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Global watch on culture and digital trade

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STREAMING SERVICES, REGULATION ISSUES AND BUSINESS AFFAIRS

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Analytical report, December 2025

The December report begins with Netflix which agreed to acquire Warner Bros. Discovery's studio and streaming assets, such as HBO Max, for $72 billion, excluding cable channels. However, few days later, Paramount Skydance launched a hostile $30-per-share bid including TV networks, backed by Larry Ellison, RedBird Capital, Middle Eastern funds, and Jared Kushner's Affinity Partners. Both deals face regulatory, antitrust, and labor scrutiny, with potential economic and ideological impacts. In addition, the report highlights that in Germany, streaming services and broadcasters pledged €15 billion over five years for local content, avoiding mandatory investment quotas, while Australia introduced legislation requiring global platforms to reinvest 10% of local earnings. Besides Brazil debates streaming regulation with local content quotas and a streaming tax in the audiovisual sector. Moreover, the report emphasizes that AI-generated music overwhelms streaming services, with Deezer reporting 28% of uploads as AI-created and Spotify removing 75 million suspected AI tracks. Finally, the report points out recent business plans and economic activities of digital platforms, focusing on Netflix, Disney+, RTL Deutschland, Amazon and HBO Max.

Regulation issues, digital trade and culture

Warner Bros between Paramount and Netflix: economic and ideological considerations

Early December, Netflix agreed to acquire a substantial portion of Warner Bros. Discovery's studio and streaming assets for $27.75 per share – $83 billion in total. The deal does not include Warner-owned cable channels such as CNN and TNT, but it includes the Video-on-Demand (VoD) platform HBO Max. The offer sets the stage for what could become a public and contentious battle for Warner Bros., a process that has already involved appeals to US President Trump, who has indicated he intends to play a role in any potential merger. Warner Bros. Discovery's board of directors approved the agreement with Netflix. However, few days later, Ellison's Paramount Skydance announced that it is launching a hostile bid to acquire Warner Bros. Discovery. The company said it would offer $30 per share (108 billions USD in total) for or the entirety of Warner Bros. Discovery, including the TV business with CNN, TBS, TNT and other networks. According to Variety, the bid is backed "by $40.7 billion in capital from Oracle co-founder Larry Ellison, father of CEO David Ellison, and RedBird Capital Partners - both of whom previously financed Skydance Media's $8 billion acquisition of Paramount Global - along with funding from the sovereign wealth funds of Saudi Arabia, Qatar, and Abu Dhabi, as well as Affinity Partners, the investment firm founded by Jared Kushner, Donald Trump's son-in-law".

"Our proposal surpasses Netflix on every front," Paramount Skydance CEO David Ellison said during a call with analysts and investors. Paramount, led by CEO David Ellison and backed by his father, billionaire Oracle co-founder Larry Ellison, is the only company attempting to acquire all of WBD, including CNN. Besides, The Wall Street Journal reported that David Ellison recently assured Trump administration officials that, if he acquired Warner, he would implement sweeping changes at CNN. In addition, the bid from Netflix has already faced sharp criticism from bipartisan lawmakers and Hollywood unions, who worry it could lead to job cuts and higher consumer prices. Analysts, however, note that Paramount's offer carries its own risks, including the additional debt required to complete the deal. The acquisition would also likely draw antitrust scrutiny, as both offers would consolidate two major audiovisual operators (Paramount/Warner or Netflix/HBO Max).

Germany: voluntary investment from streamers

According to ScreenDaily, "international and local German streaming and VoD services have pledged to invest a combined €15bn in German productions over the next five years". The voluntary commitment follows high-level negotiations led by Wolfram Weimer, the state minister for culture and media (BKM), with senior executives from US streaming platforms as well as representatives of Germany's public and private broadcasters. It serves as an alternative to binding legislation that would have imposed mandatory investment quotas. Under the agreement, international streaming services will invest €1.83bn in total - approximately €366m annually - between 2026 and 2030.

Public broadcasters ARD, ZDF, and ARD's production and rights subsidiary Degeto Film will contribute €6.5bn, while private networks ProSiebenSat.1 and RTL Deutschland will jointly invest €7bn in German content over the five-year period. However, the prospect of a voluntary commitment has been poorly received by the German producers' association, the Produktionsallianz, which has long advocated for legislation introducing a mandatory investment obligation.

Australia's streaming quotas

Late November, legislation requiring platforms such as Netflix, The Walt Disney Company and HBO Max to reinvest a share of their Australian earnings into local original content has passed parliament and is now in effect. Announced earlier this month, the new quotas mean global streaming services with more than one million Australian subscribers must allocate 10% of their total Australian expenditure - or 7.5% of their Australian revenues - to locally produced originals, including drama, children's programming, documentaries, and arts or educational content. “We have Australian content requirements for free-to-air and pay television, but until now there has been no guarantee we would see our own stories on streaming services,” said Australia's Arts Minister Tony Burke. “Streaming services create extraordinary shows, and this legislation ensures Australian voices are front and centre. Now, no matter which remote control you're holding, Australian stories will be at your fingertips.”

Early December, a new report from the Australian **Communications and Media Authority** mentioned that major streaming platforms collectively invested nearly AUD $1.1 billion (USD $719 million) in Australian and Australian-related programming during the 2024–25 financial year – the highest level of content spending since voluntary reporting began in 2020. Paul Muller, chair of the Streaming for Australia Coalition, said the figures show that the new legislation is unnecessary. “Contrary to misleading claims that SVOD services have been cutting investment in the Australian screen industry, the ACMA data clearly shows that Australia's SVOD platforms are already investing at a higher rate than the country's broadcasters,” Muller said. “This further underscores that the legislation passed last week is addressing a problem that simply doesn't exist.”

Discussions in Brazil towards platform regulation

Early November, in Brazil, debates over streaming regulation returned to center stage. A new draft of the Bill No. 8,889/2017 was placed on the Brazilian House of Representatives' agenda for a vote. The revised draft marked another chapter in the long and complex debate over regulating VoD services in the country. To encourage local audiovisual production, the bill introduces quotas for Brazilian titles in streaming platform catalogs, requiring that up to 10% of available content be domestic. Platforms will be exempt from these quotas if they offer at least 700 Brazilian titles in their catalogs. The bill also mandates that Brazilian productions receive prominent placement on home screens, search results, and recommendation systems. In addition, streaming platforms will now be required to pay the Contribution for the Development of the National Film Industry (Condecine). VoD services such as Netflix, app-based television platforms like Claro TV+, and audiovisual content-sharing sites like YouTube will be subject to the tax, which ranges from 0.1% to 4% of their annual gross revenue in Brazil, excluding indirect taxes and including advertising income. According to International Valor, the maximum rate will be 4%, with discounts of up to 60% for platforms that invest directly in producing or co-producing local content. Video-sharing services will be subject to a reduced rate of 0.8%. On the one hand, Strima, the organization representing major streaming services operating in Brazil expressed concerns regarding the rate disparity between VoD platforms and video-sharing services. On the other hand, mid-December, the European Producers Club and the European Audiovisual Production Association expressed their support for Brazilian independent producers in their efforts to advocate for a well-balanced regulation of streaming services.

According to Variety, in early August, more than 750 local producers, directors, actors, screenwriters, and other industry professionals signed a public letter stating that, although Brazil is currently the world's second-largest market for international streaming platforms, it still lacks regulatory mechanisms to ensure financial, programming, and intellectual-property commitments that reflect this position. It is worth mentioning that "the first version of the bill, as drafted by congressional representative Jandira Feghali, established that streaming services must pay a 6% Condecine tax on their gross revenues in Brazil. The first version of the bill also required streaming platforms to maintain a minimum of 10% Brazilian content in their catalogs and set visibility criteria to ensure that local films and TV shows receive prominent placement on their platforms".

AI and music industry

Mid-September, French music streaming service Deezer has revealed that 28% of music uploaded to its platform is fully AI-generated - equivalent to around 30,000 AI tracks every day. The figure represents a sharp rise of 18% since February, when Deezer reported that roughly 10,000 AI-generated songs were being uploaded daily. Deezer said it introduced an AI-detection tool at the start of the year, enabling the platform to tag any song created with artificial intelligence.

The system was implemented in June, and according to Deezer, it is the only music streaming service to have done so. Besides, in September, Spotify revealed that it had removed 75 million tracks suspected of being AI-generated over the past year, amid attempts by fraudsters to create fake artists and collect royalties. Besides, Eurythmics co-founder Dave Stewart has described artificial intelligence as an "unstoppable force," arguing that musicians and other artists should accept the inevitable and license their work to generative AI platforms. Finally, artists such as Massive Attack and King Gizzard have removed their catalogues from Spotify, amid a widespread boycott triggered by Spotify CEO's investments in military-related ventures.

Worldwide activities of online platforms

According to Deadline, Amazon Fire TV is introducing a new feature for its AI-powered Alexa+ voice platform that allows viewers to briefly describe a movie scene and have Prime Video jump directly to it. The tool recognizes spoken commands that may not even mention the movie's title - such as the Die Hard request, "Jump to the scene where John McClane says, 'Come out to the coast, we'll get together, have a few laughs.'" At launch, the feature covers tens of thousands of scenes across thousands of movie titles available on Prime Video. Fire TV plans to continue expanding the catalogue by adding more films and eventually extending the capability to TV series. Eligible titles include those available with a Prime membership as well as movies that customers have purchased or rented through Prime Video.

California-based generative AI startup Luma AI, the parent company of Hollywood-based Dream Lab LA, has secured a $900 million funding round led by Saudi-backed Humain. As part of the deal, Luma will gain access to large Saudi-based data centers designed to generate 2 gigawatts of computing power - roughly equivalent to the Hoover Dam operating at full capacity. The company also plans to open an office in Riyadh.

According to Variety, Netflix is once again reshaping its video-game strategy, selling Spry Fox - the studio behind Cozy Grove and the upcoming Spirit Crossing - back to its original founders. Variety has confirmed that Spry Fox, which Netflix acquired in 2022, will spin out and return to its status as an independent studio, now owned and operated by co-founders Daniel Cook and David Edery. Although Netflix will remain the publisher of the mobile version of Spirit Crossing when it launches next year, the game is now planned for release across multiple platforms.

HBO Max, the streaming service from Warner Bros. Discovery (WBD), will continue its international rollout with launches in Germany, Italy, Austria, Switzerland, Luxembourg, and Liechtenstein on Jan. 13. "This marks a major expansion of the service into key European markets," WBD said - currently at the center of a bidding war (see above). The company added that the service is expected to debut in the U.K. and Ireland in early 2026, completing its European rollout.

According to BroadbandTV News, RTL Deutschland has confirmed it will cut around 600 jobs as part of a major organisational restructuring, following reports that surfaced yesterday about large-scale redundancies at the German media group. The company said the measures are intended to sharpen its strategic focus on streaming, with RTL+ continuing to show strong momentum and expected to reach profitability in 2026. The move comes amid a rapidly changing TV landscape. According to RTL, linear TV advertising revenues in Germany have declined by more than 20% since 2019, while RTL+ has grown from 800,000 paying subscribers in 2019 to more than 6.6 million by the end of September 2025. Usage, subscriber numbers and revenues are all “continuing to grow dynamically,” the company added.

The Walt Disney Company plans to boost its content spending by $1 billion next year, bringing the total to $24 billion, highlighting the ongoing intensity of the battle for consumer attention. “We expect to invest approximately $24 billion in content across Entertainment and Sports in fiscal 2026, an increase of $1 billion from the prior year, as we continue to invest in high-quality sports rights at ESPN, new and existing franchises at our film studio, and television content – all of which support our integrated businesses, including our direct-to-consumer services,” said Disney CEO Bob Iger and CFO Hugh Johnston in prepared remarks mid-November.

Additional readings for the December report:

- Netflix and Paramount are battling for more than Warner Bros, The Economist, 9 December 2025, Link.
- Why musicians are leaving Spotify - and what it means for the music you love, The Conversation, 13 November 2025, Link.

Indicative sources :

- Paramount launches hostile takeover bid for Warner Bros. Discovery, Variety, 08 December 2025, Link.
- Germany's 15 billion euros voluntary investment from streamers faces industry scepticism, Screen Daily, 9 December 2025, Link.
- Australia's streaming quotas become law, Deadline, 27 November 2025, Link.
- Brazil's lower house passes bill to tax streaming platforms, MercoPress, 5 November 2025, Link.
- Saudi Arabia leads effort to poor 900 USD million into Hollywood AI film, The Hollywood Reporter, 19 November 2025, Link.
- Amazon Fire TV rolling out "jump to scene" voice feature on Alexa+ spanning thousands of films, Deadline, 3 December 2025, Link.

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