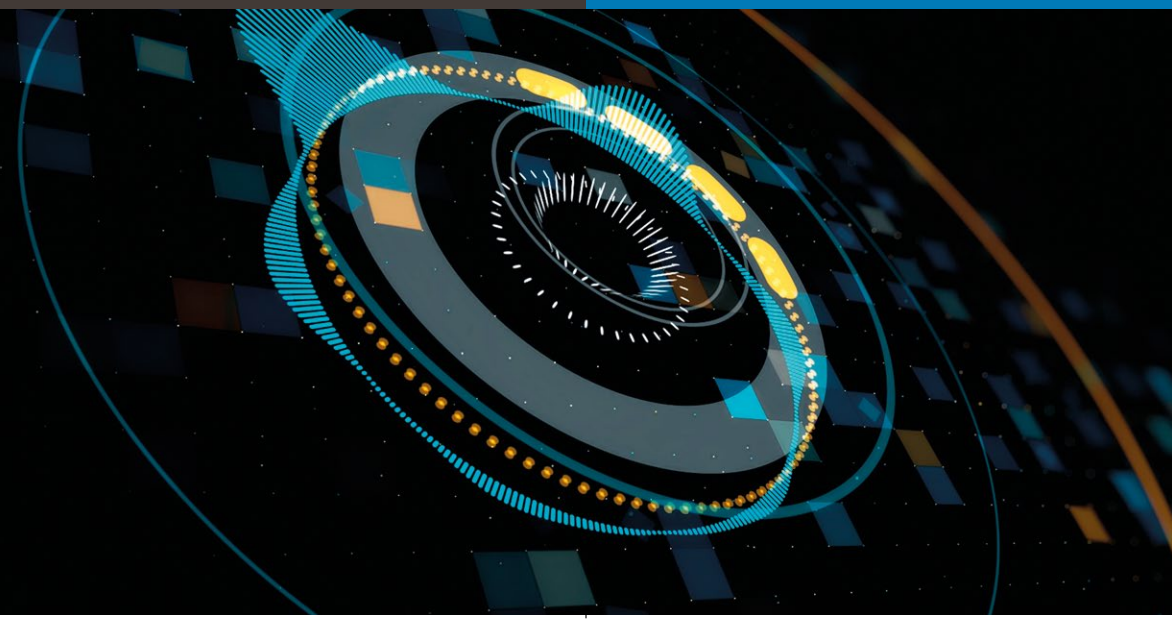
YEARBOOK 2023/2024 KEY TRENDS



TELEVISION, CINEMA, VIDEO AND ON-DEMAND AUDIOVISUAL SERVICES - THE PAN-EUROPEAN PICTURE

European Audiovisual Observatory

COUNCIL OF EUROPE
75
1949 - 2024
CONSEIL DE L'EUROPE

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List of abbreviations used in this publication

ARPU	average revenue per user
AVMSD	Audiovisual Media Services Directive
AVOD	advertising-funded video on demand
DTT	digital terrestrial television
CEE	Central and Eastern Europe
EAO	European Audiovisual Observatory
FAST	free ad-supported streaming TV
FOD	free on demand (services)
IPTV	Internet Protocol TV
OTT	over-the-top
M&A	mergers and acquisitions
MSPs	media service providers
NRA	national regulatory authority
PSB	public service broadcaster
PSM	public service media
SVOD	subscription video on demand
TVOD	transactional video on demand
VOD	video on demand
VSP	video-sharing platform

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0 INTRODUCTION

Data to support new and not so new debates

After years marked by the COVID-19 crisis, and now that the worst scenarios of a collapsing audiovisual sector are behind us, the time has come for more fundamental debates in a landscape that has undergone significant transformations over the past years.

The return of the 'too many European films' debate

The Observatory's data highlight the increasing concentration of the cinema box office and the growing importance of production incentives in the financing of films while the share of direct public funding is tending to decrease. This is probably the origin of the recurrent debate on the number of European films produced, and, logically, on the support strategy of the film funds, which, with the exception of France, play a leading role in their financing.

Should the film funds support fewer films but more intensively? To shed some light on the debate, other data from the Observatory suggest that the discussion is probably a matter of point of view: low-grossing films cumulatively account for more admissions to European films than European blockbusters and are therefore key to the visibility of European works in cinemas and to cinemas' revenues. Conversely, this long-tail effect comes at the expense of the profitability of many of these low-grossing films.

A sustainable production boom?

Leading broadcasting groups, mostly private, have built up powerful production entities, both organically and through acquisitions, hoping to benefit from the TV production boom triggered by the appetite of streamers for European content. ITV Studios, BBC Studios, Fremantle (RTL Group) compete head-to-head with broadcasting-independent studios such as Banijay or the Mediawan/Leonine alliance. While the broadcasting groups were at best facing a stagnation of their traditional advertising revenues, production revenues have put them back on the growth track. However, on the one hand, the broadcasters themselves are the main buyers of TV series and may have to cut back on their programming expenses; and, on the other hand, the growth of streamers' investments in European works should not be taken for granted at a time when most of them are not profitable yet.

International co-productions as the way out?

TV series were born with the primary aim to serve national audiences, so the number of international partnerships in Europe is limited. But as broadcasters and streamers scrutinise their content investments, they logically advocate for more international collaboration. The virtuous cycle is: higher budgets (for better quality but also due to cost inflation), shared among more partners, leading to fewer but better-financed projects. Broadcasters, streamers and producers need to experiment with the many forms these partnerships can take (actual co-productions, licensing deals, development partnerships, etc.).

Negotiations are often tense as all parties share the belief that, beyond the initial exploitation, there is a significant long-term value for TV series in terms of additional sales, adaptation rights, etc., a hope that often gives way to disappointment in the case of most European films. This long-term value will benefit whoever retains the intellectual property rights and policymakers will have

to decide whether they should intervene to support producers in their attempts to retain rights.

Hybrid audiovisual services

Back in 2015, the landscape of audiovisual services was fairly simple. On the one hand, linear TV channels and a few catch-up services offering a fraction of broadcast programmes; on the other hand, transactional on-demand services increasingly replacing physical home entertainment, and the ten 'new animals', the emerging subscription video-on-demand services. When discussions began on the revision of the Audiovisual Media Service Directive (AVMSD), the cornerstone of audiovisual regulation in Europe, audiovisual media services were therefore logically divided into two categories: linear and on-demand, with a set of rules both common and specific. There has been much debate about these specificities, for example, whether quotas of European works should be the same for TV channels and on-demand services.

However innovation in the market has led to a much more complex situation with the same audiovisual services combining different business models, different modes of distribution and, in particular, offering the same content both in linear and on-demand modes. Broadcasters' replay services have become full-fledged on-demand services; on-demand services have launched so-called FAST channels, which package their on-demand content as linear programming. This increasing complexity is becoming a challenge for regulators, in particular as regards the licensing of services which, according to the AVMSD, should be either linear or on-demand.

What is a European work?

Brexit has not affected the definition of European works embedded in the AVMSD as it includes both European Union states and other states (such as the United Kingdom) that are parties to the Council of Europe Convention on Transfrontier Television. The UK happens to be one of the leading exporters of audiovisual works in Europe (well behind the US) and some stakeholders have argued that the quota for European works creates an undue advantage for UK works and that European Union works should be the main beneficiaries of the quotas.

Without taking a position, the Observatory provides data showing on the one hand that both UK and EU works appear to have increased their market share at the expense of US works over the last five years; and, on the other hand, that the substitutability of UK works by European Union content is particularly difficult to assess given the heterogeneity of film and TV work sourcing between countries. Larger countries rely primarily on domestic content; some smaller countries may rely on content from an EU neighbouring country that shares the same language; the same language proximity plays out differently for Ireland which logically relies on EU content; other countries lack both strong domestic production and 'natural' access to culturally relevant other content. Ultimately, the discussion combines an economic perspective (are UK productions really substitutable by EU works?) and a cultural perspective (does the UK remain part of a wider 'European culture'?).

1 CREATION

1.1 Writers and directors of European works: Precarity in numbers

30 000 writers and directors of European films and TV/SVOD fiction between 2015 and 2021

The Observatory identified[1] close to 30 000 creators who wrote and/or directed at least one theatrical film or one TV/SVOD fiction between 2015 and 2021. The data shows a significant overlap between positions: about 27% of creators were active both as writers and as directors during the time period.

However, at least when considering only this timeframe, only 9% of them were active both in theatrical film and TV/SVOD fiction. This apparent specialisation is chiefly the result of:

- A low level of activity of screenwriters and directors, with many of them having worked on only one project during the time period.
- A move of theatrical film screenwriters and directors to TV/SVOD fiction: 35% of 2015-2021 TV/SVOD fiction writers and 58% of directors had at some point also written or directed a theatrical film.

Additional impact of the COVID-19 crisis on theatrical films assignments

The 'reconversion' of screenwriters and directors was favoured by stronger growth in assignments for TV/SVOD fiction, in particular for 13-episode-or-less-per-season series. COVID-19 probably accelerated the trend again, as it impacted theatrical film assignments much more than TV/SVOD assignments.

Intense turnover

Both the creation of theatrical films and of TV/SVOD fiction are characterised by precarity, although to a lesser extent for the latter. Theatrical film writers wrote on average 1.3 films between 2015 and 2021 and TV/SVOD fiction writers participated on average in 1.9 TV films or TV series. The situation is quite similar for directors: theatrical film directors directed on average 1.3 films between 2015 and 2021 and TV/SVOD fiction directors participated on average in 2.2 TV films or TV series.

The 'film d'auteur' model does not apply to TV/SVOD fiction

The 'film d'auteur' model remains dominant in European film: close to half of writers active between 2015 and 2021 wrote only films they directed; close to 59% of directing credits were combined with a writer credit for the same film.

But the model is radically different for TV/SVOD fiction where most writers (92%) wrote for projects they did not direct. For TV/SVOD fiction, combined directing and writing is higher for TV films than for TV series, but still significantly lower than for theatrical films.

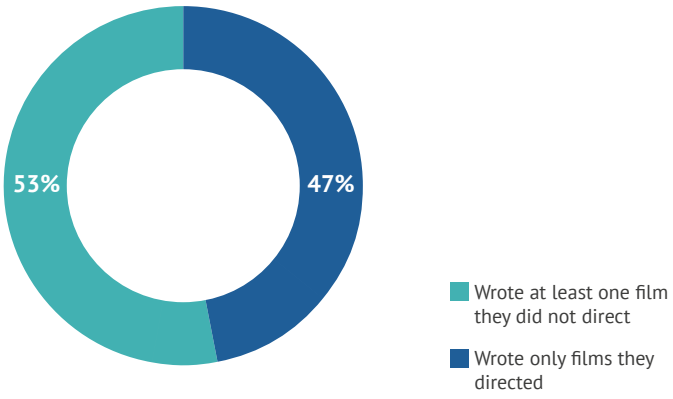
1 Writers and directors of film and TV/SVOD fiction 2015-2021 figures, June 2023.

Do screenwriters only write theatrical films they direct?

About half of screenwriters active

between 2015 and 2021 only wrote theatrical films they directed

Active theatrical film writers (2015-2021)



Source: European Audiovisual Observatory

1.2 Film and TV production: A long road to gender equality

The EAO closely monitors the development of gender parity in the European film and audiovisual industry. The two most recent reports[1] on the subject shed light on female presence in crucial positions in film and TV fiction production, including directors, screenwriters, producers, cinematographers, and composers. The studies look at professionals who took part in at least one European feature film from 2018 to 2022 and in at least one audiovisual fiction episode or TV film between 2015 and 2021.

Women still lag behind in key roles

Despite gradual improvements over the years, women remain underrepresented in key roles within film and TV fiction production, with variations across countries, job categories, and content types.

In the considered time period, only one out of every four directors of feature films was a woman, a slightly higher result than that for directors of TV fiction episodes (23%). Behind the camera, figures were more encouraging among producers and writers of TV fiction, where women accounted for 42% and 37% of active professionals respectively. In feature films, the female presence in these domains was lower, with women making up 35% of producers and 29% of screenwriters. The most significant gender divide was observed among cinematographers (with only 11% of female professionals in feature films and 9% in TV fiction) and composers (10% in films and 8% in TV fiction).

When considering feature films, female presence was more robust in documentaries compared to other film genres. For instance, women accounted for 39% of producers of documentary features, in contrast to 33% for live-action fiction and 27% for animation.

On screen, the picture appeared more balanced than off camera, with actresses representing 41% of leading performers in feature films and 44% in TV fiction.

Female professionals: Focus on film crews

Beyond examining women's representation in the workforce, the study investigates gender-specific working patterns in film production teams. Notably, female professionals tended to contribute on average to fewer features compared to their male counterparts. For example, female directors seem to encounter more challenges in helming a second feature film after their directorial debut, compared to male directors.

The research also scrutinised the composition of crews, highlighting that women tend to collaborate with colleagues in the same role more frequently than men, and are more likely to work in gender-mixed teams. Consequently, the average proportion of women working in a specific role on each film tends to be even lower than the respective female share in the workforce.

Finally, data also suggests that the presence of a woman as a film (co)director is linked to increased female representation across key roles in film crews, compared to films in general.

1 The reports can be downloaded from the EAO's website. See "Female audiovisual professionals in European TV fiction production – 2021 Figures" (March 2023) and "Female professionals in European film production - 2023 edition" (October 2023).

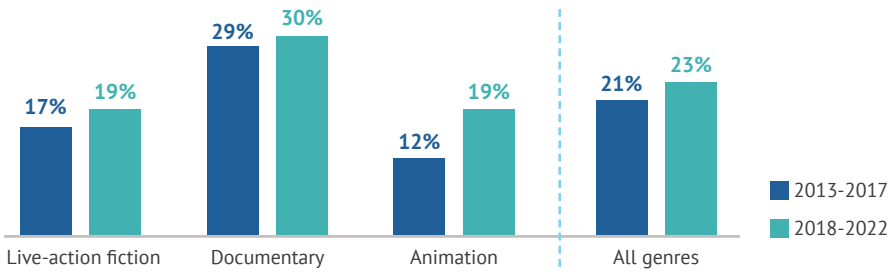
What is the average share of female directors per film in Europe?

23% (2018-2022)

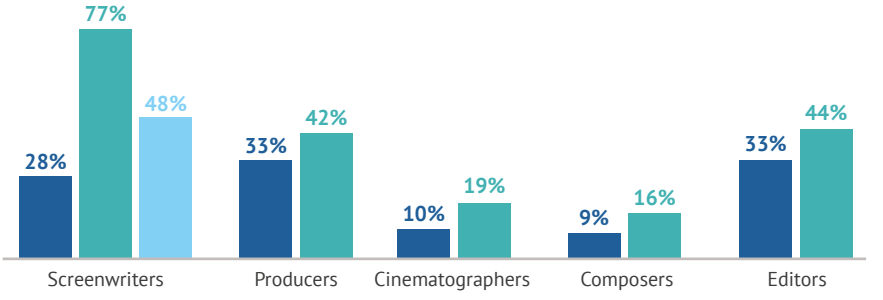
All film genres combined

This share was higher for documentary films than for other genres

Average share of female directors per film*, by film genre (2013-2017 vs. 2018-2022)



Average share of female professionals per film*, by professional role (2018-2022)
Comparison between "All films" and "Films by at least one female director"



Source: European Audiovisual Observatory / LUMIERE

* Average of the shares of women calculated from the total number of professionals for each feature film in the sample.

1.3 Fair remuneration in exploitation contracts for authors and performers

In May 2023, a major strike in Hollywood by screenwriters and performers brought crucial issues concerning remuneration and working conditions of creators into the spotlight. This collective action has led, at the time of writing, to a tentative agreement between the Writers Guild of America (WGA) and the Alliance of Motion Picture and Television Producers. Although the US copyright system, based on the 'work-for-hire' model, under which the creators' employer is considered to be the author of the work, contrasts sharply with the European model, which is based on the notion of authorship, the issue of fair remuneration for creators is not an isolated phenomenon. In fact, the question has been central to discussions within the European Union for many years, leading to the adoption of the EU Directive on Copyright and Related Rights in the Digital Single Market (CDSM) in April 2019.

Recognising that authors and performers (creators) are often in a weaker position in contractual negotiations, especially in the context of online exploitation of their works or performances characterised by a lack of transparency, the European legislator has marked a significant shift by introducing elements of harmonisation into contractual issues relating to copyright. The CDSM aims to strengthen the protection of creators when they transfer or license their exclusive rights. At its core, the CDSM imposes an obligation on member states to ensure "appropriate and proportionate remuneration" for creators. Different mechanisms may be used to that end encompassing collective bargaining and other mechanisms. Transparency plays a pivotal role by enabling creators to assess the continued economic value of their rights compared to the remuneration received. The CDSM introduces a transparency obligation, ensuring that creators are adequately informed about the exploitation of their works or performances. This obligation also enables creators to request additional compensation when the remuneration originally agreed turns out to be disproportionately low compared to subsequent exploitation revenues, through a contract adjustment mechanism. The CDSM also encourages the use of alternative dispute resolution procedures to address complaints. Additionally, a right of revocation is introduced for creators in cases where they have granted an exclusive license or transferred their rights, yet their work or performance remains unused.

Although the CDSM Directive was due to be transposed into national law by June 2021, many member states failed to do so, prompting the European Commission to refer six member states to the Court of Justice of the European Union (CJEU) in February 2023 for failure to notify transposition. At the time of writing, the transposition process was almost complete in all but one member state (Poland). A variety of solutions have emerged at national level. These range from collective bargaining approaches to the establishment of new remuneration rights for creators, often facilitated through mandatory collective management (e.g., Belgium, Slovenia). Some member states have transposed the CDSM literally, creating mechanisms for future implementation (eg., Hungary), while in others the protection of creators was largely addressed prior to the implementation of the CDSM Directive (e.g., France, Germany, Netherlands, Spain).

Legal provisions relating to remuneration in exploitation contracts in a selection of EU countries

	REMUNERATION			
	Provisions on lump sum payments	Online exploitation	Contract adjustment mechanisms	Transposition of Art. 18 CDSMD: appropriate and proportionate remuneration
BE	**No**	**Yes**	**Yes**	**Yes**
ES	**Yes** (Permitted as exception)	**Yes**	**Yes** (Limited in time)	**Yes**
FR	**Yes** (Permitted as exception)	**No**	**Yes**	Annulled by *Conseil d'Etat*
HU	**No**	**No**	**Yes** (Excluding contracts concluded by CMOs)	**Yes**
NL	**No**	**No**	**Yes**	**Yes** (Already partially achieved prior to the CDSM)
SI	**No**	**Yes**	**Yes** (Excluding contracts concluded by CMOs)	**Yes**
DE	**Yes** (Must be justified)	**Yes**	**Yes** (Possibility of joint remuneration agreements)	**Yes**

Source: European Audiovisual Observatory

Note: CMOs = Collective management organisations.

2 PRODUCTION

2.1 European film production back on growth track

Production output reaches second-highest level on record

Two years after the coronavirus outbreak, European film production appears to be fully back on its pre-pandemic growth track. In 2022, an estimated total of 1 951 feature films were produced in the EU and the UK, corresponding to an 11% increase and 188 films more than in the previous year. This marks the second-highest production level ever registered, surpassed only by the record peak of 2 038 films produced in 2019. This growth was mainly propelled by a surge in feature documentaries, which saw an increase of 115 films, bringing the total to 768 titles. In contrast, fiction films experienced a more modest increase of 73 films, reaching a total of 1 183 productions. The rebound in production activity was even more pronounced when considering broader Europe,[1] where the number of theatrical features increased by 16% year-on-year, matching the previous record high of 2 354 films already set in 2019.

Production levels displayed varying degrees of growth across European countries, with considerable increases registered in Italy (+40 films, +14%), Spain (+37 films, +15%), Latvia (+25 films, +227%), and the Netherlands (+21 films, +38%). Outside the EU and the UK, Türkiye also saw a significant increase in production volume (+109 films, +136%). Conversely, production levels either declined or remained stable in a total of 11 European countries, including France (-57 films, -22%), Greece (-9 films, -33%) and Ireland (-8 films, -36%).

Total investment and budgets on the up in 2022

Overall investment in film production continued its rebound in 2022, growing in 10 out of the 13 countries for which data were available, often surpassing pre-pandemic levels. Noteworthy interannual increases were observed in Latvia (+206%), Switzerland (+145%), Estonia (+95%) and Cyprus (+94%). Only three countries saw a decline in total production investment: France (-13%), Belgium (-37%), and Ireland (-38%).

Similarly, average production budgets witnessed an uptick in 17 out of the 23 countries with available data, while remaining stable or decreasing in six markets. The year-on-year increase was particularly pronounced for UK domestic films, with average budgets tripling to GBP 1.3 million (EUR 1.6 million) in 2022. Average budgets also rose considerably in Estonia (+156%), Cyprus (+104%), Hungary (+85%), and Belgium (+35%). Once again, UK inward investment[2] films were the most expensive productions in Europe, with an average budget of GBP 4.9 million (EUR 5.8 million), ahead of French films, ranking second with an average budget of EUR 4.4 million.

1 In this context, Europe refers to the member states of the Council of Europe. Film production data were available for 37 territories.
2 According to the British Film Institute, inward investment films are productions substantially financed and controlled from outside the UK but drawn to the latter because of script requirements, filmmaking infrastructure or incentive schemes.

Which were the top producing European countries in 2022?

Top 3 European countries for number of fiction films produced (2022)

1

Italy
196 films
(172 in 2021)

2

Türkiye
189 films
(78 in 2021)

3

France
165 films
(221 in 2021)

Top 3 European countries for number of documentary films produced (2022)

1

Spain
153 films
(133 in 2021)

2

Italy
137 films
(121 in 2021)

3

Switzerland
83 films
(72 in 2021)

Source: European Audiovisual Observatory

2.2 Growing importance of public support due to increase in production incentives

Unique insights from the first report on the development of fiction film financing in Europe[1]

The Observatory, in collaboration with the European Film Agency Research Network (EFARN), has published its first report on the development of budget and financing structures of European theatrical live-action fiction films over the time period 2016-2020, on a pan-European level. The sample of the study comprises 2 490 films originating in 18 countries, for which financing plan data were consistently made available on an annual basis between 2016 and 2020. The analysis covers a cumulative financing volume of EUR 8.12 billion and an estimated 48% of all European[2] fiction films released over the five-year timespan.

Median budgets are growing in small markets and decreasing in large markets

While fluctuating somewhat between years, average budgets within the entire data sample remained comparatively stable between 2016 and 2020, with mean budgets ranging between EUR 3.14 million (2016) and EUR 3.41 million (2017) and median budgets ranging between EUR 2.00 million (2018) and EUR 2.28 million (2019). Fuelled by a shift towards more expensive productions, median budgets of films produced in small markets[3] increased noticeably over the five-year timespan, growing from EUR 0.92 million in 2016 to EUR 1.25 million in 2020 and thereby significantly reducing the gap with average budgets of films produced in medium markets. On the other hand, median budgets in large markets fluctuated between EUR 3.25 million (2017) and EUR 2.74 million (2020), suggesting an uneven yet decreasing development.

Production incentives are rising amid shrinking direct public funding and broadcaster investments

Despite remaining the single most important financing source for European fiction feature films, the share of direct public funding decreased over the time period covered, from 29.4% of total financing volume in 2016 to 24.0% in 2020. In contrast, the share of production incentives increased significantly for films of all budget sizes, particularly in medium and large markets, from 9.6% of total financing in 2016 to 17.8% in 2020. The contrasting trends caused financing shares of total public support to slightly increase, from 39.0% in 2016 to 41.8% in 2020. Among different budget clusters, films with budgets over 10 million euros (super-high-budget films) registered the highest increase in public support (+11.2pp). The importance of broadcaster investments as a financing source declined in large markets, falling from 29.7% in 2016 to 21.4% in 2019, before slightly recovering to 22.9% in 2020. Lastly, the importance of pre-sales and producer investments has remained comparatively steady over time.

1 "Fiction film financing in Europe – Overview and trends 2016-2020", European Audiovisual Observatory.
2 In the context of this analysis, Europe (EUR 35) is defined as the 27 EU member states plus Bosnia and Herzegovina, Georgia, Iceland, Montenegro, North Macedonia, Norway, Switzerland, and the UK.
3 Countries in the analysis were clustered in three groups based on their annual theatrical admission levels: small markets: <10 million admissions; medium markets: 10 million to 50 million admissions; large markets: >50 million admissions.

How did the key financing sources of European fiction films develop between 2016 and 2020?

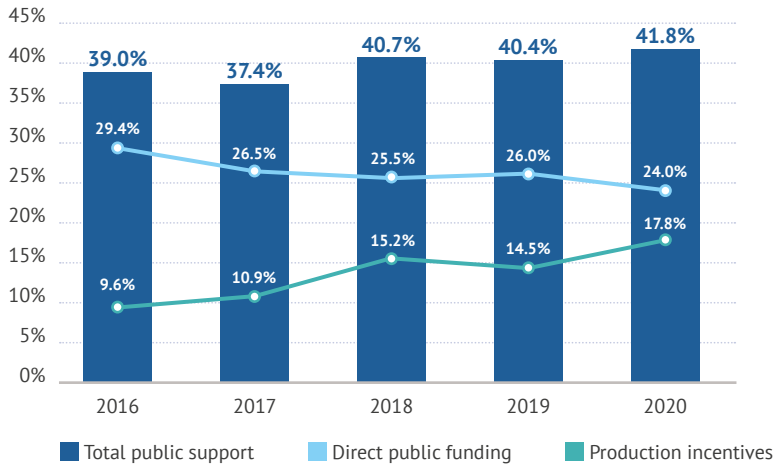
Moderate increase in the financing share of total public support between 2016 and 2020 thanks to the consistent growth of production incentives, which offset decreasing shares of direct public funding.

TOTAL PUBLIC SUPPORT

DIRECT PUBLIC FUNDING	PRODUCTION INCENTIVES	BROADCASTER INVESTMENTS	PRODUCER INVESTMENTS	PRE-SALES
-5.4pp ↘	+8.2pp ↗	-5.0pp ↘	+2.0pp →	-0.5pp →

Development of financing shares of total public support for the years 2016-2020

Estimated % shares of total annual financing volume of European fiction films



Source: European Audiovisual Observatory

2.3 Most TV fiction by global streamers produced in the UK and Spain

TV fiction production resumed growth in 2022

After a halt during the COVID-19 crisis, the production and release of original TV fiction resumed growth in 2022. However, the recovery of the market was not evenly spread. The 12% growth in the number of fiction titles produced in 2022 was not matched by volume of hours and number of episodes, the development of which stagnated when compared to 2021. On average, over 1 200 titles[1], 23 000 episodes and 14 000[2] hours are produced in Europe[3] each year.

In recent years there has been growing interest in the production of shorter formats: High-end series (3 to 13 episodes) represented more than half of the titles produced in 2022 – 105% growth since 2015. However, this remarkable development, which continued throughout the COVID-19 crisis, did not translate into notable growth of volume of hours, as seasons had fewer and shorter episodes (probably as a way to cope with production costs and inflation). The episode duration of most TV series produced in Europe is longer than 16 minutes, typically 36 to 65 minutes.

The growth of 3-to-13-episode-per-season series further contributed to the weight of new series: Around 60% of all high-end TV series titles produced in 2022 were new projects. The figure is nuanced, as a portion of these new projects were mini-series meant to last only one season.

Still, TV series with more than 52 episodes represented the lion's share of episodes (65%) and hours (60%) produced, due to the weight of daily soaps and telenovelas. With many of these long-running TV series produced each year, Germany, Poland and Greece are the leaders in volume of hours produced.

Public service broadcasters commission 55% of titles and 39% of hours

Well over half of the fiction titles produced in Europe in 2022 were commissioned by public service broadcasters (55%), followed by private broadcasters (32%) and global streamers (12%). However, since private broadcasters tend to dedicate a bigger share of their commissioning to daily soaps and telenovelas, they produced a higher volume of hours (58%) than public service broadcasters (39%). Global streamers accounted for just 3% of hours as they do not invest in long-running TV series.

Investment boost by global streamers

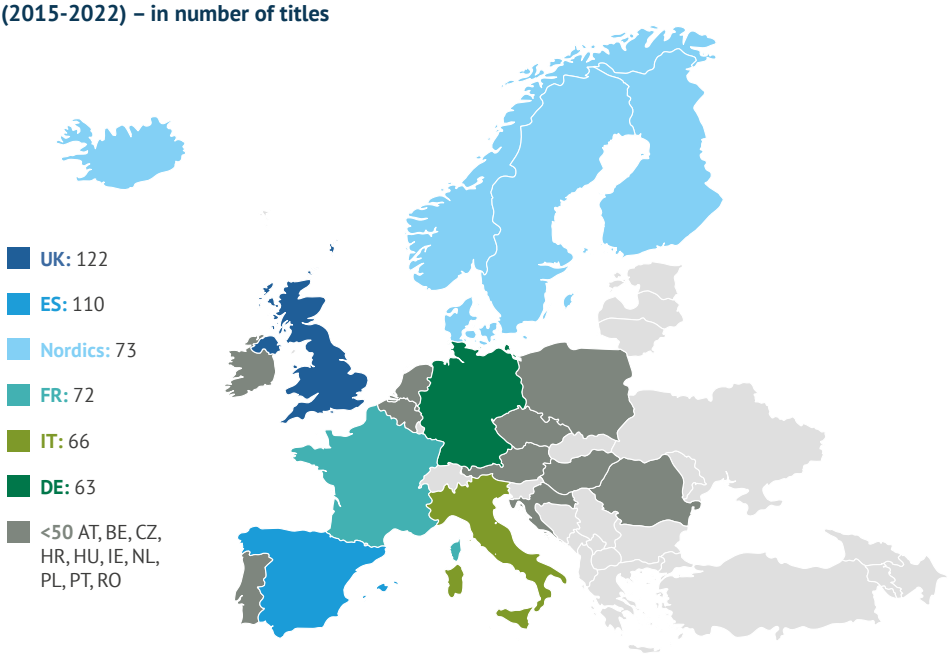
With a noticeable boost in investment, global streamers released 186 original European fiction titles in 2022 (all formats), versus 137 in 2021. Four out of five of these were commissioned by Netflix (62%) and Amazon (20%). In 2022, most TV fiction commissioned by global streamers was produced in Spain (34) and the United Kingdom (32), home to Netflix's production hubs in Madrid and at the Shepperton Studios. Other significant production hubs for streamers were the Nordic countries and France.

1 Title refers either to TV film title or a TV series season. Animation is not included.
2 Provisional figures
3 Countries covered: EU27, the United Kingdom, Norway and Switzerland.

Where did global streamers commission most European fiction titles between 2015-2022?

In the UK, Spain, the Nordics and France

Production countries of fiction titles commissioned by global streamers (2015-2022) – in number of titles



Source: European Audiovisual Observatory analysis of The European Metadata Group data

3 EXPLOITATION

3.1 European low-grossing films dominate offering, US blockbusters lead admissions

Unique insights from first report on box office composition in terms of film types

How many US blockbusters and mid-tier films were on release in Europe in 2022 and how much lower was that number when compared to the past decade? How important are US blockbusters and mid-tier films for the European box office markets, i.e., which share of admissions is generated by these films? These are some of the questions addressed by a new Observatory report which analyses for the first time the composition of the European box office in terms of four film types: blockbusters, high-grossing films, mid-tier films and low-grossing films.

European low-grossing films dominate film offering

The film offering in Europe is very diverse with over 12 000 films registered as on release in European cinemas in 2022. The overwhelming majority (96%) of these films can be categorised as low-grossing films, with European low-grossing films alone accounting for 68% of all films on release. This compares to a total of 350 films qualifying as mid-tier films in at least one of the 27 European markets covered in the analysis, representing 3% of the films on release, 115 high-grossing films (1%) and only 56 blockbuster films (0.5%).

US blockbusters stand out in terms of admissions share in 2022

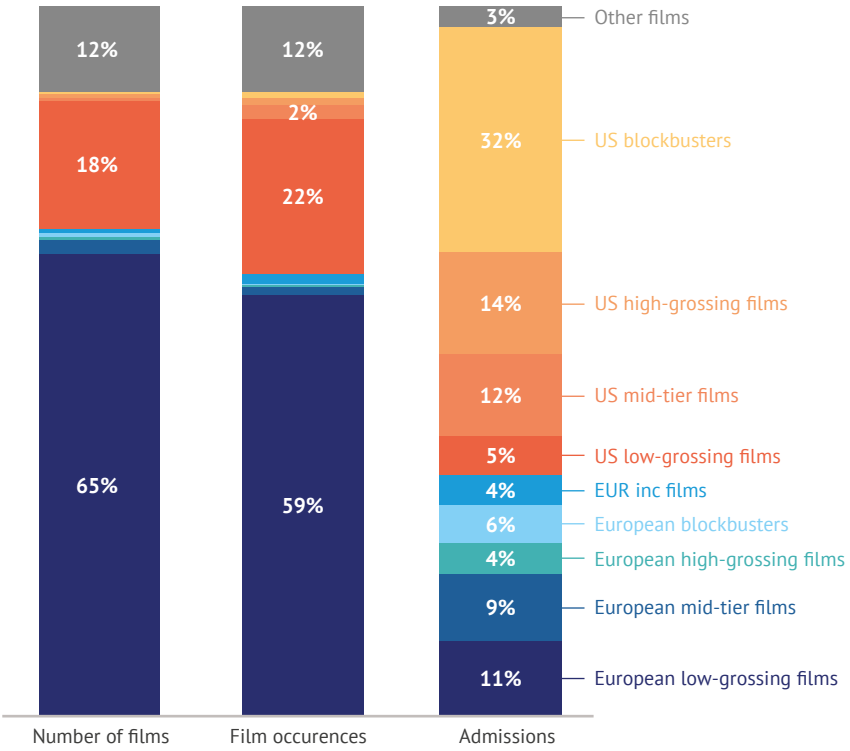
The breakdown of total admissions on the other hand reveals a comparatively balanced distribution of admissions among the four film types with only blockbusters, and in particular US blockbusters, standing out as the single most important film type in terms of ticket sales. In 2022, blockbusters cumulatively accounted for 38% of total cinema tickets sold in Europe, while the remaining admissions came almost equally from mid-tier films (22%), high-grossing films (21%) and low-grossing films (19%). US blockbusters stood out as the single most important film category, capturing 32% of all the cinema tickets sold in Europe in 2022. US high-grossing films accounted for 14% of total admissions, ahead of US mid-tier films (12%), European low-grossing films (11%) and European mid-tier films (9%), while all other film types accounted for 3% to 6% of total admissions.

Concentration in 2022, particularly among top 10 films, was exceptionally high

The European theatrical market is highly concentrated in terms of admissions. In 2022 the concentration of admissions focused on only very few top-performing titles rather than on a wider set of strongly performing films. The top 10 and the top 20 films accounted for 34% and 48% of total admissions in Europe, respectively. It took only 156 films – out of almost 12 000 films registered as on release – to generate 80% of cumulative admissions. These concentration levels were exceptionally high in 2022 when compared to the past decade. Evidently, both box office composition as well as concentration levels can differ significantly between individual markets.

European low-grossing films dominate film offering, US blockbusters stand out in terms of admissions share

Composition of European box office market by film types and origin (2022)
Estimated; refers to 27 European sample markets



Source : European Audiovisual Observatory

3.2 Screening of films: VOD key to availability

128 000 films screened in 2022[1]

About 128 000 different films were screened in the European Union in 2022 in cinemas, on television or on VOD, including over 61 000 European films. Among these 61 000 European films, close to 49 000 were produced in the EU. Films were principally shown on VOD (primarily transaction- and subscription-based). Close to three quarters of films were shown in only one screening window.

A total of 72% of EU27 films theatrically released in the EU since 1996 were screened in at least one country and in at least one window in 2022. These films accounted for 94% of all cinema admissions to EU27 films since 1996.

On average, close to 40 000 different films available in 2022 in an EU country

At country level, close to 40 000 different films were available on average in an EU country, including over 13 000 European films. Among these 13 000 European films, over 9 000 were EU27 films, with about 40% of them available for free (on free TV or on AVOD).

European films account for 34% of films available

Considering the number of each film's presences, 34% of films on offer were European, including 23% of EU27 films and 8% of United Kingdom films; but the share of EU27 films was significantly higher (30%) for films theatrically released in the EU. Among the different windows, cinemas offered the largest share of EU27 and other European films.

The vast majority (69%) of EU27 films were EU27 non-national films; the share of EU27 non-national works was particularly high for SVOD, due to pan-European services.

The main exporter of European films in the EU is the United Kingdom

While France is the main exporter of films in cinemas, the United Kingdom leads exports on VOD and on TV. Outside the UK, the top five exporters were France and, at a distance, Germany, Italy, Spain and Sweden.

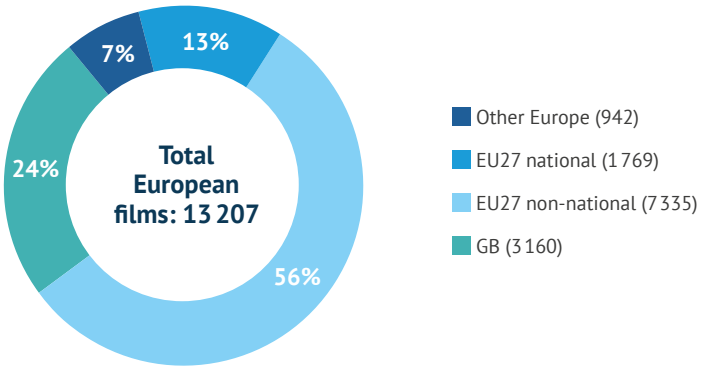
1 Source for all the data: "Films on EU screens: A comparative analysis of the film offering in cinemas, on VOD and on TV", European Audiovisual Observatory, September 2023.

How many European films were available in cinemas, on TV or on VOD in an EU country in 2022?

Over 13 000

The majority were EU27 non-national films

Average number of European films available in an EU country (2022)



Source: European Audiovisual Observatory

3.3 Over 32 000 different European films broadcast on TV

A very large number of works[1] exhibited on television

Over 88 000 works in the European Union and over 155 000 works across wider Europe were broadcast at least once in 2022. The figure includes over 27 000 European films (not necessarily released in theatres in Europe) in the EU and over 32 000 across wider Europe.

On average, about 2 300 different European films and 1 300 European TV show seasons were broadcast in 2022 in a given country.

A high share of European works

European works accounted for 43% of works broadcast in the EU in 2022, almost on a par with US works (46%). Among European works, EU27 works accounted for 70% and other European works (mainly United Kingdom works) for 30%. Breaking down the numbers by genre of programming, the share of European works was higher for TV shows (measured in number of seasons) than for films. This higher share for TV shows was primarily driven by TV shows produced in the UK, but also by a higher share of EU27 TV shows distributed within the EU.

Figures were similar when considering not only EU countries but wider Europe.

More European non-national works than national works

In the European Union, EU27 national works accounted for 36% of European works, EU27 non-national works for 34%, and non-EU European works for 30%. Across wider Europe, European non-national works accounted for over 60% of European works.

The top 5 largest countries in Europe are the main exporters of European works; the United Kingdom is by far the primary exporter of European works both in the EU and across wider Europe. UK exports are driven by films funded by US studios and UK homegrown TV shows.

Share of European works has been increasing since 2018[2]

The share of European works broadcast in the EU has increased at the expense of US works, driven both by EU27 and other European works. This increase has been driven primarily by TV shows, both from the EU27 and from non-EU European countries, and more by national than non-national TV shows.

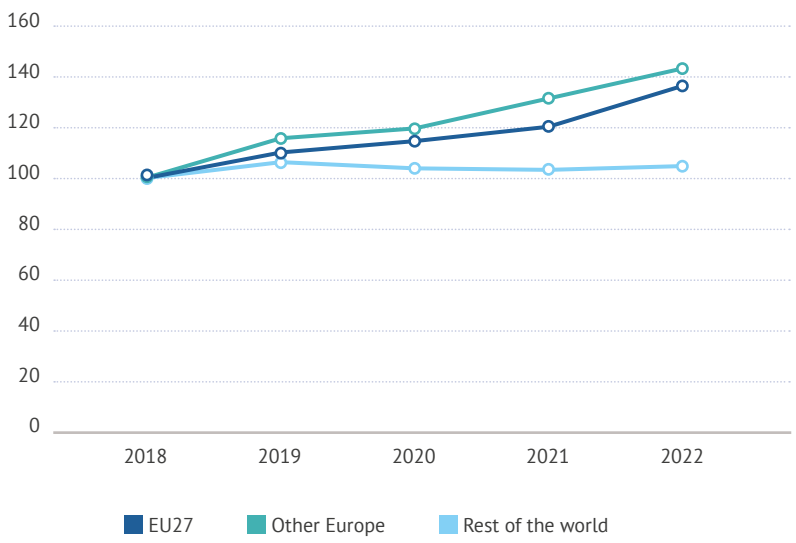
1 The data presented here is extracted from the European Audiovisual Observatory report "Works on television in Europe - 2023 edition". 'Works' exclude sports, news, games, talk shows, reality shows, music, education, religion. The sample includes 1 311 TV channels from 33 European countries.
2 Figures in this section are based on a sample of 555 TV channels.

Is the share of European works on TV increasing?

Yes

The growth is driven both by EU27 and other European works

Number of works broadcast on TV in the EU – by origin (base 100 = 2018)



Source: European Audiovisual Observatory

3.4 Importance of non-US/European works in SVOD catalogues

European films and TV seasons made up 31% of all works available in TVOD, SVOD and FOD catalogues in EU27

European works (EU27 and other European works) accounted for 31% of all works in the 1 028 film and 485 TV VOD catalogues analysed in the report "Film and TV content in TVOD, SVOD and FOD catalogues – 2023 Edition" in 25 EU member states. EU27 works made up a share of 21% and other European works, mainly produced in the United Kingdom, accounted for 10% of all works available.

The bulk of works available in VOD catalogues was produced in the US with 50% of the 2.29 million films and TV seasons available in VOD catalogues, and non-US/non-European works accounted for 19%.

SVOD catalogues increasingly rely on films and TV seasons which are produced outside of Europe and the US

The share of non-US/non-European works is particularly high for SVOD catalogues, and this mainly in the catalogues of pan-European SVOD services. While TVOD catalogues had an average share of 12% and FOD of 14% of non-US/non-European works, the SVOD catalogues share was 27%.

This average share was even higher for pan-European SVOD catalogues (with a share of 30% of non-US/non-European films and 33% of non-US/non-European TV seasons), as these types of services tend to circulate these works in most of their country catalogues. The main production country for non-US/non-European works are South Korea, India, Japan, Australia, Canada and China.

The importance of EU non-national works in the offering of EU27 works

The majority of EU27 films and TV seasons in VOD catalogues in Europe are of non-national origin. SVOD catalogues had the highest share of EU non-national works out of EU27 works with 78%, followed by FOD catalogues with 67% and TVOD catalogues with 64%.

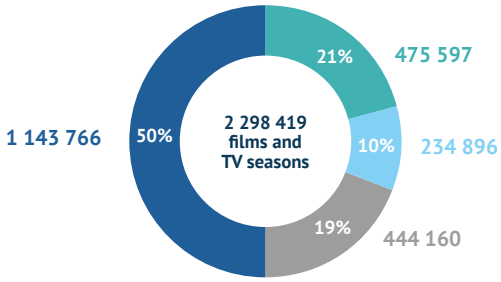
While the share of national works is higher in high-volume-production countries such as France, Germany, Spain and Italy, in mid- and low-volume-production countries, the EU27 offering is mostly composed of EU non-national works.

Which type of VOD services had the highest share of non-US/non-European works on average in their catalogues?

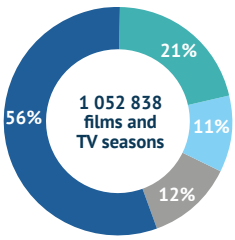
SVOD services

with a share of 27% for non-US/non-European films and TV seasons in their catalogues on average, much higher than the 12% and 14% averages on TVOD and FOD, respectively.

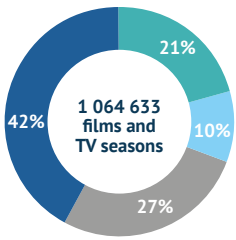
Origin of films and TV seasons found on VOD – TVOD, SVOD and FOD



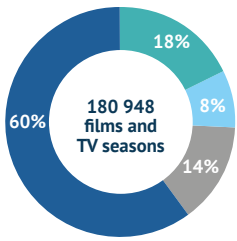
Origin of films and TV seasons found on TVOD



Origin of films and TV seasons found on SVOD



Origin of films and TV seasons found on FOD



Source: JustWatch catalogue data

US | EU27 | Other European | Non-US/Non-European

4 AV SERVICES

4.1 US players: A considerable presence

One in four audiovisual media services in Europe is an on-demand service

The diversity of European audiovisual media is reflected in a sector boasting a total of 12 664 audiovisual media services which are available across wider Europe[1] (Dec. 2022). Around three quarters of these are linear services (9 349 TV channels) and one quarter are non-linear services (3 315 VOD services and video-sharing platforms).

The content of AV services in Europe reveals significant differences between linear and non-linear services. While TV programming is largely defined by thematic fragmentation, on-demand services have a clear focus on film and TV fiction content.

With regards to ownership, the European TV market is divided into a public sector with mainly generalist programming available on DTT networks and a private sector which has expanded into thematic cable, IPTV, and satellite channels. Almost all on-demand services are privately owned (97%). Public service media have entered the market as well, mostly offering catch-up of their linear programming. One in five public on-demand services are paying services, for example the international version of the BBC iPlayer.

Local and regional TV makes up 43% of the overall number of TV channels in Europe. The share of local and regional TV among public service channels is even higher (51%). However, there are vast differences in the volume of local and regional services available in national markets. Around 71% of the Italian AV market is local channels – the equivalent of 17% of all local channels in Europe. The Netherlands provides 48% of all public local and regional TV in Europe.

Considerable presence of US players in the European TV and on-demand sector

Non-European players have acquired a strong foothold in the European AV market. US players represent the largest group of non-European parent companies of AV services in Europe. Around one in five (18%) of all private TV channels (excluding local TV) are US-owned and over one third of all SVOD (39%) and TVOD (33%) services in Europe belong to a US company.[2]

US players have by far the largest scope of operating markets across Europe. The Walt Disney Company, for example, has a virtual European omnipresence, operating in 44 European TV and 36 on-demand services markets.[3]

US players lead in the field of children's TV and entertainment SVOD. Around half of all children's TV channels in Europe are US-owned (48%). Paramount's Nickelodeon brand, Disney's Disney Channel, AT&T's Cartoon Network and AMC Networks' JimJam are prominent examples. US players also dominate online entertainment with a 59% supply share of entertainment subscription video-on-demand services.[4]

Most US-owned SVOD and TVOD services serve European markets with country-specific catalogues. Many of them target markets different to their country of establishment and over one third of US-owned SVOD and TVOD services are based in Ireland.

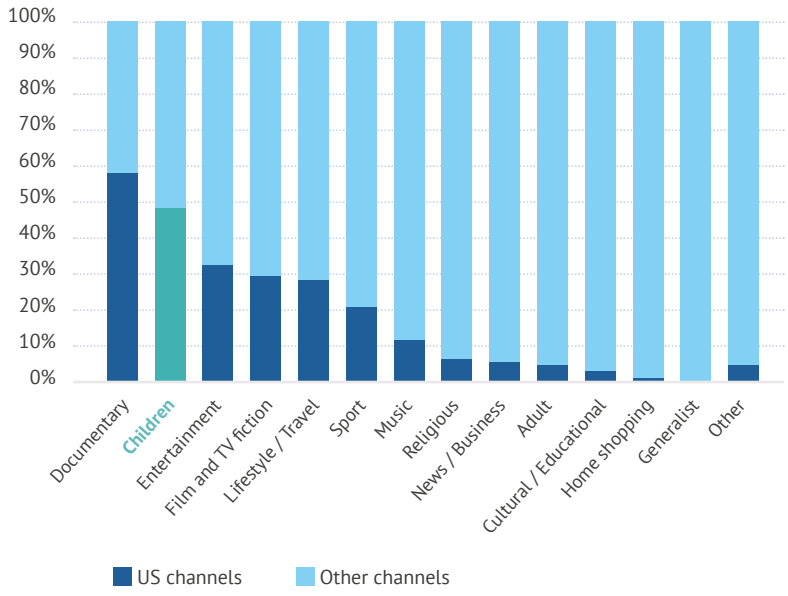
1 Europe includes: EU27, Albania, Armenia, Bosnia and Herzegovina, Georgia, Iceland, Liechtenstein, Montenegro, North Macedonia, the Republic of Moldova, Norway, Serbia, Switzerland, Türkiye, the United Kingdom and Ukraine.
2 This includes services owned by a joint venture made up of at least one US-owned company.
3 Including microstates; number of countries a group is present in at least once; no doubling.
4 For multi-country SVOD and TVOD services, one catalogue is counted as one service.

How many children's TV channels in Europe are US-owned?

48%

of children's TV channels in Europe belong to a US company

Share of US-owned TV channels per type of programming (Dec. 2022 - in %)



Source: European Audiovisual Observatory analysis of MAVISE data from Dec. 2022.
The MAVISE database can be accessed here: https://mavise.obs.coe.int/

4.2 TV audiences: Local groups lead the market

Few pan-European free-to-air broadcasting groups

On average, the four leading broadcasting groups account for 71% and 67% of the TV audience in the EU and in wider Europe, respectively. The cumulated list of these four leading broadcasting groups in each of the 38 European countries monitored by the Observatory comprises 131 groups, implying that the vast majority of them (106) belong to the top groups in terms of audience in only one country. Another category includes 12 groups present in several countries sharing the same language (e.g. ARD, ZDF and ProSiebenSat.1 in Germany, Austria and Switzerland; Bouygues and France Télévision in France, Belgium and Switzerland).

Excepting companies present in several countries only for a common language, 13 groups are among the most watched broadcasters in several countries.[1] The three leaders are Warner Bros. Discovery (among the leading companies in audience in 11 countries), the RTL Group (7 countries) and the Walt Disney Company (5 countries). Groups present on a more regional basis include PPF (Central and Eastern Europe), Bite Group (Baltics) and Viaplay (Scandinavia). But more pan-European free-to-air broadcasting groups may be on the horizon: on the one hand, MediaForEurope (already a strong player in Italy and Spain) and PPF have acquired minority stakes in ProSiebenSat.1; on the other hand, Groupe Canal+ and PPF have become minority stakeholders of ViaPlay.

A rebound in public service media audience share?

Against the background of the multiplication of private TV services, the audience share of public service medias (PSMs) eroded between at least the end of the 1990s and 2012/2013, and then stagnated until 2019 at around 26.5%. The COVID-19 crisis appears to have triggered a new phase, with their share now growing again, up to 27.5% in 2022[2] – a level still modest when compared to the 35% market share achieved at the beginning of the 2000s. But in 20 wider-Europe countries, the audience leader remains the public broadcaster.

However, there are many variations between countries. The top 5 countries in terms of audience share of PSMs are Denmark (DRTV and TV2[3]), Iceland (RÚV), Germany (ARD, ZDF), the United Kingdom (BBC, Channel 4) and Norway (NRK). Conversely, the audience share of PSMs is particularly low in Greece (Ellinikí Radiofonía Tileórasi), Georgia (Georgian Public Broadcaster), Romania (Televiziunea Română), Moldova (Teleradio-Moldova) and North Macedonia (Macedonian Radio Television).

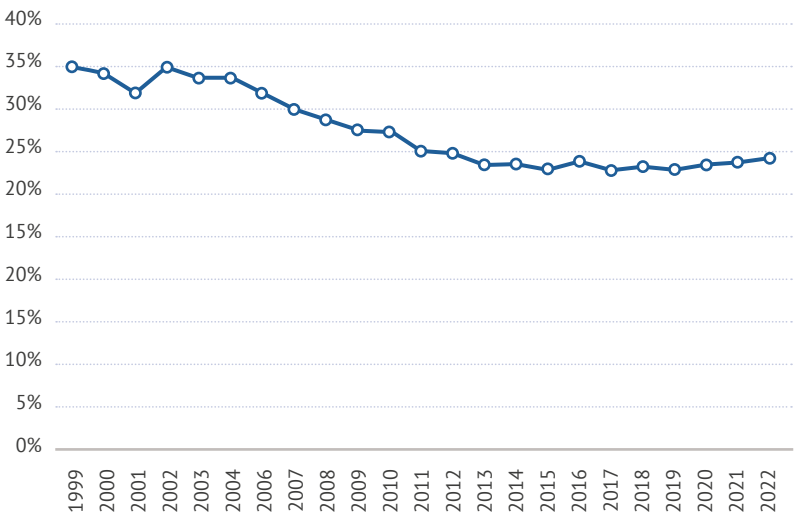
1 Groups mentioned here are active in more countries. The data in this section only relates to countries where they are among the most watched broadcasters.
2 Average calculated for 30 countries for which time-series were available and on the basis of the latest data available.
3 TV2 is a subscription-based public TV channel.

Have public service media audiences decreased again following the COVID-19 crisis?

No

Public service media audience share in 2022 was the highest since 2012

Average audience share of PSMs in Europe (in %)



Note: Average calculated for 30 countries for which time-series were available and on the basis of the latest data available.

Source: European Audiovisual Observatory

4.3 EUR 21 bn spent on European original content in 2022

Global streamers accounted for 24% of total spending

Investments in European original content (excluding news produced internally by broadcasters, sports rights and acquisitions) by broadcasters and global streamers reached nearly EUR 21 bn in 2022, reflecting a rebound after the COVID-19 crisis. Global streamers' spending increased sharply in 2022 (+70% vs. 2021 at EUR 4.9 bn) and accounted for 24% of all spending on European original content. But this does not mean growth will continue, as some streamers have announced they will limit their investments in non-US content. Among global streamers, Netflix accounted for about 45% of streamers' spending on European original content, down from 58% in 2021, as other SVOD services, notably Amazon Prime, increased their investments.

Spending on European original content grows faster than the market

Over the last 10 years, spending on original content has increased faster than European audiovisual sector revenues, while at the same time spending on sports rights has increased sharply too. This can be accounted for by a series of factors: a trade-off between original content and acquisitions; a race for market share rather than for profitability for certain players; bundling of SVOD services with other services.

Global streamer spending has not, though, substituted broadcaster spending. On the contrary, broadcasters increased spending, at least until the pandemic, faster than before the entry of the global streamers into the European market. The increase was driven by private groups, even though sports rights costs were increasing significantly at the same time. Still, public broadcasters play a key role in the financing of original content in several countries (e.g. Denmark, Germany, Belgium, the Netherlands). Conversely, private broadcasters lead in Poland, Italy and France.

Concentration of global streamer spending

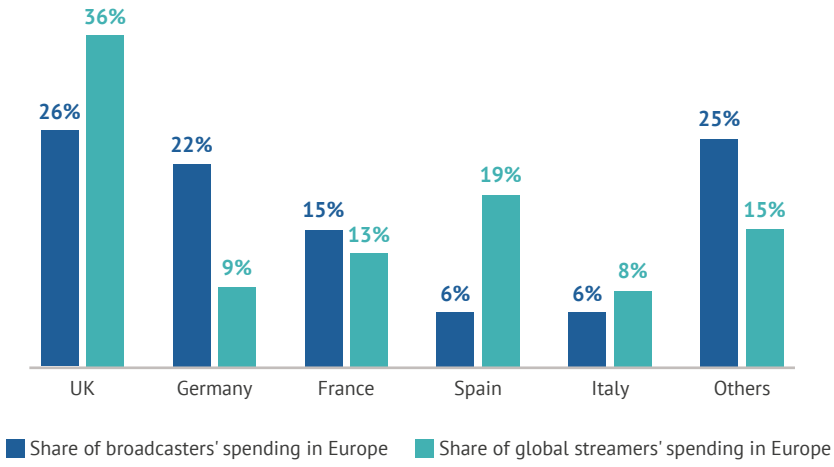
Spending by global streamers is more concentrated country-wise than spending by broadcasters: The UK and Spain accounted together for 55% of global streamer spending on original European content. The share of global streamers in original content spending is particularly high in Spain (over 50%) and, to a lesser extent, in the United Kingdom, Italy, Denmark and Sweden.

Which countries benefit most from global streamers' investments in European original content?

United Kingdom and Spain

They account together for more than half of streamers' investments

Spending on original content – Countries' market share (2022)



Source: European Audiovisual Observatory analysis of Ampere Analysis data

4.4 Age verification and parental control measures for VSPs

Article 28b of the 2018 revised Audiovisual Media Services Directive (AVMSD) defines a set of obligations with regards to the protection of minors that member states must ensure are enforced by VSPs under their jurisdiction. One such obligation relates to the protection of minors from "programmes, user-generated videos and audiovisual commercial communications which may impair their physical, mental or moral development".

While the means to do so are not defined in the Directive, with Article 28b (2) referring to "appropriate measures", content curation and content moderation are key tools to ensure that illegal content is deleted rapidly after it is uploaded. They are also necessary to identify content that is not illegal but inappropriate for minors, in order to make them inaccessible to underage users while remaining accessible to other persons, but they need to be paired with effective age verification and parental control systems.

Platforms falling under the definition of VSPs are very diverse with regards to the main services they provide. The term encompasses video hosting services as well as some social networks with messaging functionalities, as long as they provide users with the possibility of sharing audiovisual content with other users.

Services for adults

Different platforms imply different approaches. VSPs targeting only adults do not propose any form of parental control feature by design and rely solely on age verification measures – the robustness of which can vary greatly, from a simple check mark to providing a selfie and one's own ID in the same image, although the former remains more common. Recent technological developments have led to new means of ensuring that users are not underaged, such as facial age estimation which has been tested by some adult VSPs.

Services for the general public

Platforms not strictly meant for adults usually impose some form of age verification only when users sign up, as a way not to hamper the user experience, and not when a user attempts to access potentially harmful content. The minimum age for users is generally 13, under which it is impossible to create an account, but not impossible to access content.

Control mechanisms

All VSPs require users to indicate their age when signing up, but very few ask for proof. Most VSPs also offer features akin to parental control, but some rely on the users activating them themselves rather than through an interface accessible by the parent only. Generally, however, nothing prevents minors from lying about their date of birth and signing up as adults.

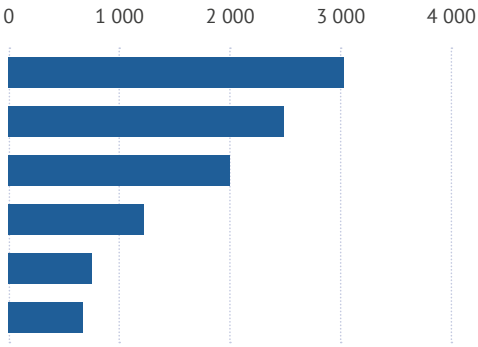
The variety of platforms and the services they offer, in addition to the importance of striking a balance between the more robust (but cumbersome) and the less effective (but less likely to negatively impact the user experience) age verification methods mean that there is no one-size-fits-all approach to the question.

Impact assessment

The European Commission's assessment of the measures taken by member states to ensure the protection of minors on VSPs, as part of its first report on the implementation of the AVMSD – initially scheduled for 19 December 2022 but delayed due to late implementation by some member states – has yet to be published.

Monthly users among a selection of major VSPs[1]

	Monthly active users (in millions)
Facebook	3 030
YouTube	2 491
Instagram	2 000
TikTok	1 218
Snapchat	750
X (Twitter)	666



1 Based on Statista data from October 2023.

Source: European Audiovisual Observatory

Simplified overview of age verification and parental control measures on a sample of video-sharing platforms (VSPs)[1]

		EXISTENCE OF:		
	Minimum age	Some form of age verification (inc. user declaration)	Systematic proof-based age verification	Some form of parental control system
YouTube	13[2]	Yes	No	Yes
X (Twitter)	13	Yes	No	No[3]
Facebook	13	Yes	No	Yes
Snapchat	13	Yes	No	Yes
Instagram	13	Yes	No	Yes
TikTok	13	Yes	No	Yes

1 Based on a 2023 survey conducted by the European Audiovisual Observatory.
2 The minimum age to sign up on YouTube in Czechia is 15.
3 X (Twitter) allows for modification of various settings, but not through parental control. Settings can be modified by the user at any time.

Source: European Audiovisual Observatory

4.5 Artificial Intelligence Act: Ongoing legal developments

On 21 April 2021, the European Commission (EC) presented a proposal for a Regulation laying down harmonised rules on artificial intelligence and amending certain Union legislative acts (Artificial Intelligence Act – AI Act).[1] The Council of the European Union adopted its General Approach in December 2022.[2] The European Parliament (EP) adopted in plenary its position in June 2023,[3] kicking off the start of the trilogues. As of the date of writing (8 November 2023), the inter-institutional negotiations are still ongoing.

The material and geographical scope

The Commission's proposal lays down harmonised rules for the placing in the market, the putting into service and the use of AI systems in the Union.

The proposal is based on a risk-based approach categorising the AI systems into three main risk levels ((i) unacceptable risk, (ii) high risk and (iii) low or minimal risk), and then banning or imposing obligations on the AI system depending on the risk level. The proposal allows the free use of minimal-risk AI. By contrast, if a high-risk AI system is developed, it must undergo a conformity assessment before placement on the EU market.

The AI Act could have a broad extraterritorial scope, since it would apply to providers and users of AI systems, irrespective of whether they are established in or outside the Union, as long as the output produced by the system is used in the Union.

Call for transparency in the EP position

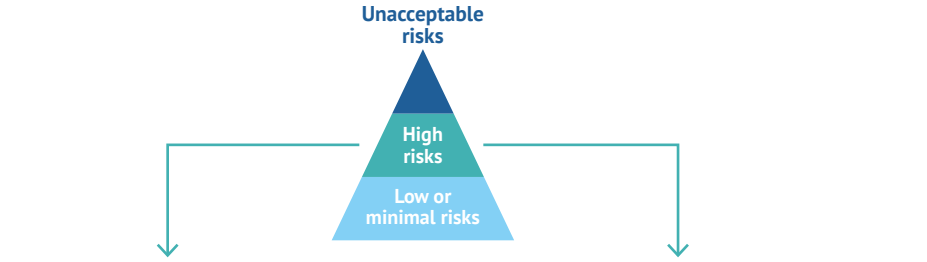
The EP's position calls a.o. for more transparent uses of AI, for instance for copyright-protected content, but also for generated/manipulated content featuring depictions of people doing or saying something they did not do, without their consent (deep fake). Two aspects appear particularly relevant as to transparency:

- **The use of copyrighted-content training foundation models that feed generative AI**
  The EP would define a foundation model as an "AI system model that is trained on broad data at scale, is designed for generality of output, and can be adapted to a wide range of distinctive tasks". The proposed Article 28b would impose on providers of foundation models a variety of obligations.
- **The creation of generated/manipulated content**
  The EP would oblige users of AI systems manipulating text, audio or visual content featuring depictions of people to disclose in a timely and visible manner that the content has been manipulated, and whenever possible, by whom, as well as to ensure it bears a visible "inauthentic" label (proposed Article 52(3)).

1 European Commission, 21 April 2021, proposal for a regulation laying down harmonised rules on AI: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0206
2 Council of the EU, General Approach, 25 November 2022, on the proposal for a regulation laying down harmonised rules on AI: https://www.consilium.europa.eu/en/press/press-releases/2022/12/06/artificial-intelligence-act-council-calls-for-promoting-safe-ai-that-respects-fundamental-rights/
3 European Parliament, Amendments adopted on 14 June 2023 on the proposal for a regulation laying down harmonised rules on AI: https://www.europarl.europa.eu/doceo/document/TA-9-2023-0236_EN.html

What are the proposals of the European Parliament regarding transparency?

The examples of the proposed Article 28b and Article 52(3)



PROPOSED ARTICLE 28b

Extra requirements for foundation models used for generative AI:

- Transparency disclosures (person exposed to AI is informed)
- Training and designing foundation models protecting against the generation of content violating EU law
- Disclosure of a summary of copyrighted data used for training the AI

Requirements applicable to all developers of foundation models:

- Risk identification
- Verified data usage (data subject to appropriate governance measures)
- Testing and evaluation
- Responsible and friendly use of resources and energy
- Documentation and instructions for use
- Establishment of a quality management system documenting compliance with Article 28b
- Registration of the foundation model in the EU database as referred to in Article 60

PROPOSED ARTICLE 52(3)

Transparency obligation for AI systems generating/manipulating content:

- Disclose in an appropriate, timely, clear and visible manner that the content has been artificially generated or manipulated
- Whenever possible, disclose the name of the natural or legal person that generated or manipulated it
- Disclosure shall mean labelling the content in a way that informs that the content is inauthentic and that is clearly visible for the recipient of that content

Source: European Audiovisual Observatory

4.6 Progress in the adoption of the European Media Freedom Act

On 16 September 2022, the European Commission unveiled its proposal[1] for a regulation and recommendation for the safeguard of media freedom, pluralism and independence: the European Media Freedom Act (EMFA). This was a first attempt to regulate media services in the EU internal market through a common framework. The Council of the EU adopted its negotiating position in June 2023.[2] The Committee on Culture and Education (CULT) adopted its draft position in September 2023, which was discussed and voted on in Parliament in October 2023.[3] Key negotiation points included state advertising allocation (Article 24) and protection against unjustified online content removal (Article 17).

Allocation of state advertising

The Commission's proposal on the allocation of state advertising to media outlets was aimed at ensuring transparency, non-discrimination, proportionality and objectivity. The Council and the Parliament both specified the scope of Article 24 to cover the "[a]llocation of public funds for state advertising and purchases". The Council further clarified that public funds or any other consideration or advantage may be direct or indirect. It also proposed to re-evaluate the exemption from the obligation to make information about state advertising expenditure public for territorial entities of fewer than 1 million inhabitants to fewer than 100 000.

The Parliament's position extended rules on state advertising to providers of online platforms and providers of online search engines but removed the exemption for territorial entities with fewer than 1 million inhabitants. It also provided that public funding allocated to a single media provider shall not exceed 15 % of the total budget allocated by the public authority to the totality of media service providers (MSPs) operating at national level.

Media exemption

In relation to the "media exemption", also referred to as the "media privilege", which avoids very large online platforms moderating content provided by MSPs (including self-declared ones) discretionarily, the Council has suggested to provide the latter with "an opportunity to reply to the statement of reasons within an appropriate period prior to the restriction or suspension taking effect".

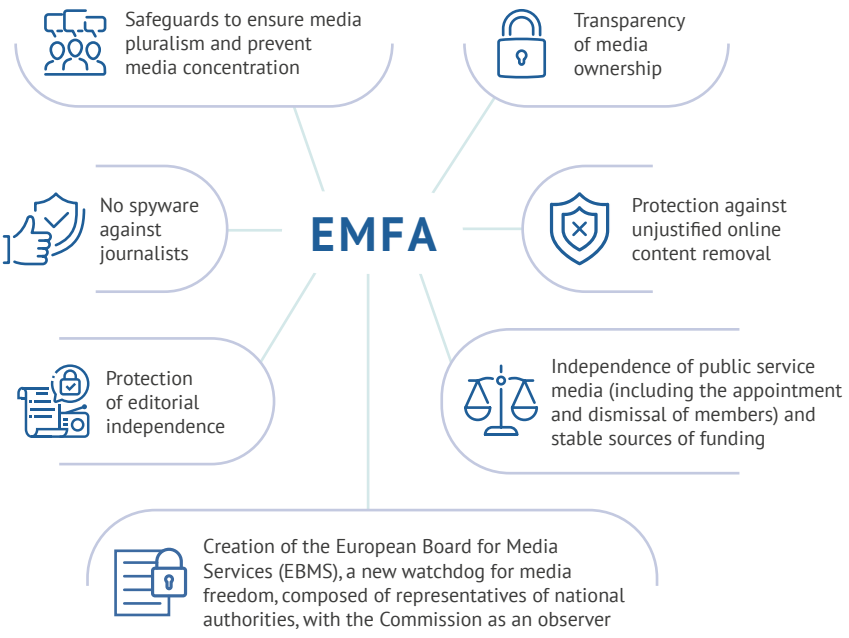
The Parliament suggested keeping content published by MSPs online for 24 hours, allowing them to respond before any restriction or suspension.

Provisional political agreement

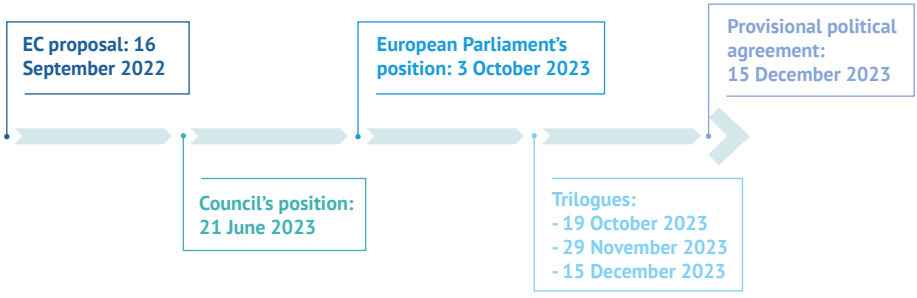
Interinstitutional negotiations took place in "trilogues" on three occasions, leading to a political agreement during the final session, on 15 December 2023.[4] The Council and the Parliament will officially endorse the provisional agreement once the text is finalised at technical level. Formal adoption of the EMFA is expected in Spring 2024.

1 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A0457%3AFIN
2 https://data.consilium.europa.eu/doc/document/ST-10954-2023-INIT/en/pdf
3 https://www.europarl.europa.eu/doceo/document/TA-9-2023-0336_EN.html
4 https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6635

A reminder of the main EMFA themes



Timeline



Source: European Audiovisual Observatory

5 MARKETS

5.1 Audiovisual sector revenues: Growth below inflation

The European audiovisual market is worth EUR 130 bn

The European audiovisual market was worth close to EUR 130 bn in 2022, with European Union countries accounting for close to three-quarters. The top two markets are Germany and the United Kingdom (EUR 25 bn and EUR 24 bn, respectively), followed at a distance by France (EUR 17 bn), Italy (EUR 10 bn) and Spain (EUR 7 bn). At the other end of the spectrum, the market is worth less than EUR 1 bn in 18 countries.

The disparity in the size of national markets results from differences in population but also in the average revenues per inhabitant, i.e., the propension to spend directly or indirectly (through advertising or public funding) on audiovisual services. In that regard, Switzerland, the Scandinavian countries, the United Kingdom, Germany, and Austria are prominent in the top ranking.

Consumer spending passes the 50% mark

The revenues of the audiovisual sector combine consumer spending (for pay TV, SVOD, cinema, home video) and indirect revenues (TV and radio advertising, public funding of public service media). In 2022, the former represented over 50% of total revenues, driven by the increase of consumer spending on SVOD (+27% year-on-year).

Strong nominal growth again in 2022

The European audiovisual market grew by 5.6% in 2022, after an 8.5% increase in 2021. However, 60% of the growth arose from the continued boom of SVOD in Europe, and 30% from the recovery of the cinema box office from the COVID-19 effect. More importantly, the 2022 figures should be put in the perspective of rocketing inflation and of longer-term trends which show, excluding SVOD, a decline in the sector's revenues in real terms.

Three segments appear to be most strongly affected. Home video, where 2022 again confirmed that more digital revenues do not compensate for fewer physical revenues; TV and radio advertising, eroded by competition with the Internet and confronted by the 'analog dollars and digital dimes' adage (the audience of catch-up services brings in less money than the audience of linear channels); cinema box office, clearly on a recovery trajectory, but the landing of which remains uncertain.

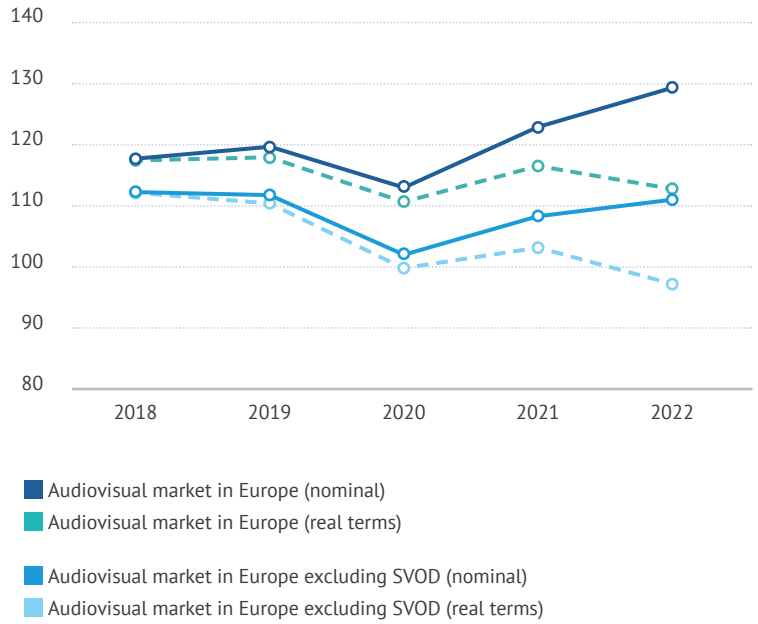
Other segments performed comparably better: pay TV, where the increase in prices more than compensated for the decrease in subscribers; to a lesser extent, public funding – still not compensating for inflation.

Is the European audiovisual sector growing?

Nominally yes

in real terms, no

The audiovisual market in Europe (EUR bn)



Source: European Audiovisual Observatory analysis of EBU/MIS, LUMIERE, Ampere Analysis, WARC, and company reports data.

5.2 Cinema exhibition: European theatrical markets partially rebounded in 2022

Cinema attendance still lower than pre-pandemic levels

Despite the lifting of restrictions, in 2022 European cinemagoing continued to face many of the challenges seen during the pandemic, including audience reluctance to return to the cinema, a low number of US releases, and a lackluster summer lineup. Consequently, cinema attendance in the EU and the UK reached an estimated 656 million admissions in 2022, corresponding to 253 million tickets more than in 2021. While these results represent a 63% increase on the previous year, they remain significantly below pre-pandemic levels, accounting for only 67% of the average ticket sales recorded between 2017 and 2019.

GBO revenues similarly registered a 71% interannual increase, rising from EUR 2.98 billion to an estimated EUR 5.08 billion in 2022, representing 73% of average pre-pandemic takings.

Diverse recovery paths

Attendance grew across all markets in the EU and the UK, with significant differences in interannual growth rates, ranging from a 19% increase in Poland to a 241% surge in Slovenia. Considerable geographical variations were also observed when comparing 2022 admissions to pre-pandemic levels. Notably, a substantial recovery rate was registered in Romania and Czechia, where 2022 ticket sales reached 81% of the pre-pandemic average. This was closely ahead of Denmark (80%) and Bulgaria (77%). At the opposite end of the spectrum, cinema attendance in Italy and Greece only represented 48% and 57% of the pre-pandemic averages respectively, indicating a more subdued recovery in these markets.

Outside the EU and the UK, the Turkish theatrical market showed robust year-on-year growth (+188%), yet it only achieved 53% of its pre-pandemic admissions level. In contrast, cinema attendance in Norway increased by a comparatively modest +55% over the previous year, but it reached 75% of average pre-pandemic admissions.

The number of screens rises again

After the health crisis disrupted the development of the European theatrical infrastructure in 2020 and 2021, the total number of screens in the EU and the UK grew again in 2022, reaching a total of 32 996 operational screens, 515 more than in the previous year.

Market share

The rebound in cinema attendance in 2022 was mainly driven by the comeback of US blockbusters, as well as the strong performance of European films. US titles sold approximately 419 million tickets in the EU and the UK, 170 million more than in 2021, corresponding to 65% of the pre-pandemic average. Meanwhile, European films garnered around 190 million admissions in 2022, 83 million more than in the previous year, equivalent to 74% of the 2017-2019 average. The estimated market share of European films therefore increased from 27% to an above-average 29% in 2022. Once again, US titles took the lion's share at the box office, capturing 64% of total admissions in 2022, while European films with incoming investment from US studios (EUR inc) and films from the rest of the world generated 4% and 3% of ticket sales respectively.

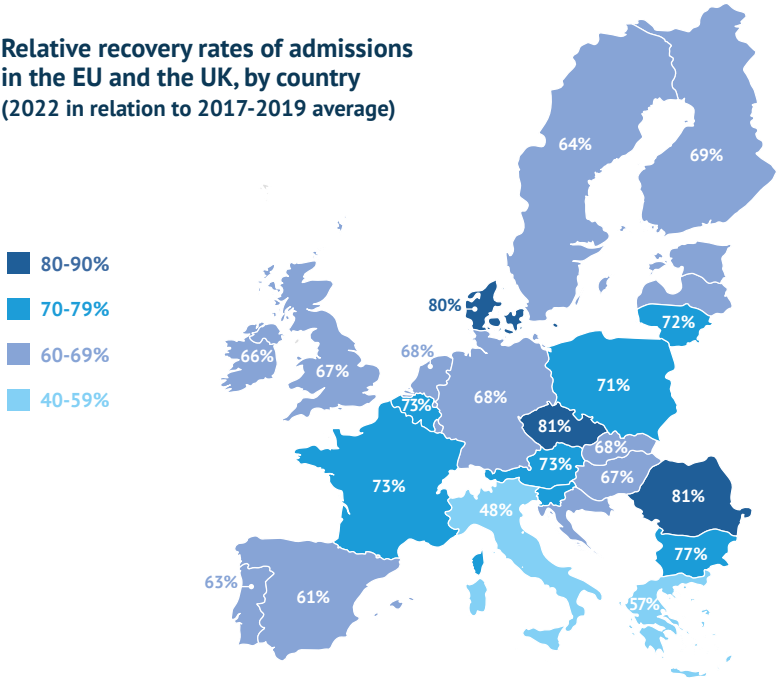
How did cinema attendance in the EU and the UK fare in 2022?

+63% year-on-year

but -33% compared to the 2017-2019 average

- **656 million tickets sold**
- **Significant differences across markets**

Relative recovery rates of admissions in the EU and the UK, by country
(2022 in relation to 2017-2019 average)



Source: European Audiovisual Observatory

5.3 Home video: TVOD back on track

Revenue erosion slows

Due to appetite for outdoor entertainment and the development of new supply models for indoor consumption, revenues dropped, in the second year of the pandemic, across all home video market segments for the first time. The home video market recovered in 2022 as revenues returned to pre-pandemic dynamics for all segments, while the overall drop rate in Europe was even lower than before the pandemic (-3% year-on-year down to EUR 2.4 billion). This was a consequence of Blu-ray and DVD sales losing 20% of the home video market share over the last five years (down to EUR 0.9 billion in 2022).

Germany (32%), the UK (22%) and France (19%) cumulatively accounted for 73% of the physical video retail market. The physical rental market share was down to less than 1% in 2022, with revenues dropping by -34% year-on-year. Germany (53%), Italy (9%), the UK (9%) and Sweden (8%) made up 79% of Blu-ray and DVD rental turnover.

Rental TVOD outpaces retail

After the exceptional drop in 2021, digital home video grew again in 2022 (+7% year-on-year up to EUR 1.5 billion) thereby mitigating 60% of the fall in the Blu-ray and DVD segment. Germany (18%), Spain (12%), the Netherlands (11%), the UK (10%), Italy (8%) and Türkiye (8%) made up two thirds of digital video net growth.

While both rental and retail TVOD grew year-on-year, the dynamics shifted between the two segments: rental revenue growth outpaced retail (+10% up to EUR 0.7 billion and +4% up to EUR 0.8 billion respectively). In the post-pandemic reality of the industry and amid a cost-of-living crisis, it appears that TVOD users are more prone to prioritising cinema in the context of new releases while choosing less expensive options for digital home cinema such as purchasing older catalogue titles or waiting for them to become available for rental.

Digital and physical retail close to tie in the share-of-wallet race

Rental continued to expand its market share (up to 31%) in 2022 within the overall home video market, driven almost solely by on demand (98% of total rental revenues). The incremental revenue delivered by TVOD compensated for the loss registered in physical rentals, while also contributing to the overall growth of the rental segment (+8% up to EUR 0.7 billion).

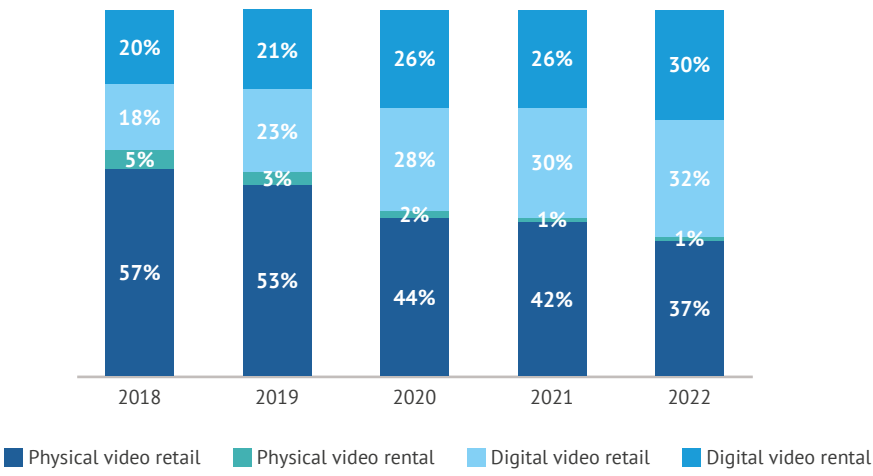
Although it continued to drop year-on-year, retail (-7% down to EUR 1.7 billion) still obtained the lion's share of the home video market in 2022. Following a long period marked by constant erosion of Blu-ray and DVD sale revenues and steady growth of TVOD purchase revenues, digital banked near to half (46%) of the retail video market at the end of 2022.

Is digital the new physical of the home video market?

Yes

TVOD captured 62% of home video revenues in 2022 – the same market share attributed to Blu-ray and DVD back in 2018

Home video market evolution (in %, 2018–2022)



Source: European Audiovisual Observatory analysis of Ampere Analysis data

5.4 Advertising: Articulating brand-building and sales

A steady shift towards digital advertising in the European advertising market

Following advertising expenditure catch-up in 2021 after the disastrous fall provoked by the Covid-19 pandemic, the overall market grew by 6% in Europe to EUR 143 billion in 2022. However, these increases in expenditures by advertisers have not benefited all media outlets.

Television advertising declined by 3.8% in 2022 compared to 2021, to EUR 28.8 billion in Europe, and newspaper and magazine advertising declined by 2.4% in Europe to EUR 14.3 billion.

Online advertising continued to grow as the main medium for advertisers in Europe, increasing by 10.3% to EUR 87 billion and representing 60.9% of the European advertising market. Other advertising outlets, albeit much smaller in volume, also experienced growth: outdoor advertising (+17.5%), radio (+3.1%) and cinema advertising. Cinema advertising is the smallest advertising market in Europe, worth EUR 609.1 million, but registered the most impressive growth after the reopening of cinemas: +94.2% in Europe.

As European media consumption shifts online, are advertiser intentions shifting too?

With analogue mass media consumption (TV, newspapers, magazines), advertisers aimed first at brand building. But in recent years, through the capabilities offered by digital technologies (big data, user tracking and targeted advertising, programmatic advertising), and increased individual consumption of digital media on personal devices, advertisers are increasingly aiming for direct contact with consumers.

The increase in retail advertising (with Amazon becoming the third biggest player on the digital advertising market, after search giant and YouTube-owner Google and social network player Meta), and the various projects launched by social network players such as TikTok, Facebook and Snap (live streams and targeted advertising of different types, with more and more video ads), show that digital technologies are useful for advertisers as a way of shortening the distance to a sale.

With the advent of advertising on streaming services (FAST, AVOD), and increases in e-commerce and the use of social and other digital media, the shift to online advertising in the European market appears irreversible.

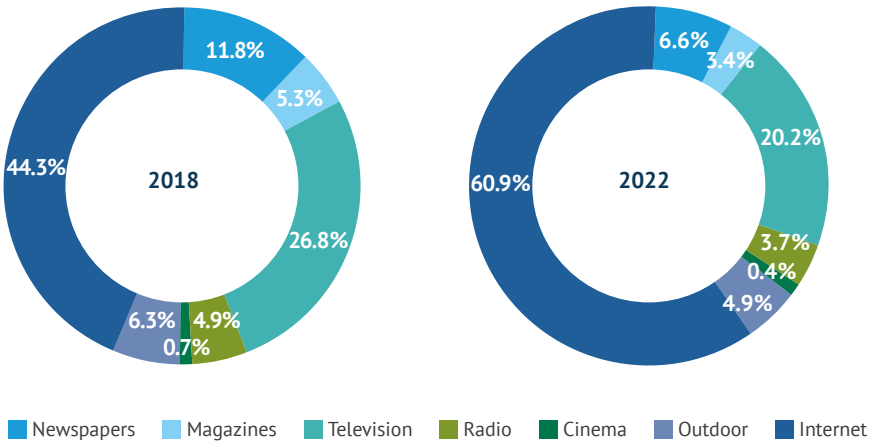
How did the relative share of each medium in advertising expenditures evolve between 2018 and 2022 in Europe?

Except for online advertising

every medium's relative share of total advertising expenditure decreased.

In Europe, total advertising expenditures for TV, newspapers and magazines, radio, cinema and outdoor decreased from EUR 62.45 billion in 2018 to EUR 55.9 billion in 2022 while online advertising increased from EUR 49.7 billion to EUR 87 billion. Overall, the entire growth of the advertising market came from online advertising.

Advertising expenditures by medium in share of total in Europe



Source: European Audiovisual Observatory analysis of WARC data

5.5 Pay TV: Decrease of ARPU in real terms accelerates

Gap widens between inflation and revenue growth pace

2022 saw pay-TV revenues grow for the second year in a row, and more strongly than before, both at the European[1] (+3.6%) and the EU27 (+4.2%) level (to EUR 39 billion and EUR 27.8 billion, respectively).

In real terms, however, accounting for average inflation, pay-TV revenues continued the year-on-year erosion registered over the past five years and dropped three times faster (-4.5% at EU level) in 2022 compared with 2021.

At current prices, pay-TV revenues grew across the board apart from in Italy (-16.3%), Lithuania (-2.2%) and Switzerland (-2.2%). Due to Sky's (Italy) loss of Serie A rights and the termination of the DTT offer, Southern Europe was the only region to register a revenue drop (-3.0%) in 2022. Western Europe (+4.2%) accounted for 68% of total growth, with contributions delivered primarily by France (31%), Germany (17%) and the Netherlands (8%). The CEE (+9.6%) however grew much more strongly; it accounted for almost all remaining growth (28%), cumulatively attributable primarily to Poland (9%), Romania (4%), Czechia (4%) and Hungary (3%).

Maintaining and boosting demand weigh more heavily on prices

Following a slight uptick triggered by the pandemic, demand flattened year-on-year by the end of 2022 amid the cost-of living crisis (-0.1% down to 166.6 million in Europe and +0.2% up to 130.2 million in the EU). Providers managed to an extent to retain and gain subscriptions, but ARPU at current prices developed well below the average inflation rate (+3.3% in Europe and +3.6% in the EU); in real terms, ARPU therefore decreased in 2022 by -5.1% – twice the 2021 decrease.

The CEE was the sole region to add subscriptions (+0.6%) in 2022, with Serbia (26%), Croatia (21%), Hungary (15%) and Slovakia (12%) cumulatively accounting for around 75% of total growth.

Southern Europe was the only region to register a drop in ARPU, primarily linked to Italy's Sky cutting the price of its soccer package,among other retention and incentive actions, in connection to the loss of Serie A rights and the post-pandemic recovery.

DTT loses one quarter of subscriptions

Driving 70% of the total revenue growth in Europe, IPTV was the only distribution network to grow (+9.8% up to EUR 11.8 billion) faster than the total pay-TV market, as well as above the average inflation rate. A total of 59.2 million (+4.2% year-on-year) subscriptions were signed off in 2022 to IPTV, the only platform to record net additions each year for the past five years.

Pay-DTT revenues plummeted (-18.3% down to EUR 0.58 billion) in 2022 with Italy accounting for over 75% of the net loss. In the context of the upcoming transition to the DVB-T2/HEVC standard in Italy, Sky terminated its terrestrial offer in April 2022 to make room for a new technical solution combining both DTT and Internet. After Mediaset's Premium DTT channels were moved to OTT in 2019, Sky's switch-off saw Italy's pay-DTT users drop to zero by the end of 2022, driving a steep decline at European level (-24.3% down to 2.3 million).

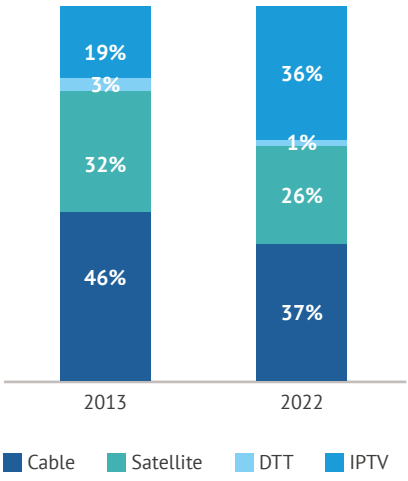
1 40 European countries covered by the European Audiovisual Observatory, for which data was available.

Is cable still the number one network of choice for pay TV in Europe?

YES. But so is IPTV.

Consistently driving the pay-TV market growth over the past 10 years, IPTV accounted for over 35% of subscriptions in 2022 and matched the preference for cable.

Pay-TV distribution by subscriptions in Europe (2013 and 2022 – in %)



Source: European Audiovisual Observatory analysis of Ampere Analysis data

5.6 Have streaming services entered an era of maturation?

Continued growth in revenues and subscribers for the VOD market in 2022

After quickly expanding their adoption by European consumers in the pandemic years of 2020 and 2021 and seeing a rapid rise in subscribers and revenues, VOD services prolonged the streak in 2022.

Consumer revenues for pay VOD services (SVOD and TVOD) increased by 25.6% in Europe (27% in EU27) to EUR 19.8 billion (EUR 14.6 billion in EU27), with SVOD consumer revenues accounting for EUR 18.3 billion (EU27 EUR 13.6 billion) or 92.4% of total pay VOD revenues (EU27 92.7%).

The number of European households subscribing to OTT SVOD services rose by 22.6% to 233 million (EU27 166.6 million, +23.8%), according to Ampere Analysis data from May 2023.

However, stark differences emerge both between Western European countries and Central and Eastern European (CEE) countries, and among countries in these regions, in terms of penetration: on average, per 100 households, there are 111.9 subscriptions to SVOD services in Western European countries while for CEE countries penetration is only 45.7 subscriptions per 100 households.

2022 was also the year several SVOD services introduced advertising-supported models and the rise of FAST services (free advertising-supported streaming TV) which compete directly with linear television for advertising revenues.

VOD and FAST advertising generated revenues of EUR 1.8 billion in 2022 in 23 European[1] countries, up by 27% compared to 2021, according to Ampere Analysis. With consumers trying to rationalise their entertainment spending, advertising-supported streaming services appear in the eyes of many media players to be the next growth relay in the face of a bleak outlook for their traditional businesses.

What comes next for streaming services?

While there appears to be still plenty of room for growth of SVOD and advertising-supported services, the explosive growth of streaming has coincided with enormous losses for traditional media players.

Now facing the decline of their incumbent businesses, which served as cash cows, and no longer able to finance subscriber acquisition at a loss as shareholders ask for profitability, major entertainment players must rationalise their expenses and investments, and the ever-increasing content spend of the past years is slowly coming to an end.

Facing more competition from international and tech players, increasingly also with regard to the acquisition of premium sports rights, European broadcasters have launched their FAST and ad-supported streaming services to adapt to this rapidly changing media landscape.

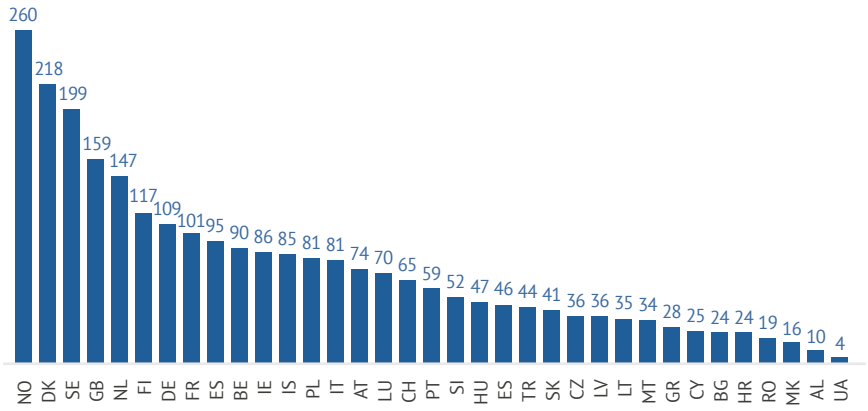
As consumers have the choice between multiple streaming services, for free and pay, and a plethora of content to choose from, an evolution from once stand-alone streaming service towards bundles of services (with, increasingly, other entertainment options such as gaming and music) is taking place as players try to survive in an ever-more-challenging entertainment sector.

1 Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Türkiye, Ukraine, United Kingdom.

In which European countries do households subscribe the most to OTT SVOD services?

In Norway, Denmark and Sweden, where households have on average 2 or more SVOD subscriptions. On the other hand, in Central and Eastern European countries, SVOD services have room for growth.

Penetration of OTT SVOD services in 2022 (in subscriptions by 100 households)



Source: European Audiovisual Observatory analysis of Ampere Analysis data

6 PLAYERS

6.1 A handful of worldwide leaders

The global top 50 groups by audiovisual revenues:[1] What has happened since 2018?

In 2018, the USA counted 26 companies among the world's top 50 audiovisual groups, accounting for 67% of cumulated top 50 revenues. In 2022, the number of US companies decreased to 23, but their share of revenues increased to 72%. Conversely, Europe had more groups in the top 50 in 2022 (13) than in 2018 (11) but the European groups' share of top 50 revenues decreased from 14% to 9%.

So … what happened?

The reason for the rise of the United States and the decline of Europe among the worldwide leaders lies predominantly in a limited number of moves among the largest groups: the acquisition of most of the assets of Twentieth Century Fox by the Walt Disney Company; the takeover of United Kingdom/Germany/Italy pay-TV provider Sky by Comcast, which resulted in Comcast becoming the largest audiovisual group worldwide and Europe losing ownership of its leading TV group; CBS and Viacom merging into Paramount; and, finally, the merging of AT&T's Warner Media and Discovery to form the Warner Bros. Discovery group.

10 groups with over EUR 20 bn in audiovisual revenues

Big mergers and acquisitions meant the top 50 audiovisual players grew even more rapidly than the market (8% annually between 2018 and 2022), despite the COVID-19 2020 downturn. It also resulted in greater concentration among the top 50 players, with the share of the top 10 (comprising 9 US groups and Sony) rocketing from 56% in 2018 to 65% in 2022.

Growing role of 'new entrants'

But the global top 50 groups are not just legacy audiovisual groups. Between 2018 and 2022, the no-longer really 'new entrants' made spectacular progress: Netflix climbed from 11th to 6th place and Google's YouTube from 19th to 8th; Amazon Prime Video was not part of the top 50 in 2018 but was 17th in 2022; nor were iQIYI, the Chinese streaming services (34th in 2022) or Banijay, the France-based film and TV production group (40th).

China's growth driven by mobile gaming and streaming

Groups based outside the 'Big 3' regions (the USA, Japan and Europe) still represented a minor share of the top 50 in 2022 (9 groups, 9% of top 50 cumulated revenues). But they grew faster, driven in particular by Chinese groups active in mobile gaming and streaming. The weight of the latter in top 50 revenues (7%) is approaching that of the European Union (8%).

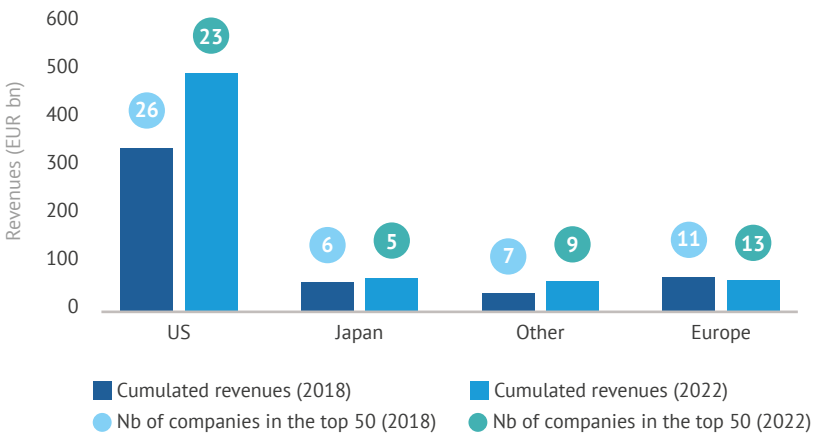
1 Include all television/video/streaming revenues, as well as music and gaming revenues.

How many European groups among the global top 50 audiovisual groups?

13

But the share of Europe in top 50 revenues decreased with the takeover of Sky by Comcast

Number of groups and cumulated revenues by origin of the global top 50 audiovisual groups (2018 and 2022 – in EUR bn and units)



Source: European Audiovisual Observatory analysis of data from EBU/MIS, Ampere Analysis, ORBIS and annual reports

Note: Includes all television/video/streaming revenues, as well as music and gaming revenues.

6.2 Revenue of top 100 AV players surges above inflation

Traditional players: More resilient in top 100 than across total AV service market

The cumulated operating revenues[1] of the top 100 audiovisual groups in Europe grew twice as fast in 2022 (+23% over 2016) as AV service revenues for the overall market and at a higher pace than that of average inflation.

Top players have consistently shown greater resilience and dynamics. The cumulative evolution of the top 100 revenues was mainly organic, with 90% of the growth accounted for by the private sector and almost entirely concentrated among the top 20 private groups. Pure SVOD players alone, such as Netflix, Amazon Prime, DAZN and Apple TV+, prompted a six-fold jump in OTT revenues in 2022 over 2016 and accounted for 40% of top-100 growth.

In contrast with the overall evolution of traditional market segments, revenues of primarily traditional players also registered an increase (+14% over 2016), which cumulatively accounted for 60% of top-100 revenue growth, driven mainly by Warner. Bros Discovery, Comcast's Sky, Disney, Vodafone and Deutsche Telekom. In part, this evolution may also be explained by a stronger dynamic in revenue streams generated outside traditional AV service activity. For broadcasters and TV packagers, for example, diversifying into TV production seems a common strategy, probably as an answer to the threat of on-demand over-the-top services.

US-backed group revenues (+46% in 2022 over 2016), led by pure SVOD players, drove the private sector, and accounted for two-thirds of its growth.

These developments saw the private share in general and the US weight in particular go up in 2022 over 2016.

Consolidations happened mainly between the existing top players. Therefore, apart from making the strong stronger and creating room for new players at the bottom of the top segment, they didn't play a direct role in growing the value of the top 100. They did, however, bolster organic growth due to ownership and structural changes which in some cases triggered more adapted market strategies.

PSBs: Top five claim over half of public sector revenues

The public sector, represented almost entirely by European broadcasters, cumulatively accounted for 27% of the top-100 revenue in 2022. This was similar to the viewership weight cumulatively accounted for by the PSBs. Compared to the private sector, the public sector tends to be more concentrated towards the top, with ARD, BBC, France Télévisions, RAI and ZDF accounting for 56% of the revenues in 2022.

Half of the private sector revenues, in the top 100, were cumulated by US-backed groups, 70% of which were represented by broadcasters and 25% by pure OTT platforms. US broadcasters tend to control a relatively large range of thematic channels with their respective localised versions, but broadcasters operating European homegrown TV stations are still the ones leading in terms of audiences.

The European-owned half of the private sector was also dominated by broadcasters (65%) in 2022 and complemented by telco-driven players. Top 20 private European AV groups cumulatively accounted for 88% of total private revenue out of top-100 revenue.

1 Consolidated operating revenues for top 100 European groups active in the video business, with details on video revenue, other than groups mainly active in cinema and gaming.

Which AV players dominate the top 100 by revenue?

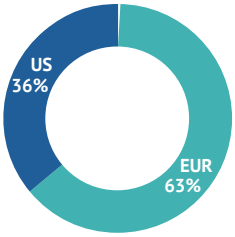
European-owned

Over 60% of revenues were banked by European-owned groups in 2022. The weight would have been 75%, had it not been for Sky's acquisition by Comcast in 2019.

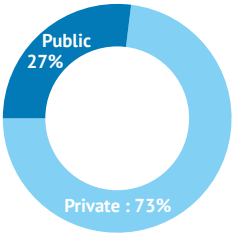
TOP 20 European AV groups by revenue

1. Comcast
2. Netflix
3. Walt Disney
4. RTL
5. ARD
6. BBC
7. Canal Plus
8. Warner Bros. Discovery
9. ITV
10. ProSiebenSat.1
11. Bouygues
12. France Télévisions
13. Vodafone
14. Liberty Global
15. Paramount
16. MediaForEurope
17. Deutsche Telekom
18. RAI
19. ZDF
20. Amazon

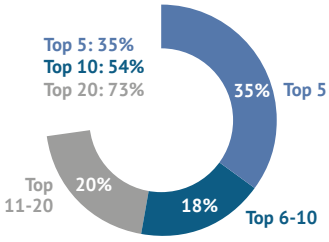
Breakdown of AV group revenue by final owner establishment (2022 - in %)



Breakdown of AV group revenue by ownership statute (2022 - in %)



Concentration of revenue by AV group (2022 - in %)



Source: European Audiovisual Observatory analysis of data from EBU/MIS, Ampere Analysis, ORBIS and annual reports

6.3 Cinema chains in Europe: the top 5 account for fewer than one quarter of screens

The ranking of major cinema chains published by UNIC and Boxoffice Pro[1] highlights the diversity of the European cinema exhibition landscape.

Mostly Europe-focused groups … with significant exceptions

The vast majority of the 40 leading cinema chains in Europe are only active on the continent. However, several European exhibitors either belong to groups established outside Europe or have expanded their activities beyond Europe: the world-leading US cinema chain AMC Entertainment; Cineworld, once mainly present in the UK but has expanded to the USA – and may be facing a restructuring of its portfolio after having filed for bankruptcy in September 2022; Kinepolis, which grew from a local exhibitor in Belgium into a major chain present in the USA and Canada; Yelmo Cines (Spain), controlled by Mexico's Cinepolis; Cinemaxximum (Türkiye), a subsidiary of CJ-CGV, the largest cinema chain in South Korea and Vietnam.

Pan-European presence …

The three European leaders in terms of number of cinema screens, Odeon Cinema Group (AMC Entertainment), Cineworld and Vue International, are present in, respectively, nine, eight, and eight European countries. Their presence is quite complementary: the three groups are active in the same country only in the United Kingdom and in Ireland, and two of them are active together only in Italy, Germany and Poland.

Although with significantly fewer screens, other groups have a notable international presence, including Kinepolis, which expanded from Belgium to the whole of Benelux and to France, Poland and Spain, and Cineplexx (Constantin Film Foundation), active in no less than 12 markets.

… and regional or national players

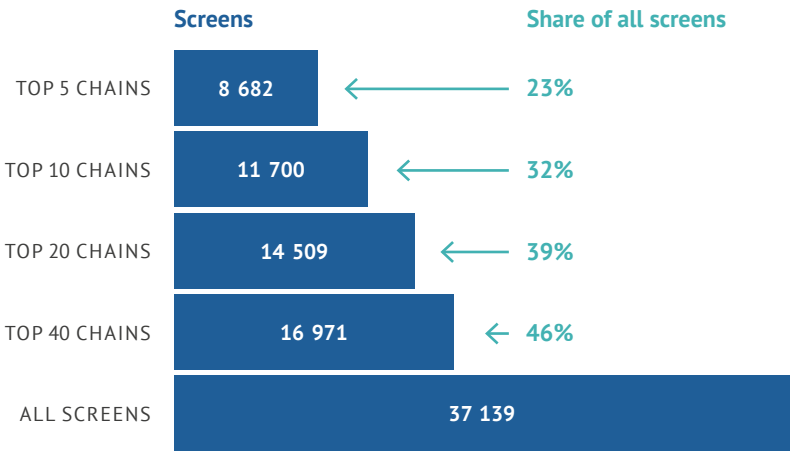
Another category comprises the bulk of groups included in the UNIC/Boxoffice Pro ranking: national champions mainly active in one European country (even if some of them have extended to neighbouring countries). Examples include France's Les Cinémas Pathé Gaumont (with a presence also in Belgium, the Netherlands and Switzerland) and UGC (also active in Belgium), Türkiye's Cinemaximum, Germany's Cineplex and Cinestar, Spain's Yelmo, Poland's Helios, and Nordisk Film Cinemas (Egmont Fonden; pan-regional presence in Denmark, Norway and Sweden).

1 See: Les "Giants of Exhibition" Europe 2023.

How concentrated is the European cinema exhibition market?

The top 5 cinema chains account for about 23% of all screens

Concentration of the European cinema exhibition market (2022)



Source: European Audiovisual Observatory analysis of UNIC/Boxoffice Pro data

6.4 High inflation deals blow to PSM revenues

Public service media (PSM) are carrying out their mandate to serve the public interest in a fast-changing market place. Audience fragmentation across a multitude of TV channels and digital platforms, competition with global players and funding constraints have impacted their capacity to cater to the needs, interests and values of the European societies they serve.

In 2022, the revenues of the public audiovisual sector in Europe[1] were EUR 39.35 billion (EUR 28.14 billion in the EU27). Due to high inflation, this represented a decrease of 8.3% in real terms in the EU27 from 2021 to 2022 and 0.9% nominal growth. These figures mark the continuation of a structural downward trend which sees PSM funding in long-term decline.

Growing financial disparity between top national PSMs and global players

PSMs are competing on an increasingly unequal financial footing against rival international competitors with revenue levels on a much bigger scale. Consolidation and revenue growth primarily driven by the private sector have widened the revenue gap even more.

Several public service broadcasters figure among the top 50 audiovisual companies worldwide[2] and many more among the top 100 audiovisual companies operating in Europe.[3] However, respectable positions in rankings cannot hide the fact that the pockets of the private sector competition are deeper than those of the PSMs. Half of the 100 leading European television groups featuring in the ranking in 2022 were PSM organisations whose revenue share stood at 27%. In the 2022 global ranking of the world's 50 leading audiovisual companies by audiovisual turnover, ARD, the BBC and Japan's NHK were the only three public audiovisual companies holding a combined share of 3% in total revenue.

Variations in funding

PSBs generally rely on two main resources: public funding and advertising revenues, although to varying degrees. On average, in Europe, public funding accounted for 76% of PSM resources in 2022 but the share varied between 99% in Finland, Luxembourg and Latvia and 45% in Malta.

PSM revenues varied strongly between countries, not only in absolute terms, but also per household: for example, in 2022 the per-inhabitant revenue of public television and radio companies in Denmark (EUR 179.8) and Switzerland (EUR 177.4) was among the highest, compared to EUR 1.2 in Ukraine.

Differences in PSM audiences

The variations in funding are also reflected in audience success. Audience market shares of public television ranged from over 80% in Denmark to 4% in Romania.

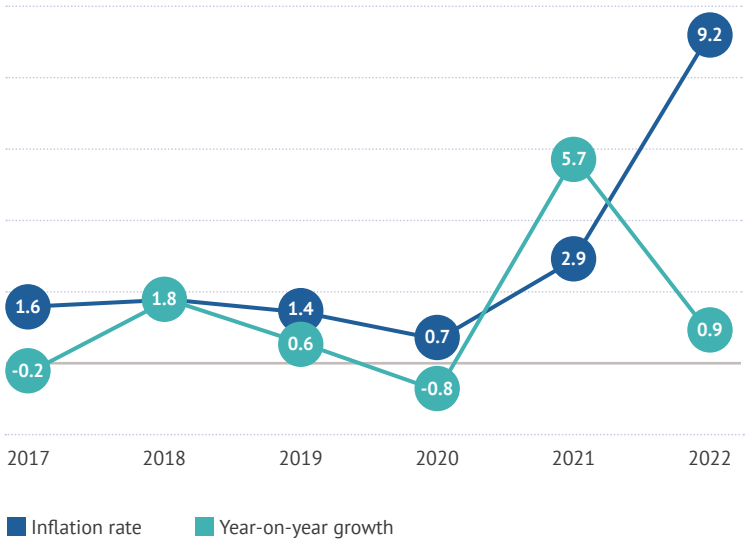
1 Europe includes the EU27, Albania, Armenia, Bosnia and Herzegovina, Georgia, Iceland, Moldova, Montenegro, North Macedonia, Norway, Serbia, Switzerland, Türkiye, Ukraine and the United Kingdom.
2 Source: Yearbook 2023, table PLAY-GLOB - The worldwide 50 leading audiovisual companies by audiovisual turnover (2015-2022).
3 Source: Yearbook 2023; table PLAY-EU - The 100 leading European television and radio groups (2015-2022).

How has inflation affected the revenues of the public audiovisual sector in the EU27?

Inflation

caused revenues to decrease by 8.3% in real terms

Average annual nominal revenue growth of public service media and average harmonised inflation by year in the EU27 (2017-2022 – in %)



Source: European Audiovisual Observatory analysis of EBU/MIS data, company reports data and Eurostat data.

6.5 TV fiction producers: Consolidation but no concentration

Strong leaders and many newcomers

The growth of European TV and SVOD fiction production since 2015 combined with an intense renewal of TV/SVOD series (on average, between 2015 and 2022, first seasons accounted for just over half of all seasons produced each year) has triggered a multiplication of production companies. Almost 1 800 production companies/groups produced at least one fiction title between 2015 and 2022 but only 4% of them produced at least one title in each of the last eight years; and out of the groups which produced at least one TV/SVOD series in 2022, 40% were new to the sector.[1]

In parallel, a consolidation process is taking place, in the form of acquisitions, mergers and alliances, driven by companies such as Banijay, Mediawan and Leonine, ITV, the RTL Group's Fremantle, Asacha, Federation Entertainment, Warner Bros. Discovery's All3Media, etc. Some groups have also grown more on an organic basis, such as Beta Films or Highlight Entertainment. Other key players in the TV/SVOD production business, the public broadcasters' production subsidiaries, were to some extent left out of the consolidation process.

Still, the spectacular flow of acquisitions is not translating into more concentration in the sector: the leading groups are not growing faster than the market, and the share of the top 10 and top 20 production groups has actually decreased slightly since 2015.

A segmentation of TV fiction producers

The top production groups roughly comprise three main types: pure independent production groups with no, or no significant, interest in broadcasting (e.g. Banijay, the Mediawan/Leonine alliance); subsidiaries of public broadcasters, chiefly producing for their parent company[2] (e.g. ARD, ZDF or the BBC), and subsidiaries of broadcasters increasingly producing for non-affiliated broadcasters (e.g. ITV Studios, Fremantle from the RTL Group, TF1's Newen, or even Warner Bros. Discovery through its subsidiary All3Media).

European footprint

When looking at the market from a pan-European perspective, the volume of production of the leading groups is not the only relevant indicator. The number of countries where the group is active also matters: a wider footprint can indeed help to share concepts and set up co-productions with broadcasters from different countries. In that regard, Banijay and the RTL group lead the pack with TV/fiction projects from 12 different countries, while other leading groups are more focused geographically speaking (e.g. 8 different countries for ITV, 7 for Beta Film or TF1's Newen, 6 for Mediawan/Leonine).

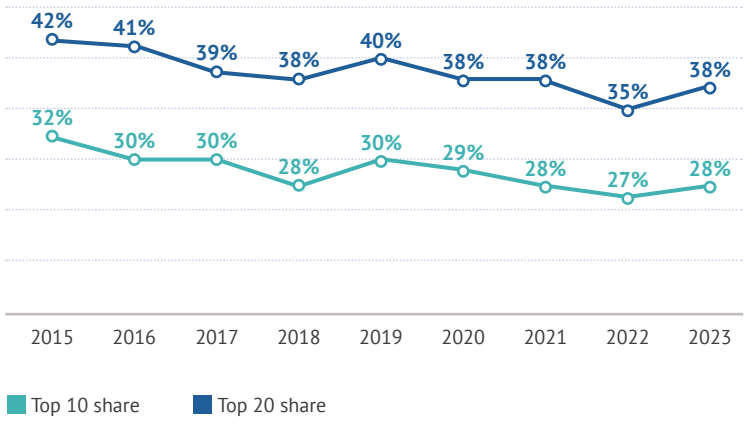
1 In the sense that they did not produce any TV/SVOD series between 2015 and 2021.
2 In the specific case of Germany, ARD subsidiaries also significantly produce for ZDF, the other public broadcaster.

Is the TV fiction production sector becoming more concentrated?

No

The leading companies are growing fast, but the market is growing too

Share of the top 10 and top 20 TV fiction producers
(% of number of seasons and TV films



Source: European Audiovisual Observatory analysis of MediaPress data

Note: excludes TV series with 52 episodes or more per season

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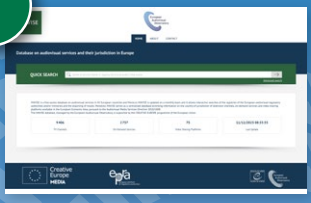
5 Databases

1

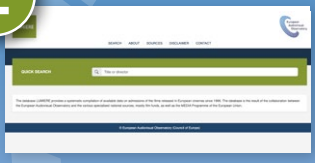


MAVISE

Database on audiovisual services and their jurisdiction in Europe
More than 9 400 television channels and about 2 800 on-demand audiovisual services.

https://mavise.obs.coe.int/

2

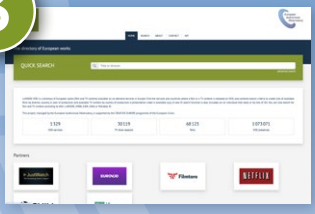


LUMIERE

Database on admissions to films released in Europe
More than 60 000 titles, including co-productions.

https://lumiere.obs.coe.int

3

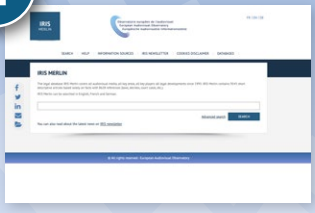


LUMIERE

The directory of European works
Data taken from over 1 300 VOD catalogues in 31 European countries. This directory covers over 68 000 European films and over 30 000 European TV season titles.

https://lumierevod.obs.coe.int/

4

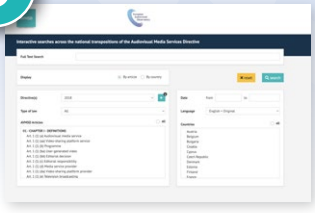


IRIS MERLIN

Database on legal information relevant to the audiovisual sector in Europe
IRIS Merlin legal database covers all audiovisual media, all key areas, all key players and all legal developments since 1995. It contains over 9 300 articles and references to more than 8 600 source documents.

https://merlin.obs.coe.int

5



AVMSDatabase

Database on the transposition of the AVMS Directive into national legislation
Primary and secondary legislation (where existing) in the 27 EU member states.

https://avmsd.obs.coe.int

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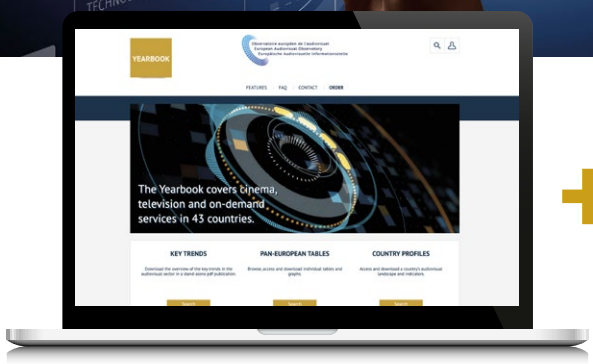

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Major activities of the Observatory are

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www.yearbook.obs.coe.int

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www.obs.coe.int/publications

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