such as the Digital Markets Act and the Digital Services Act and threatening tariff retaliation. According to the US administration, regulations that dictate how American companies interact with consumers in the European Union, such as the Digital Markets Act and the Digital Services Act, will “face scrutiny from the administration”. The order lists “digital services taxes that are more burdensome and restrictive on United States companies than their own domestic companies, cross-border data flow restrictions, local content requirements for streaming services, and network usage and Internet termination fees among the measures targeted”. According to the Trump administration and the executive order, “all of these measures violate American sovereignty and offshore American jobs, limit American companies’ global competitiveness, and increase American operational costs while exposing our sensitive information to potentially hostile foreign regulators”. It adds that the administration, when it finds that “a foreign government, through its tax or regulatory structure, imposes a fine, penalty, tax, or other burden that is discriminatory, disproportionate, or designed to transfer significant funds or intellectual property from American companies to the foreign government or the foreign government’s favored domestic entities”, will “act, imposing tariffs and taking such other responsive actions necessary to mitigate the harm to the United States and to repair any resulting imbalance”.

Late February, the European Coalitions for Cultural Diversity (ECCD) expressed their deep concern about the memorandum signed by the President of the United States on 21 February, which calls into question the EU’s digital regulations and reopens the investigation into taxes on digital services under Section 301. According to ECCD, “this aggressive move, which directly targets fundamental texts such as the Digital Markets Act (DMA) and the Digital Services Act (DSA) and potentially other texts regulating digital technology, constitutes an unacceptable attack on the EU’s regulatory sovereignty. The accusation that these regulations would hinder ‘freedom of expression’ or constitute ‘extortion’ against American companies is unfounded. It calls into question the efforts to create a fair and transparent environment for all digital players. Moreover, these rules do not target any particular company, as falsely stated, and apply to all companies, US, European or not without discrimination. These digital regulations are intended to guarantee a balanced framework that respects the fundamental values of the Union, including the promotion of cultural diversity”.

Discussions in France around media chronology

Disney+ has signed an agreement with France's film and TV industry in which the transnational streamer agreed to investment obligations in local audiovisual production in exchange for a nine-month window between a film's theatrical release and availability on its platform. That window is significantly reduced from the streamer's current 17-month window, and only three months more than national pay TV operator Canal+exclusive six-month window. In return, Disney+ has committed "to investing 25% of its annual net sales generated in France to finance "European and French cinematographic and audiovisual works", with a minimum guarantee to produce 70 films across the three-year period and "ensuring a diversity of genres and budgets". France's strict windowing rules apply to French and foreign streamers, as well as national free-to-air and pay-TV channels, defining the sequences of rights for each operator. Their position in the windowing schedule is contingent on their level of investment in national and European audiovisual content, over the last few years, transnational streamers "have had to wait between 15 to 17 months after a film's release to launch it on their services, while pay-TV group Canal+ has enjoyed a six-month window".

Following this agreement, Canal+ has threatened "to reduce the amount of money it pays to fund French cinema production. The pay-TV company pays an annual 220 euros million each year, which allows it to broadcast the films six months after their theatrical release". According to Canal+ Group President Maxime Saada, "the compensation offered by the US platform amounts to 115 million euros" over three years for the financing of cinema, or 38 million euros per year on average, rather than Disney's quoted 45 million euros, but in any case a distance from the 220 million euros paid by Canal".

In addition, according to Variety, Netflix, Max and PrimeVideo are currently in the thick of negotiations with French film organizations to "seek earlier access to newly released theatrical movies as part of an industry-wide process to update the country's windowing rules". Netflix is currently lobbying to see its window shortened to 12 months, a request that has been on the table since 2021. In any case, Netflix seeks to avoid increasing investment in French content "beyond the company's current spending, which the streamer estimates is about 50 million euros per year in theatrical movies".

UK: Protests from musicians over the UK AI regulation

More than 1,000 musicians, including Kate Bush and Cat Stevens, recently released a silent album to “protest proposed changes to Britain’s copyright laws, which could allow tech firms to train artificial intelligence (AI) models using their work”. All profits from the album will be donated to the charity Help Musicians. Recently, Prime Minister Keir Starmer has proposed relaxing laws that currently give creators of literary, dramatic, musical and artistic works the right to control the ways their material may be used.

The European Audiovisual Observatory about the impact of cinema admissions on SVOD usage

Early February, the first edition of a new report The impact of cinema admissions on SVOD usage has been published by the European Audiovisual Observatory, part of the Council of Europe in Strasbourg. The report analyzes the relationship between SVOD viewing and cinema admissions in nine EU countries. By comparing film consumption in cinemas and on SVOD, the findings show that EU-produced films have “a higher share of overall cinema admissions (28%) than their share of SVOD consumption (22%)”. In addition, according to the report, “excellent performance in cinemas does not automatically mean excellent performance on SVOD. Top EU blockbusters available since 1996 are even less likely to be among the most watched EU films on SVOD: fewer EU films are available on SVOD, and when they are available, they barely make it into the top 20”.

Worldwide activities of online platforms

New business plans and geographical expansion

End of January, Prime Video has signed a multiyear theatrical movie agreement with Liongate. Prime Video will secure an exclusive streaming window on the studio’s films starting with its 2026 slate. The agreement will kick off with Lionsgate’s 2026 theatrical releases available to US customers and Prime Video will have rights to a package of films from the studio’s 2025 slate. Finally, the agreement includes a commitment to Prime Video for licensing library movies and TV. “The streamer will combine the Lionsgate movie and TV titles with those from Amazon MGM Studios and its other Hollywood partners”.

According to Reuters, Netflix is expanding its presence in the toy business, “striking its first master licensing deal with the company Jazwares behind the popular Squishmallows plush toys to develop a product line inspired by its science-fiction series ‘Stranger Things’”. The streaming giant granted toymaker the right to develop a ”Stranger Things” collection - including “figures, play sets, toy vehicles, costumes and stuffed toys - based on the series, which returns for its fifth and final season later this year”. In addition, Netflix is considering a bid for Formula One’s US broadcasting rights from the 2026 season, at a time when the streaming service is making significant investments to grow live sports content.

Warner Bros. Entertainment has quietly taken a new approach to bringing its content to YouTube. Since the start of 2025, the company has released 31 movies on Warner Bros.-owned YouTube channels, all available for free. The movies include ads, except for YouTube Premium subscribers. Warner Bros. has published a YouTube playlist with the free movies.

According to Hollywood Reporter, the Google-owned video platform YouTube continues to “be the dominant player in ad-supported streaming, reporting for the fourth quarter of 2024 advertising revenue of 10.5 billion USD, up from 9.2 billion USD a year ago, and surging past 10 billion USD in a quarter for the first time. YouTube is by far the biggest player in ad-supported streaming video.

According to Variety, for the first time, 2025 will “see streamers outpace commercial broadcasters in global content spend”. New figures released by Ampere Analysis predict “global content spend will reach 248 billion USD this year. Of that figure, Ampere claims that streaming services will spending 95 billion USD on content this year, a 39% share, while commercial broadcasters will comprise 37%. The rest of the spend will be made up by public broadcasters (9%), theatrical studios (8%) and pay-TV (7%).

Additional readings for the March report:

- Is the international film industry starting to embrace AI?, The Hollywood Reporter, 12 February 2025, Link.
- Ne Zha 2: the record-breaking Chinese animated film showcases China’s ambition on the global stage, The Conversation, 19 February 2025, Link.

Indicative sources :

- Trump threatens to launch tariff attack on EU tech regulation, EURACTIV, 22 February 2025, Link.
- Disney+ signs landmark media chronology agreement in France for reduced nine-month window, Screen Daily, 29 January 2025, Link.
- Netflix, Max and Prime Video negotiate with French film guilds for earlier access to new releases after Disney+ deal, Variety, 6 February 2025, Link.
- British musicians release a silent album to protest plans to let AI use their work, Associated Press, 25 February 2025, Link.
- 20% of films perform comparatively better on SVOD than in cinemas, European Audiovisual Observatory, 6 February 2025, Link.
- Prime Video, Lionsgate Sign Multiyear theatrical movie deal, The Hollywood Reporter, 29 January 2025, Link.
- Netflix expands toy business with 'Stranger Things' licensing deal, Reuters, 29 January 2025, Link.
- YouTube advertising revenues surge past $10.5B in latest quarter, The Hollywood Reporter, 4 February 2025, Link.

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