

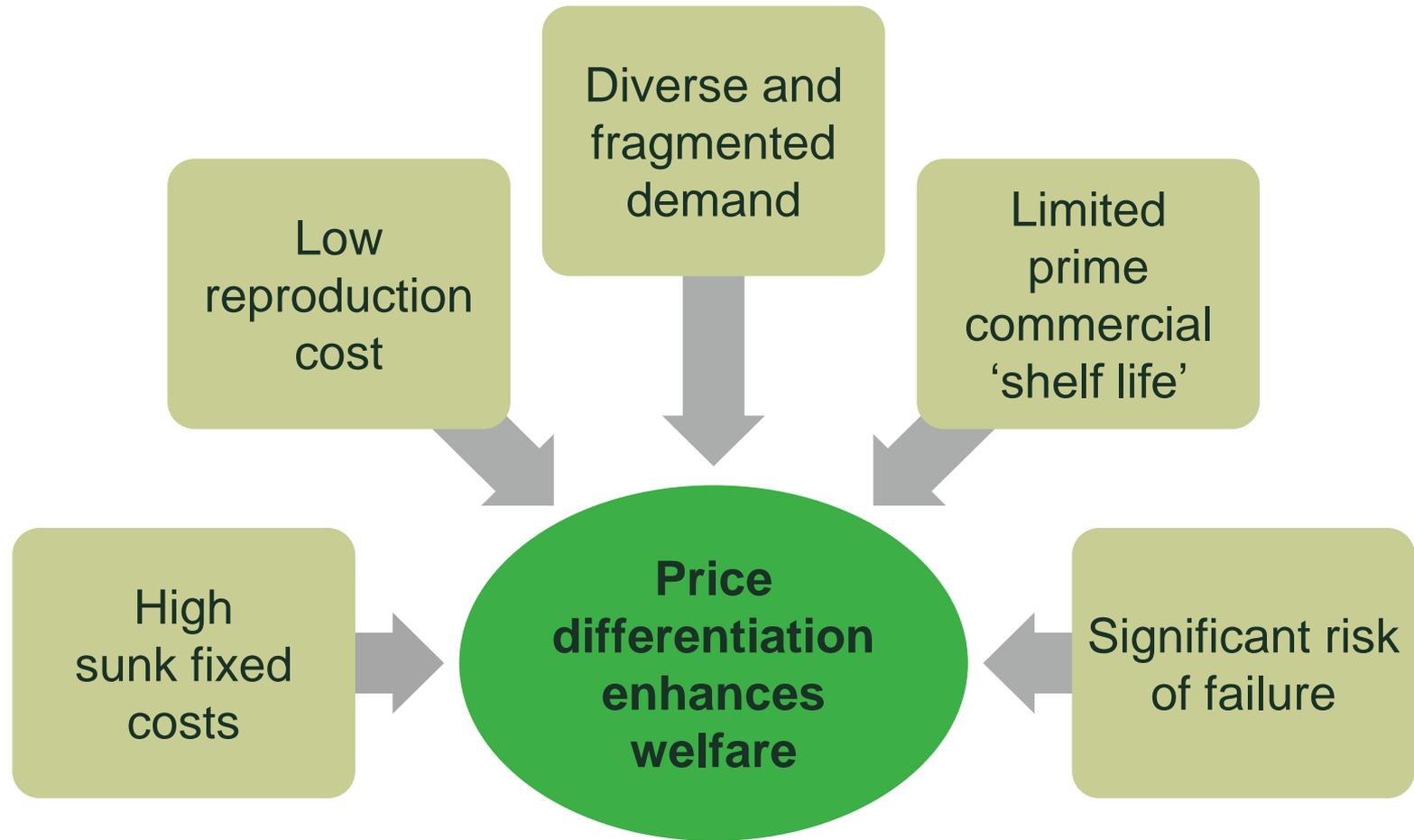


The impact of cross-border access to AV content on EU consumers

Gareth Shier

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AV industry characteristics



The industry relies on a few key mechanisms

Windowing

**Territorial
licensing**

**Content
exclusivity**

Catering to consumers'...

**Time & format
preferences**

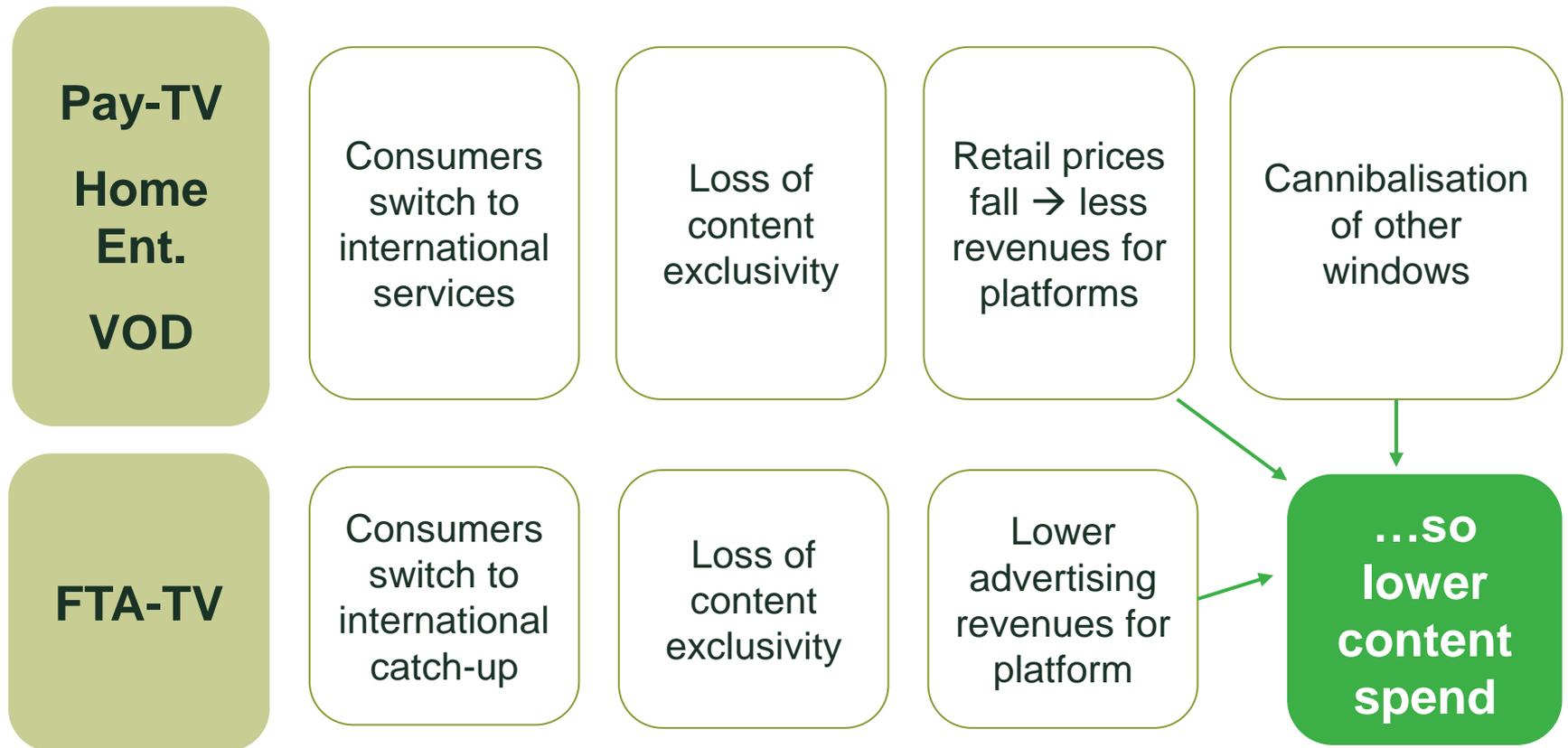
**Cultural
diversity**

**Income
differences**

And...

**Differentiating
platform offer**

What happens when territoriality is eroded?



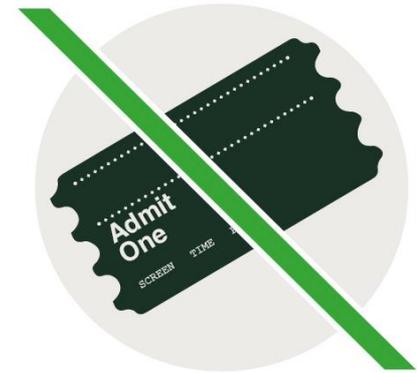
Our economic model predicts significant impacts in the short run



Up to **€8.2bn** per year lower producer revenues



Production lower by up to **48% for TV** and **37% for films**



Consumers lose out up to **€9.3bn** in welfare per year

The industry members will try to respond...

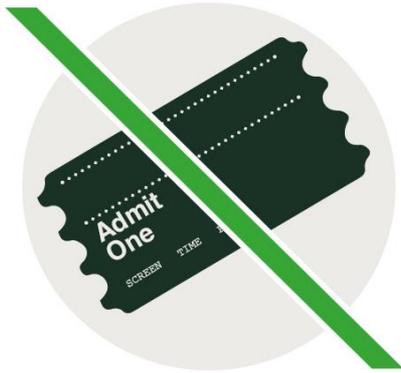
pan-EU licensing

new variable wholesale
pricing models

platform distribution
restrictions

enforced dubbing

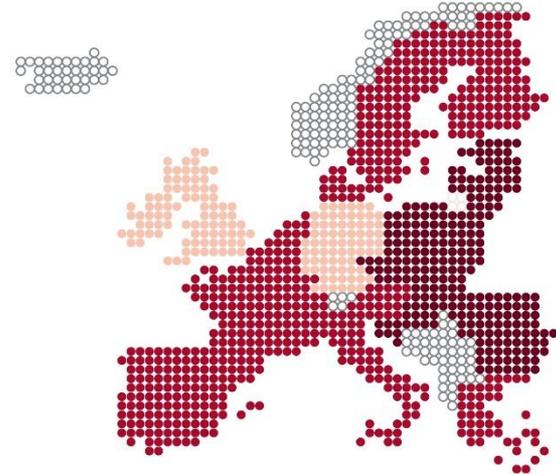
In the long-run, all responses result in worse consumer outcomes than today



Consumers lose out
up to €4.5bn in
welfare per year



Production lower,
especially for local
content (**up to 35%**)



Impacts are most
pronounced in lower-
income countries



To view the full report please visit
www.oxera.com/crossborder

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