



**OBSERVATOIRE EUROPEEN DE L'AUDIOVISUEL  
EUROPEAN AUDIOVISUAL OBSERVATORY  
EUROPÄISCHE AUDIOVISUELLE INFORMATIONSTELLE**

**ANDRE LANGE**  
**Head of Department “Information on Markets  
and Financing”**

**Why do we need more economic transparency  
for the European audiovisual industry?**

**MIP TV, 9 April 2008**

# WHY DO WE NEED MORE TRANSPARENCY ?

Transparency is necessary :

- for the correct implementation of market rules  
(level playing field, avoiding negative effects of asymetry of information)
- for macroeconomic analysis
- for the creation of public policy
- for investors' decisions
- for rights owners' ability in negotiation
- for consumers' information
- for citizens' information

# MACROECONOMIC DATA

- Turnover of the audiovisual sector
- Contribution to the GDP
- Employment
- Economic sustainability
- Impact of political decisions
- Analysis of the value chain

## **GAPS IN TRANSPARENCY FOR MACROECONOMIC DATA**

- No regular business statistics surveys by national statistics institutes and EUROSTAT
- No systematic publication of companies' financial statements in some countries
- Publication of consolidated accounts by groups but no systematic divulgation of subsidiaries' accounts
- No systematic breakdown of revenues (kind of revenues, distinction between broadcasters/distributors or broadcasters'/producers' revenues)

# DATA NECESSARY FOR THE ELABORATION OF PUBLIC POLICY

- Data on ownership and concentration for monitoring pluralism and cultural diversity
- Data on market segments to implement competition rules
- Data on revenues of the various stakeholders (e.g. decisions on the financing of public service broadcasters)
- Data on the origin of programmes and on the balance of trade in programme exchanges
- Data on household equipment in prevision of the analogue switch-off

## **DATA NECESSARY FOR THE INVESTORS**

- Level playing field
- Knowledge of market trends
- Knowledge of profitability of activities
- Knowledge of the success of specific products
- Analysis of production costs
- Financial situation of other companies
- Elaboration of new business models
- Regulatory perspectives

## **DATA NECESSARY FOR RIGHTS' OWNERS**

- Commercial value of the works
- Knowledge of the value chain for negotiation of contracts
- Technical penetration of the channels distributing their works
- Real audience of their works

## DATA NECESSARY FOR THE CONSUMERS

- Comparing offers (e.g. line-up of packages)
- Comparing prices
- Understanding the basic principles of the industry
- Understanding the technological changes
- ...and keeping consumers' loyalty to the industry.



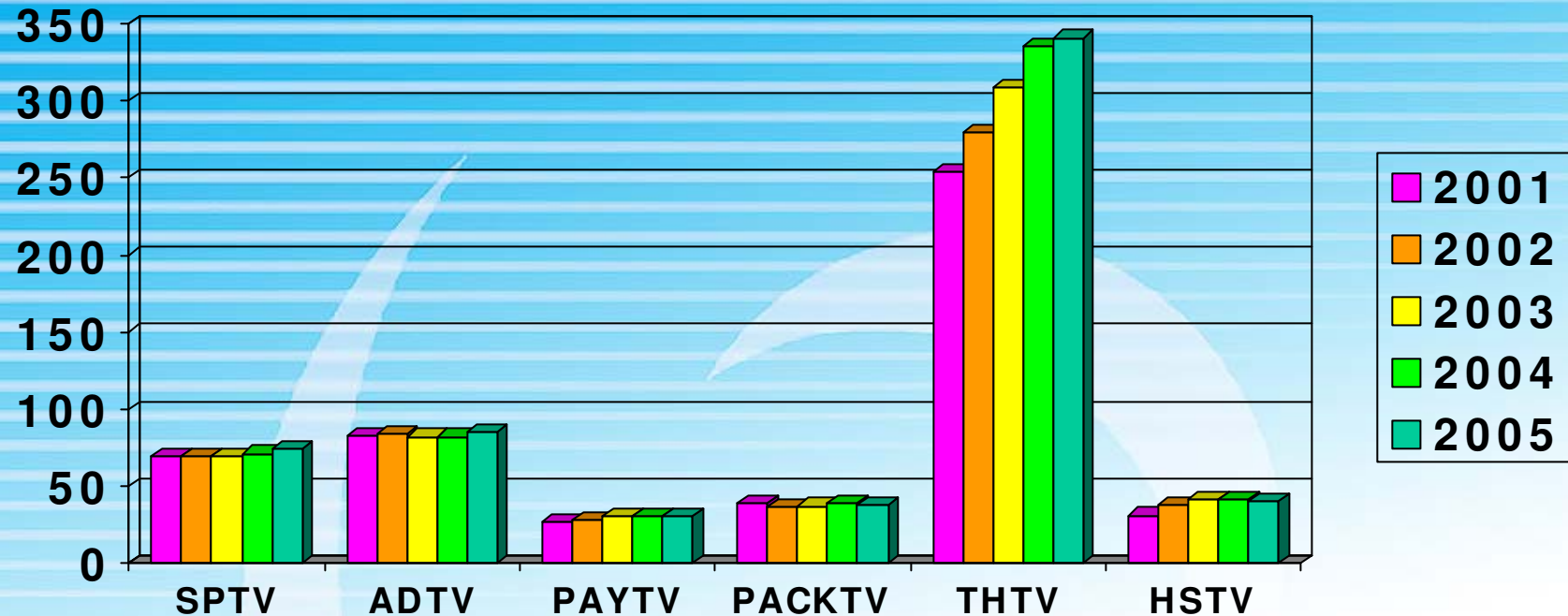
## **WILL THE MAVISE DATABASE ANSWER ALL THESE NEEDS ?**

- Database will include data on 7000 TV channels available in Europe
- Identification of players
- Detailed identification of the TV offers by the various distributors
- Providing for the EC basic indicators (audience data, financial statements of TV companies)
- Allowing the Observatory to improve its economic analysis

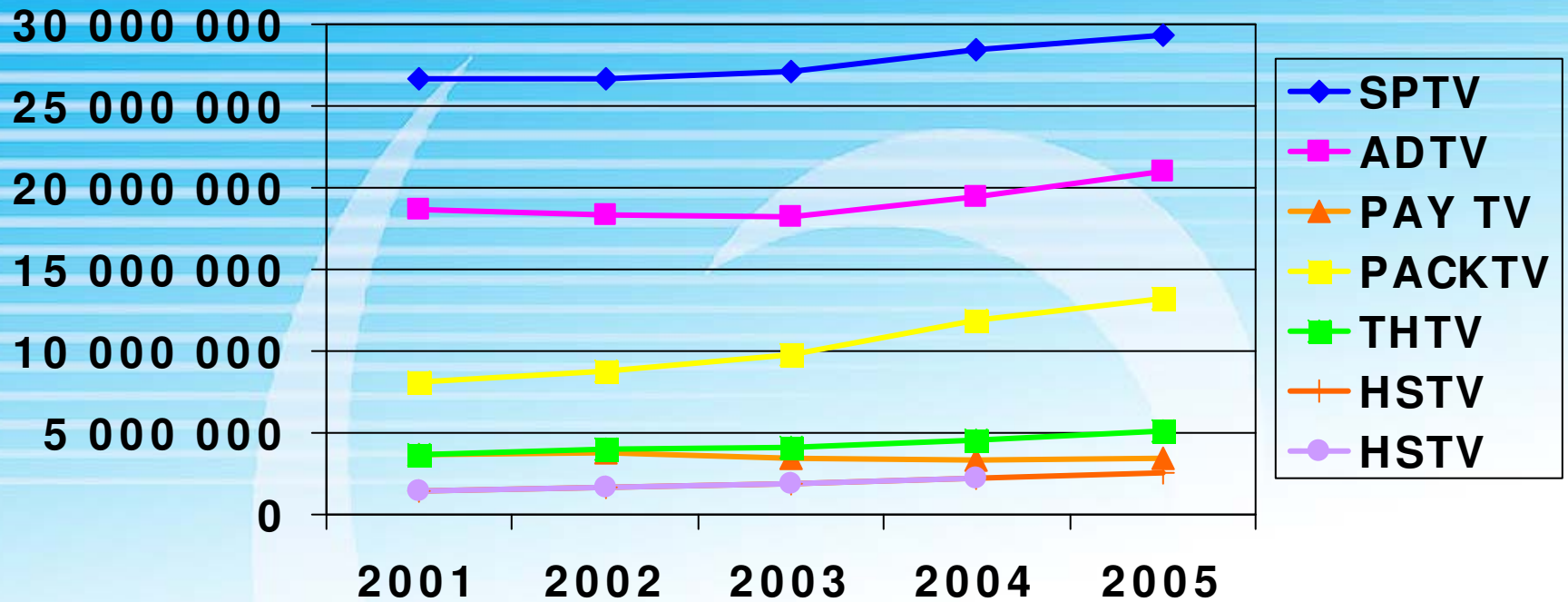
# IN WHAT AREAS DO WE NEED IMPROVED COLLABORATION FROM THE INDUSTRY ?

- More transparency concerning ownership and contacts
- More transparency in the financial statements of major players (distributors of channels, broadcasters)
- More transparency on technical penetration and number of subscribers

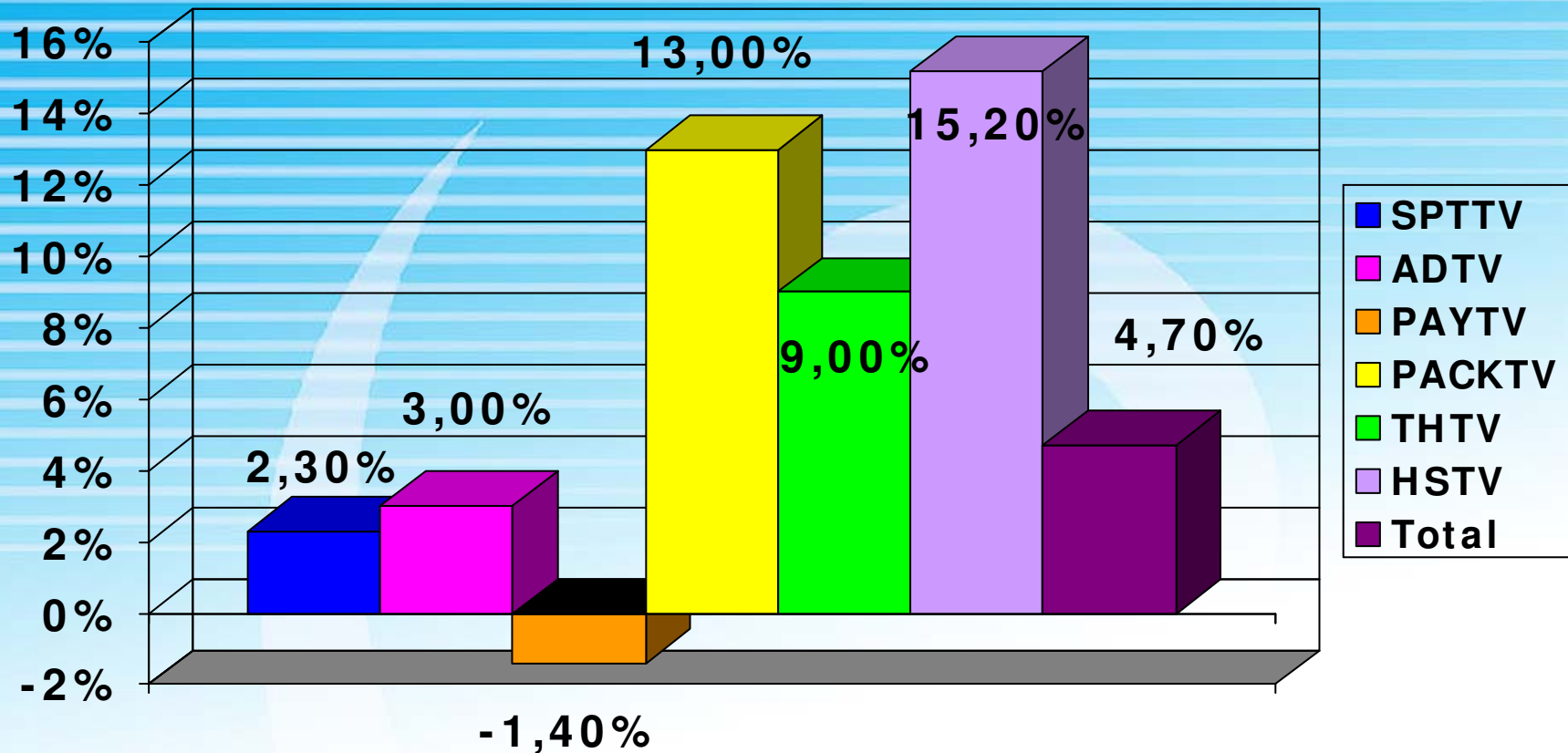
# NUMBER OF TV COMPANIES IN THE EUROPEAN UNION (EUR 25) INCLUDED IN OBS SURVEY (2001-2005)



# OPERATING REVENUES OF THE VARIOUS FAMILIES OF TV COMPANIES (2001-2005) (Th. EUR)

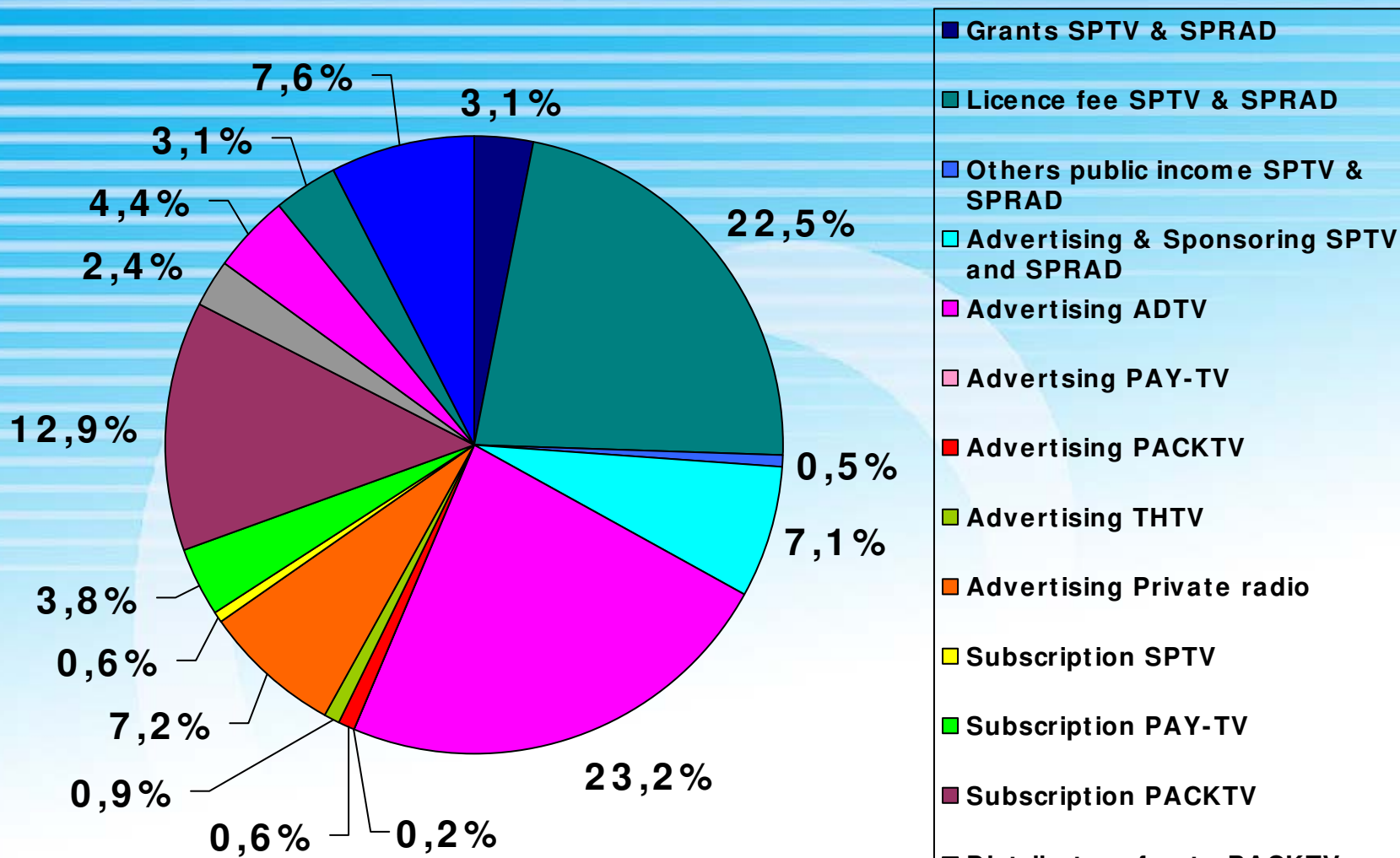


# YEARLY AVERAGE GROWTH OF THE VARIOUS FAMILIES OF TV COMPANIES (2001/ 2005) (in %)



# BREAKDOWN OF NET REVENUES OF RADIO-TELEVISION COMPANIES IN THE EU (EUR 27) (2005)

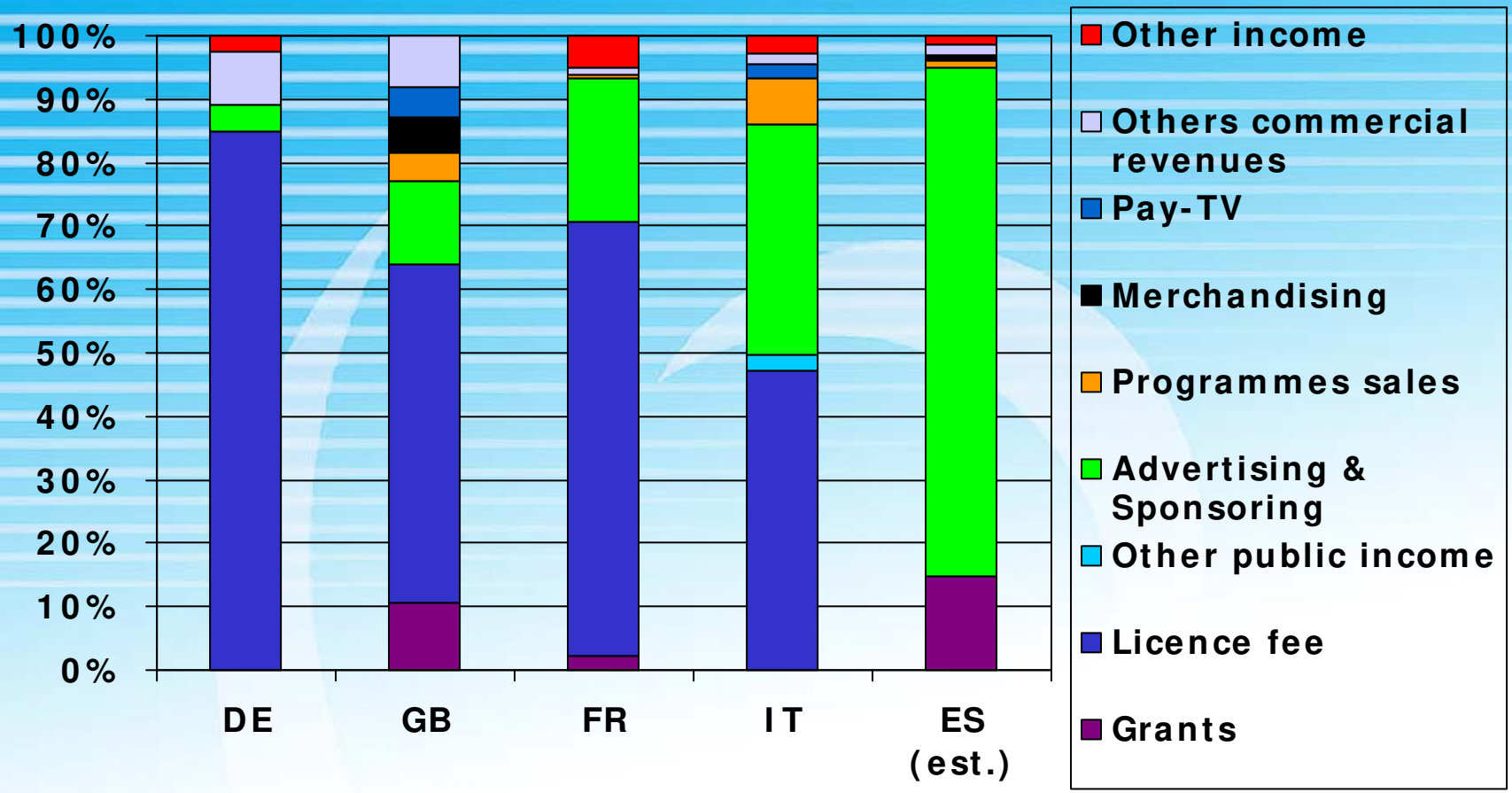
Source : European Audiovisual Observatory





# BREAKDOWN OF THE OPERATING REVENUES OF PUBLIC RADIO-TELEVISION COMPANIES (2005) - (Millions EUR)

Source : OBS





**FOR FURTHER DETAILS :**



**<http://www.obs.coe.int> and**

**the MAVISE database...**  
**<http://mavise.obs.coe.int>**