Brexit in context: *The UK in the EU28 audiovisual market*

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A publication
of the European Audiovisual Observatory

European Audiovisual Observatory

COUNCIL OF EUROPE

CONSEIL DE L'EUROPE

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Introduction

In the context of Brexit, this publication of the European Audiovisual Observatory provides key facts and figures on the relationships between the United Kingdom and the other European Union countries.

The publication addresses first the weight of the UK in the European Union audiovisual market. It then provides insights on film and TV co-productions between the UK and other European Union countries. The third section is dedicated to the import and export of films between the UK and the other European Union countries. Finally, the publication looks into the circulation of audiovisual services between the UK and the European Union.

Figures included in this publication are taken from a variety of Observatory reports and from the Observatory databases.

Opinions expressed in this publication are personal and do not necessarily represent the view of the European Audiovisual Observatory, its members or the Council of Europe.

Section1

Weight of the UK in the European Union audiovisual market

- Share of the EU28 market
- Structure of the audiovisual market
- Cinema
- TV fiction production
- Audiovisual services
- Audiovisual groups

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The United-Kingdom is, together with Germany, the largest audiovisual market in the EU28.

The UK market is slightly more dynamic, on average, than the EU28 as a whole, due to the solid performance of pay-TV and because the UK is the most-developed EU 28 market by far for on-demand services.

The UK is a key player in the European film sector. Thanks in particular to a strong domestic cinema market, it produces 16% of all EU28 films, excluding blockbusters films fully-funded by US majors through their UK subsidiaries.

The UK ranks No. 4 in terms of number of TV fiction hours produced, underpinned by a focus on high-end drama with a strong export potential.

The UK is by far the main country of establishment in the EU28 for television channels and on-demand services.

The UK hosts three of the top 10 EU28 audiovisual groups (Sky, BBC, ITV) also as European subsidiaries of the major US media groups.

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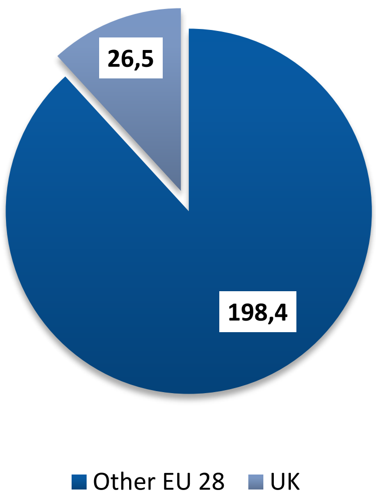
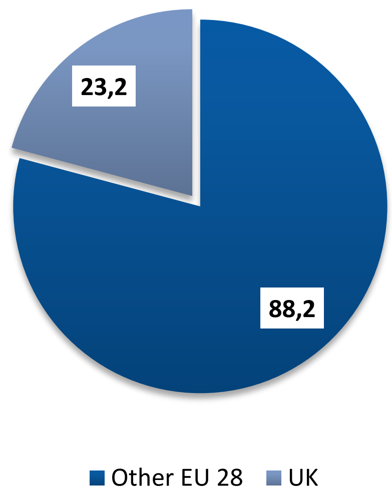
UK share of the EU28 market

- With 12% of TV households, the UK accounts for 21% of the EU28 audiovisual market.
- The average annual growth rate between 2011 and 2016 was 2.1% for the UK vs. 1.7% for the EU28.

TV households (end 2016, m)



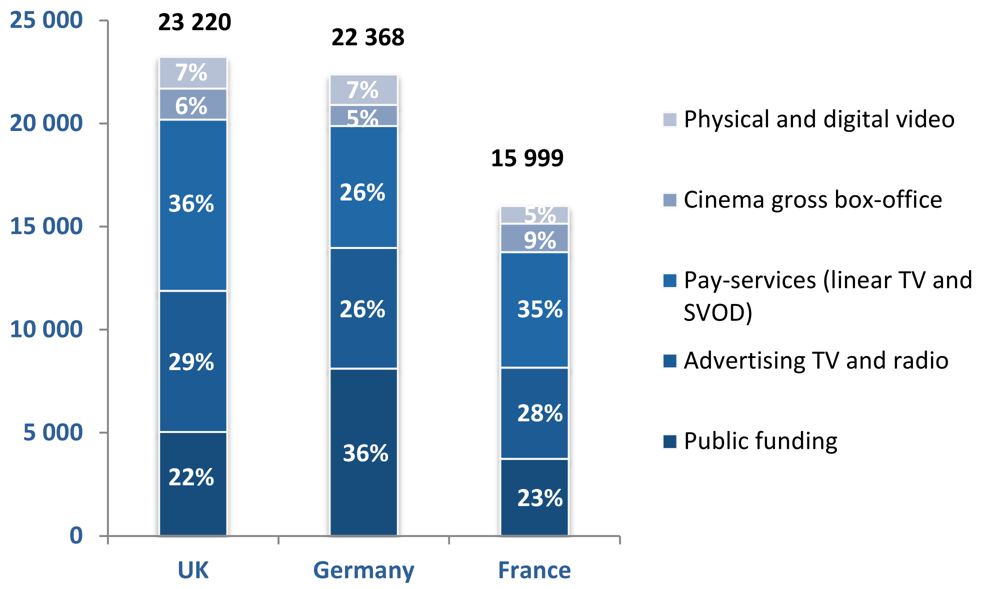
Audiovisual market (2016, bn EUR)



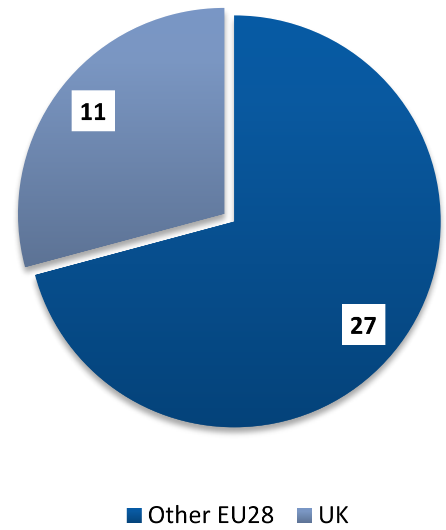
Ampere Analysis, EBU/MIS, film agencies, WARC, IHS

- The UK audiovisual market is similar in size to the German market and 45% bigger than the French market.
- The UK accounts for 31% of the EU 28 on-demand market and 29% of EU28 SVOD subscribers.

Breakdown of the audiovisual market (2016, m EUR)



SVOD subscribers (2016, m)

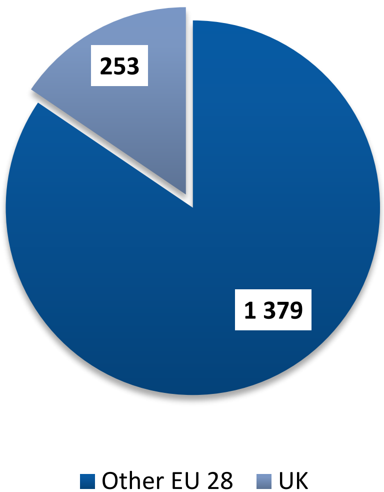


Ampere Analysis, EBU/MIS, film agencies, WARC, IHS

1 - Weight of the UK in the EU audiovisual market

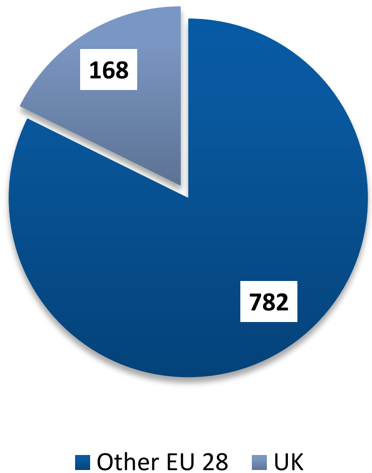
- The UK accounts for 16% of the feature films produced in the EU28 (No. 1 in EU28, followed by France).
- The UK accounts for 14% of cinema screens and 18% of cinema admissions in the EU28 (No. 2 in EU28, after France).

Feature film production in the EU28 (av. 2011-2016)



Incl. majority co-productions

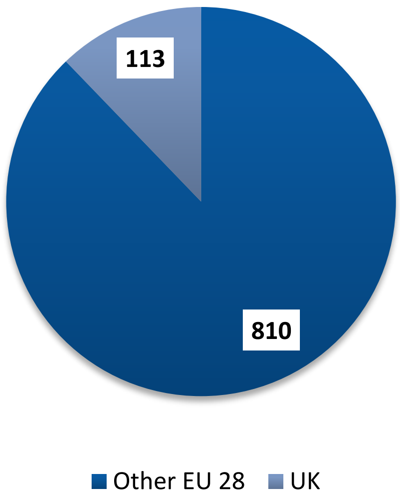
Cinema admissions in the EU28 (av. 2011-2016, m)



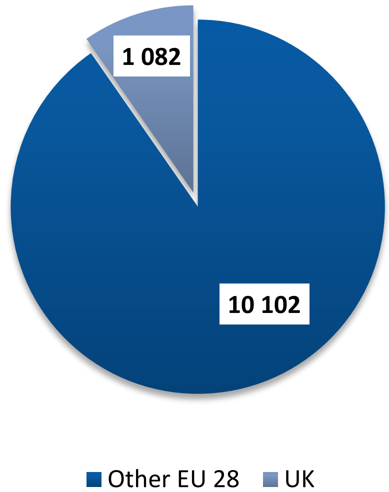
European Audiovisual Observatory/LUMIERE - BFI – Not all films produced are not necessarily released – UK data excludes inward US films.

- The UK accounts for 12% of TV fiction titles produced each year in in the EU28 (No. 3 in the EU28, after Germany and France).
- The UK accounts for 10% of TV fiction hours produced each year in the EU28 (No. 4 in the EU28, after Germany, Spain and Portugal).

TV fiction production (titles, av. 2015-2016)



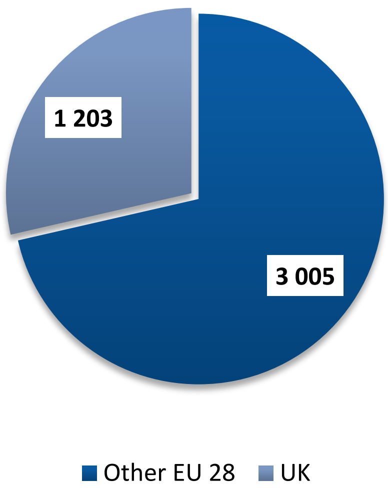
TV fiction production (hours, av. 2015-2016)



1 - Weight of the UK in the EU audiovisual market

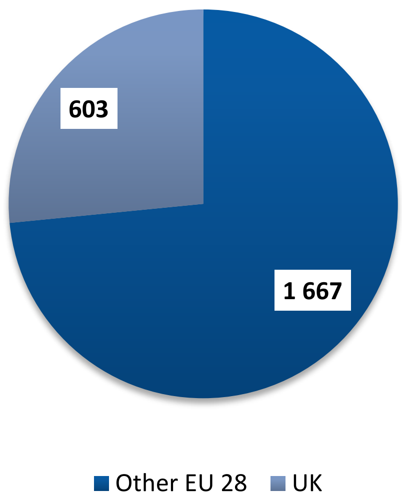
- 29% of EU28 TV channels are established in the UK.
- 27% of EU28 on-demand services are established in the UK.

TV channels established (end 2017)



Excl. local channels, incl. linguistic versions

On-demand services established (end 2017)



Excl. local channels, incl. linguistic versions

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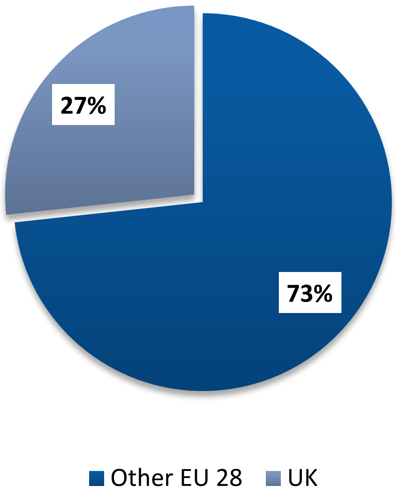
1 - Weight of the UK in the EU audiovisual market

Audiovisual groups

- Groups based in the UK account for 27% of the revenues of the EU28 top 100 audiovisual companies, vs. 13% for Germany and France, respectively.

Share of EU28 top 100 audiovisual companies revenues (2016)



Major UK groups; US groups-subsidiaries based in the UK

European Audiovisual Observatory/Yearbook

Section 2

Film and TV fiction co-productions between the UK and other EU28 countries

- Film co-productions
- TV fiction co-productions

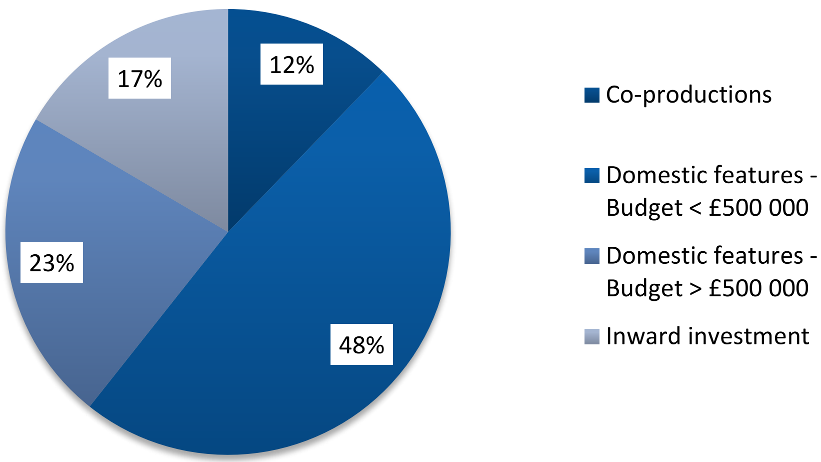
In Europe, UK mainly co-produces with France and Germany.

Probably as a result of the strong “exportability” of UK TV programmes, co-productions only account for a very minor part of UK TV fiction production.

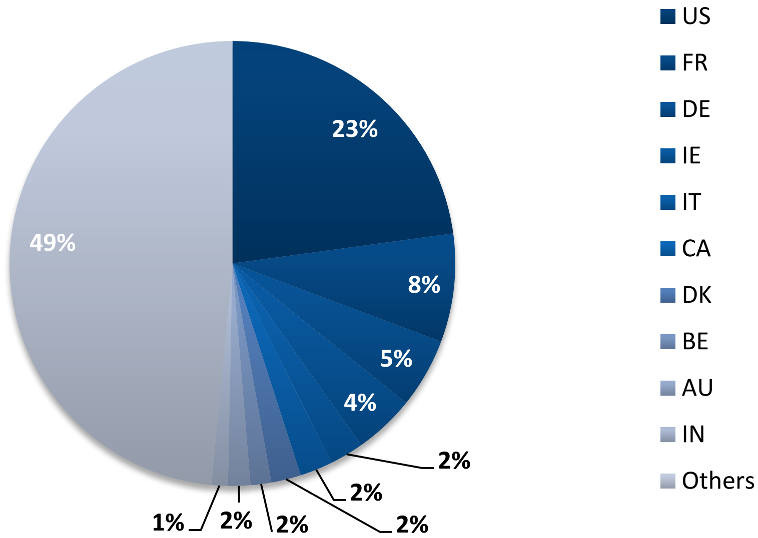
The most frequent TV fiction co-production partners include the US, but also Scandinavian countries and France.

- Excluding inward investments and films with a budget under £500 000, 35% of UK films are majority co-productions.
- In Europe, the UK primarily co-produces with France, Germany and Ireland.

Films produced in the UK (%, av 2012-2016)



UK interactions for film co-productions (%, cumulated 2011-2016)



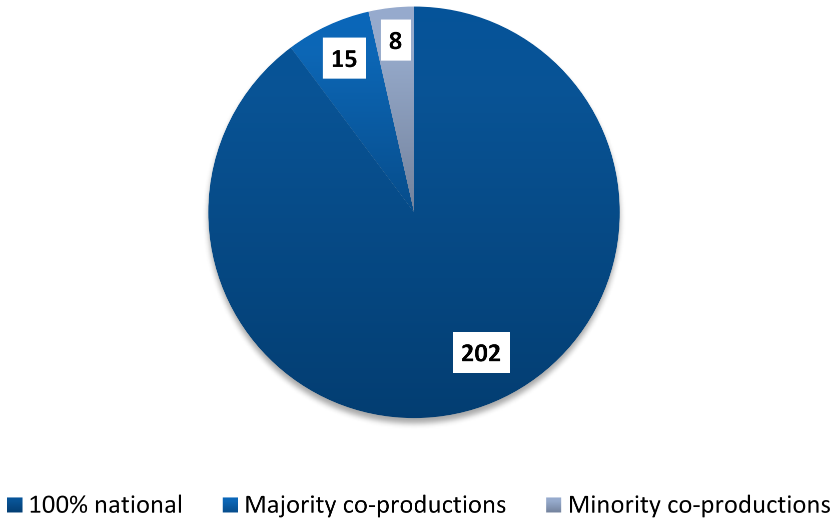
Incl. majority and minority co-productions

BFI

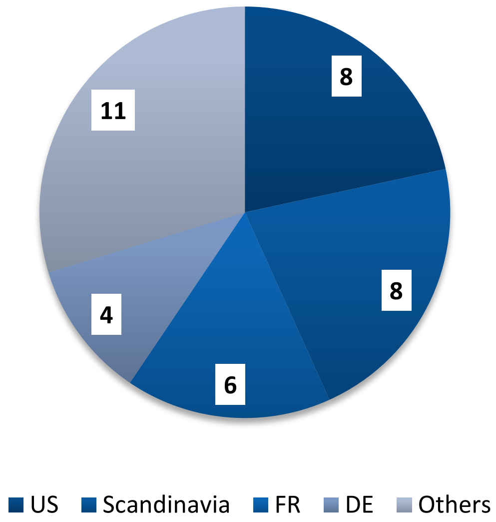
European Audiovisual Observatory/LUMIERE

- 7% of TV fiction titles produced in the UK are majority co-productions, and the UK leads 13% of TV fiction titles co-productions in the EU28.
- The UK co-produces mainly with the US, Scandinavia and France.

TV fiction titles produced or co-produced by the UK (cumulated 2015-2016)



UK partners for TV fiction co-productions (interactions, cumulated 2015-2016)



Section 3

Exports and imports of films between the UK and the other EU28 countries

- Share of EU 28 works in cinema, TV and TVOD
- UK share of film exports
- Cinema admissions: UK films in EU27, and EU27 films in the UK

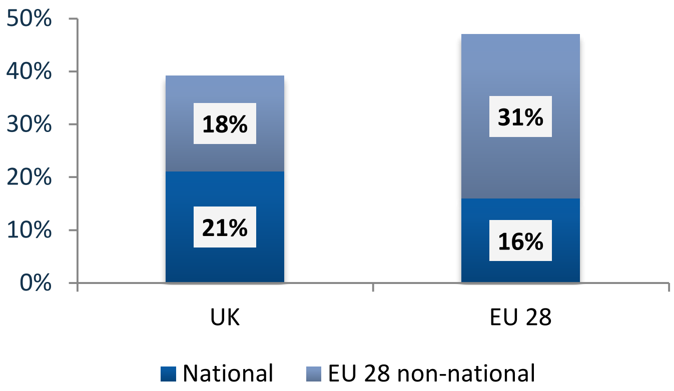
The share of EU28 films released in the UK in cinemas, on TV and on Transactional Video on Demand (TVOD) is lower than in the EU28 on average. Among EU28 films, the UK tends to favour national films and imports a relatively low share of EU28 non-national films.

Conversely, the UK is a strong exporter of films to other EU28 countries. It ranks No. 2 (after France) for the number of film exports in cinemas and on TV, and No. 1 for the film exports on TVOD.

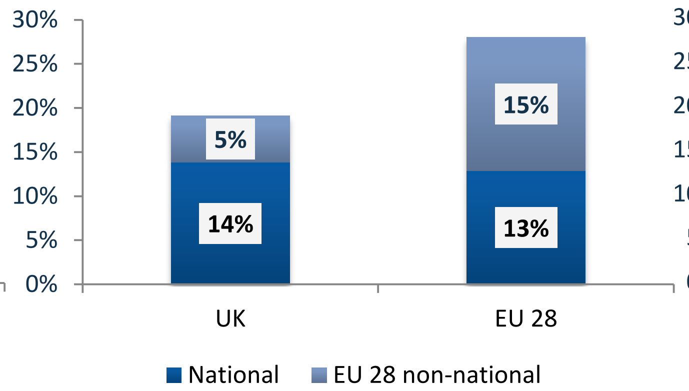
UK films therefore rely on the other EU28 countries markets, which account for a quarter of their worldwide theatrical admissions. In turn, the other EU28 countries' films derive only 1,8% of their worldwide admissions from the UK theatres.

- EU28 films account for a lower share of releases in the UK than in the EU28 as a whole, on average.
- In the UK, national films account for the majority of EU28 films on release, unlike the rest of the EU28, on average.

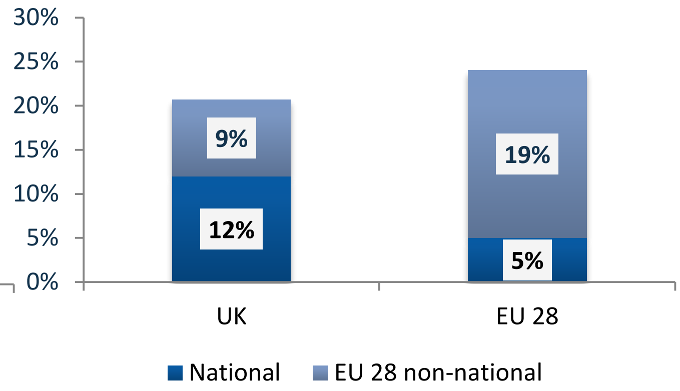
Share of EU28 films released in cinemas (2015)



Share of EU28 films released on TV (2015-2016 season)



Share of EU28 films released on TVOD (2017 season)



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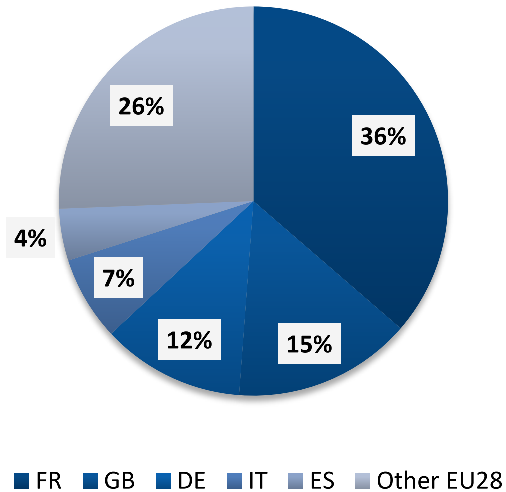
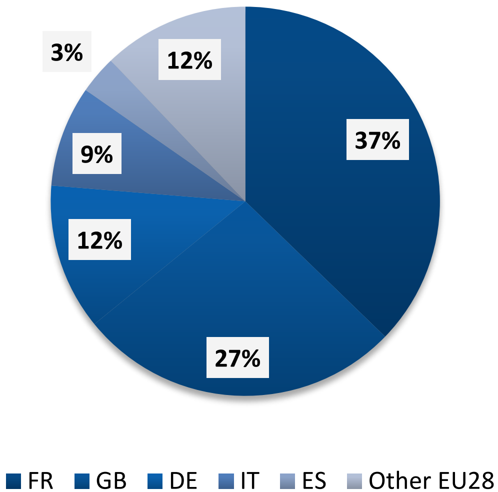
- The UK ranks No. 2 (after France) for the number of film titles exported to other EU28 countries in cinema and on TV.
- The UK ranis the runaway No. 1 (ahead of France) for the number of titles exported to other EU28 countries on TVOD.

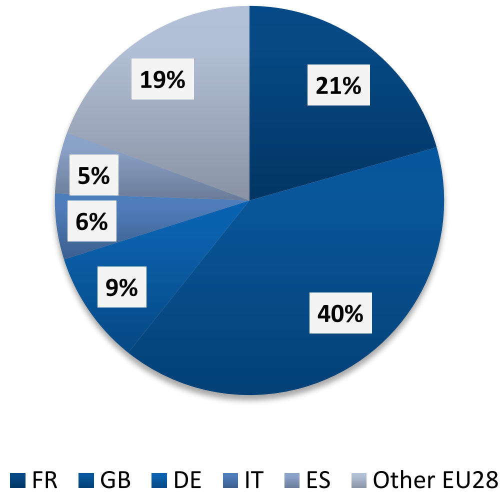
EU28 non-national releases in cinema (2015)



EU28 non-national releases on TV (2015-2016 season)



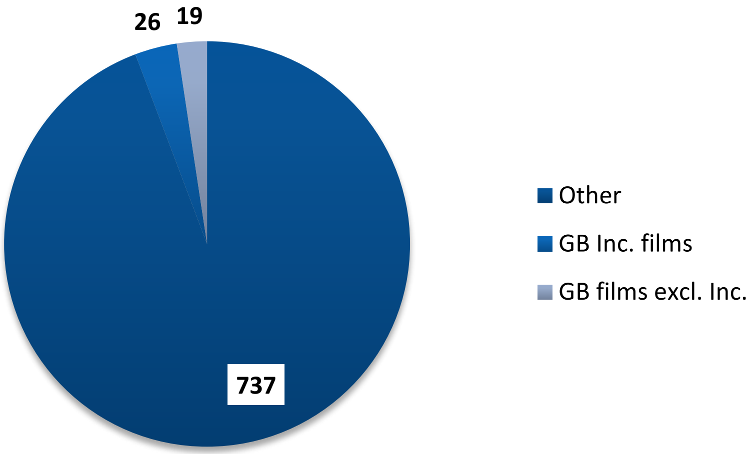
EU28 non-national releases on TVOD (2016)



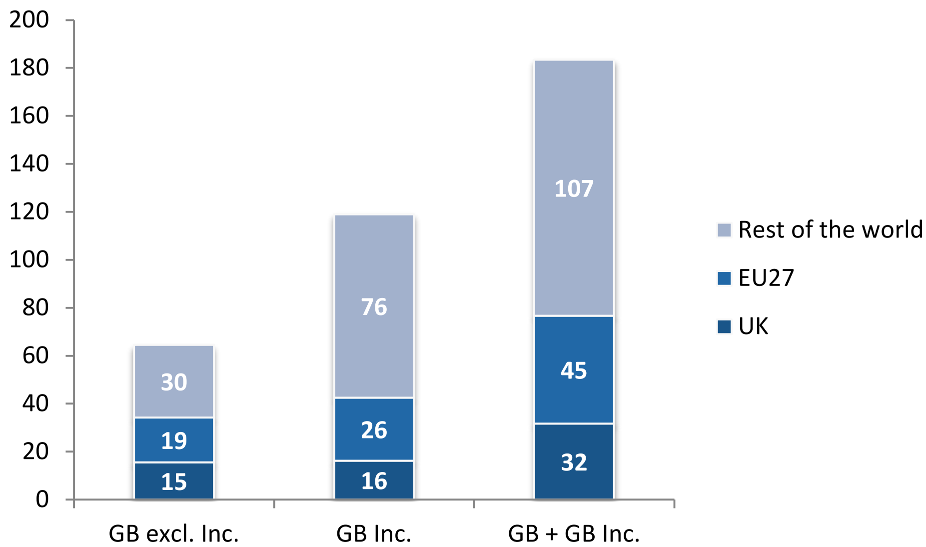
UK films admissions in EU27 countries

- UK films comprise an average 2.4% (excluding GB Inc.) and 5.7% (including GB Inc.) market share of cinema admissions in the other EU28 countries.
- EU27 countries account for 29.0% (excluding GB Inc.) and 24.5% (including GB Inc.) of UK films' worldwide admissions.

Cinema admissions in the EU27 countries (av. 2011-2016, m)



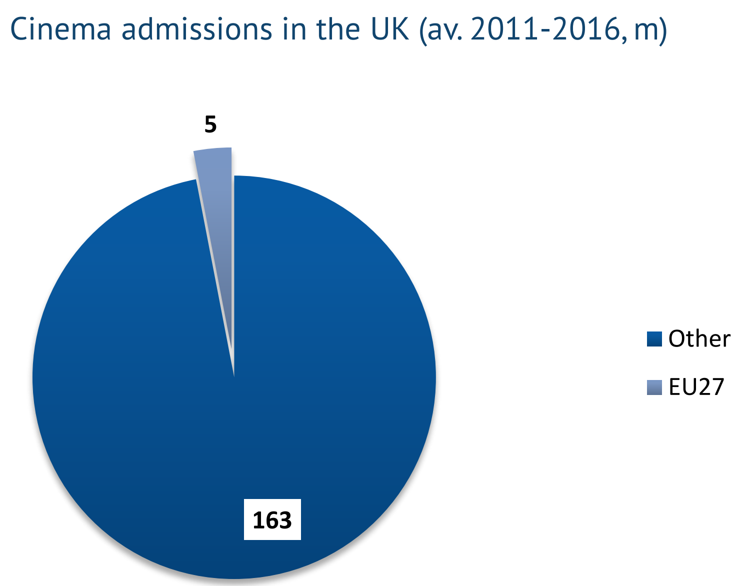
Cinema admissions to UK films (av. 2011-2016, m)

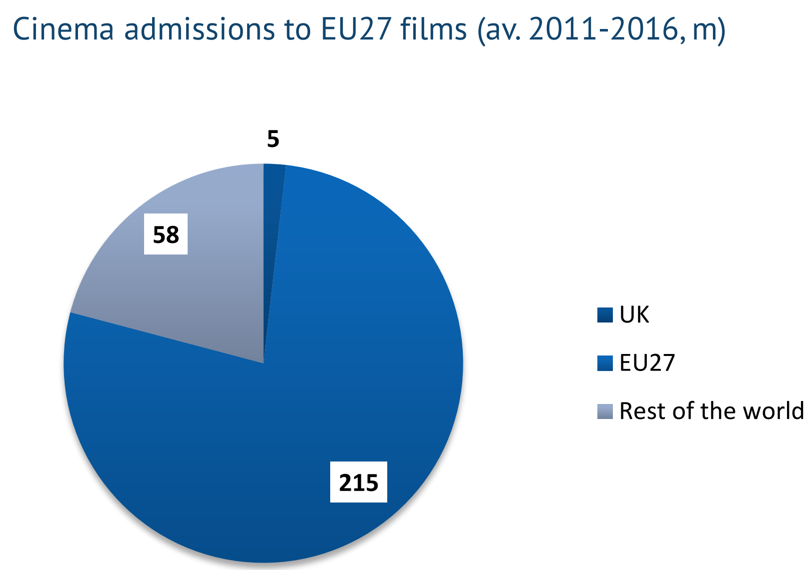


European Audiovisual Observatory/LUMIERE – GB Inc. Films are produced by a UK subsidiary of a US studio.

EU27 films admissions in UK

- EU27 films comprise an average 3.0% market share of cinema admissions in the UK.
- The UK accounts for 1.8% of EU27 films worldwide admissions





European Audiovisual Observatory/LUMIERE.

Section 4

Circulation of audiovisual services between the UK and other EU28 countries

- TV channels and on-demand services targeting other countries

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The United-Kingdom is the main hub in Europe for audiovisual services.

About two-fifth of TV channels established in the UK primarily target another market. Close to 60% of all European channels targeting another country are established in the UK. These channels include both general-interest channels and the various linguistic versions of US-based thematic channels.

About half of on-demand services established in the UK primarily target another market. Close to 50% of all European on-demand services primarily targeting another country are established in the UK.

Conversely, the number of TV channels established outside the UK but targeting the UK is marginal.

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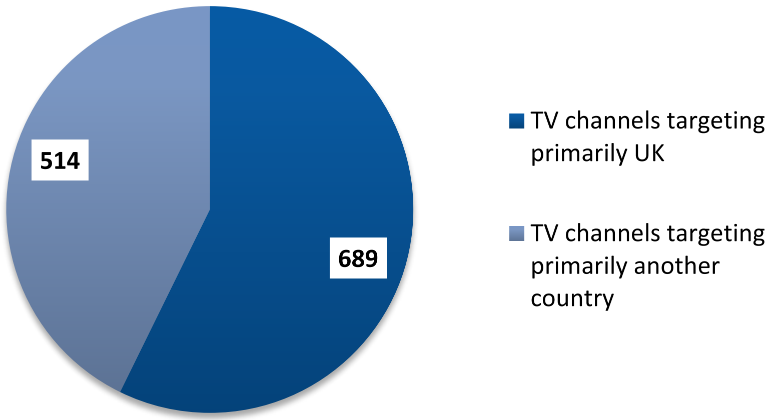
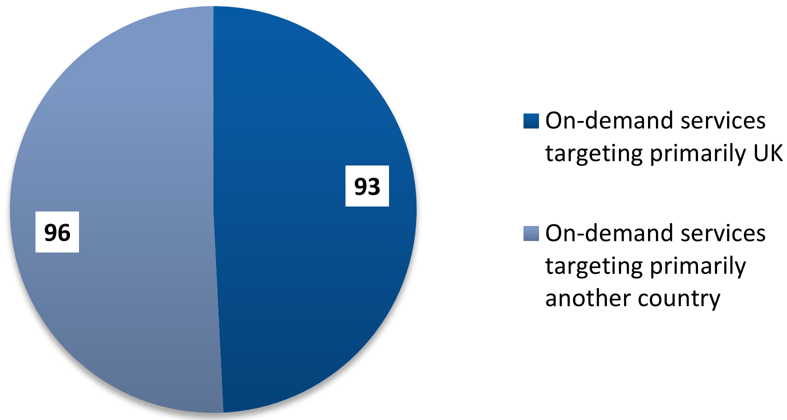
- 43% of the TV channels established in the UK target primarily another country.
- 51% of the on-demand services established in the UK target primarily another country.

TV channels established in the UK (end 2017)



Excl. local channels, incl. linguistic versions

On-demand services established in the UK (end 2017)



Excl. local channels, incl. linguistic versions

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