

Global watch on culture and digital trade

STREAMING PLATFORMS: CROSS-NATIONAL DEBATES OVER NEW REGULATION

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Analytical report, June 2022

The June report begins with the discussions toward the Indo-Pacific Economic Framework and its objectives. It also deals with cross-national debates over regulation of audiovisual streaming services in Australia, Switzerland, Denmark and Canada. Then, the report emphasizes the global expansion of several video and music streamers, such as Disney Plus, Amazon Prime Video, Tencent Music Entertainment, Qobuz. In addition, the report turns to public diplomacy actions and strategic partnerships of streaming platforms, focusing on TelevisaUnivision and Netflix.

Regulation issues, digital trade and culture

Launch of negotiations on the Indo-Pacific Economic Framework

End of May, Joe Biden announced that twelve countries of the Indo-Pacific region, including Australia, Brunei, Indonesia, India, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam, have committed to join the US-led Indo-Pacific Economic Framework (IPEF). So far, the IPEF does not incorporate three ASEAN member states (Cambodia, Laos, and Myanmar), Taiwan and China. The IPEF comes five years after the US withdrew the Trans-Pacific Partnership and it is not a free trade deal since “no market access or tariff reductions have been outlined”.



Rather, the initiative is symbolic, showing the willingness of the US administration to restore its economic leadership in the region. Besides, the framework could pave the way for future trade agreements. The IPEF will be based on four pillars: connected economy, resilient economy, clean economy and fair economy. The pillar on connected economy will seek to build higher standards and rules for digital trade and competition policy, such as cross-border data flows. Finally, the CSIS mentioned that “the digital component remains one of the most appealing” of the IPEF.

Debates around regulation of streaming platforms in Australia and Canada

The Australian government seeks to introduce a Streaming Services Reporting and Investment Scheme (the scheme) in order to incentivize investment in Australian content by large streaming services. The scheme mentioned that “Australia is not alone in grappling with the challenge of safeguarding access to content with local cultural relevance” in an increasingly globalized marketplace. A number of countries, such as Belgium, Croatia, Denmark, France, Germany, Italy, the Netherlands, Spain, Switzerland, Portugal and Poland, have implemented regulations on streaming services to incentivize or require the provision of local programming. These generally take “the form of catalogue quotas, direct investment and/or levies”.

On the one hand, the scheme underlined that large VOD services operating in Australia have each indicated their intent to continue investing in Australian productions, Australian content and the capacity of the Australian production sector. However, according to the scheme, there is no certainty that “this projected growth in investment in Australian content will continue without a regulatory framework in place and attractive production incentives to support them”. As such, the scheme recommended that a streaming service should invest five per cent of its gross Australian revenue on new Australian content. In addition, according to the scheme, if a service’s investment on commissions falls below 5 per cent of its local revenue, the Minister will have the power to impose a formal investment requirement.

On the other hand, the Australian Screen Industry Group (ASIC) considered the proposition of 5 per cent as “weak”, falling far short of what is required. Besides, the ASIC warned of damage to the industry from delayed regulation.



The ASIG called for a 20 per cent Australian commissioned content expenditure requirement. The ASIG consists of 14 industry guilds and organizations, such as Screen Producers Australia, the Australian Writers' Guild, the Australian Directors' Guild.

Finally, it is worth noting here that in February 2022 the government of Canada introduced the Online Streaming Act, - also known as Bill C-11 - which seeks to expand the authority of Canada's broadcasting regulator, the Canadian Radio-television and Telecommunications Commission (CRTC), and to bring online broadcasters - including online streaming platforms - under the same regulatory framework as traditional broadcasters providing services and content in Canada. In May, the proposed Act was the subject of debate in the Canadian Parliament (House of Commons).

Regulation on video streamers in Denmark and Switzerland


On May 15, in a referendum, 58% of Swiss voters backed the so-called 'Lex Netflix', which approves an amendment to the Film Production Act adopted by Parliament last October and making streaming services contribute toward Swiss film-making. Since 2007, domestic television broadcasters have been obliged to invest four per cent of their turnover in Swiss film-making; the Lex Netflix will force streamers like Netflix and Amazon Prime Video to re-invest four per cent of their local revenues in Swiss film and TV productions.

In addition, end of May, lawmakers in Denmark have agreed that global streaming services must pay a levy of six per cent of their revenue in the country to support local audiovisual production. The Ministry of Culture said in a statement that "Denmark must go as far as possible in providing good public service to children and young people, which can serve as a real alternative to the tech giants' platforms and foreign content".

Worldwide activities of online platforms

Global struggle for geographical expansion

During the first three months of 2022, Disney Plus, the streaming service from the Walt Disney Company, added around 8 million new subscribers, having 137.7 million paying subscribers worldwide, up 33% year over year.



Besides, Disney mentioned that the number of subscribers for all of its streaming services – including Hulu, ESPN Plus and Disney Plus – had grown to over 205 million, from the 196.4 million reported in January. In mid-May, Disney Plus launched in South Africa, featuring 2,277 titles – 1,332 movies and 945 series.

According to a study coming from Media Partners Asia, subscription video streaming services in Japan counted 48.4 million subscribers at the end of the first quarter. Amazon Prime Video (34%) and Netflix (14%) accounted for nearly half of the market, followed by Hulu Japan (6%). On the one hand, Japanese anime accounts for 51% of time spent viewing, followed by Japanese live action content (18%). On the other hand, US series represented 10% of consumption, while US movies and Korea series accounted for 7% each.

In China, the largest music streaming services, Tencent Music Entertainment (TME) and NetEase Cloud Music (NCM), saw important growth in paying online music users in the first quarter of 2022. TME added 4 million paying music users, standing at 80.2 million customers, while NetEase Music added around 8 million music users, standing at 36.7 million customers. It is worth noting that Spotify has 182 million premium subscribers worldwide and it does not operate as a service in China.

In addition, supported by its recent fundraising of 23 million USD, French music streaming and download platform Qobuz has expanded its service into six new countries: five in Latin America (Brazil, Mexico, Argentina, Colombia, Chile) and one in Europe (Portugal). It is now available in 25 countries worldwide, including several European countries, the US, the UK, Australia and New Zealand. It is worth noting that with a musical catalog of 80 million tracks, Qobuz offers a rich editorial content with a half a million album reviews, booklets, artist interviews and biographies and it is a “human-curated tailor-made approach to music, including recommendations and playlists, which are selected by music enthusiasts, allowing lesser known local and international artists’ music to be discovered”.


Finally, following its launch in Colombia and Chile in November 2021, Amazon Music is continuing its expansion in Latin America with its launch in Argentina in May 2022. According to the International Federation of the Phonographic Industry, music streaming revenues accounts for 85.9% of the Latin American music market, one of the highest proportions in any region.

New strategic plans and public diplomacy

End of March 2022, TelevisaUnivision, the new merged company of the Mexican broadcast giant Grupo Televisa and of US-based Univision, launched a free ad-supported streaming service, called ViX, combining Univision's PrendeTV and Televisa's Blim TV and seeking to become the largest Spanish-language streaming platform. According to the [New York Times](#), ViX is now available in 19 territories, including the US, Mexico and other countries in Latin America and it features more than 100 channels of broadcast content and live programming and over 40 000 hours of on-demand content, including novelas, movies and exclusive channels from entertainers. ViX Plus, the premium offering, will debut in the second half of 2022, including more than 10 000 hours of internationally produced content and more than 60 original productions. According to [Variety](#), early May, TelevisaUnivision reached a deal with Hemisphere Media Group to acquire Pantaya, a US streaming platform for Spanish-language movies and TV series and joint venture of Lionsgate and Hemisphere. The deal will add Pantaya's content to TelevisaUnivision's platform ViX Plus.

[Netflix](#) has launched a one million USD scholarship for East African region, as a part of the Netflix Creative Equity Fund. The goal is to partner with higher education institutions throughout East Africa to support film and TV students with tuition, accommodation, living expenses and study materials. According to [Forbes](#), students from Tanzania, Kenya, Rwanda, South Sudan, Burundi, and Uganda will be eligible as long as they have been admitted into a course for the 2022 academic year. Partners institutions include the Kenya Film School, Kenyatta University, KCA University, Africa Digital Media Institute, and United States International University.

According to [Variety](#), in the Global Accessibility Awareness Day on May 19, Netflix announced its plans to expand the global translations of its audio descriptions (AD) and of subtitles (SDH) for customers who are blind, deaf or hard-of-hearing. It is worth noting that [AD](#) is the narrated track that adds more visual commentary as to what is taking place in a scene. Netflix is starting with French, Spanish, Portuguese, German and Italian, and expanding from there to Asian languages including Korean and Japanese as well as European local languages. It plans to add a total of 20 languages for AD and SDH support.



As Variety mentioned, “Netflix members with disabilities will experience shows and films made in another country in their local language. That’s not the norm in the entertainment industry at large”. In addition, [Netflix](#) is launching a new collection, titled “Celebrating Disability with Dimension”, featuring over 50 shows and films with characters or stories about people living with disabilities.

Finally, both [Netflix](#) and Disney Plus plan to introduce an ad-supported streaming service at some point in the second semester of 2022.

Additional readings for the June report:

- Why social media firms will struggle to follow new EU rules on illegal content, The Conversation, 9 May 2022, [Link](#).
- CNN+ was just the latest failed attempt of the cable news trailblazer to remain relevant, The Conversation, 3 May 2022, [Link](#).

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- Australian government, Streaming Services Reporting and Investment Scheme Discussion Paper, February 2022, [Link](#).
- The Indo-Pacific Economic Framework: What it is – and why it matters, CNBC, 25 May 2022, [Link](#).
- The government of Canada introduces the Online streaming act to modernize the Broadcasting act, Cassels, 7 February 2022, [Link](#).
- Swiss Producers Hope Upcoming ‘Lex Netflix’ Referendum will prompt greater investment from streamers, Variety, 5 May 2022, [Link](#).
- Denmark hits streaming services with levy to support local TV, Reuters, 23 May 2022, [Link](#).
- Disney Plus added almost 8 million new subscribers as Netflix struggles, The Verge, 11 May 2022, [Link](#).
- Streaming: l’exception Qobuz, Diapason, 20 January 2022, [Link](#).
- TelevisaUnivision unveils plans for streaming services in Spanish, The New York Times, 16 February 2022, [Link](#).
- Netflix establishes film and TV scholarship fund for East Africa, Forbes, 23 May 2022, [Link](#).
- Netflix’s new accessibility feature, The Indian Express, 19 May 2022, [Link](#).

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