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Global watch on culture and digital trade

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CULTURAL INDUSTRIES, AI AND REGULATION ISSUES

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

Analytical report, February 2026

The February report begins with Germany which is moving to strengthen its domestic audiovisual sector by introducing new investment requirements for streaming platforms and television broadcasters, while nearly doubling state funding for film production. Under the proposed rules, platforms will be required to invest at least 8% of their net local turnover in locally made content, with higher investments allowing the inclusion of non-English language films and series produced in Germany. At the same time, artificial intelligence (AI) is rapidly reshaping global entertainment industries. Disney announced a $1 billion equity investment in OpenAI and a three-year licensing agreement that will allow users to create AI-generated video content featuring more than 200 characters from Disney, Marvel, Pixar, and Star Wars via OpenAI's Sora platform. In addition, the music industry is undergoing a similar transformation. Universal Music Group has partnered with Nvidia to develop "Music Flamingo", an AI model capable of analyzing songs by structure, harmony, and emotional progression, with the stated aim of enabling more contextual and responsible music discovery. Finally, major online platforms are also accelerating AI adoption and global expansion. Amazon is developing AI tools to reduce costs and streamline film and television production, while Netflix reported strong growth to 325 million subscribers, driven by a rapidly expanding ad-supported tier.

Regulation issues, digital trade and culture

Germany: investment requirements for streaming platforms

According to Reuters, Germany will introduce new investment requirements for streaming platforms and television broadcasters and almost double state funding for its domestic film industry, the Germany's Culture minister Wolfram Weimer said, in a bid to strengthen the country's appeal as a film-making hub. Local producers have welcomed new government guidelines requiring streamers and broadcasters to invest at least 8% of their net local turnover in locally made content. Under the plan, investments above 12% may include non-English language films and series produced in Germany, and streamers will be required to share certain rights with producers, ending the standard work-for-hire model. According to The Hollywood Reporter, "streamers and commercial channels, represented by VAUNET, strongly oppose the measures, criticizing them as bureaucratic, outdated, and harmful to the media industry".

It is worth noting that, according to Reuters, "while German production has benefited from a surge in demand from streaming platforms, the sector has in recent years been squeezed by rising labour, energy and materials costs". Under the new measures, Germany - one of Europe's largest streaming markets - will join at least a dozen other European countries, including France and Italy, that require streaming platforms to invest in domestic production. The government has also agreed to raise annual film production funding to 250 million euros ($295.2 million), nearly double the previous level.

Agreement between Disney and OpenAI

Disney said it will make a $1 billion equity investment in OpenAI and allow users to create AI-generated content featuring its copyrighted characters through OpenAI's Sora platform. Under a new three-year licensing agreement, Sora users will be able to generate videos using more than 200 characters from Disney, Marvel, Pixar, and Star Wars starting next year, including Mickey Mouse, Ariel and Cinderella. OpenAI launched Sora in September, enabling users to create short videos by entering text prompts. "The rapid advancement of artificial intelligence marks an important moment for our industry, and through this collaboration with OpenAI we will thoughtfully and responsibly extend the reach of our storytelling through generative AI, while respecting and protecting creators and their works". Disney CEO Bob Iger said in a statement.

According to The Hollywood Reporter, the three-year deal - exclusive in its first year - is a game-changer. "Suddenly, Darth Vader isn't just a character you watch, he's one you can create with. With the agreement, Disney+ is set to evolve from a platform for streaming your favorite shows and movies into a space where you can step into the action - or even reshape it yourself - using just a few prompts".

Music Industry and AI

Universal Music Group (UMG) has partnered with Nvidia to introduce a new AI model for its music catalog, The Verge reported. The system, called Music Flamingo, was developed by Nvidia in collaboration with researchers at the University of Maryland and unveiled in November 2025. The collaboration will leverage UMG's catalogue of more than three million recorded songs to further develop Nvidia's AI model, which represents a large audio-language model that enables systems to listen to, interpret, and reason about music. It can analyze tracks up to 15 minutes long, identifying elements such as compositional structure, harmony, chord progressions, and emotional transitions. UMG said the collaboration aims to develop "responsible AI" that helps users discover music not only by genre or playlist but also by emotional and cultural context. "We're entering an era in which a music catalogue can be explored as an intelligent universe - conversational, contextual, and genuinely interactive", said Richard Kerris, Nvidia's vice-president of media.

Deezer is now receiving more than 60 000 fully AI-generated tracks every day and is moving to license its AI-detection technology to the wider music industry. The Paris-based streaming service revealed the new figures on 29 January, confirming that synthetic content now makes up roughly 39% of all music delivered to the platform daily. A year after the tool's debut, **Deezer** says it has identified and tagged over 13.4 million AI-generated tracks and is now offering its detection technology commercially. Deezer also reported that up to 85% of streams on AI-generated music were fraudulent in 2025, up from 70% the previous year. These streams are demonetized and removed from the royalty pool. By comparison, fraudulent streams across Deezer's entire catalog accounted for just 8% of all plays in 2025.

In addition, a song that has been streamed millions of times in Sweden has been banned from the country's official music charts because it was created using AI. Titled I Know, You're Not Mine – Jag vet, du år inte min, the track currently tops Sweden's most-streamed Spotify playlist. However, the singer is entirely digital, leading the nation's music industry body to block it from chart inclusion.

Worldwide activities of online platforms

According to Reuters, Amazon plans to “use AI to accelerate the production of films and television shows, even as Hollywood grapples with fears that AI could eliminate jobs and permanently reshape the industry”. At Amazon MGM Studios, entertainment executive Albert Cheng is leading a team tasked with developing new AI tools that he says will reduce costs and streamline the creative process.

Netflix ended the year with 325 million global paid subscribers. Revenue rose 18% year over year, driven by subscriber growth, higher prices and increased advertising revenue as the company continues to expand its ad-supported tier, launched in late 2022. Netflix said full-year ad revenue more than doubled to over $1.5 billion. The company forecast 2026 revenue of $50.7 billion to $51.7 billion.

TikTok has launched a new stand-alone short-drama app, PineDrama, in the United States and Brazil. The app features “microdramas” - bite-sized fictional series told through one-minute episodes - effectively offering a TikTok-style feed where every video advances a scripted story. PineDrama is available on iOS and Android and is currently free and ad-free, though that could change in the future.

Netflix and Sony Pictures Entertainment have signed a new multiyear agreement granting the streaming service exclusive global rights to Sony’s films after their full theatrical and home-entertainment runs. Netflix currently holds Pay-1 rights – the post-theatrical, on-demand window - in the United States, Germany and Southeast Asia. While the new deal will not take full effect until early 2029, it will begin rolling out in late 2026 as individual territorial rights become available. Financial terms were not disclosed, but sources say the agreement is valued at more than $7 billion, making it the largest Pay-1 deal to date.

According to The Financial Times, the BBC is set to announce a major content deal with YouTube, marking a landmark shift in the broadcaster’s relationship with a US tech platform that has been drawing away its audiences. Under the agreement, the BBC will produce bespoke shows for YouTube, which will later be available on the broadcaster’s iPlayer and Sounds platforms.

HBO Max has launched in eight additional European countries, where a new agreement will see the service distributed via Prime Video, expanding their existing partnership in France, Spain, Sweden, Belgium and the Netherlands. The Warner Bros. Discovery service, available in more than 100 countries, has now added Italy, Germany, Austria, Switzerland, Luxembourg, Liechtenstein, Israel and Greece, moving closer to full European availability. The UK and Ireland are set to launch at the end of March.

Additional readings for the February report:

- Whether Netflix or Paramount buys Warner Bros., entertainment oligopolies are back – bigger and more anticompetitive than ever, The Conversation, 12 December 2025, Link.
- Grammys' AI rules aim to keep music human, but large gray area leaves questions about authenticity and authorship, The Conversation, 30 January 2026, Link.

Indicative sources :

- HBO Max rolls out in 8 European territories, announces new Prime Video bundling deal, Variety, 13 January 2026, Link.
- TikTok quietly launches a microdrama app called "PineDrama", TechCrunch, 16 January 2026, Link.
- Nvidia and Universal Music Group join forces to develop "responsible AI" for music, Euronews, 7 January 2026, Link.
- Disney making $1 billion investment in OpenAI, will allow characters on Sora AI video generator, CNBC, 11 December 2025, Link.
- Streamers, networks call new German investments requirements "A bitter disappointment", The Hollywood Reporter, 6 February 2026, Link.
- Song banned from Swedish charts for being AI creation, BBC, 15 January 2026, 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 CulturalDiversity (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

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