



U.S. Department of Commerce | International Trade Administration | Global Markets | U.S. Commercial Service

MEDIA & ENTERTAINMENT GLOBAL TEAM

Industry Resource Guides

Opportunities for U.S. businesses in the Music, Filmed Entertainment & Streaming, Video Games, and Publishing Sectors

2021

About the Media & Entertainment Global Team

The International Trade Administration's Global Media & Entertainment (M&E) Team is dedicated to supporting U.S. M&E clients with licensing and trade services to expand in international markets. Our team offers international business development and creative sector connections to help you grow your M&E business and protect your intellectual property overseas.

Whether you're in the Digital Media, Film, M&E Production, Music, Video Games & eSports, Print, Publishing & eBooks, Streaming, MVoD, and Television or Broadcast sectors - our team can help you Go Global!

The U.S. Media and Entertainment (M&E) industry is the largest in the world at \$660 billion (of the \$2 trillion global market) - enduring an estimated \$53B or 7.3% decline due to the COVID-19 pandemic.

The uptick in streaming services and subscriptions for digital media in 2020 has been a boom for the MVoD, Video Games and Music sectors, while live performance, touring and the gig economy have been forced to pivot or shutter.

The M&E industry is comprised of businesses that produce, distribute and offer ancillary digital services and products for: the Motion Pictures, Television programs and Commercials along with Streaming Content, Music, Video and Audio recordings, Broadcast, Radio, Text and Book Publishing, eSports and Video Games sectors.

In 2018, total core copyright industries added 2.2 trillion dollars to the U.S. economy (accounting for 11.6%) and employed over 11.6 million workers. These industries grew on average 5.23% a year, while the U.S. economy as a whole averaged 2.21% annually.

Country-Specific Industry Resource Guides

The M&E team curated country-specific industry resource guides (Guides) for each of the sub-sectors: Music, Filmed Entertainment & Streaming, Video Games, and Publishing. The Guides in the 2021 collection may not reflect every country of interest for every sub-sector. If you find that there is no Guide for your country and sector of interest, reach out to your local International Trade Specialist for information. Similarly, certain sectors are not the best prospects for various countries, so you may notice a variance in the detail of information available. Generally, the Guides serve as an introduction for U.S. clients to international markets. The Guides summarize the sector market, market demand, market competition, intellectual property considerations, and provide information regarding upcoming trade events.

Although the Guides provide a general road-map for exporting and expanding to international markets, the Guides are not all-encompassing. The U.S. Commercial Service International Trade Specialists and Commercial Specialists are the true experts for country-specific market intelligence. For detailed information, and assistance in reaching new markets, find your local experts here: <https://www.trade.gov/let-our-experts-help-0>.

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Industry Overview: Music

Special thank you to the American Association of Independent Music for contributing to the editing of the Music Guides!



The International Trade Administration's Global Media & Entertainment (M&E) Team Music Sector supports the U.S. copyright and music sectors with licensing, export, and expansion plans for international markets.

The top five markets for the music sector are the U.S.A., Germany, Japan, the U.K., and China. Overall, the global music industry, which declined by 23% in 2020 due to the COVID-19 pandemic, is valued at \$80.2 billion. The U.S., however, only declined by 20% and is valued at \$35.5 billion.

Following a fifteen-year stagnation, streaming and subscription services are the fastest-growing platforms in the music industry. Meanwhile, live performance, touring, and the overall gig-economy stagnated. The preference for streaming and subscription services encouraged many musicians and companies to pivot to new platforms instead of focusing on events and stage performances.

Over 180 million Americans subscribe to music streaming services. These streaming services drive global growth in the music industry in major music markets, including the U.S., Germany, Japan, the U.K., France, South Korea, China, Canada, Australia, and Brazil. However, there are also many smaller, key markets around the world. Alongside streaming services, podcasts are increasingly popular, reaching a global market of \$842 million in 2020. Additionally, social media and digital tech firms drive growth for music publishing and sync licensing for film, MVOD, and advertisements.

Our team of Trade Specialists and Commercial Specialists in over 80 U.S. Consulates and Embassies can help you compete in this market!

Our services include:

Trade Counseling: Our Specialists will work with you to determine markets, music trends, and market entry challenges and copyrights in foreign countries, conduct background checks on potential partners, and more.

Business Matchmaking: We can identify and introduce you to potential international business partners such as agents, distributors, licensors, record labels, publishers, publicists, streaming and mobile services, Performance Rights Organizations, Sync Licensing partners, venue and merchandizing firms, and other organizations.

Additionally, our team engages with domestic and international trade associations, music offices, Congressional bodies, and other bureaus to facilitate trade. At the U.S. Commercial Service, we implement trade missions and attend trade shows and other events to promote international business. Our team regularly organizes webinars to highlight music policy, copyrights, and IP or regulatory issues and identify the best prospective markets.

To read market-specific resource guides for the music sector, select any of the following countries:

Australia	11	Greece	30	South Korea	48
Brazil	16	The Netherlands	33	Spain	52
Canada	22	Nigeria	38		
Germany	25	The Nordic Region	43		

Industry Overview: Filmed Entertainment & Streaming

The International Trade Administration's Global Media & Entertainment (M&E) Team in the Filmed Entertainment & Streaming Sector promotes international licensing and exports of U.S. film, TV, VoD, digital media, digital technology, and software platforms to distribute filmed entertainment worldwide.

The U.S. Film & TV industry was valued at \$82 billion in 2020. TV and Home Video comprise most of the industry since cinema box office receipts declined dramatically by over 65% due to the COVID-19 pandemic. As quarantine orders obliged people to stay home, subscriptions for OTT services increased by 20%. However, TV advertising declined 11% during 2020 but is expected to grow 6.8% in 2021.

Online filmed entertainment is increasingly distributed with AI and Machine Learning tools with AR/VR and advanced video technologies that are functional on various devices. Fixed Broadband Internet Infrastructure and other communication technology expand the reach of filmed entertainment and OTT distribution globally. Similarly, the demand for business videos, including e-Commerce platforms and social media, is steadily growing.

Our team of Trade Specialists and Commercial Specialists in over 80 U.S. Consulates and Embassies can help you compete in this market!

Our services include:

Trade Counseling: Our Specialists will work with you to find distributors and partners or joint production products. Our team assists in overcoming market entry challenges, helps implement copyright protections, and develops digital strategies to succeed in overseas markets.

Business Matchmaking: We can identify and introduce you to potential international business partners, including agents and representatives, distributors, and government & trade organizations.

International Vetting: Once you have already identified a potential partner, our team can vet that organization and conduct the proper due diligence or necessary background checks.

Additionally, our team showcases U.S. companies through trade promotional opportunities, reverse trade missions, trade shows, and virtual events. We conduct leverage engagement with expert business service providers, trade associations, and Congressional bodies to facilitate international trade and licensing. Our team regularly organizes webinars that highlight new policies and regulations, shares guided business insights for conducting business overseas, and presents on local tastes or aesthetic preferences for international markets.

To read market-specific resource guides for the music sector, select any of the following countries:

China	57	Nigeria	86	South Korea	115
France	63	The Nordic Region	91	Spain	120
Germany	67	Philippines	94	United Kingdom	124
Hong Kong	71	Portugal	99		
Japan	76	Slovak Republic	105		
Kenya	80	South Africa	110		

Industry Overview: Video Games

The International Trade Administration's Global Media & Entertainment (M&E) Team in the Video Games Sector supports U.S. gaming companies with licensing, export, and expansion plans to international markets.

The global video game industry was valued at \$153 billion in 2020, with over 2.7 billion gamers worldwide. Over 75% of U.S. households have at least one gamer. The impact of the COVID-19 pandemic has driven sales, where the U.S. experienced a record 31% increase in consumer spending on video gaming or related subscription services. Similarly, mobile gaming revenue has grown to \$77 billion, with a 13.3% increase in 2020.

The majority of U.S. gaming companies seek to expand sales abroad. The next generation of console launches will boost the industry in both hardware and software development and sales.

Our team of Trade Specialists and Commercial Specialists in over 80 U.S. Consulates and Embassies can help you compete in this market!

Our services include:

Trade Counseling: Our Specialists will work with you to determine markets, gaming trends, and market entry challenges and locate business growth opportunities.

Business Matchmaking: We can identify and introduce you to potential international business partners, including agents and representatives, distributors, and government & trade organizations.

International Vetting: Once you have already identified a potential partner, our team can vet that organization and conduct the proper due diligence or necessary background checks.

Additionally, our team regularly engages with domestic trade associations, Congressional bodies, and other bureaus to facilitate trade. We also focus on implementing trade missions, attending trade shows and other events to promote international business. Our team often organizes webinars to highlight policy and regulatory issues in the sector and identify the best prospective markets.

To read market-specific resource guides for the music sector, select any of the following countries:

Brazil	133	The Nordic Region	155
China	139	Philippines	159
France	143	South Africa	162
Germany	147	South Korea	166
Greece	151	Spain	170

Industry Overview: Publishing

The International Trade Administration's Global Media & Entertainment (M&E) Team in the Text Publishing Sector supports U.S. companies' licensing, export, and international expansion goals.

The global text publishing industry is valued at \$42.5 billion, with the U.S. constituting half of the market. The top ten publishing markets include the U.S., Germany, the U.K., South Korea, France, Italy, Brazil, Turkey, Canada, and Belgium. Digital technology, copyrights and intellectual property, and new distribution channels continue to change consumer behavior and force publishers to rethink their business models.

Additionally, the global COVID-19 pandemic has impacted the publishing industry. The closure of bookshops and the cancellation of book fairs further encourage market stakeholders to align their business models with digital trends.

Our team of Trade Specialists and Commercial Specialists in over 80 U.S. Consulates and Embassies can help you compete in this market!

Our services include:

Trade Counseling: Our Specialists will work with you to determine markets, gaming trends, and market entry challenges and locate business growth opportunities.

Business Matchmaking: We can identify and introduce you to potential international business partners including agents and representatives, distributors, and government & trade organizations.

International Vetting: Once you have already identified a potential partner, our team can vet that organization and conduct the proper due diligence or necessary background checks.

Additionally, our team regularly engages with domestic trade associations, Congressional bodies, and other bureaus to facilitate trade. We also focus on implementing trade missions, attending trade shows and other events to promote international business. Our team often organizes webinars to highlight policy and regulatory issues in the sector and identify the best prospective markets.

Find your local Trade Specialist by clicking [here](#).

To read market-specific resource guides for the music sector, select any of the following countries:

Brazil	175	France	197	Portugal	224
Bulgaria	179	Germany	202	Spain	229
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INDUSTRY RESOURCE GUIDES FOR THE

MUSIC SECTOR

Media & Entertainment Global Team



The American Association of Independent Music contributed to this section with edits.



Capital: Canberra
Population: 25.8 million
GDP: US\$1.48 trillion
Currency: Australian Dollar (AUD)
Language: English

AUSTRALIA

SUMMARY

Australia is the sixth-largest music market in the world by overall revenue and the seventh-largest market for digital sales, according to the 2021 International Federation of the Phonographic Industry (IFPI) Global Music Report. In 2019, the Australian entertainment and media industry revenue was valued at AUD 61.1 billion (US\$47.1 billion), with music and radio (including streaming services) accounting for 2.2% and 2.7%, respectively, of total industry revenue (Source: Australian Entertainment & Media Outlook 2020-2024 report produced by PwC Australia).

In 2020, Australians spent AUD 542 million (US\$425 million) in sound recordings and music videos, an increase of 8% over the 2019 spending (Source: Australian Recording Industry Association/ARIA yearly statistics). More than 88% of this spending was for music/videos in digital format.

Australians are also enthusiastic consumers of live music. In a 2018 report commissioned by Live Performance Australia, Australians spent AUD 2.2 billion (US\$1.7 billion) on ticket sales, with contemporary live music accounting for 50% of all live performances.

CURRENT MARKET TRENDS

Like many other industries across the world, the Australian music industry has been significantly impacted by the COVID-19 pandemic. The live music sector, in particular, has been decimated by snap lockdowns, border closures (both international and internal state border closures), and audience size restrictions. Peak industry bodies have identified that – in February 2021 – Australian live music was operating at less than 4%, compared to the same time in 2020, and there has not been a single national tour by an Australian artist since March 2020. Similarly, there has been a prolonged absence of international acts. In 2021, live music venues that are open are operating at an average of 30% capacity, nightclubs remain closed in some states, and music festivals can only proceed with a significantly reduced capacity.

However, local bands and entertainment companies have been innovative in using technology to deliver virtual performances, hosting “live” concerts via streaming technology. Before COVID-19, digital music sales were already on a positive trajectory, and extended lockdowns have further boosted sales, with Australian consumers enjoying more music at home. Australia’s trade and best prospects for U.S. Exporters can be categorized in four ways: sales channels, genre, medium of listening, and demographics.

AUSTRALIA

By Sales Channel:

Two of the key sales channels for musical entertainment are physical distribution and digital distribution. However, the 2017-2020 ARIA yearly statistics show a shift in Australian music consumption from physical to digital format. In 2017, more than 9 million singles/vinyl/CDs/DVDs – valued at AUD 96.5 million (US\$75.7 million) – were sold in Australia, but by 2020, this had halved to 4.5 million units, valued at AUD 61.7 million (US\$48.4 million). By contrast, the digital sales, including subscription services, streaming, and digital albums, jumped from AUD 294.5 million (US\$231 million) in 2017 to AUD 480.2 million (US\$376.6 million) in 2020. In the Australian subscription/streaming market, Spotify – which launched in Australia in 2012 – has more than doubled its user-base from 2017 to more than 8 million users currently, making it the market leader. With more than 5.5 million subscribers, the next largest player is YouTube Music (including Google Play Music), followed by Apple Music and SoundCloud. Other providers include Amazon Prime Music, iHeart Radio, Last.fm, and Tidal. Live performance is a third important sales channel for musical entertainment, and, in 2019, PwC estimated that the live market in Australia was worth AUD 862 million (US\$676 million), with Live Nation and TEG Dainty being key players in this space.

By Music Genre:

Rock and pop have consistently comprised around 75% of music sales in Australia. Other popular genres are country/folk, classical/operatic, and dance, though these have much smaller followings in the range of 4-7%. While local acts are popular with Australian consumers, international artists generate strong sales in this market. In the 2020 ARIA Top 100 Albums, 23 of the albums were by Australian artists, with the balance being by international artists.

By Medium of Listening:

According to the Share of Audio 2019 study, Australians spend 3 hours and 28 minutes listening to audio every day. Live radio accounts for 61.3% of Australian consumers' weekly listening activities, making radio the most popular choice of audio. Digital streaming ranks second with 15% of listening time, followed by podcasts (7.3%), own music collection (7%), online music videos (4.4%), and TV music channels (1.8%). Audiobooks and other audio combined account for the remaining 3% of total listening time. This was the first year that Australians spent more time listening to podcasts than their own music collections. Amongst music streaming listeners, almost 63% use paid-only services, and 33% use free services only, with the balance using a combination of paid and free streaming services. Just over half (51.5%) of all commercial audio listening is done in the home, while 25.9% of listening is done in the car, and 17.4% of listening happens at work.

By Demographic:

A review of Spotify users in the Share of Audio 2019 study shows that almost 75% of Australian listeners aged 18-24 have paid only subscriptions, making this demographic the most willing to pay for music streaming. This group is followed by listeners aged 55-64 (60.1%) and listeners aged 25-39 (57.6%).

AUSTRALIA

INVESTMENT POLICIES

There is a range of investment/funding programs specifically designed to foster the development of the Australian music industry, which targets local artists, venue operators, and others. To support post-COVID recovery, in 2020, the Australian Government's Office for the Arts established the [Restart Investment to Sustain and Expand \(RISE\) Fund](#) for the arts/entertainment sector. Additional funding worth AUD 125 million (US\$98 million) was announced for this program in March 2021. U.S. music industry participants looking at opportunities in Australia should explore with local counterparts if proposed activities qualify for RISE funding.

MARKET ENTRY: LICENSING AND ROYALTIES

In Australia, music creators generally authorize two organizations to administer their rights and collect their royalties: the Australian Performing Right Association and Australasian Mechanical Copyright Owners Society (APRA AMCOS) (composers and music publishers) and the Phonographic Performance Company of Australia (PPCA) (recording artists and record labels). In July 2019, [OneMusic Australia](#) launched and bundled many of the rights of APRA AMCOS and PPCA into one license. APRA AMCOS represents music creators across Australasia and, by agreement, most music creators worldwide through its reciprocal agreements with overseas affiliated societies. License fees collected from domestic sources – including TV and radio stations, nightclubs, hotels, restaurants, fitness centers, cinemas, and retailers – are paid as royalties twice a year in May and November. Overseas royalties are paid as they accrue.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

In Australia, a goods and services tax (GST) applies to sales of imported services and digital products to Australian consumers. The [Australian Taxation Office](#) (ATO) states that digital products include “streaming or downloading of movies, music, apps, games, e-books.” Overseas businesses that meet the AUD 75,000 (US\$58,825) registration threshold must register for GST, charge GST on sales of imported services and digital products (unless those services or products are GST-free), and lodge returns to the ATO.

IP Australia is the Australian Government agency that administers IP rights and legislation. There is no need for copyright registration in Australia, nor is there a legal requirement to put a copyright notice on a piece of work because copyright protection is free and automatically applies when material is created. The Australian Copyright Act (1968) gives songwriters, composers, and music publishers the right to control how their music is used. Music played or performed publicly, made available online or copied, almost always requires a license.

The Australian Recording Industry Association (ARIA) and Australian Music Retailers Association (AMRA) administer an industry Code of Practice for labeling CDs and other recorded music products containing lyrics and themes that may offend some sections of the public. The Code and the advice label placed on recorded music products are designed to assist consumers in selecting their purchases and provide advice to parents.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

<http://www.apraamcos.com.au/> (AMCOS): Grants licenses for the live performance, broadcast, communication, public playing, or reproduction of its members' musical works and distributes the license fees to its 108,000 songwriter, composer, and music publisher members and affiliated societies worldwide.

AUSTRALIA

Australian Independent Record Labels Association (AIR): A non-profit, non-government association dedicated to supporting the growth and development of Australia's independent recording sector. Represents Australian-owned record labels and independent artists based in Australia.

Australian Music Association (AMA): Represents and furthers the interests of the music products industry, which is a network of wholesalers, manufacturers, retailers, and associated services for musical instruments, print music, consumer pro audio & lighting, and music technology.

Australian Music Retailers Association (AMRA): The industry body for recorded music retailers: chains, indies, online or physical, AMRA works to protect and further the interests of recorded music stores Australia-wide.

Australian Recording Industry Association (ARIA): A national industry association representing major and independent record producers, manufacturers, and distributors. Acts as an advocate for the Australian music industry, administers the labeling code of practice, provides a 'blanket' non-exclusive licensing function for copyright users, and compiles industry information and research.

Live Performance Australia: Peak body for Australia's live performance industry, membership includes promoters & producers, venues, and music festival organizers.

Office for the Arts: Division within the national Department of Infrastructure, Transport, Regional Development and Communications. Provides strategic advice and policy development, effective program and grants management, regulatory management, and collaborative stakeholder engagement.

Phonographic Performance Company of Australia Limited (PPCA): Represents the interests of record companies and Australian recording artists, granting licenses for the broadcast, communication, or public playing of recorded music (e.g., CDs, records, and digital downloads) or music videos and distributing the license fees to the record labels and Australian recording artists members.

The Music Trust: Established to offer a flexible, creative, energetic response to the situation of music in Australia, with a commitment to the best ideas for fostering excellence, innovation, and access. Provides information (including the [Music in Australia Knowledge Base](#)), research, and advocacy.

TRADE & MUSIC EVENTS

BIGSOUND, Sep 7-9, 2021

Brisbane, Australia

www.bigsound.org.au

The Southern Hemisphere's biggest new music festival and conference, combining workshops, seminars, exhibitions, parties, and gigs.

Splendour in the Grass (SITG), Nov 19-21, 2021 (rescheduled from July 2021)

Byron Bay, Australia

www.splendourinthegrass.com

One of the biggest music festivals in Australia, covering a wide variety of genres and featuring local and international artists. Attracts 30,000 visitors.

AUSTRALIA

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Country Commercial Guide for Australia: www.trade.gov/australia-country-commercial-guide

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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BRAZIL

Note: The exchange rate used in this report is 3.946 BRL per 1 USD for 2019 data and 3.655 BRL per 1 USD for 2018 data. These are the official average rates of those years, according to the U.S. Federal Government. This exchange rate is used because much of the data in the report is from those years. However, please note that the official yearly average exchange rate for 2020 was 5.151 BRL to 1 USD.

SUMMARY

In 2020, the music industry in Brazil was valued at US\$819 million, according to PwC Consulting. Preliminary numbers show that in 2021, the market will grow 22%, reaching a projected revenue of US\$995 million. As in the preceding years, growth has mostly been driven by streaming services. Before the global pandemic, Brazil's music market ranked as the tenth-largest music market in the world.

Below is the revenue breakdown of the Brazilian music industry in 2020:

Type	Revenue (USD millions)	Variation (2020x2019)	% total
Live Music	\$48	-66%	5.9
Recorded Music (incl. digital)	\$511	+33%	62.4
Podcast Advertising	\$16	+16%	1.9
Radio	\$244	-19%	29.8



Capital: Brasilia
Population: 212.8 million
GDP: US\$1.8 trillion
Currency: Brazilian Real (BRL)
Language: Portuguese

Digital music streaming grew 26% compared to the previous year, mainly due to an uptick in digital streaming subscription services. It continued to be the main source of revenue for the industry, generating US\$446 million in 2020. US\$366 million of the total streaming value came from monthly paid subscriptions (30% growth), and US\$81 million came from advertisements in audio streaming platforms operating in Brazil (9%).

Music performance rights generated US\$59 million.

CURRENT MARKET TRENDS

According to the Brazilian Micro and Small Business Association (SEBRAE), in 2015, there were 91,023 micro-businesses in Brazil with business activities linked to the music industry, of which 83% were in the services sector, demonstrating the importance of this sector for the industry overall. Music production represented 30% of these small businesses, followed by sound and lightning (16%) and music education (11%). 54% of these companies are concentrated in Southeastern Brazil – the State of Sao Paulo alone is home to 31% of all companies with ties to the music industry, followed by Rio de Janeiro (13%) and Minas Gerais (10%).

BRAZIL

According to Brazil's Central Office for Collection and Distribution (Ecad) – the official entity that collects music authors' rights and distributes them to composers, interpreters, musicians, editors, and phonographic producers – in 2020, US\$184 million was collected and distributed in copyrighted material to more than 263 music professionals and associations. This represented a 4.1% decrease from 2019 and would likely have been larger were it not for the increasing importance of streaming platforms, while revenues from live events and concerts plummeted during the pandemic. Other important segments are TV, general clients (retail, hotels, gyms, restaurants), radio, and movies.

The music industry also reaches far beyond just live performances and streaming. Business opportunities in music extend to pop culture, visual arts, movies, TV, advertisements, web design, games, apps, and many other areas. One primary example is soundtrack production services, which serve the movie industry, advertisements, and games.

CURRENT DEMAND

As a large and diverse market, there is no sole music consumer profile in Brazil. Instead, several niche markets have different styles, behaviors, social, economic, and geographic realities, much like in the United States. However, the most popular music genres among adults in Brazil in 2018 were pop music (55.5%), followed by Brazilian popular music (54%), sertanejo (50.3%), rock (48.8%), samba/pagode (38.1%), electronic/dance music (37.9%), dance (35.6%), gospel (35.1%), hip hop (31.8%), reggae (31%), forro (30.2%), funk/soul (25.2%), blues (24.7%), Latin (23.4%), rap (23.2%), country (22.6%), metal (17.6%), techno/EDM (17.4%), R&B/soul (17.3%), jazz (16.8%), and others.

Most multinational digital music industry players operating in Brazil include iTunes, Spotify, Deezer, Google Play Music, Apple Music, and YouTube. According to a recent study conducted by Banco Itau, Brazilians spent 40.4% more on streaming and musical instruments in 2020 compared to the previous year, a clear shift in consumer behavior due to the pandemic.

According to the reputable Brazilian research and consulting company IBOPE, 85% of Brazilian internet users listen to music. More than 40% of them have listened to podcasts, representing more than 50 million consumers. Penetration is greater in the upper and middle classes: according to the Target Index Kantar, 62% of this audience listened to at least one podcast in the last 30 days. The Podcasts Stats Soundbite ranking lists Brazil as the second-largest podcast market globally, losing only to the United States. This highlights the potential for digital audio platforms to grow exponentially.

Recently, Spotify announced that it was launching a revenue-generating advertisement marketplace called Audience Network to provide advertisers with a tool to reach large-scale music and audio listeners. Other players that have started offering podcast content are Amazon Music and the domestic media giant Rede Globo's GloboPlay platform. At the same time, companies from various industries have also recently launched content for podcast formats, including Azul Airlines, Sanofi Pasteur, Natura Musica, Heineken, and Tetra Pak.

Indie music has also had an increased presence in streaming platforms and became a source of income and assistance for these artists. According to the Brazilian Independent Music Association, 50% of their members' incomes in 2019 came from digital platforms, followed by physical sales (15%), concerts (9%), and public execution (9%). Additionally, 53% of Spotify's Top 200 songs were from independent labels and recording companies.

BRAZIL

EXPORT & LICENSING GUIDANCE

U.S. companies have many opportunities to partner with Brazilian counterparts to export their products and services to Brazil. Doing business in Brazil requires intimate knowledge of the local environment, including the direct and indirect costs of doing business locally, often related to distribution, government procedures, and a complex tax structure. The Government of Brazil is the nation's largest buyer of goods and services, and navigating through its procurement process can be challenging. To sell to public entities in Brazil, U.S. companies must either have a local partner or be incorporated in the country. The U.S. Commercial Service in Brazil strongly encourages U.S. exporting companies to utilize its range of services to identify a local partner to enter the Brazilian publishing industry.

Licensing is generally an agreement under which the owner of an intellectual property right (IPR) grants authorization to its use without an effective transfer of ownership. Licenses are granted for a determined period of time within a determined territory on a remunerated or free-of-charge basis. A licensor may grant a license in Brazil to practically any intangible asset, including patents, industrial designs, trademarks, and copyrights.

The Brazilian Industrial Property Law (Law No. 9,279 of 14 May 1996) (BIPL) contains the general provisions on technology transfer agreements, which are further regulated by Normative Instruction No. 70 of April 2017 (70/17) of the National Institute of Industrial Property (INPI). Normative Instruction No. 70/17 specifies the following categories of agreements that involve a transfer of technology:

- Licensing of IP rights (use of trademarks, or exploitation of patents or industrial designs – both applications and registrations);
- Assignment of IP rights (assignment of patents, trademarks or industrial designs – both applications or registrations);
- Technology transfer (know-how contracts, or contracts or invoices regarding the rendering of technical and scientific assistance services), and;
- Franchise agreements.

The Brazilian Copyright and Neighboring Rights Law (Law No. 9,610 of 19 February 1998) (BCL) determines that the author's economic rights may be wholly or partly transferred through a license agreement. In contrast, the author's moral rights are inalienable and irrevocable, meaning they cannot be transferred, licensed, or waived. Specifically, concerning the licensing of computer programs, provisions are found in the Brazilian Software Law (Law No. 9,609 of 19 February 1998) (BSL).

In addition to the above, it is possible to negotiate authorizations to use one's image, likeness, voice, and name (commonly referred to in other jurisdictions as 'rights of publicity'). These individual assets fall under the category of personality rights, which are protected under several bodies of Brazilian law, namely the Federal Constitution and the Civil Code (Law No. 10,406 of 10 January 2002).

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The internet created both opportunities and risks for the future of the music industry, and there is broad consensus that piracy must be combatted to guarantee the continuity of Brazil's music industry. Through their cybercrime special units in the Prosecution and District Attorney Offices, local governments participated in important cases against digital piracy cases, with positive results and effects to the music industry and other sectors affected by online piracy. Additionally, the International Federation of the Phonographic Industry announced that multiple 'fake streaming' sites in Brazil ceased offering artificial plays.

BRAZIL

They issued cease-and-desist letters that prompted six websites to nix their artificial-play services, and because of this pressure, they saw an additional seventh site refraining voluntarily from streaming manipulation.

Two different pieces of legislation provide the core legal basis for the protection of intellectual property rights (IPR) in Brazil: Law No. 9,279/96 (Industrial Property Law) and Law No. 9,610/98 (Copyright Law). It is highly recommended that U.S. exporters register their copyrights in Brazil, as the registration is a relevant document in the case of disputes. Whereas literary works are registered at the Copyrights Office of the National Library Foundation (EDA – Escritório de Direitos Autorais da Fundação Biblioteca Nacional), other types of copyrightable works are registered at different bodies. For more information, please refer to the [Intellectual Property Rights Toolkit](#) prepared by the U.S. government.

Brazil is on the U.S. Trade Representative (USTR) Special 301 Watch List. This designation reflects USTR's concerns about the high levels of piracy and counterfeiting in Brazil, including internet piracy.

MAIN COMPETITORS

Swedish multinational platform Spotify is a leader in the streaming and digital services market, followed by the French company Deezer. Important U.S. companies in the market are YouTube Music, Apple Music, and Amazon Music, although figures on market shares are currently not available.

This market has also registered an increase in LAAS (label as a service) services offered by U.S.-based companies Splice and CDBaby (both have representatives in-country) because of the digital disruption.

Traditional record companies in Brazil, including Sony Music and Universal Music, have been focusing their business development efforts on product placement, synchronization (music used for soundtracks), and marketing and funding campaigns for shows and events. Other major labels are Som Livre, Warner Music Group, KondZilla, GR6 Music, and independent labels.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

The main trade associations for the music industry are the [Brazilian Association for Music Education \(ABEM\)](#), the [Brazilian Music Association \(ABEMUSICA\)](#), the [Brazilian Independent Music Association \(ABMI\)](#), the [Brazilian Music Producer Association \(Pro-Musica\)](#), the [Brazilian Association of Music Instrument Manufacturers \(ANAFIMA\)](#), and the [Central Office for Collection and Distribution \(Ecad\)](#).

BRAZIL

TRADE EVENTS

Music International Week (SIM São Paulo)

November 3 – December 6, 2020 (new dates to be announced)

Virtual

<https://www.simsaopaulo.com/>

SIM Sao Paulo is the largest music convention in Latin America. Its last edition happened in a virtual format with 70 professional panel discussions and more than 300 artistic performances from domestic and international artists. The event also offers a networking platform for music professionals to connect and discuss business opportunities in the local and foreign markets.

Conecta+ Musica & Mercado

February 1-7, 2021 (new dates to be announced)

Virtual

<https://conecta.musicaemercado.org/>

Conecta+ is a virtual congress and trade fair for musical instruments, LED, audio, and other music-related solutions. Its audience is composed of music composers, studios, producers, agencies, brands, and service companies.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

- [Global Music Report 2020 \(IFPI\)](#).
- [NAMM Global Report](#).

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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BRAZIL

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CANADA

SUMMARY

The Canadian media and entertainment market has been called one of the world's most "innovative, cost-effective, and talented," encompassing over 181 thousand full-time jobs, 692 gaming studios, and a 20% GDP growth rate in the video game industry 2017-2019. It is the third-most filmed country and the third-largest video game developer and producer. In 2017, Canada was the number one production location for movies. The pandemic slowed down the growth of filming in particular, and 2020 was a slower year for production volume, job creation, and GDP contribution.

Canada has a mature digital market and ranks high in multiple indicators such as broadband households (14.3 Million), household penetration (102%), and mobile internet subscribers (more than 26 million). Canadian demand for streaming services and video-on-demand is also very high: OTT subscriptions exceeded 18 million in 2019 and continue to grow. There are more than 25 online services, although Netflix still dominates the market with a 70% market share.

CURRENT MARKET TRENDS

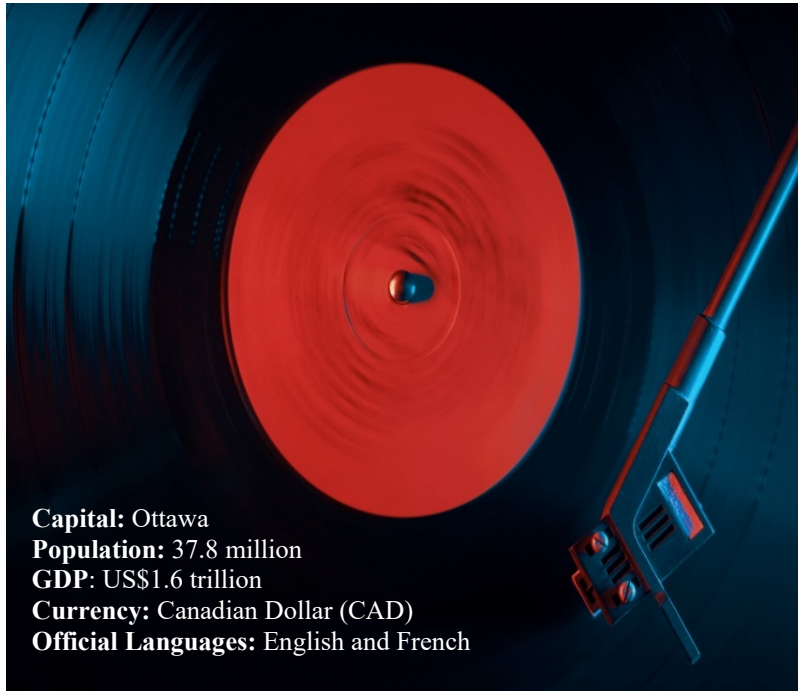
Canada has a vibrant music market, and the Canadian music industry is ranked 6th in the world with many internationally known music artists. The [Canadian Academy of Recording Arts and Sciences](#) administers Canada's music industry awards, the [Juno Awards](#), which first commenced in 1970.

Total recorded music revenue is expected to increase to US\$934 million in 2023.

Even though sales in other formats (specifically CDs and digital downloads) decreased significantly, streaming sales increased 73.4% (US\$312.9 million) from 2017 to 2019.

EXPORT & LICENSING GUIDANCE

Foreign-ownership restrictions that apply to the media and entertainment sector are administered under the Investment Canada Act, which is governed by Industry Canada.



CANADA

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

With the USMCA's replacement of NAFTA, new policies have come into place concerning intellectual property rights.

Most notably, the minimum copyright term in Canada will be extended from 50 to 70 years. Canada is currently in a 30-month transition phase (until December 2022) to amend the Copyright Act and reflect the extended copyright term.

In addition to copyright term extension, Canada must now provide complete national treatment for copyright and related rights so that American recordings and performers are not deprived of the same protections that domestic recordings and performers receive in Canada. U.S. recording copyright owners will now be able to collect for radio and other performances in Canada, as well as their share of private royalties.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

The CMF (Canadian Media Fund) provides financial support to the TV and digital media sectors, while the SR&ED (Scientific Research and Experimental Development Program) allows for tax credits and deductions on certain R&D endeavors.

Other agencies include the CMPA, TeleFilm, CFF, BDF, and NFB. Numerous provincial bodies also exist, largely offering tax credits on production and distribution.

TRADE EVENTS

Montreal AudioFest: March 25-27, 2022

Saskatoon Entertainment Expo: September 10-12, 2022

Toronto International Film Festival: September 9-18, 2021

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[Film and Video Incentives in Canada 2021](#)

[PwC's Media and Entertainment Outlook](#)

CANADA

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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GERMANY

SUMMARY

Germany is the fourth-largest music market globally after the United States, Japan, and the United Kingdom, making it the largest in the European Union in 2019. That year, total industry revenue amounted to over US\$10.7 billion. Nowadays, German pop, hip-hop, and rock music dominate the charts, with nationally produced music amounting to 64% of the Top 100 Single-Charts in 2019. As in most countries, the music market in Germany is shifting toward digital streaming services and phasing out the sale of physical copies. In the first half of 2020, the revenue share attributed to streaming subscriptions rose to 65.7% of total industry revenue, an increase of 10% compared to 2019. For CDs, this number fell to 20%, a decrease of 9% compared to 2019.

CURRENT MARKET TRENDS

As in many industries, COVID-19 related shutdowns have had a variety of effects on music industry stakeholders. For one, in-person live performances have been prohibited since March 2020. The National Association for the Music Industry (BVMI) estimates turnover losses from concert and festival cancellations at US\$1.06 billion for 2020 alone.

Additionally, music labels, publishers, and artists are estimated to have lost at least US\$700 million in 2020. On the other hand, digital streaming platforms benefitted from lockdown, according to Statista's Digital Media Report 2020. It is estimated that digital music revenues increased by 9% in 2020, attracting so many new customers that the benefits will remain permanent long after lockdown ends.

CURRENT MARKET DEMAND

By Sales Channel:

The two main sales channels through which revenue is generated in musical entertainment are digital and physical distribution. In 2019, digital music scored US\$1.2 billion in revenue, while physical music generated US\$691 million. These two sales channels are then divided into further means of distribution. For instance, digital music is mostly composed of streaming and downloads, whereas physical music is mostly composed of CDs and Vinyl.

In the first half of 2020, 74.3% of total industry revenue was accrued through digital channels, with 65.7%, 5.1%, and 3.5% of total revenue going to streaming subscriptions, downloads, and other digital music, respectively. Compared to 2019, the share of revenue generated through digital music increased by nearly 10%. This leaves 25.7% of total industry revenue, which can be attributed to the physical distribution of music in the first half of 2020, with 20% of total revenue going to CDs. Compared to 2019, the share of total revenue generated through physical distribution decreased by nearly 10%.



GERMANY

In 2019, the music streaming service providers with the largest market share in Germany were Spotify and Amazon Music, with 30% each. Apple Music followed these two with 10%, and Soundcloud, YouTube Music, Deezer, and Google Play Music managed to each score 5% of the German market share. Next to streaming platforms, record labels and publishers are also key stakeholders in the German music industry. In 2019, record labels and publishers made over US\$2.6 billion in revenue.

There are over 1,000 independent record labels throughout Germany; however, major labels Universal Music, Sony Music, and Warner Music generate approximately two-thirds of recorded music revenue. In 2019, Sony Music alone made over US\$295 million in revenue in Germany. The final sales channel to be mentioned is live music performance. While the revenue stream attributed to live music is estimated to have drastically fallen in 2020 (see “Current Market Trends”), live music performances generated revenues of over US\$2.7 billion in 2019.

By Music Genre:

In 2019, pop, hip-hop/rap, and rock accounted for 25.8%, 19.7%, and 19.6% of total industry revenue respectively. Therefore, these three genres amount to nearly two-thirds of total industry revenue. Importantly, these percentages include both English and German-speaking music. Eight out of the ten most played albums in 2019 were recorded in German, while international artists produced only 24.5% of the German Top 100 Album Charts. So, while a quarter of playing time is dedicated to international artists, most German consumers listen to national artists. Unlike the charts, the percentage of international content is high among radio stations. Here, German artists produce only 10% of the top 100 radio tracks. As a result, German radio may provide a better platform for international artists and labels.

By Medium of Listening:

According to the International Federation of the Phonographic Industry, Germans dedicated 43.5% of their total weekly music consumption to the radio in 2019. Judging by listening time, this makes radio the most popular medium for listening to music in Germany. Digital streaming comes in second with 33% of total weekly listening time, followed by previously owned music with 14.5%. It is important to note that the time spent listening to digital streaming can be further divided into (i) premium audio streaming, (ii) free audio streaming, and (iii) YouTube streaming. Of the total weekly time spent listening to digital streaming, 52.1% traces back to premium streaming services, while 10.3% comes from free streaming. This means that the remaining 37.6% of the weekly streaming time is spent on YouTube. Despite the sizable percentage of people streaming music via YouTube, this medium only contributed to 3% of total revenue in 2019.

By Demographic:

In 2019, 40–59-year-old listeners accounted for 53% of total music purchases. In comparison, 30–39-year-old listeners accounted for 14% of total music purchases. Young listeners are the most likely to use streaming services, with 45% of weekly listening time coming from this medium among 16–24-year-olds. This percentage quickly drops as age increases, with 11% of weekly listening time coming from streaming services among 45–54-year-olds. Instead of streaming, the older demographics prefer radio as a means of music consumption. Among 55–64-year-olds, 62% of weekly listening time came from the radio.

GERMANY

MARKET ENTRY: LICENSING AND ROYALTIES

Music artists and publishers looking to perform or have their music played in Germany should contact GEMA (German Association for Musical Rights) before doing so. In Germany, GEMA is responsible for licensing and royalty payments to composers, lyricists, and publishers. Through so-called reciprocal licensing agreements between GEMA and other music management organizations around the globe, it is ensured that foreign music played or performed in Germany will result in monetary compensation for the corresponding foreign artists and publishers. More specifically, GEMA initially collects royalty payments on behalf of any international artists whose music is played in Germany and consequently pays out these amounts to the music management organization located in the home country of the artist or publisher. International artists are encouraged to contact GEMA for further details.

International artists can only benefit from GEMA's royalty payouts if they become GEMA members. Those wishing to become a member are subject to a one-off admission fee of US\$127 for composers and lyricists or US\$255 for music publishers. Additionally, there is an annual membership fee of US\$60 for composers and lyricists or US\$120 for publishers. Importantly, copyright protection does not require GEMA membership, given that it is overseen by copyright law in Germany. However, before becoming a GEMA member, it is important to consider whether this makes financial sense in the first place. For one, a membership entails assigning your exploitation rights to GEMA. This means that artists and publishers must pay GEMA whenever they organize a public display of their work themselves. Therefore, a GEMA membership only makes financial sense if your music royalties exceed the payments required to perform your own music.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

A 2015 EU directive on digital goods and services dictates that foreign businesses must pay a value-added tax (VAT) on digital goods sold in the EU, including music downloads. U.S. businesses can do this by either registering for and directly paying VAT in Germany or through a so-called 'mini one stop shop' (MOSS VAT). The latter option is useful if your business sells to multiple EU countries and involves submitting data on customer sales and locations to a local MOSS which then distributes VAT payments to the corresponding EU countries. Registration is possible through the Federal Central Tax Office. Since Germany belongs to the Digital Single Market of the EU, paid digital music faces few online barriers among EU countries. Therefore, making paid digital music available in Germany allows German buyers to listen to that music throughout the entire EU.

Intellectual property rights (IPR) are enforced on a national level in Germany and through EU copyright legislation. EU directives govern the regulatory framework behind copyrights of composers and collective management organizations acting for the composer. In addition, digital music played across the EU is subject to the [directive on multi-territorial licensing for online music](#). Still, copyright protection within the EU and Germany only comes into effect once your rights are locally registered. With a multitude of legislation on a national and international level, it is always advisable to conduct due diligence when looking for partners in the EU and Germany.

GERMANY

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Ministry for Culture and Media (BKM): Manages public funding of various cultural art forms such as music, theater, film, museums, and galleries. Responsible for COVID-19 related artist relief.

Association of the German Music Industry (BVMI): Represents and advocates for music companies in Germany, such as record labels and publishers.

German Association for Musical Rights (GEMA): Responsible for licensing and royalty payments to composers, lyricists, and publishers throughout Germany.

The German Music Initiative (Initiative Musik): The central funding platform of the German government aimed exclusively at supporting newcomer musical artists and organizations.

TRADE & MUSIC EVENTS

Musikmesse Frankfurt, Spring 2022

Frankfurt am Main, Germany

Europe's biggest trade fair for the music industry, music instruments, and music education.

jazzahead! April 29-May 2, 2021

Offered Digitally

Europe's biggest international trade fair for jazz music.

Rock am Ring/Rock am Park, June 1-3, 2022

Nürburgring, Eifel / Zeppelinfeld, Nürnberg

Two simultaneous rock music festivals that form the largest music event held in Germany with over 150,000 visitors annually.

Reeperbahn Festival, September 22-25, 2021

St. Pauli, Hamburg, Germany

Reeperbahn Festival is Germany's largest music platform for the music and digital industry. The Reeperbahn Festival Conference offers industry professionals numerous sessions, networking events, meetings, showcases, awards shows, and more.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[Country Commercial Guide for Germany](#)

GERMANY

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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GREECE

SUMMARY

Music is one of the cultural pillars of Greece and has its origins in the Ancient Greece and Byzantine period. Greek traditional, folk, and popular music is influential, diverse, and genuine. From music choirs used in ancient Greek tragedy to music accompanied by the popular ‘bouzouki’ instrument and breaking plates on stage, the Greek music industry is part of the country’s cultural identity and a way to profit.

CURRENT MARKET TRENDS

The music industry worldwide is not only undergoing changes driven by technological advancements but has also been significantly hit by the pandemic. Live music, concerts, bars, and clubs were closed due to the public health crisis, and the entertainment industry was muted. Changes brought on by the pandemic accelerated the direction the music industry was heading in before. According to the International Federation of the Phonographic Industry Greece, in 2019, streaming already accounted for 80% of the industry’s revenues. The era of online streaming, Spotify, and YouTube has replaced the era of vinyl, cassettes, CDs, and physical records. Major records have found a way to continue

competing for worldwide market share.

The pandemic helped with the shift of physical events to their virtualization and urged companies and artists worldwide to organize online events. With the spread of 5G networks, music and other forms of entertainment can now be experienced globally.

CURRENT DEMAND

The Greek music industry has been hit hard during the last decade, first with the financial crisis that drove many music places to close their doors and now with the pandemic that stopped live performances entirely. Musicians and those working in the music industry are losing their jobs since the industry is changing and demand is decreasing. There are no concrete statistics on the spending and revenue of the music industry in Greece for two main reasons. First, due to high taxes on the entertainment industry, there is a high level of tax evasion. Also, there is no official association in charge of gathering, analyzing, and disseminating official data. According to estimates, music streaming may reach a market volume of US\$55 million in 2021, with general revenue in the digital music market projected to reach US\$57 million.



Capital: Athens
Population: 10.7 million
GDP: US\$209.9 billion
Currency: Euro (€)
Language: Greek

GREECE

Although the future may seem gloomy for the entire industry at first glance, Greece saw a 6% increase in vinyl sales in 2018, while Spotify Greece exceeded one million users. In 2018, 54% of the music industry's revenue originated from streaming, and although music downloads have been decreasing, illegal music download is still an issue. In 2020, 73% of Greek consumers used the internet for listening to music, either for free or through paid services.

EXPORT & LICENSING GUIDANCE

According to the International Federation of the Phonographic Industry (IFPI), music producers should use the International Standard Recording Code. IFPI is the official music industry association that produces official music charts in Greece. Greece has no music industry associations, but it does have various unions and private initiatives around the country. Since 2019, VAT for ticket concerts have decreased from 24% to 6%, a major change, since until then, 80% of the ticket price was paid back through taxes. The Hellenic Copyright Organization (HCO) pays artists for their intellectual property rights and royalties. In 2016, artists were paid US\$31 million under the Hellenic Society for the Protection of Intellectual Property, which was involved in a scandal and was shut down for not paying artists almost US\$50 million in royalties. In 2019, under the HCO, artists received only US\$5 million. Most Greek record companies also report losses for the last couple of years. The entertainment industry reported losses of 88.2% in January 2021, as compared to January 2020, mainly because of pandemic-related business closures.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Greece maintains nationality restrictions on several professional and business services, including legal advice. These restrictions do not apply to EU citizens, and U.S. companies can avoid these barriers when partnering with Greek or EU businesses.

The Greek government has various laws to protect and regulate licenses for public and private television stations, technical standards of broadcasting, and copyright and related rights of performers, creators, publishers, and producers of the media and entertainment industry. As an EU member state, Greece follows all eleven directives and two regulations regarding intellectual property rights, which follow the Berne and the Rome conventions, the WTO TRIPS agreement, and the 1996 WIPO Internet Treaties. Greece also follows the Beijing Audiovisual Performances Treaty and the Marrakesh Treaty, which facilitate access to published works for visually impaired people.

In 2020, Greece was removed from the USTR's Special 301 Annual Watch List in recognition of its progress on protecting intellectual property rights. Greece has made continuous efforts to block pirated content and is actively trying to ensure intellectual property rights are not violated.

As a member of the European Union and the World Trade Organization (WTO), Greece follows the global rules of international trade policy. In detail, it adheres to the EU Regulation No. 952/2013, a basic legislative act of the Union Customs Code and the National Customs Code (Law 2960/2001), which includes specific rules regarding customs procedures, duty assessment and collection, and sanctions against customs violations. The Common Customs Tariff and the Integrated

GREECE

Tariff (TARIC) are applied to goods from non-EU countries. EU goods fall under the rules of the internal market and the Common Commercial Policy. The EU implemented Union Customs Code, ensuring that Greece and other member states apply the rules uniformly.

MAIN COMPETITORS

There are around 120 record companies in Greece, with the key players being Panik Records, Heaven Music, Minos EMI, Universal Music Greece, and more. Panik Records is a chain store that still sells vinyl, CDs, and physical records, although most CD stores in Greece have closed down. Spotify has penetrated the market, although illegal downloading still exists.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

[Ministry of Culture and Sports](#)

[Creative Europe Greece](#)

[National Council for Radio and Television](#)

[International Federation of the Phonographic Industry](#)

TRADE EVENTS

Due to the pandemic, no in-person trade events or festivals are planned for the near future. Some noteworthy festivals organized in Greece include the Rockwave Festival, the Eject Festival, and the Release Athens Festival. A positive sign during the pandemic was the launch of the weeklong music marathon, Athens music week, in June 2020, with physical sessions and live streaming of more than 30 artists from Greece and abroad.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[Hellenic Statistical Authority](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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THE NETHERLANDS

SUMMARY

The Dutch music industry saw a significant increase in 2019. Seventy-eight percent of the turnover came from streaming services such as Spotify and Apple Music and accounted for over US\$220 million in 2019, which is 13.2% more than the previous year (2018). According to the NVPI, the industry association of the entertainment industry, this is the strongest revenue growth in five years. The streaming market accounted for close to US\$200 million, an increase of 23% as compared to 2018.

Pop, rock, and hip-hop are the most popular music genres in the Netherlands. More than 40% of the Dutch listen to pop music, which was the most popular music genre in the country in 2020. Dutch Hip Hop is also increasingly popular, especially among young people. Dutch artist Snelle was the most popular artist in the Netherlands. International artists such as Tones and I, Billie Eilish, Ed Sheeran, Post Malone, and Lewis Capaldi are all as well-known in the Netherlands as they are in the United States.

The sales of physical products decreased from US\$45.5 million in 2018 to US\$40.6 million in 2019: a 10.7% decline. Sales of LPs, which previously experienced a significant increase, fell by 1.3%.

The development of the podcast in the Netherlands has taken off in the past year. Millions of Dutch people now listen to podcasts via various platforms, including Spotify and Clubhouse. Twice as many Dutch young people under twenty started listening to podcasts last year. Like other age groups, they prefer to listen to podcasts about comedy.

CURRENT MARKET DEMAND

The two largest music streaming services in the Netherlands are Spotify and Apple Music. Spotify had three million Dutch users and a market revenue of approximately US\$420 million in 2019. A majority of 60% of Dutch Spotify users opt for the paid version without advertising but with more options, such as listening to all music from the Spotify database offline. Furthermore, 9% of all Dutch people now purchase a Spotify subscription through a mobile provider, such as T-Mobile or Vodafone. An increasing number of Dutch are installing Spotify on their smartphone. Figures show that in the second quarter of 2020, 46% of all Dutch people with a smartphone had Spotify installed on it, which is a significant market share. In comparison, the number of installations on smartphones for music service Deezer is 3%, and for Apple Music, 5%.

American labels dominate record labels in the Netherlands. Major labels in the country include Sony Music Entertainment, Universal Music Group, and Warner Music Group. They represent Dutch record labels and therefore also hundreds of Dutch artists. Top Notch is the largest and most popular Dutch music label by far, with the most streams on Dutch Spotify and more than 1.7 million YouTube subscribers. Top Notch, which is part of the Universal Music Group, mainly represents Dutch Hip-Hop artists, such as Lil Kleine and Ronnie Flex. Popular Top-Notch artists have one to two million monthly streams on Spotify.



THE NETHERLANDS

GROWTH TRENDS

Spotify continues to grow in the Netherlands and is especially popular with the younger generations. Seventy-seven percent of the Dutch youth has Spotify installed on their phone. Dutch hip-hop artists dominated Spotify in 2020, and it is expected that this trend will continue in 2021.

In 2019, the Netherlands had more than five million active podcast listeners. Podcasts are highly popular among 33-year-old (71%) and highly-educated Dutch people (56%). Podcasts that stimulate personal development have become increasingly popular. Currently, almost a third of the Dutch listen to such podcasts, representing an increase of 15% as compared to May 2019. Both English and Dutch spoken podcasts are popular in the Netherlands.

Online radio platforms are also increasingly popular in the Netherlands. Research shows that the websites of the joint radio stations in the Netherlands have a greater reach than the music streaming service Spotify. At the end of 2018, online radio stations reached 48% of the Dutch via websites or apps.

MARKET ENTRY

The key to successfully entering the Dutch market is working closely with a local partner. An experienced representative can advise on adapting a product to local technical requirements and consumer preferences, logistics, and marketing. Although the European Union is considered a single market, marketing strategies and consumer preferences vary greatly from country to country.

The distribution of music has changed significantly in recent years. In 2015, half of the turnover of the Dutch music industry came from streaming, but that increased to almost 80% in 2019. The revenue from streaming services increased by 23% from 2015 to 2019 to US\$195.7 million. Streaming was responsible for an overall increase in turnover of 13.2% to US\$250.24 million for the entire industry in the Netherlands.

On the other hand, there is a decrease in the turnover from physical music carriers, particularly CDs. The turnover from CDs fell by 15.7% in 2019, so the discs only accounted for 12.2% of the sector turnover. Vinyl sales also fell 1.3% to US\$18.6 million in 2019, showing that vinyl sales are fairly steady but are still responsible for more turnover than downloads. Turnover from downloads only accounted for US\$4.9 million in 2019, a decrease of 21.3%, which was probably due to the increased streaming services.

MARKET ENTRY BARRIERS

Dutch law does not contain any rules for distribution and agency agreements. Instead, the user has to rely on Dutch law, supplemented by case law.

The dissolution of the distribution agreement is only possible if there is a shortcoming in the fulfillment (non-performance) of the agreement. This shortcoming can be found in the violation of provisions of the agreement but can also be found, for example, in conduct that is contrary to reasonableness and fairness. Specific statutory rules also apply to agency contracts, which sometimes cannot be deviated from. The agent is entitled to a client fee (goodwill) upon the termination of the agency agreement. In addition, a short notice period of one month applies to the agency agreement, while there is no statutory notice period for distribution agreements.

THE NETHERLANDS

While the EU has no direct legislative competence in the field of culture, EU legislation in related policy fields directly affects the music sector in terms of funding, working conditions, remuneration, mobility, etc. The recently adopted Copyright Directive is a good example, as it addresses a key concern for the music sector by making the marketplace for copyright fairer and more transparent. Article one of said Directive states that the Treaty on European Union (TEU) provides for the establishment of an internal market and the institution of a system to ensure that competition in the internal market is not distorted. Further harmonization of the laws of the Member States on copyright and related rights should contribute to the achievement of those objectives. The Directive (EU) 2019/790 on copyright can be found [here](#).

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Several general principles are important for the effective management of intellectual property (IP) rights in the Netherlands. IP may be protected differently in the Netherlands than it is in the United States. U.S. trademark and patent registrations will not provide IP protection in the Netherlands. There is no “international copyright” that will automatically protect IP throughout the world. Ultimately, protection against unauthorized use of IP in a country depends on that country’s national laws. In accordance with international agreements, most countries, however, do offer copyright protection in foreign works.

Patent and trademark registrations are generally granted on a first-to-file basis. Companies must understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the Netherlands. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant by retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Dutch law. The U.S. Commercial Service in the Netherlands can provide a list of local lawyers upon request.

Concerning trade barriers, U.S. firms register relatively few trade complaints in the Netherlands. The Dutch tend to support a level playing field in trade matters. Their long history with the benefits of trade positions has established the Dutch as the genuine “neutral” traders of Europe. However, U.S. companies setting up a business in the Netherlands will encounter a complex business culture in which companies, trade unions, government bodies, and industry associations engage in constant and close consultations. This stems from the traditional Dutch emphasis on achieving consensus.

As a member of the European Union, both EU and national legislation apply. If you import goods from outside the EU, you usually pay import duties. The amount of this import depends on the product’s tariff code and the country of import. The EU has concluded trade agreements with various countries. You often pay fewer import duties when importing from those countries.

MAIN LOCAL COMPETITORS

In terms of distribution channels, Spotify and Apple Music are the main competitors in the Netherlands. However, there exists a significant gap between the number one and two. Spotify has a market share of 86%, whereas Apple Music only has a market share of 9%. The French music streaming platform Deezer has a market share of 8%.

There are several major competing record labels in the Netherlands, including Top Notch, Noah’s Ark, and Trifecta. It is striking to notice that all of these record labels mostly produce (Dutch) hip-hop music. This is also in line with the trend currently taking place in the Netherlands – the increase in popularity of Dutch hip-hop music.

THE NETHERLANDS

The largest radio stations in the Netherlands are NPO Radio 2, Radio 10, Q-music, Sky Radio, and Radio 538. The market share of these radio stations ranges from 18% to 8.5%. NPO Radio 2, which is number one, is a national radio station of the Dutch Public Broadcasting. The station is initially aimed at the 35- to 55-years-old target group but is also well listened to by the Business-to-Business target groups. The other three radio stations mainly focus on music. BNR News Radio is also a major Dutch radio platform. This commercial radio station focuses on bringing news from home and abroad, the financial world, politics, and the sports world. 'The enterprising person' forms the main target group of this station, and the audience of BNR is generally more educated than the Dutch average. Broadcasts from BNR can also be heard via podcasts.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

The EU Commission introduced a sector-specific approach to music in its proposal for the new Creative Europe program. According to the proposal, the support to the music sector would promote diversity, creativity, and innovation in the field of music, in particular the distribution of musical repertoire in Europe and beyond. It would also promote training actions and audience development for the European repertoire and support for data gathering and analysis of the sector. More than 90 music projects (cooperation projects, platforms, networks) have so far received funding under the current Creative Europe program (culture strand), with an approximate total budget close to US\$70 million. In addition to the support of Creative Europe, the sector can benefit from an additional budget of US\$2 million in 2018 and US\$4 million in 2019 through the Preparatory Action "Music Moves Europe: Boosting European music diversity and talent."

The Dutch national government supports music in various ways. They do this not only by providing subsidies in their national subsidy system but also by implementing cultural education and participation programs. There are also six National Culture Funds that provide subsidies to institutions, artists, and makers. In addition to the central government, provinces and municipalities play an essential role in the public funding of culture. They are, therefore, important partners for the support of culture.

NVPI is the industry association for the entertainment industry and represents most Dutch music companies and publishers of audiovisual content on physical media and online. NVPI aims to promote, defend, and strengthen the common interests of Dutch producers, importers, and music operators.

TRADE EVENTS (LOCAL AND INTERNATIONAL, AS RELEVANT)

[Music Pitch](#)

April 15th, 2021

The bimonthly network and information gathering for the Dutch music sector. A talk show with guests from the music sector about a current music business theme.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Market research on the [Central and East European music market](#)
[Impact of festivalization on the Dutch Music market](#)

THE NETHERLANDS

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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Capital: Abuja
Population: 202 million
GDP: US\$448.1 billion
Currency: Naira (NGN)
Language: English (official), Hausa, Igbo, Yoruba

NIGERIA

SUMMARY

Nigeria's music industry has experienced rapid growth in the last decade and has become a significant influence on the music culture, especially in West Africa. Nigerian influence can be seen throughout all of Africa. The recent emergence of two Nigerian artists, Burna Boy and Wizkid, as award winners at the 2021 Grammy Awards event speaks to the global recognition and appreciation for Nigerian music. As the industry continues to experience healthy growth trends, hundreds of albums are produced annually across a wide range of genres. Local artists are increasingly able to secure contracts with international labels such as Sony and Universal Music. The industry has also witnessed growing international collaborations ranging from studio partnerships to opportunities that feature notable artists like Beyonce and Drake.

Revenue in Nigeria's Music space is earned from live music performances (sponsorship and tickets), recorded music (digitally recorded music, music performance rights, music synchronization, and physical recorded music), advertising, and endorsement arrangements. Although the industry is growing, significant growth is especially happening in the digital music streaming space. The number of paid subscriptions is rising despite numerous challenges, including broadband availability, data prices, financial exclusion, and low smartphone penetration in the region.

Nigeria has a strong need to increase the number of law practitioners that specialize in the music industry. Unfortunately, the continuously widespread piracy and copyright infringements in the Nigerian music industry remain a challenge. There are significant opportunities in Nigeria's music industry, including equipment leasing, music distribution, the establishment of state-of-the-art studios, and a range of training services.

TRENDS & BEST PROSPECTS FOR U.S. EXPORTERS

Nigeria's music revenue grew from US\$81 million in 2019 to US\$99 million in 2020 and is expected to reach US\$183 million by 2024 at a compounded annual growth rate of 17.68%. This growth is expected to be driven by digital music streaming and podcast advertising. Before 2019, ringtones and ringback revenues made up the bulk of total revenue from recorded music, but this changed in 2019 when digital music streaming revenue took over. Digital streaming revenue comes from consumer subscription fees and advertising. According to a PriceWaterhouseCooper's (PwC) report entitled, *Nigeria's Entertainment and Media Outlook*, consumer subscriptions accounted for about 90% of streaming revenue in 2019. This subscription-based revenue is expected to rise from US\$32 million in 2019 to US\$137 million in 2024.

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Nigeria has the second-highest podcast listenership in Africa with 5.9 million monthly listeners in 2019. The podcast market is expected to keep growing rapidly and is estimated to reach 27.6 million listeners by 2024. Although the current demography for this market consists mostly of young and relatively wealthy people, the demography is expected to expand as access to smartphones and internet penetration deepens in the Nigerian market. Radio programs are also starting to be distributed in podcast format, which is expected to be a significant driver of podcast growth in the coming years. Revenue from podcasts stood at US\$1.6 million in 2019 and is expected to reach US\$8.3 million in 2024, mostly from advertisements as the market becomes more efficient. Podcasts in Nigeria are mostly free, and this is a contributing factor for the low revenue figures.

CURRENT DEMAND

Music has become a cultural export for Nigeria as songs by Nigerian artists enjoy significant rotation on radio and TV stations across the continent and beyond. Radio has the deepest penetration in Nigeria of all the communication platforms. Radios can be readily found in rural areas where the lack of broadband availability or limited power supply may make digital and television access challenging. The Federal Radio Corporation of Nigeria (FRCN) is the largest nationwide radio network with 32 FM stations across the six geopolitical regions in the country. The Government of Nigeria owns FRCN.

Nigeria is a price sensitive market. Music downloads or streaming options that are free or affordably priced thrive in this market. For paid music streaming subscriptions, the availability of a variety of payment plans and packages is recommended in this market. Boomplay app is currently the biggest streaming service provider in the region. It comes preinstalled on Android devices like Infinix, Techno, and itel and is downloadable for other users.

MARKET ENTRY: LICENSING AND ROYALTIES

The National Broadcasting Commission (NBC) is the regulatory body governing Nigeria's broadcast industry sector. One of the duties of NBC is to monitor licensee's broadcast content. Consequently, NBC has frequently banned songs and music videos that do not comply with set standards from being played across radios and television stations in the country. These bans however do not affect the online streaming of such works.

Numerous artists work with music distribution companies in Nigeria rather than directly with the music streaming platforms. This is usually due to pre-required conditions that music labels and artists must meet before gaining direct access to negotiate with their would-be interlocutors at these platforms. Many labels have not attained the required catalogue needed to become direct distributors in Nigeria. As a result, most distribution companies in Nigeria function as middlemen who sign with labels or artists to manage the distribution of an artist's music on select streaming platforms.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Nigeria's entertainment industry is plagued with high levels of intellectual property rights (IPR) violations, piracy, and copyrights infringement. The dominance of music blogs is a good example of one way that IPR became so precarious. First music blogs became a crucial element in the function of distribution of music in Nigeria. However, these blogs were not required to obtain licensing for the music they distributed. The dominance of the music blogs has reduced considerably mostly due to the influx of music streaming providers in the country. Nonetheless, the music blogs with their pirated music distribution model still have an

NIGERIA

influence on the market. Piracy and counterfeiting constitute major hindrances to the development of intellectual property rights in Nigeria while actively hindering the growth and development of the music industry.

The Copyright Act, Law of the Federation of Nigeria (LFN) 2004 is the governing copyright law in Nigeria. Creative works eligible for copyright protection in Nigeria include cinematograph films, broadcast, sound recordings, literary works, musical works, and artistic works. However, there are certain conditions to be met for such works to qualify for copyright protection. The Copyright Act, Section 15 defines the criteria that constitutes copyright infringement in Nigeria, and section 16 of the same act, provides for an action in the case of copyright infringement. The law allows for the copyright owner or exclusive licensee to file a lawsuit in the Federal High Court that exercises jurisdiction in the place where the infringement occurred. Copyright holders in Nigeria for films, performances and sound recording own the rights to these works for 50 years from the time the work is first published.

MAIN COMPETITORS

Streaming: Music streaming business is a capital-intensive venture. Most streaming companies have to pay significant licensing fees to major distributors like Sony and Universal to gain access to exclusive music catalogues. YouTube was the first streaming platform that gained dominance in Nigeria's music streaming market. Their dedicated platform for music streaming is now called YouTube Music. The most significant companies in this market include Apple Music, which comes preinstalled on some Apple products; Boomplay, which comes preinstalled on all Infinix, Techno and itel smart phones; Audiomack; TIDAL; Deezer; iTunes; SoundCloud; MusicTime; and most recently, Spotify. Indigenous music streaming platforms such as UduX and Spinlet exist in the market but these Nigerian owned platforms are yet to gain dominance or significant market share. The majority of the players in the streaming service space employ a subscription model after a free trial period. Free trial periods range from 7 days to 3 months for different platforms. Monthly individual subscription prices range from US\$0 for free platforms like Audiomack to US\$10. Some streaming service providers offer a variety of options such as a premium subscription plan, a family plan, or a student plan. Nigeria is a price sensitive market hence it is important that prices stay competitive.

Distribution: Most artists in Nigeria prioritize reach over revenue when it comes to music distribution. The dominant companies in Nigeria's music distribution space include Universal Music Group, Sony Music, Freeme Digital, and Just Jojo Entertainment. Other companies operating in the music distribution space in Nigeria include Ditto, Destiny Records Nigeria, Distrokid, Music Diffusion, Songcast Music, Viral Playlists Digital, Fresible Music, and Palmwine Media.

Production: For years, music producers in Nigeria have worked to bring Nigerian music into the limelight. The most influential producers in Nigeria's music production Space include Michael Collins (popularly known as Don Jazzy), Cobhams Asuquo, Osabuohien Osaretin (popularly known as Sarz), Samuel Oguachuba (popularly known as SamKlef), Oluwaseyi Akerele (popularly known as Shizzi), Phillip Moses (popularly known as Pheelz), Sunday Nweke (popularly known as Masterkraft), amongst others.

Record Labels: Record labels have played a key role in the growth of Nigeria's music industry. The music industry is incredibly competitive and typically requires significant financial commitment for promotions and other required marketing activities. Being signed onto a record label makes it possible for artists to focus on making songs and performing, while the label provides financial resources, access to networks and other needs of the artist to work towards stardom.

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The record label business model in Nigeria is facing significant challenges managing their signed artists. Sometimes artists leave their labels once they become successful.

Enforcing contracts in Nigeria is often a challenging process. A number of artists also have been known to not renew their contracts at the time of expiration, especially if they have gained a significant fan base. Despite these challenges, some record labels enjoy considerable success in this market. Record labels play a key role in discovering new talent and compete to sign talented artists to their label, while growing the prominence and fan base of their existing artists. According to The360Report, top record labels in Nigeria ranked based on the successful artists and endorsement deals they have. Record labels include Davido Music Worldwide (DMW), Mavin Records, Starboy Entertainment, YBNL Nation, Dr. Dolor Entertainment, and Chocolate City. Other notable labels in this market include Universal Music Group Nigeria, Penthaus Music, Effyzzie Music Group, Dem Mama Records, Sony Music Entertainment, and Spaceship Entertainment

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Government Bodies

- National Broadcast Commission
- Nigerian Copyright Commission
- Copyright Society of Nigeria

Industry Associations

- Music Copyright Society Nigeria
- Music Producers and Marketers Association of Nigeria
- Performing Musicians Association of Nigeria

TRADE & MUSIC EVENTS

[The Headies Award](#), February 21, 2021

Lagos, Nigeria

The Headies (originally called the Hip Hop World Awards) is a music awards show established in 2006 by the Hip Hop World Magazine of Nigeria to recognize outstanding achievements in the Nigerian music industry. The annual ceremony features performances by established and promising artists.

[Nigerian Entertainment Conference](#) (NEC), April 25, 2021

Lagos, Nigeria

Nigerian Entertainment Conference is an annual conference that provides a platform for the participants to learn, showcase, and network and gain much-needed insight to operate in Nigeria's entertainment industry. NECLive features practitioners from all sectors of the entertainment industry for a full day of conversations, workshops, exhibitions, and masterclasses.

NIGERIA

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Country Commercial Guide for Nigeria: <https://www.trade.gov/country-commercial-guides/nigeria-market-overview>
[Mandate of Nigeria's National Broadcasting Commission](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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THE NORDIC REGION

SUMMARY

The Nordic music industry is characterized by digital transformation. Seventy-two percent of consumers aged 18-24 have access to music streaming services compared to 26% of those aged 65-75. The younger generations are increasingly embracing digital streaming. In 2019, the Swedish music industry alone had an estimated turnover of US\$721 million – a number that has steadily increased over the last decade. Live music accounted for the most revenue, contributing US\$462 million. Copyright and recorded music also make up a significant portion of the revenue. The entire region saw a negative growth rate in 2020 driven largely by sales decline in the live music segment. The industry is projected to recover fully within the next two years.

Globally leading companies such as Universal Music, Sony Music Entertainment, and Warner have a firm presence in the Nordics. Sweden has been one of the largest music exporters per capita, having been listed as the world's third-largest exporter. Sweden is home to artists like ABBA and Avicii, and Swedish producers have produced songs for Britney Spears, Katy Perry, and Taylor Swift.

With the region's solid position on the international music scene, there are potential opportunities for U.S. companies looking to invest in the Nordic music industry. With Sweden being an especially big music exporter, the outlook for acquisitions or joint opportunities with local studios and producers is favorable.

The Nordic region as a whole has a vibrant live music scene. There are several music festivals, especially during the summer. The most famous is the Roskilde Festival, which is the second largest in Europe and the largest in the region with some 130,000 attendees each year. The genre range stretches from alternative music and rock to EDM, meaning U.S. performers can find niche opportunities. For U.S. industry players, there are opportunities to do joint work with Nordic booking agencies and festival organizers.

CURRENT MARKET TRENDS

Nordic consumers are steadily increasing their consumption of podcasts, with at least one-third of the population listening regularly. Like in most of the world, Nordic consumers increased their use of smartphones and digital media during the pandemic. In 2020, the podcast growth rate was predicted to follow global trends, increasing as much as 30%. Throughout the countries, podcasts in the local language account for the most popularity. While competition may be high it should not stop those in the U.S. podcasts industry from seeking opportunities. Nordic consumers' English proficiency is among the world's highest, meaning the outlook for U.S. podcasts could be prosperous. Also, the number of podcast providers is increasing. Spotify has invested US\$500 million in podcasting, meaning there are opportunities for U.S. media venues looking to collaborate. North American films, series, and music are amongst the most popular choices in the Nordic region.



THE NORDIC REGION

Traditional media is increasingly losing ground to the digital. In Sweden, Norway, and Denmark the overall turnover for radio has decreased, however, advertising revenue has remained steady and is expected to increase in every Nordic country, apart from Norway.

The year 2020 was a difficult one for the music industry. Hotels, gyms, sporting events, and other licensees for the use of background music suffered financial difficulties, which in turn affected revenues for the music industry. In Norway, concerts and festivals accounted for an average of 40% of total music-related income. The COVID-19 ban on crowds struck against the market for live music, with up to 84% of freelancers and self-employed actors reporting having their assignments cancelled.

CURRENT DEMAND

Despite the negative effects of COVID-19, confidence in the music, radio, and podcast industry is high. The market is projected to fully recover within the next two years. In the next five years, the Nordic markets are expected to grow at an annual rate of up to 1.7%. A 2020 survey among Swedish industry players such as record labels and music publishers showed that 63% of the respondents expected growth in sales within the next 5 years.

The forced technological development has entailed new solutions, such as live-streamed concerts. For the time being, few music workers can make a living off music streaming, including live streaming. This opens new business models and solutions. With high income levels and technologically advanced societies, the Nordic market is a prosperous target group.

MARKET ENTRY: LICENSING AND ROYALTIES

The Nordic markets have a mixed economic system, containing a combination of free market capitalism and government intervention. The government controls some state-owned enterprises and citizens are subject to generous social benefits. Benefits are funded by tax paying companies and private individuals. It is generally considered easy to do business in the region. The regulatory environment is conducive to the starting and operation of a local firm. The markets are generally open and receptive to U.S. goods, services, and investments. Though there are relatively few barriers to trade, there are factors which U.S. exporters should keep in mind. Nordic consumers have high expectations in terms of product innovation, design, quality, and price. High taxes and labor inflexibility can pose challenges to new businesses.

All Nordic countries except Norway are part of the European Union. Norway is a member of the European Free Trade Association and participates in the European Economic Area (EEA). EU legislation and standards are harmonized across the EU Member States and EEA countries to allow for the free flow of goods.

A majority of Nordic record labels are represented by local [IFPI](#) affiliates, a member organization administering licenses and representing industry interests. The organization provides licenses to venues and those who use recorded music in, for example, radio and television.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Relevant IPR laws in the European Union are national law, EU law, and international laws. The EU is subject to extensive data privacy and digital laws, many of which have been recently implemented. These include the [Directive on Copyright](#) and [GDPR](#). The provisions have occasionally been considered complicated and the cause of trade barriers.

THE NORDIC REGION

The Nordic countries are all signatories to various multilateral conventions on the protection of copyrights, and thus recognize U.S. copyright protection. Despite this, there are some differences compared to U.S. laws in terms of, for example, requirements for registering copyrights.

Each Member State addresses IPR under national authorities. U.S. exporters should research the IPR laws of the country in which they wish to conduct business. Relevant information and legislation can be found through these respective national agencies:

[Swedish Intellectual Property Office](#)
[Danish Patent and Trademark Office](#)
[Norwegian Industrial Property Office](#)
[Finnish Patent and Registration Office](#)

Widespread piracy has been an issue in Sweden, where illegal streaming of films, sports, and music has resulted in a loss of revenue. Government efforts and increased legal sales of music and films have helped combat the issue in recent years.

MAIN COMPETITORS

[Warner Music Sweden](#), [Universal Music](#), and [Sony Music](#) are well-established on the Nordic market, along with other major and independent record labels. With 345 million users worldwide, Spotify is undoubtedly the biggest competitor for digital audio services. In 2019 alone, global sales rose to US\$8.4 billion. The Nordic commercial, music-oriented radio channels face competition from subscription-based online music services. The major actors include Spotify and Apple Music. Radio also faces competition from the growing range of podcasts, many of which are distributed via Apple podcasts/iTunes and Spotify as well as more sophisticated podcast services.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

[Swedish Ministry of Culture](#)
[Danish Ministry of Culture](#)
[Norwegian Ministry of Culture](#)
[Finnish Ministry of Culture and Education](#)

[Nordic Copyright Bureau](#) (NCB) – Represents right holders and handles permissions and licenses. The members of NCB are the Nordic performing rights societies – [Koda](#) in Denmark, [STIM](#) in Sweden, [Teosto](#) in Finland and [TONO](#) in Norway.

[Export Music Sweden](#) – Works at an industry level to help export Swedish music to the world. Arranges Trade Missions to key territories focusing on connecting Swedish delegates with international key professionals through networking events and company visits.

THE NORDIC REGION

[Music Sweden](#) – Swedish music industry’s export facilitator and promotional organization.

[Music Norway](#) – Norwegian music industry’s export facilitator and promotional organization. Funded by the Royal Norwegian Ministry of Culture and the Royal Norwegian Ministry of Foreign Affairs.

[Music Finland](#) – Finnish music industry’s export facilitator and promotional organization.

TRADE & MUSIC EVENTS

[Scandinavian Music Expo](#), date to be determined
Stockholm, Sweden

Scandinavian Music Expo gathers distributors who represent several hundred of the market's strongest brands. The fair is primarily aimed at DJs and music producers, but also has products within e.g. MI, PA, HiFi and installation.

[by:Larm](#), 30 September - 02 October 2021
Oslo, Norway

by:Larm consists of two parts: a festival and a conference. The conference is a meeting place for the Norwegian and foreign music industries. The festival concerts take place at night and are open to the public.

[SPOT Festival](#), 17 June - 9 June 2021
Arhus, Denmark

SPOT is a festival held at a number of cultural centers and outdoor stages, gathering hundreds of performers. It also has an industry section with network meetings, seminars, lectures, etc.

[Music & Media](#), date to be determined
Tampere, Finland

Music industry gathering in Finland, steering the discussions and connections in the industry for three consecutive decades. The gathering gathers more than 1000 talents and professionals from music and media fields.

THE NORDIC REGION

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[Music Norway: Reports and research](#)

[Music Sweden: Reports and research](#)

[Music Denmark: Reports and research](#)

[Music Finland: Reports and research](#)

[Export Music Sweden: Nordic market](#)

[ITA: Protect Intellectual Properties](#)

[Copyright policies of the European Single Market](#)

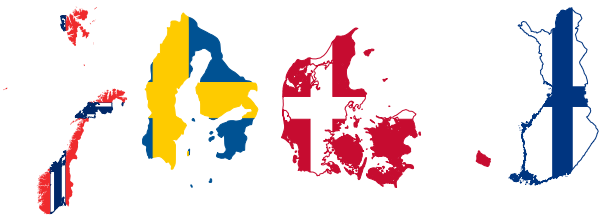
Country Commercial Guide for Norway: <https://www.trade.gov/country-commercial-guides/norway-market-overview>

Country Commercial Guide for Sweden: <https://www.trade.gov/country-commercial-guides/sweden-market-overview>

Country Commercial Guide for Denmark: <https://www.trade.gov/knowledge-product/denmark-market-overview>

Country Commercial Guide for Finland: <https://www.trade.gov/country-commercial-guides/finland-market-overview>

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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SOUTH KOREA

SUMMARY

South Korea is the sixth largest music market in the world and is the second largest market in Asia after Japan according to the IFPI Global Music Report 2021. In 2020, the total value of the Korean music market was estimated to be US\$6 billion, representing a growth of 8.9% over the previous year according to the recent industry report by the Korea Creative Content Agency (KOCCA), a public agency that oversees the promotion of Korean content. Despite the cancellation or postponement of live music events in 2020, K-pop is expected to continue to grow in popularity thanks to the global success of artists like BTS and Blackpink.

Just like other countries, the Korean music market is rapidly shifting from the sales of physical copies to digital streaming and download services. According to KOCCA, in 2020 more than 63% of Korean listeners answered that they paid for digital services. On the contrary, only 20% responded that they purchased physical copies during the past year. The competition among music platforms is expected to heat up as Spotify, the world's largest music streaming platform recently entered the Korean market in March 2021.

CURRENT DEMAND

By Music Genre

In 2020, ballad, dance, R&B and hip-hop were the main trending genres in Korea. A new trend, trot, is growing in popularity. Trot, known for its upbeat tempo, repetitive rhythm, and vocal inflection, used to be ridiculed as music for older people, is making a comeback thanks to the popularity of TV audition shows. In terms of the language, 84 % of Korean listeners responded that they mostly prefer to listen to songs recorded in Korean followed by English (12%) and Japanese (2%). Songs recorded in English were generally preferred by the younger generation.

By Medium of Listening

Koreans use smartphones as their main music player. According to the 2020 Music Industry White Paper by the KOCCA, 66% of Korean listeners responded that they used mobile devices as the primary medium to listen to music over TV, computer, and radio. Digital music services are further divided into video streaming platforms and music streaming/download platforms. As of 2020, Melon of Kakao, a Korean messenger app & entertainment company, had the largest market share with 35% of Korean digital music platforms, followed by YouTube & YouTube Music (30%), Genie (11%), and FLO (8%). Other digital music platforms in Korea include Naver VIBE, Bugs, Apple Music, and Spotify.



SOUTH KOREA

MARKET ENTRY: LICENSING AND ROYALTIES

Global publishers such as Warner Music, Universal Music, and Sony Music Entertainment distributed most of American music directly to the local music platforms. Another option for overseas artists and publishers is partnering with local publishers. Major local publishers including Kakao M (Melon), KT Music (Genie), and NHN Bugs (Bugs) operate their own music streaming platforms. These publishers provide a company with access to more local listeners and promotional resources. In addition, there are many mid-size local publishers in the Korean market. To access local music platforms, overseas artists, agencies, and publishers will often enter a multi-year contract with local publishers.

In terms of profit, the Korean Ministry of Culture, Sports and Tourism (MCST) sets the standard revenue distribution system. Music platforms in Korea distribute 65% of streaming revenue to rightsholders after a 35% service charge has been deducted. Out of the 65%, the composers and recording artists take 10% and 6% respectively while the publishers take the remaining 49% of revenue. For download revenue, rightsholders take 70% while music platforms take the remaining 30%.

In South Korea, four organizations are responsible for collecting license and royalty payments for music rightsholders: the Korea Music Copyright Association, the Recording Industry Association of Korea, the Korean Society of Composers, Authors and Publishers, and the Federation of Korean Music Performers. Through the reciprocal licensing agreements between the local copyright trust organization and overseas trust management organizations, any music played or performed in South Korea becomes a subject of monetary compensation. To collect license and royalty payments from South Korea, overseas music rightsholders are required to register music to the Korea Copyright Commission and the local copyright trust organizations. For example, the Korea Music Copyright Association charges a one-time admission fee of US\$180 for composers and artists or US\$885 for publishers.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

In support of Korea's ever-growing popularity of "K-pop," the government continues to strengthen its IP protection regime. Ever since its WTO membership in 1995, South Korea has observed the WTO TRIPs agreement and actively participates in multilateral discussions on copyrights and other IP issues. Also, South Korea is a signatory to the following international IP agreements: the Bern Convention, the Universal Copyright Convention, the Geneva Convention, the Rome Convention, the Brussels Convention, the Beijing Treaty on Audiovisual Performances, and the World Intellectual Property Organization treaty.

In South Korea, there are three government bodies that share responsibility for copyright protection: the Ministry of Culture, Sports, and Tourism (MCST), which coordinates overall copyright regimes; the Korea Copyright Protection Agency (KCOPA), which monitors and enforces copyright infringements; and the Korea Copyright Commission (KCC), which oversees copyright and serves as the non-judiciary copyright dispute resolution body. Overall, South Korean authorities are known for being generally effective in monitoring and enforcing copyright infringements.

SOUTH KOREA

The Korean government has introduced multiple legislation to reinforce its copyright protection regime. The relevant legislation for copyright protection in the country includes:

- [The Copyright Act](#)
- [The Content Industry Promotion Act](#)

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

[Ministry of Culture, Sports and Tourism](#)

[Korea Creative Content Agency](#)

[Korea Copyright Commission](#)

[Korea Copyright Protection Agency](#)

[Copyright Protection Center](#)

[Korea Music Copyright Association](#)

[Recording Industry Association of Korea](#)

[The Korean Society of Composers, Authors and Publishers](#)

[Federation of Korean Music Performers](#)

TRADE & MUSIC EVENTS

[MU:CON](#) (September)

Seoul, South Korea

Hosted by the Korea Creative Content Agency (KOCCA), MU:CON is the largest Korean music market featuring conferences, showcases and networking programs for local music industry participants.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Country Commercial Guide for South Korea: <https://www.trade.gov/country-commercial-guides/south-korea-market-overview>

SOUTH KOREA

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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SPAIN

SUMMARY

The COVID-19 pandemic has had a significant impact on the Spanish media industry, while its effects on specific sub-sectors have varied widely, COVID-19 has accelerated the transformation which the industry was already undergoing and has hastened key aspects such as digitization, personalization, or the intelligent use of data, all caused by ongoing changes in consumer behavior. The data included in this report refer to the year 2019 and the estimates and projections are based on the data existing at that time and the behavior-based trends known until then.

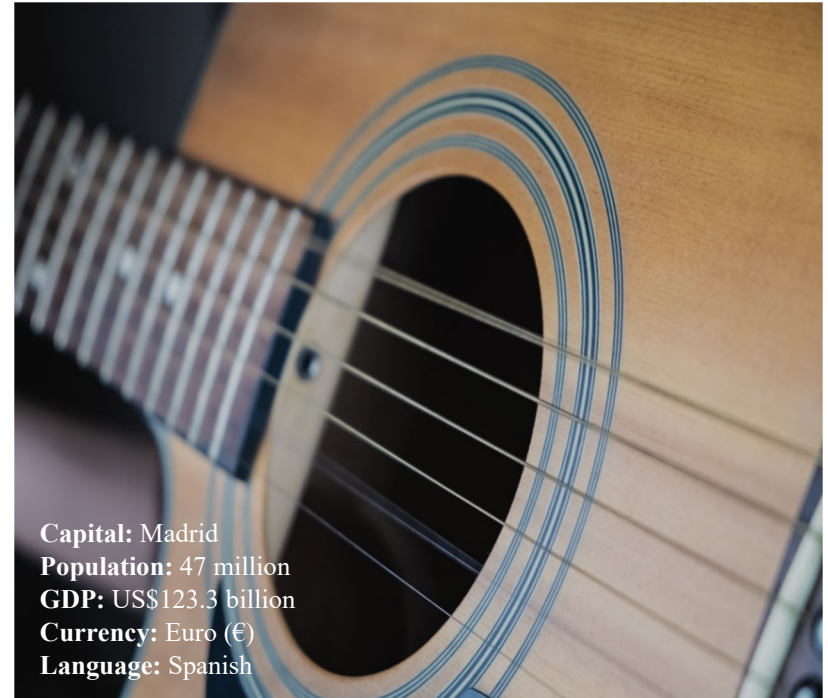
According to the music industry trade association Promusicae, the country saw a nearly 4% increase in revenue for the first six months of 2020, reaching 145.1 million euros. This is due to an increase in streaming revenues, which rose from 101.5 million euros for the first six months of 2019, to 122.5 million euros in 2020, a 20.56% increase. It was enough to offset the drop in physical sales, which registered a 45% downturn in revenue due to retail closures during the pandemic.

CURRENT MARKET TRENDS

The Spanish music industry ended in 2019 with a total turnover of 296.4 million euros in sales of recorded music, an increase of 22.5% over 2018. The digital market accounts for 75.3% of consumption in Spain, reaching 223.3 million. Streaming platforms account for 95.4% of the digital total (213 million euros). In Spain, the use of premium or paid streaming subscriptions has increased 34.9%, with over 3 million subscribers to services such as Amazon Music, Apple Music, Spotify, Deezer, Google Play, among others, accounting for 53.4% of total music sales (213 million euros). Spotify led the market with 30% of market share in income, followed by Apple Music with a 25% market share, and Amazon Music in third place. Ad-supported streaming music grew by 27.9% and ad-supported video streams on platforms such as YouTube grew by 21% from the previous year. The average consumption of streaming music by Spaniards is 4 hours per week.

The physical market grew 7.2% in 2019 with a revenue of 73.1 million euros in total. CD sales have gone from 24 to 10 million euros, a drop of almost 57%. However, vinyl sales barely declined 7.7% and are now 40% of the total physical market. One out of every four physical records is sold in Spain at 33 Revolutions Per Minute (RPM).

Although piracy continues to be a problem in Spain, there have been improvements. Data collected by the 2019 Observatory of Piracy and Consumption Habits for Digital Content in Spain found that the percentage of pirated music and videos has fallen to 2.8% and 2% respectively in 2019, for a cumulative drop of 17% since 2015 according to a 2020 report released in September.



SPAIN

The Spanish Society of Authors and Publishers (SGAE) manages the rights of authors while AGEDI (Entity for the Intellectual Property rights of phonographic producers and performers) deals with those of phonographic producers and the ASGAE manages the AIE (Entity for Music Performers and Executant Musicians) those of performing artists.

According to PwC, the number of podcasts increased by 30% in 2019 in Spain. With a monthly audience in the Spanish market of 14.3 million, compared to 3.7 million in 2015, this trend will likely continue in the coming years. It is estimated that the number of listeners will grow to 21 million in 2024. Revenues from podcast advertising in Spain are growing even faster than the audience, reaching 23 million euros in 2019, 46% more than the previous year. Podcasts such as TED in Spanish, produced in the U.S. or Latin America, have become popular in Spain, although in recent years the increase in local production has reduced dependence on the market for imported content.

CURRENT DEMAND

There are more than 10 million Spaniards who use streaming services, with 3 million paid subscriptions. The success of paid subscriptions is what drives the national market the most, since it generates almost three times that of advertising streaming, and 53% of the entire market.

MARKET ENTRY: LICENSING AND ROYALTIES

Typical buyers, licensors, and distributors of M&E in Spain might include state and regional governments, small and medium sized private companies, and large private companies. Preferred business strategies to enter/expand in the market might include identifying key buyers and distributors in the Spanish market and setting up an office in country.

U.S. Department of Commerce Country Commercial Guide: [CCG Spain](#)

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The Spanish Society of Authors and Publishers (SGAE) is the main collecting society for songwriters, composers and music publishers in Spain. One of the main activities of the SGAE is the collection of a blank media tax called canon. This tax is levied to compensate authors for private copies of their work and was incorporated into Spanish law by Law 22/1987, Intellectual Property.

AIE is the management entity for music performers and executant musicians. Pursuant to the provisions of the [Law on Intellectual Property](#), AIE manages the intellectual property rights of music performers.

SPAIN

It was established in 1989 with the authorization of the Spanish Ministry of Culture, and remains under its supervision to perform these functions under the Spanish Law on Intellectual Property of 1987, contained in the [Consolidated Text of the Law on Intellectual Property](#), approved by Royal Legislative Decree No. 1/1996 of 12 April 1996, and amended up to [Law No. 2/2019 of 1 March 2019](#).

MAIN COMPETITORS

Main players in the market include Sonic Music, Universal Music España, Virgin Music España and Warner. There is a significant number of independent recording companies such as Subterfuge, BCore Disc, and Foehn Records.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

[PROMUSICAE](#) – International Federation of the Phonographic Industry

[SGAE](#) – The Spanish General Society of Authors and Publishers

[AGEDI](#) – Entity for the Intellectual Property rights of phonographic producers and performers

[AIE](#) – Entity for Music Performers and Executant Musicians

[SEAD](#) – Secretary of State for Digitization and Artificial Intelligence

TRADE & MUSIC EVENTS

[MIDEM](#), June 1-4, 2021

Cannes, Spain

Leading event for the global music community

[BIME Online](#), October 27-30,2021

Bilbao, Spain

Meeting point of professionals from more than 30 different countries, working in all areas of music and other cultural and creative industries.

[XXX Barcelona International Record Fair](#), May 7-9, 2021

Barcelona, Spain

Vinyl lovers have a chance to browse the huge variety of records, CDs, books and merchandising on offer, all revolving around music.

SPAIN

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Country Commercial Guide for Spain: <https://www.trade.gov/country-commercial-guides/spain-market-overview>

[Market of recorded music in Spain 2020](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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Industry Resource Guides for the

FILMED ENTERTAINMENT & STREAMING SECTOR

Media & Entertainment Global Team



CHINA

SUMMARY

With the world's largest and increasingly wealthy population, China's filmed entertainment and streaming market is undoubtedly significant. The Chinese government has made great efforts in recent years to develop the domestic market by encouraging the supply of content, incentivizing the building of theaters, and allowing streaming platforms to proliferate. Consumer demand is, however, negatively affected by government policies restricting content.

Like everywhere, the COVID-19 pandemic hit China's 2020 in-person entertainment industry hard, with theaters closed for six months. Still, China ended the year as the world's largest theatrical market, surpassing North America, with total box office revenues of \$3.12B on 548 million admissions (compared to \$9.2B in 2019), according to figures from the China Film Administration. U.S. total box office revenues were \$2.2B in 2020 following an 80% decrease from \$11.39B in 2019.

The pandemic also accelerated a trend toward mobile and home television streaming, with Chinese consumers able to choose from increasingly robust entertainment apps and subscription services. In 2019, PwC reports streaming service revenues in China were

\$7.7B, and analysts widely expect 2020 streaming service revenues to be larger than film box office revenues for the first time.

Despite the potential opportunities for filmed entertainment and streaming based on market size, significant barriers exist for U.S. firms looking to break into the Chinese market. The media market is politically sensitive, tightly controlled, and highly censored. In addition to these challenges for content producers, quota systems limit market access for foreign content, and intellectual property rights violations abound. As a result, domestic films and streaming content now dominate the market and are increasing their market share.

CURRENT MARKET DEMAND

Chinese market demand for filmed entertainment and streaming services is steadily increasing. However, government controls and market factors have significantly limited the involvement of foreign companies. Most content is original and Chinese-language with less demand for foreign or foreign-invested content.

China has very large content markets for entertainment and streaming services. In 2019, 1.8 billion movie tickets were sold, and the country had 281 million subscription television households and 240 million smart TV devices, according to PwC. By January 2021, China's 940 million internet users (65.2 percent of the population), each spent an average of 5 hours and 22 minutes per day online. The vast majority of users spend time watching online entertainment, including 901

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million multimedia content users and 818 million short-video app users. Short-video users spend an average of 110 minutes on multimedia apps each day, even more time than spent on messaging services.

Video on demand subscribership is expected to grow 25% in the next five years, reaching 375 million unique subscribers in 2025, while revenues are projected to grow 11% annually during the same period. This growth is powered in part by the trend of Chinese consumers purchasing big-screen home televisions for viewing in addition to mobile phones.

In the tightly controlled Chinese media market, patriotic movies took the highest share of box office revenue in 2020. Under government-mandated market rules, domestically produced movies make up the lion's share of film revenues, and larger studios dominate the foreign film quotas.

Like in other countries, Chinese streaming services offer consumers a seemingly endless selection of titles, and the larger total number of titles allows the availability of a larger number of foreign television shows and movies, even though the proportion of foreign titles is limited by regulation. Despite representing a limited portion of total offerings, the streaming service iQIYI reports half of its movie demand is for U.S. films. However, U.S. television shows are less popular and make up only 10% of its total television show demand, with Chinese series dominating viewer preferences.

GROWTH TRENDS

The market for domestic entertainment content continues to rise while demand for foreign content decreases. Domestic movies generated 83.7 percent of China's box office revenue in 2020, which was also the first year in which all the top ten movies by revenue in the country were domestically produced. Foreign movies were not as popular as in previous years, and the box office revenue for foreign films declined from 35.9 percent to 16.3 percent of the total between 2019 and 2020.

The sale of movie theater tickets is evolving. Instead of premiers and online sales from the theaters themselves, live streaming platforms are taking a larger role in ticket sales. Platforms such as TikTok, Kuaishou, and Taobao Livestream produce "short video + live streaming" opportunities that allow internet users to watch short movie clips and click links during a promotional livestream (comparable to an online roadshow) to buy tickets for the movie at their local theater. In 2020, live streaming was used to sell tickets for eight of the ten top revenue-producing movies.

Online streaming of movies is experiencing rapid growth, and the quality of streaming service content is rising. From 2019 to 2020, the number of streaming movies with revenue of more than \$1.5 million doubled to 77 movies, all of which were domestic. Although these are small revenues when compared to those generated by theaters, they represent an opportunity for small- and medium-budget films to generate revenue in China.

Online platforms such as iQIYI, Tencent Video, and Youku Video have started to produce a small but growing number of their videos and offer them on their platforms, similar to Netflix and Amazon Prime in the United States. The high cost of using others' copyrighted materials is driving these platforms to produce their own content. They now mainly produce Chinese content, but they have started to expand internationally and produce local content for foreign markets.

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MARKET ENTRY: EXPORT & LICENSING GUIDANCE

Chinese government regulation strictly controls the production and distribution of filmed entertainment and streaming content in the country. Co-production, which must adhere to certain legal standards, allows films to be treated as domestic content, which then receives favorable treatment for distribution and revenue sharing, among other benefits. The China Film Co-production Corporation (CFCC) is the government agency charged with supervising co-production.

Both the central and provincial governments in China issue film permits. The central government's China Film Board must approve film content before production begins, and the CFCC works with co-produced content producers to seek approval. In addition, each province requires separate film permits, so filming in several Chinese locations can require extensive preparation. Permit rules change frequently and require close contact with provincial governments. As a result, pre-production can last three to six months.

U.S. film producers and crews must receive a visa to enter China. Entry requirements are strict, and applicants involved in media may face additional scrutiny during the visa application process. As of the date of this writing, China has in place additional COVID-related visit restrictions.

MARKET ENTRY BARRIERS

The Chinese government does not allow foreign media content producers to enter the market on their own. Firms must use a local agent working on a flat-fee or revenue-sharing basis to facilitate regulatory approval and market entry of foreign content.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The Chinese government takes a very active role in regulating what types of content are available in the Chinese market, and foreign firms looking to produce or distribute media in China face significant challenges from quota requirements, censorship, and intellectual property rights violations.

The Chinese government establishes foreign content quotas for both box office films and streaming content. The first quotas for box office films were established in 1994, and since 2012, the annual quota level has been set at 34 foreign films allowed in theaters on a revenue-sharing basis, although the government has demonstrated flexibility to allow additional film distribution. In 2019, there were about 50 revenue-sharing movies exported to China, despite the quota. In 2020, the number dropped to 18 due to the pandemic. These quotas mostly go to large studio films and are distributed by one of two state-owned distribution companies, Huaxia Film and China Film Company.

The foreign filmmakers can also sell the rights of their films on a flat-fee basis to a Chinese agent. The quota for flat-fee movies is 30 per year, but the government has been very flexible in exceeding this cap. In 2019, 89 flat-fee movies entered the Chinese market, and in 2020, 38 movies entered in this way.

Companies can avoid the quota requirement by entering into a co-production agreement with a Chinese company, with the foreign firm as a minority partner on the investment as well as restrictions on the percentage of foreign nationals on the main creative team and acting in leading roles. In this arrangement, the film will be considered domestically produced and is not subject to the quota.

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Restrictions are not limited to the film industry. The State Administration for Radio and Television (SART) has rules regarding foreign content on television and streaming services. Streaming services must limit foreign content to 30 percent of their total content. However, unlike films in theaters, there is no limit on the number of foreign streaming titles available, whether films or television series. Foreign content is limited to 30 percent of total broadcast time and cannot be broadcast on television during prime time viewing hours of 7 pm to 10 pm unless special approval is granted.

All domestic and foreign entertainment content in China is subject to strict censorship for violence, nudity, superstition, culture, politics, etc. China Film Administration is responsible for film standards, while SART is responsible for streaming and television standards. These agencies grant licenses before any production or distribution of content can take place. Applications to these agencies are handled by either Chinese co-producers or agents and can take several days to months to review.

As the Chinese domestic entertainment industry has grown, the Chinese government has implemented new reforms to address intellectual property rights concerns. However, challenges remain, and piracy of content remains widespread online. The Department of Commerce offers IPR resources specific to the Chinese market via an online [China IPR Toolkit](#). Interested parties may also email stopfakes@trade.gov for more information.

INVESTMENT POLICIES

The Chinese government maintains a “Negative List” of economic sectors in which foreigners cannot invest. Most media sectors are included on the Negative List and are prohibited from receiving foreign investment, including radio stations, television stations, film production companies, distribution companies, cinema companies, and film importation business.

One area that was opened for investment in 2019 is movie theaters. However, theaters in China have experienced a recent boom in construction, bringing the total number of screens to over 75,000 in over 12,000 theaters. While increasing standards, the relative lack of popular movies, along with the impact of the pandemic, forced many small theaters to close.

MAIN LOCAL COMPETITORS

Film Studios (private)

Wanda Pictures
Bona Film
Huayi Brothers
Enlight Pictures
Alibaba Pictures
Tencent Pictures

Film Studios (state-owned)

China Film Group Corporation
Shanghai Film Group Corporation

Streaming companies

iOITYI (owned by Baidu)
Tencent Video
Youku
Mango TV
Bilibili

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Streaming platforms are starting to cooperate to avoid paying high copyright fees. They collaborate on copyright and licensing fees, allowing some content to be streamed on multiple platforms.

TV networks are all owned by provincial and national authorities.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Publicity Department of the Chinese Communist Party
China Film Administration www.chinafilm.gov.cn
State Administration for Radio and Television www.nrta.gov.cn
China Film Co-Production Corporation www.cfcc-film.com.cn
China Film Association www.cfa1949.com
China Film Distribution and Screening Association www.chinafilm.org.cn
China Film Copyright Association www.cfca-c.org
China Film Director's Guild www.zgdydyxh.com

TRADE EVENTS (LOCAL AND INTERNATIONAL MARKETS AND FESTIVALS)

The 11th Beijing International Film Festival
August 14-21, 2021
Beijing, China
www.bjiff.com/enHome/

24th Shanghai International Film Festival
June 11-20, 2021
Shanghai, China
www.siff.com

The 45th Hong Kong International Film Festival
April 1-12, 2021
Hong Kong, China
www.hkiff.org.hk

CHINA

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[Global Entertainment and Media Outlook 2020-2024: China summary](#)

[2017 China Co-Production Handbook](#)

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FRANCE

SUMMARY

Cinema was born in France through the invention of the cinematography by the Lumieres brothers in 1895. Cinema is considered the “7th art” in France and continues to remain dear to the French. The French government is fiercely protective and supportive of the arts and cultures. The success of the Cannes Film Festival each year and the presence of stars coming from all over the world help promote France internationally in cinema. In France, the film industries weigh heavily on the media economy and represent a large part of the audiovisual sector.

In 2020, the streaming market grew significantly because of the coronavirus pandemic situation, mainly because it was the only option available when many governments worldwide imposed lockdowns and shut down theaters. The number of subscribers for video on demand (VOD) or streaming platforms has increased considerably. Netflix, in particular, is breaking records in viewership and new subscribers. Some movies were released directly to streaming platforms. It is uncertain if this growth will continue at the same rate in the coming years, but there is no doubt that Covid-19 pandemic will leave a lasting impact on the film industry.

As the government begins to reopen cinemas, there is no doubt that French cinema lovers will return to theaters. Cinemas will need to create new policies for distancing which may affect total capacity for each theater, but the demand for films both domestic and foreign has not gone away. We expect that cinema tickets sales will recover eventually. What remains to be seen is how the Covid-19 pandemic and a yearlong lockdown has affected consumer behavior. It is uncertain if people will be less inclined to go out to the movies and would rather stay at home and if VOD and streaming platforms will continue their growth rate moving forward.

CURRENT MARKET TRENDS

France has the highest density of movie theaters in the world (number of movie theaters per inhabitant). 2020 was marked by the global Covid-19 pandemic, which has led to movie theaters being closed twice for a total of 162 days. In 2020, attendance reached 65.1 million, representing only 30% of the previous year's attendance.

In 2020, French films recorded a significant decline (- 60.7%) in attendance. For American films (- 76.7%) or films of other nationalities (- 69.4%) the decline was even greater. In this particular context, French films achieved more admissions (29.2 million tickets sold) than American films (26.6 million tickets sold) or films of other nationalities (9.3 million tickets sold). This phenomenon had not happened for 14 years. The market share of French films (44.9%) was thus higher than the market share of American films (40.8%) and that of films of other nationalities (14.3%), which remains quite exceptional. In 2020, only three films achieved more than 2 million attendance, against at least twenty each year for the past 10 years.



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When cinemas briefly reopened from June-October 2020, attendance of more than 26.5 million were recorded during this period. The supply of first-run films was reduced over this period (-12% compared to the period 2015-2019), especially for American films (- 42%). A possible explanation could be that releases were wider for French films with 191 establishments showing French films on average in the first week, against 140 usually for the same period. Many American films with planned releases during this period were postponed to 2021. Therefore, during this period, French films energized the market. Indeed, The market share of French films has doubled (from 33% over the corresponding period 2015-2019 to 60% in 2020, while that of American films has been divided by 3 from 57% at 19 %).

The crisis has reinforced the enthusiasm of the French for the video streaming. Subscribers to video streaming platform spend on average a little more than 15 euros per month, a stable budget in the face of an increase in offers or a variation in prices for fans of films and series, according to a report from the CSA (Superior Council of Audiovisual) and the Hadopi (The Supreme Authority for the Distribution and Protection of Intellectual Property on the Internet) just published in March 2021.

Since the arrival in France of Netflix in 2014, the consumption of these platforms has followed an upward trend, accelerated by confinements and curfews linked to the Covid-19 health crisis. The number of streaming services available increased from 63 in 2017 to 78 in 2020. Apple TV-Plus launched in November 2019 and Disney-Plus in April 2020. According to data from the National Cinema Center (CNC), SVOD platforms have grown significantly since 2015 (10x) to reach 851 million euros in 2019 and expect 1.2 billion euros in 2020.

The legal streaming offer has grown considerably in recent years. In addition to the famous American platform Netflix, many content creators and distributors now offer their program online.

Two streaming models have emerged. You can either subscribe to a subscription to access a video platform (Netflix, Amazon, Canal Play, etc.) or watch content for free but with advertising breaks (MyTF1, Pluzz, 6Play)

TRADE BARRIERS

Film production requires a high budget. A fact that marks the French cinematographic landscape is the strong presence of subsidies from the state and the regions. Hollywood remains a significant threat in the French market with their hefty marketing and production budgets. France has a protectionist policy for the film and TV market. This policy allows foreign companies to capitalize on tax breaks and funding if their projects are coproduced with a French project/company. Consumer demand is the most influential driver of the film market, this fact is an opportunity for American films which currently hold the largest market share in France's film industry.

The strong cultural values of France may create challenges for U.S. entrants. Language and copyright issues complicate trade between U.S. and French media & entertainment sectors.

All films distributed in France needs to go through the visa and classification procedures for obtaining a visa. The exploitation visa can only be requested for a work whose production has been completed and which has been registered with the Cinema and Audiovisual Registers (RCA). The producer or distributor must apply for the visa at least one month before the first public screening of the work. In support of the request, a copy of the exact and complete version of the cinematographic work as it is to be used in France (final editing, mixing, calibration) must be submitted.

FRANCE

For information regarding Trade Barriers & Intellectual Property Rights in France please reference [The National Trade Estimate Report on Foreign Trade Barriers \(2021\)](#), (EU IP Protection: P. 212).

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

CNC – Centre National du Cinema (National Cinema Center) : www.cnc.fr

CSA – Conseil Superieur de l’ Audiovisuel (Superior Audiovisual Council) : www.csa.fr

RCA - Registre du Cinema et de l’ Audiovisuel (Cinema and Audiovisual Register) : https://www.cnc.fr/cinema/registres-du-cinema-et-de-laudiovisuel-rca-2_777234

HADOPI – Haute Autorité pour la Diffusion des Oeuvres et des Protections des Droits sur Internet - (The Supreme Authority for the Distribution and Protection of Intellectual Property on the Internet) : <https://www.hadopi.fr/>

TRADE EVENTS

The major trade shows are Cannes Film Festival, The Deauville American Film Festival, and MIPCOM / MIPTV.

Cannes Film Festival
Palais des Festivals, Cannes, France
July 6-14, 2021
<https://www.festival-cannes.com/en/>

The Deauville American Film Festival
Deauville, France
The first week of September 2021 (to be determined)
https://www.filmfestivals.com/festival/deauville_festival_of_american_film

MIPCOM
Palais des Festivals, Cannes, France
October 11-14, 2021
<https://www.mipcom.com/>

MIPTV
Palais des Festivals, Cannes, France
April 12-16, 2021
<https://www.miptv.com/>

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

CNC – Centre National du Cinema (National Cinema Center): www.cnc.fr
CSA – Conseil Superieur de l’ Audiovisuel (Superior Audiovisual Council): www.csa.fr
Ministry of Culture: www.culture.gouv.fr

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U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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GERMANY

SUMMARY

Given its high standard of living and large population, many of whom speak English, Germany is a large market for filmed entertainment from abroad. Germany's top grossing films are consistently Hollywood productions with a plethora of opportunities for international co-productions and funding. It should be noted, however, that COVID-19 has changed the film industry in Germany, perhaps permanently, as it has everywhere else. Many movie theaters have struggled to survive even with government support and there has been a mass migration of German viewers to streaming platforms which has inspired the development of German and internationally co-produced streaming platforms to compete with the likes of the most popular platforms at this time, Amazon Prime and Netflix.

CURRENT MARKET TRENDS

As a result of COVID-19, SVOD and TVOD experienced an unprecedented growth across all age groups of 16.8 percent between 2019 - 2020 while naturally movie theaters have experienced an extreme drop in sales.



Capital: Berlin
Population: 83.1 million
GDP: US\$3.780 trillion
Currency: Euro (€)
Language: German

Regardless of whether German movie theaters survive past the pandemic, the growth trend in SVOD and TVOD began well before the pandemic and is especially strong for younger viewers. This shift is likely to have permanent repercussions on the industry, with many producers now selling directly to SVOD platforms. There is also an uptick in originally produced content by VOD platforms.

CURRENT MARKET DEMAND

With 432 channels and revenue of \$7.51 billion in 2020, television is still very popular in Germany and remains one of the most favored types of media. In 2019, almost 70 percent of the German population watched TV with the leading TV reception types being cable and satellite TV. On average, Germans daily TV viewing time across age groups amounted to roughly three and a half hours a day. Meanwhile, children aged between three and thirteen years old spent just over an hour watching television. Smart-TVs have experienced small growth with about 4.9 million devices sold in 2017. However, they now make up 81 percent of total TV sales in Germany. News, sports, and travel shows make up the three most popular genres of German television.

DVD users and well as movie-theater goers have steadily declined since 2015, however German viewers streaming platforms is still a huge source of revenue. This said, more and more Germans are choosing to consume series and movies through the internet. There is a large, American-dominated streaming market in Germany with 9.7 million active SVOD users in Germany as of 2019. Amazon Prime Video was the SVOD provider most often paid for in Germany in 2019 however both Netflix (26.8 percent of market share) and Amazon (25.4 percent of market share) are equally used by consumers. The closest German competition

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in streaming platforms is Maxdome with a market share of only 3.5 percent in 2019. However, in 2019 the platform Joyn was launched between U.S. TV provider Discovery and Germany's ProSiebenSat.1 which offers 55 live channels as well as exclusive content. More such co-operations on streaming platforms in Germany are expected to follow including originally produced content.

Of the net total of 37.5 percent of Germans who use streaming services, the most cited reason for doing so is viewing flexibility. Specific to online content, German's top-rated genres in 2020 were comedy, documentaries, thriller/mystery/crime, science fiction and fantasy, and horror. Nearly all foreign language shows and films in Germany are dubbed and most local content is produced in German. This said, with most Germans having a high-level of English and English often being used as the default language of graduate programs and business, many younger Germans choose to watch English-language content in its original language. Regardless of whether dubbed or watched in its original version, there is a high demand for English-language and specifically American-produced content. In 2020, the 20 most successful films in Germany were all originally produced in English and American productions. According to the German Federal Film Board (FFA), roughly 21.5 percent of cinema goers watched German films in 2019, leaving a large share of the market to international films.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Regarding trade barriers, pursuant to the German Film Law (FFG), companies exploiting feature films must pay a legally binding proportion of their revenues to the FFA. This so-called "[film levy](#)" finances all of the FFA's funding measures and must be paid by the exhibitors, the video industry, the broadcasters as well as the program providers. This levy can range between 1.8-3 percent.

Film co-productions in Germany are treated as co-productions for local tax audits. Co-productions are treated as separate tax subjects and are no longer included in the overall annual results of the individual production companies. This leads to additional bureaucratic expenditure and results in a minimum taxation of loss-making productions, thus resulting in a capping of loss offsetting possibilities. This regulation thwarts the Federal Government and the Länder's film funding efforts and has made Germany increasingly unappealing as a co-production location.

For information regarding Trade Barriers & Intellectual Property Rights in Germany please reference [The National Trade Estimate Report on Foreign Trade Barriers \(2021\)](#), (EU IP Protection: P. 212).

INVESTMENT POLICIES

There are several opportunities for federal and regional grants for international co-productions. On a federal level, non-repayable grants for the production of theatrical films are available under the German Federal Film Fund (DFFF), provided by the Federal Government Commissioner for Culture and the Media

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(BKM). BKM also provides approx. EUR 30 million each year via several subsidy schemes and prizes. Nearly one-third of DFFF funding has historically gone to international co-productions. Additionally, the German Federal Film Board (FFA) grants film production funding under the German Film Subsidies Act (FFG) by way of limited recourse. Furthermore, producers may benefit from the economic success of their previous film by way of applying to the FFA for reference funds, which are disbursed as grants. Finally, since 2016, production funding for theatrical films as well as for TV series is also available under the new scheme of the German Ministry of Economics, the German Motion Picture Fund (GMPF). In order to receive any of these grants, applicants must meet requirements regarding where the film is first released, dubbing in the German language, and the percentage of total production costs of each co-producer. DFFF, GMPF, and FFA funding under the FFG are all administered by the [FFA](#). In addition, almost every German state maintains a regional film and TV subsidy scheme. Most provide regional production funding in the form of limited recourse loans, which must be repaid from certain proceeds of the exploitation of the film or TV project.

MAIN LOCAL COMPETITORS

There are estimated to be 1,200 TV and movie producers in Germany. The biggest TV and cinema production groups in Germany by production volume are All3Media, UFA/RTL-Gruppe, ITV Studios, and Constantin Film. However, American productions continue to dominate the German film market with only 23.5 percent of film revenue from German-produced films. International co-productions make up nearly a third of all movies produced in Germany each year.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

[German Federal Film Board](#) (FFA): The Federal Film Board under public law receives fees from cinema operators, video program vendors and TV stations. It supports filmmakers and the quality of German productions and is also involved in marketing these films abroad.

[German Film Academy](#) (Deutsche Filmakademie): The Deutsche Filmakademie e.V. was founded by prominent German filmmakers in Berlin in the fall of 2003. The independent institution aims to focus attention on promoting the art of filmmaking, sharing film-related experiences and introducing the subject of “filmmaking” in schools, alongside “art” and “music”. One of the most important tasks of the institution is to present the annual German Film Award.

[The German Producers Alliance - Film & Television](#) (Allianz Deutscher Produzenten - Film & Fernsehen e.V): currently has approximately 220 members and represents the major part of all German production companies working in animated film, documentary, feature film, TV drama, TV entertainment and advertising film production, making it the most influential German producers association.

[German Short Film Association](#) (AG Kurzfilm): networks distributors, festival organizers and universities. The association promotes German productions and represents the industry in the political arena.

[German Federal Film Fund](#) (DFFF): Federal Commissioner for Culture and the Media (BKM) sponsors German film culture, awarding annual prizes in a number of areas. Here you can learn more about film policy, conditions for funding or the German Film Prize.

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[German Parliamentary Committee on Cultural and Media Affairs](#): This committee deals with cultural institutions of national significance and also provides impetus for the promotion of culture, whilst also focusing on European cultural policy and international cultural relations. In the media field, it seeks to ensure that everybody has the opportunity to keep themselves informed by means of a diverse media landscape.

MAJOR MARKETS AND FESTIVALS

Note: Due to COVID-19, dates are subject to change.

European Film Market 2022

TBD

Berlin, Germany

<https://www.efm-berlinale.de/en/home/homepage.html>

Description: Over a period of eight days, around 10,000 representatives of the international film and media industries, primarily producers, buyers and sales agents, distributors and financiers, come together at one of the top three meeting places of the international film and media industries to network, exchange, inform themselves and do business.

Hamburg International Short Film Festival

June 1-7, 2021

Hamburg, Germany

<https://festival.shortfilm.com/>

Description: Around 14,000 visitors attend annually to view the more than 400 films that compete in categories such as the International and German competitions, the experimental 'Deframed' competition, and the Three Minute Quickie competition.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Motion Picture Association National Trade Estimate Report : https://www.trade.gov/sites/default/files/2021-02/MPA%202021%20NTE%20Report%20Filing_0.pdf

PwC Global Media and Entertainment Outlook 2020-2024: <https://www.pwc.com/gx/en/industries/tmt/media/outlook.html>

Country Commercial Guide for Germany: <https://www.trade.gov/knowledge-product/germany-market-overview?section-nav=1956>

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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HONG KONG

SUMMARY

With a strong cinematic background, Hong Kong is the one of the primogenitors of the Asian film industry, and its preferable location makes it the gateway to the Asian film industry. Films and television shows produced in Hong Kong have become more popular in non-Chinese speaking countries across Europe and North America while continuing to grow in popularity in Asia, especially in mainland China. Hong Kong is one of the world's largest television and film content exporters. The boom in Asian cable and satellite channels over the last few years has provided a ready market for producers. Since 1997, Hong Kong has hosted an annual film market to promote the city as an international film distribution center in the region. Due to its unique position as a regional film trading hub, Hong Kong was selected by the Festival de Cannes as the first Asian city to host the Festival de Cannes Film Week in 2019, as it sought to improve its communication with local filmmakers and producers, as well as to expand its audience base.

While the mainland market has further opened for film co-production and signed more agreements with overseas counterparts, Hong Kong remains its primary co-production partner. In 2019, 64 out of 87 National Radio and Television Administration (NRTA)-approved film co-production applications were Hong Kong-mainland projects. However, it is expected that the Hong Kong Film Industry is to face challenges in freedom of expression after the implementation of the National Security Law as it may stifle creativity in film production. More limitations on themes, lines and music will be seen.



Capital: Victoria City
Population: 7.5 million
GDP: US\$365.712 billion
Currency: Hong Kong Dollars (HKD)
Language: Cantonese

CURRENT MARKET DEMAND

By Genre

Although Hong Kong's population tends to gravitate towards locally produced programs (largely Cantonese) and soap operas from other Asian nations, there is potential for investment in TV production and the exporting of popular U.S. programs. As growth continues in the subscription TV arena, U.S. distributors have an opportunity to export U.S. content for new channels.

Television & Streaming

U.S. exporters should consider selling content licenses to TV stations and Hong Kong agents for distribution rights in both Hong Kong and around Asia. Business opportunities exist for U.S. companies to sell films and TV programs to the Mobile TV Service Providers. U.S. companies can also consider producing programs that cater to Hong Kong viewer's preferences.

In terms of distribution channels, foreign TV content is distributed through channel package operators or local marketing and distributions representatives of the channel broadcasting companies. There are also video distributors which distribute TV content on VCDs and DVDs.

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There are three domestic free television program service licensees in Hong Kong – Fantastic Television Limited (Fantastic TV), HK Television Entertainment Company Limited (HKTVE) and Television Broadcasts Limited (TVB) – delivering free TV services via frequency spectrum and/or fixed network. Domestic pay TV services in Hong Kong are provided by Hong Kong Cable Television Limited (HKCTV) and PCCW Media Limited. Television (TV) is a substantial market in Hong Kong with an estimated customer base of 2.2 million households (at 99% TV penetration rate). There are three domestic free television program service licensees in Hong Kong – Fantastic Television Limited (Fantastic TV), HK Television Entertainment Company Limited (HKTVE) and Television Broadcasts Limited (TVB) – delivering free TV services via frequency spectrum and/or fixed network. Domestic pay TV services in Hong Kong are provided by Hong Kong Cable Television Limited (HKCTV) and PCCW Media Limited.

Other players include ViuTV, the channel run by HKTVE and launched in April 2016, which offers free-to-air broadcast and media-on-demand streaming services on mobile devices; the global streaming giant Netflix, which rolled out its OTT service in Hong Kong in January 2016; and Hong Kong Asia Television Digital Media Limited (ATV), which, after going off air in April 2016, launched a mobile app in January 2018 to continue broadcasting through OTT services. PccW group also offers OTT Viu. Mobile viewing platforms have recently emerged in Hong Kong as an important distribution channel for TV content. Most of the latest TVB programs are available on the mobile application platform myTV Super, which is the largest over-the-top (OTT) platform in Hong Kong with 8.3 million registered users as of March 2020.

Full digital TV broadcast is implemented in Hong Kong from 1 December 2020. Since its inception in 2007, the city's digital terrestrial television (DTT) coverage has expanded to 99% of households. In July 2020, nearly 95% of households had already switched to digital TV. Hong Kong's pay TV market is set for 'sluggish' growth, claims a new report. The number of pay TV channels increased to 362 as of 1 June 2020 from just eight when pay TV was launched in 1993. According to analysis from GlobalData, the Chinese region will see a compound annual growth rate (CAGR) of 0.7% between 2020 and 2025. The report claims that this is primarily due to intense competition from OTT video streaming service platforms. IPTV will be the leading platform for pay TV services, with subscriptions increasing at a CAGR of 1.4% during the period. The research firm projects the overall Pay TV service ARPU in Hong Kong to increase from US\$20.49 in 2020 to US\$21.12 in 2025.

Theatrical

Hong Kong's box office plummeted by 72% in 2020 due to the impact of the Covid-19 pandemic, but the market's top ten chart, which is usually dominated by US tentpole titles, was more diverse than it has been for several years. Total box office for 2020 reached just \$69.3m (HK\$536.9m), compared to \$248m (HK\$1.92bn) in 2019, according to figures from Hong Kong Box Office. The total number of releases fell to 218, compared to 329 the previous year, while the number of Hong Kong films released decreased from 49 in 2019 to just 34 last year. Broadway Circuit operates the biggest chain of movie theaters in Hong

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Kong with 13, followed by MCL Cinema's 12, while UA Cinemas and Cine City were tied at six, according to the Hong Kong Theatres Association Ltd.

The demise of UA turns Hong Kong's third-largest cinema chain into one of the city's most high-profile casualties of the coronavirus pandemic. Movie theaters have been among the hardest-hit industries in the city, with even global industry leader AMC Entertainment Holdings Inc. narrowly avoiding bankruptcy earlier this year. With that said, the newly established cinema aims at targeting locally produced movies: Golden Scene Cinema was opened in February 2021. It is expected to attract the younger generation in the name of preserving and upholding local culture. However, it is foreseeable that the cinema is to face challenges in movie screening after the first obstruction in screening *Inside the Red Brick Wall*, featuring the clashes between the protesters and the police in Polytechnic University in November 2019.

There are over 100 film distributors registered with the Hong Kong Film Services Office. Several film distribution companies serve as local distributors for the major US studios, which includes Intercontinental Film Distributors (HK) Limited (exclusive distributor for Paramount), and Edko Movies (Sony and Universal). Other major film distributors include Emperor, Media Asia, Orange Sky Golden Harvest Entertainment, Mei-Ah, Mega-Vision and Lark Films Distribution. Smaller distributors include Golden Scene, Sundream, Celestial Pictures, Gala, Filmko and Mandarin Film. Distributors have preferential revenue-sharing agreements with both film producers and film exhibitors, and typically advance the up-front costs for marketing and producing 35mm prints or digital copies of the film.

Multi-media

U.S. film companies should consider Asia's growing market for multi-media products. Local consumers are keen to see new content and related applications for games, comic books, and mobile phone downloads in addition to films and TV programs. Merchandising for these products as well as the technology required for their maintenance will accompany this growing demand in the market.

EXPORT & LICENSING GUIDANCE

Under the Film Censorship Ordinance of 1988, Hong Kong has a three-tier system of film classification. All films must be approved by the Commissioner for Television and Entertainment Licensing before being distributed to the public. *Variety* has established that Hong Kong participants in Hong Kong-mainland film co-productions are now being required to sign side deals indemnifying their partners in the People's Republic if the film or filmmaker runs into political headwinds under the National Security Law. In terms of film production, Hong Kong possesses the best design and multimedia capabilities in the region. There are digital animation houses that have secured contracts with Hollywood giants as well as production facilities such as Shaw Studios and the CYBERPORT Digital Media Centre (DMC) that rival any production facilities in the US. All co-productions, like local China-based films, must receive the approval of PRC censors on two occasions: at script stage and again prior to release. These new indemnities, however, put the financial responsibility solely on the Hong Kong party, as junior partner.

There have been only 40 applications for Hong Kong-mainland co-productions so far this year — a drop compared with 2019, but one that's more likely due to the coronavirus-related economic slowdown than to the new national security law. More than ever, Hong Kong's filmmakers will have to ask themselves if they want to play by China's rules, knowing that many subjects will be taboo and that an out-of-favor actor's gaffe could cause an entire movie to be canned. Compliance earns them access to the world's second-largest theatrical market, valued at \$9 billion last year. *Variety* asked leading Hong Kong-based pay TV operator PCCW and Netflix if they plan to remove politically controversial films such as "Seven Years in Tibet," "Red Corner" and "Ten Years" from their servers. Netflix declined to comment. The response from a PCCW spokesperson was terse but nonconfrontational: "As always, PCCW Media will operate its businesses in accordance with all applicable laws and regulations."

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Hong Kong allows foreign companies to incorporate and set up local branches and offices. There are no requirements that directors be Hong Kong citizens or residents, nor are there restrictions on foreign investment. There are no special requirements or restrictions regarding local agents, although the U.S. Commercial Service does recommend retaining local legal counsel when working with local agents, and can assist with recommendations for lawyers in the media & entertainment.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Piracy continues to be a problem in Hong Kong although the government has addressed this threat by increased anti-piracy enforcement by Hong Kong Customs, the establishing of sentencing guidelines for copyright offences, implementation of educational campaigns, and the successful pursuit of convictions for internet piracy.

Following a public consultation on the copyright law in 2006, the HKSAR Government introduced a bill to the Legislative Council in 2011. The Bill sought to introduce a technology-neutral communication right to better protect copyright works in the digital environment and provisions for limitations on liability of online/internet service providers. The Bill represented an important step towards addressing rampant online piracy. However, after the Bill was debated in 2012, it was put on hold for non-copyright related reasons.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Hong Kong Trade Development Council
Hong Kong Film Development Council
Movie Producers and Distributors Association of Hong Kong
Motion Picture Association
Digital Cinema Exchange
Association of Motion Picture Postproduction Professionals (AMP4)
Composers and Authors Society of Hong Kong (CASH)
Federation of Hong Kong Filmmakers
Hong Kong Film Awards Association
Hong Kong Film Critics Society
Hong Kong Film Directors' Guild (HKFDG)
Hong Kong Screenwriters' Guild

MAJOR MARKETS AND FESTIVALS

FILMART
March 2022
Hong Kong Convention & Exhibition Centre
www.hkfilmart.com

Hong Kong- Asia Film Financing Forum
March 2022
Hong Kong Convention & Exhibition Centre
<http://haf.org.hk/haf>

HONG KONG

Cineasia

Not available yet for 2021

<http://www.showest.com/filmexpo/cineasia/index.jsp>

Hong Kong International Film Festival

<http://www.hkiff.org.hk>

Hong Kong Film Awards

<http://www.hkfaa.com/>

Asian Film Awards

March 2022

<http://www.asianfilmawards.asia/2011/>

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

'Film Entertainment Industry in Hong Kong', HKTDC Research

<https://hkmb.hktdc.com/en/MzExMjc4NDIz/hktdc-research/Film-Entertainment-Industry-in-Hong-Kong>

Hong Kong box office down 72% in 2020, but top 10 more diverse, Screen Daily

<https://hkmb.hktdc.com/en/MzExMjc4NDIz/hktdc-research/Film-Entertainment-Industry-in-Hong-Kong>

UA Cinemas Shuts Down Hong Kong Theater Chain After 36 Years

<https://www.bloombergquint.com/onweb/ua-cinemas-shuts-down-hong-kong-theater-chain-after-36-years>

How a Stylish New Cinema is Throwing Its Support Behind Hong Kong Film, Zolima Citymag

<https://zolimacitymag.com/stylish-new-golden-scene-cinema-is-throwing-its-support-behind-hong-kong-film/>

<https://www.digitaltveurope.com/2021/03/29/sluggish-pay-tv-growth-in-hong-kong/>

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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Hong Kong, Hong Kong



Capital: Tokyo
Population: 125.5 million
GDP: US\$5.1 trillion
Currency: Japanese Yen (¥)
Language: Japanese

JAPAN

SUMMARY

The Japanese film industry had an idle period during 2001-2013. However, due primarily to *Frozen's* mega-hit, cinema attendance numbers increased in 2014 to 161.1 million, and the trend continued through 2019. 2019 was an especially good year for the Japanese film industry. Box office gross receipts increased by 17.4 percent at JPY217.1 billion (approx. \$2.2 billion) in 2019 (year-to-year comparison) due to multiple hits of animation movies such as *Weathering with You*, *Frozen II*, *Detective Conan: The Fist of Blue Sapphire*, and *Doraemon: Nobita's Chronicle of the Moon Exploration*.

Regarding the preferences of Japanese movie-goers, domestic productions have fared better than foreign films since 2006. In 2020, box office sales of domestically produced films vs. foreign-made movies were JPY109.3 billion (approx. \$1.04 billion) vs. JPY34 billion (approx. \$324 million), 76.3 percent vs. 23.7 percent in the respective market shares. Three foreign-made movies were in the top ten list in 2020, which were *Star Wars: The Rise of Skywalker* (U.S.), *Parasite* (South Korea), and *Tenet* (U.S./U.K.). Amid COVID-19 and Japan's periods of State of Emergency, the market's total box sales decreased by 45 percent at JPY143 billion (approx. \$1.4 billion) in 2020.

Due to pandemic-related social distancing, the Japanese video streaming services market, including subscription video-on-demand (SVOD), has expanded considerably in 2020. Video streaming providers, including Netflix, Amazon Prime Video, and U-NEXT, have gained momentum and become popular, especially among the younger generation.

The GEM Partners' VOD Market Report estimated Japan's video streaming services market at JPY389.4 billion (approx. \$3.7 billion) in 2020, a 33.1 percent increase from 2019. The market is projected to grow to JPY653.8 billion (approx. \$6.2 billion) by 2025.

GROWTH TREND

Pandemic-related restrictions will continue to alter Japanese consumer viewing habits. The video streaming services will enjoy expanded market opportunities. According to GEM Partners' survey on Japan's SVOD sector in 2020, Netflix had the largest market share at 19.5 percent, followed by Amazon Prime Video at 12.6 percent, U-NEXT at 11.1 percent, DAZN at 9.8 percent, and Hulu at 8.8 percent. U-NEXT is the only domestic company among the top providers. Oricon ME, a firm specializing in customer satisfaction surveys, listed Netflix as the most overall satisfaction-received provider in Japan for four consecutive years during 2017-2020. As competition in the SVOD market intensifies, the "quality of content" will be an essential factor for any provider to differentiate its service from rivals. In the Oricon ME's survey, Netflix's "original content" received a high mark. Several Netflix original series, such as the Korean drama *Crash Landing on You* and *Itaewon Class*, attracted public attention, helping to drive up new subscribers. Japan's animation sector continues to live up to its fame, and the industry remains strong in exporting its creative content. According to the Association of Japanese Animations (AJA) published *Anime Industry Report 2020*, the animation film industry's box office revenue in 2019 was JPY69.2 billion (approx. \$659 million), a 62.4 percent increase from 2018. The Japanese animation industry has been expanding in the SVOD market.

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The market's animation video streaming sales in 2019 was JPY68.5 billion (approx. \$652.4 million), up 15.1 percent from 2018. As the SVOD market continues to gain steam, original animation content production studios and SVOD providers will expand their collaboration for shared revenue growth.

MARKET ENTRY

Japan's major distributors of foreign films, such as Toho, Shochiku, and Toei, show movies that they distribute or produce at their theater chains throughout the market. Japan's cinema complexes do not buy displaying rights even if there are a dozen or more screens in a single location. The primary distribution/exhibition companies often own and operate cinema complexes and act as chain masters to book the films shown. Major U.S. studios have long-established relationships with Japanese exhibition companies (chain masters). Well-known U.S. studios enjoy priority booking rights; small-budget titles will need to prove a track record in the U.S. to gain booking attractions with Japanese chain masters. Smaller U.S. producers will find more partnership opportunities with Japanese independent distributors, such as UPLINK, GAGA, Showgate, Kadokawa, Presidio, and Clockworks. High-quality films may enjoy success with a single-theater release approach. For example, Iwanami Hall's mini theaters in Tokyo are known for displaying high-quality movies for a more extended period.

EXPORTING & LICENSING GUIDANCE

Show Time - Japanese cinemas traditionally prefer shorter movies for five shows a day, making it difficult for longer-than-two-hour films to gain booking rights. Furthermore, the last showing time typically started as early as seven o'clock in the evening. The newer cinema complexes, built in the suburbs close to residential areas, have gained momentum in late evening showtimes, contributing to increased longer films in Japan. However, as home streaming services continue to gain popularity and fewer viewers visit physical theaters, U.S. studios should consider featuring less than two-hour showtime-length films. Seasonality - The New Year and summer holidays are the most profitable seasons for cinemas. The slow periods are February, Japanese students' exam season, and November. It is difficult for small-budget films to compete with blockbuster movies for theater bookings during the peak seasons. The smaller and independent films would enjoy a greater chance of success when the products are not season-specific and showable throughout the year.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Copyright - For a cinematographic work, copyright protection starts from publishing a workpiece and continues for 70 years. For more information on the Japanese copyright system, please visit: <https://www.cric.or.jp/english/index.html>

Film Rating System - Like in many other developed countries, the "Constitution of Japan" does not permit the government's censorship. However, the trade association has voluntary ethics guidelines, which are strictly observed by the movie industry. Ratings of G, PG12, R15+, R18+ are used. In general, Japanese guidelines have stricter standards against sexual presentations and drug usage while relatively tolerant of violent scenes.

JAPAN

Broadcasting Policies

Japan has well-established terrestrial broadcasting networks providing the general population easy access to watch television programs with a receiver anywhere in the country. As of March 2020, the penetration rate of television devices in Japan is 96 percent. Additionally, terrestrial digital broadcasting has made it possible to watch television programs on mobile devices such as smartphones and tablets. Japan's "Broadcasting Act" and "Radio Act" regulate the television broadcasting industry, including satellite broadcasting. An operator of a television and radio waves broadcasting business must obtain a license issued by the Minister of Internal Affairs and Communications (MIC). Since broadcasting companies use highly public radio waves, the "Broadcasting Act" stipulates that foreign shareholders' voting rights capped at 20 percent for broadcasting companies.

PRIMARY LOCAL COMPETITORS

The three major Japanese film studios are Toho, Shochiku, and Toei. These firms also distribute films and operate their theater chains and cinema complexes.

There are more than 200 animation studios in Japan. Major animation production studios include Nippon Animation, GAINAX, Shin-Ei Animation, STUDIO GHIBLI, TMS Entertainment, Toei Animation, Ufotable, MAPPA, and Kyoto Animation.

Leading Japanese SVOD providers are U-NEXT, dTV, dAnime Store, NHK on demand, TELASA, paravi, ABENA Premium, FOD, and TSUTAYA TV.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Associations

Foreign Films Importer-Distributors Association of Japan, <http://www.gaihai.jp/english/index.html>
Motion Picture Producers Association of Japan, Inc. (Eiren), http://www.eiren.org/aboutus_e/index.html
MPA (Motion Picture Association), <http://mpa-i.org/>
Digital Content Association of Japan (DCAJ), <https://www.dcaj.or.jp/english/>
The Association of Japanese Animations (AJA), <https://aja.gr.jp/english/japan-anime-data>
Copyright Research and Information Center (CRIC), <https://www.cric.or.jp/english/index.html>

Government of Japan

Ministry of Economy, Trade & Industry (METI), <https://www.meti.go.jp/english/index.html>
Ministry of Internal Affairs and Communications (MIC), <https://www.soumu.go.jp/english/index.html>
Agency for Cultural Affairs, <https://www.bunka.go.jp/english/index.html>

JAPAN

MAJOR MARKETS

TIFFCOM – the Marketplace for Film and TV in Asia
November 1-3, 2021 - <https://2021.tiff-jp.net/en/>

Digital Content Expo (DCEXPO) 2021
November 17-19, 2021 - <https://www.dcxpo.jp/en/>

AnimeJapan 2022
March 2022 (TBD) - <https://www.anime-japan.jp/en/>

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KENYA

SUMMARY

According to Oxford Economics, African consumer spending as of early 2020 (pre-COVID) equated to approx. 20% of US spending, this was expected to double over the next four years. Currently, despite the COVID-19 related recession, there remains optimism, growth in the region is forecasted to rise between 2.3 and 3.4% in 2021, depending on the policies adopted by countries and the international community.

CURRENT MARKET DEMAND

According to the Independent Film & Television Alliance (IFTA), while Africa consists of 54 markets, as a film and television sales territory, much of the continent is often licensed together, divided by language. English language rights are typically sold to South African (SA) distributors who buy for the SA market, targeting surrounding nations or the entire continent but primarily in Sub - Sahara. Rights for French-speaking (Francophone) Africa are usually included in a deal with a French distributor who then sub-distributes to the continent. Arabic rights are usually sold to Middle Eastern distributors who buy for all of the Middle East and North Africa.

Emerging Pan-African Pay TV networks are benefiting independent film and TV series.

Market entrances by StarTimes and Zuku are stirring up competition in a territory historically dominated by Multichoice's M-Net and Vivendi's Canal+ International. While the established Pay TV networks have output deals with U.S. major studios, the new companies are seeking exclusive content and are acquiring them from the independents, as well as aggressively investing in local content production.

Online video streaming is another emerging market with opportunities for independent films and TV series. In Kenya, fueled by high internet penetration Kenya, and wide and increased 3G/4G internet coverage, VOD services are growing in popularity in Kenya.

When it comes to the cinema and theatres scene, according to PwC's Global Entertainment and Media Outlook report, Kenya's local market remains small, with only around eight local feature films completed each year. Nonetheless, the sector is showing signs of growth. Local talent is also being recognized internationally – for example, the Oscar-winning Kenyan actress

Lupita Nyong'o Sam Soko's documentary *Softie*, about a political activist fighting injustice in Kenya, premiered at the Sundance Film Festival in early 2020 and was acquired by PBS in the US. The 2017 film *Watu Wote*, a Kenyan-German production, was shortlisted for an Academy Award for Best Live Action Short Film.



Capital: Nairobi
Population: 47.6 million
GDP: US\$95.5 billion
Currency: Kenya Shillings (Ksh)
Languages: English, Kiswahili

KENYA

Kenya has used film as part of its tourism marketing efforts as a safari destination of choice. The country, long famed for its wildlife locations and other spectacular physical landscapes, benefited from the global success of *The Lion King* and historically iconic productions such as *Lara Croft*, *Born Free*, and *Sense 8* etc. have been filmed on [Kenyan](#) locations. But the whole cinema ecosystem will be dramatically affected by 2020, as the outbreak of the COVID-19 virus globally will cause the Kenyan market to contract sharply. Cinema revenue is projected to fall by 62.8% in that year, as many screens are forced to close and major Hollywood releases are delayed.

While the growth of Africa's entertainment industry isn't fully realized for the Independents in the theatrical sector, emerging Pan-African Pay TV networks and VOD services are creating new avenues of distribution and revenue possibilities.

Satellite broadcasting, new regional Pay TV networks and VOD services

Amazon Prime (Kenya), Netflix (Kenya), Showmax (Kenya), VIUSASA (Kenya), Trace Play; Trace Africa (Sub-Saharan Africa), Trace Mziki (East Africa), Trace Naija (West Africa) are market players.

With Kenya having migrated to [digital TV](#), this has allowed a greater number of channels to broadcast at lower costs. The increased number of TV channels is creating more demand for international programming according to IFTA.

Partnerships with various local ISPs has led to the rise of retail "YouTube internet packages" at fractional costs leading to increased adoption even in lower income bands. For example Kenya's largest telco Safaricom has specifically designed YouTube only internet packages dubbed "[changamkia na youtube](#)" available for purchase on smartphones either for daily or weekly use.

Vice Media serves over 100 million customers in 19 African countries and added a VOD (video on demand) platform to its offering which it brands as a mini-Netflix with local, national and international content.

GROWTH TREND

Kenya has a growing film production industry, popularly dubbed Riverwood, and the country's film market has seen leaps and bounds with increased adoption of VOD, widened broadband and smartphone access coupled with a strong consumer market, opportunities are emerging. Kenya maintained its position as the fastest-growing B2B market in the world in 2019. According to industry experts B2B revenue was up by 8.8% year-on-year and this rate will largely be sustained on a forward-looking basis, apart from in 2020, when there will be significant disruption to the market as a result of the COVID-19 pandemic. An increase at an 7.7% CAGR will take the market from US\$18mn in 2019 to US\$25mn in 2024. Mobile broadband penetration is over 80%, the highest in sub Saharan Africa.

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DTT, IPTV and Satellite remain the primary channels for consumers to access filmed content. The Pay TV market in Kenya is led by Naspers' MultiChoice, which was estimated to serve a combined 0.3mn households at the end of September 2019. MultiChoice is focused mostly on pay-DTT services in Kenya and has reduced prices for its subscription packages several times. This has spurred competition with StarTimes, with the Chinese-backed satellite provider reducing its subscription fees to the Kenyan market by 50% in April 2019. Satellite provides the main competition, again through MultiChoice's DStv platform. Zuku and GoTV are other market players.

There is a nascent IPTV presence in the largest cities, but the technology will continue to be limited for the foreseeable future by poor broadband infrastructure, with just 3% of households having a landline broadband connection. Partnerships with giant players such as Netflix and South Africa's multichoice through their "Maisha Magic" Platform (DTT), as well as sub brand Showmax (IPTV) has seen Kenyan films gain exposure and commercial viability. Local productions such as *40 sticks* and *Disconnect* are just a few examples of Kenyan films that were released on the Netflix Kenya platform with several others exclusively aired on the Showmax platform. Emergence of local VOD providers such as Viusasa pioneered by local media broadcaster Royal Media Services will be a big case study on the potential of homegrown VOD solutions.

Kenya continues to invest in data infrastructure, the country is currently under 3G and 4G coverage. In 2021, Kenya has begun piloting rollout of 5G internet.

EXPORT & LICENSING GUIDANCE

Production Permits and Travel

Critical agencies involved in content service licensing; application service licensing; and broadcasting licensing include [Kenya Film Commission](#) and [The Kenya Film Classification Board](#). In order to acquire licensing for filming in Kenya, one needs to take note of 4 key aspects: Licenses, Taxes (Import duty), Immigration, and Local Agent.

License: In order to obtain a Filming Permit, one must fill application form and write a letter requesting which must be accompanied by a copy of the screenplay, a story synopsis and a shooting schedule to the Kenya Film Classification Board. The KFCB assures that filming permit for features, documentaries, short films, music videos, corporate videos and commercials are issued within minutes of application. Applications for TV Series and full-length feature films are processed in less than 48 hours of application.

Immigration: There are no restrictions in Kenya on how many expatriate crew members or artists may arrive in Kenya on a visitor's pass prior to the Filming License being processed. This costs approximately USD.1,500 per person (Payable to Department of Immigration Services).

Local Agents: A list of accredited Local Film Agents, who will facilitate location scouting; transport, hotel reservation, film licenses, shipping etc. can be identified upon request.

More information on local media and entertainment industry can be found via the Kenya Film Commission or through a local law firm with expertise on immigration and labor regime in Kenya.

Currently, Kenya has several travel related guidelines relating to COVID. For more travel related information, please visit our U.S. Embassy Kenya website [here](#).

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Import Regulations and Duties

Some of the Import Duty changes to the National Budget June 2009, effective June 12th, 2009, implemented include removal of current import duty 25% and Value-added taxes (VATs) 16% on television cameras, digital cameras and video camera recorders.

Zero-rating for VAT and taxable goods and services offered to film producers. Value-added taxes (VATs) in Kenya on online transactions serve as a barrier to both local and international companies seeking to offer affordable, legal programming and distribute content online according to the Motion Pictures Association's National Trade Estimate report, 2021.

Tax exemption on goods imported or purchased locally for use by the local film producers and local filming agents, upon recommendation by the Kenya Film Commission, subject to approval by the Cabinet Secretary to the National Treasury.

Impact of Regional and International Trade Agreements on US Firms

Kenya is a signatory of the Africa Continental Free Trade Area (AfCFTA), alongside Ghana, Kenya was the first country to ratify the AfCFTA in early 2018 with the AfCFTA coming into effect across the continent in 2020. Bringing together 55 African Union member states, it will form the world's largest free trade area by the number of participating countries.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

With commitment to and ongoing implementation of the African Continental Free Trade Area (AfCFTA) agreement and WIPO Internet treaties, the result will be more open markets greater protection of intellectual property, and strengthened copyright protections. According to [the UN Africa journal](#), Article 4 of the AfCFTA Agreement prescribes the cooperation of State parties on investment, intellectual property rights and competition policy. Therefore, the negotiations in Phase II should be anchored on the attainment of a single continental market.

The drafting of the policy was informed by a situational analysis of the film industry, looking at the current legal instruments establishing key industry stakeholders and their functions. The main challenge associated with entering this market is the disharmony in existing legislation and inadequacy in legal provision, which leave numerous gaps that hindered the growth of the entertainment industry. Other challenges include the inadequate funding and financial incentives for industry players; lack of robust marketing and promotion initiatives for the industry, lack of infrastructure for archiving and record keeping; multiple licensing frameworks and inadequate skills and training for the film industry. Kenya is a member the World Intellectual Property Organization and the World Trade Organization. Kenya is a signatory to the TRIPS Agreement and several other major international and regional intellectual property conventions. Kenya also is a member of the African Regional Industrial Property Organization (ARIPO). The MPA states that as internet access rapidly increases across the continent, ratification and effective implementation of the WIPO Internet Treaties is of paramount importance. These treaties require parties to establish legal frameworks that allow copyright holders to control their works published online and be compensated for them. Progress has been made towards implementation – with Kenya signing the Treaties (however without a timeframe for ratification).

The Kenya government in acknowledgement of loopholes within IPR legislation, is currently in the process of enacting an IP Bill, 2020, which among other structural changes seeks to improve efficiency and clarity in IPR enforcement through the creation of a unified Intellectual Property Office, which will unify the

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3 separate agencies currently handling various verticals of IP and copyright issues (Kenya Copyright Board, Kenya Intellectual Property Institute and the Anti Counterfeit Agency).

Another barrier being touted in the market include key legislative and policy changes primarily the recently introduced [Digital Services Tax](#) which will have a direct impact on the media and entertainment sphere. Among other players, the DST targets digital service providers (i.e. those providing digital services, this includes downloadable digital content, streaming of digital content, any form of monetizing data about Kenyan users, subscription-based media, data management using electronic means, online sale of tickets, search engine related services, e-learning among other services).

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please see [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources. For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

INVESTMENT POLICIES

- The Communications Authority of Kenya is mandated to license all broadcasting service providers in accordance with the Kenya Information and Communications (Amendment) Act, 2013.
- Foreign companies are allowed to operate channels through licensing by the Communications Authority Kenya using content service provider licensing under their [unified licensing framework](#).
- The [2020 draft Kenya Film policy](#) if enacted into law will be a policy game changer potentially opening up more room for investment. The key objectives of the proposed Bill include consolidating the laws that establish and govern the national film entities. These are the Kenya Film Commission, whose mandate is to develop, promote and market the film industry locally and internationally; and the Kenya Film Classification Board, who will act as a regulator concerned with the creation, broadcasting, distribution and exhibition of films within the country. Nevertheless, the most progressive objective of the proposed Bill is the establishment of the Kenya Film Fund, a facility that is aimed at supporting capacity building, developing film industry infrastructure, funding local productions and facilitating co-production agreements.
- Another objective is the establishment of the Kenya Film Academy, which currently exists as the Kenya Film School, and will be concerned with offering cinematic and performing arts for the film industry.

MAIN LOCAL COMPETITORS

The entry of players such as Chinese backed StarTimes and local content creators such as VSOD Viusasa offer lower prices and significant incentives such as free or subsidized set top boxes as well as aggressive price cutting tactics remain areas to watch out for U.S companies.

KEY KENYAN TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS & GOVERNMENT AGENCIES

Ministry of Sports, Culture and heritage – [here](#)
Kenya Film Commission (KFC) – [here](#)

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Kenya Film Classification Board (KFCB) – [here](#)
Ministry of ICT, innovation and Youth affairs – [here](#)
Communications Authority of Kenya – [here](#)
Kenya Copyright Board – [here](#)
Kenya Intellectual Property Institute – [here](#)
American Chamber of Commerce Kenya – [here](#)
Kenya Private Sector Alliance - [here](#)
Magical Kenya (Kenya Tourism Board) – [here](#)

MAJOR MARKETS AND FESTIVALS

ONGEA: East Africa creative economy festival. Occurs annually, every February (In person & Virtual.) Event link [here](#)

Kalasha International: A 3-day trade fair showcasing filming activities and offering a high-level interaction through conferences, workshops, business-to-business opportunities and pitching sessions. (5th – 7th May 2021) – Venue: Sarit Expo Center (In person). Registration link [here](#)

Film Empowerment Program (Kenya Film Commission): October 5 – December 18, 2021. More details [here](#)

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Global Digital media trends 2018: executive summary A multi-generational view of consumer technology, media and telecommunications trends
<file:///C:/Users/leone%20mutoka/Downloads/tmt-global-deloitte-digital-media-trends-survey-2018.pdf>

WIPO Magazine: The African Continental Free Trade Area: a significant role for IP - https://www.wipo.int/wipo_magazine/en/2020/04/article_0005.html

“Africa Risk-Reward Index”, September 2020, NKC African Economics
<http://allafrica.com/stories/201702020136.html>

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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NIGERIA

SUMMARY

Nigeria is a West African country with one of the largest economies in Africa. The country accounts for about half of West Africa's population and is one of the world's largest youth population with about 62% of its total population being under 25 years old. Nigeria's film industry popularly called "Nollywood" is one of the top film producers in the world in terms of number of movies. Around 2500 films are produced annually in Nigeria, making it the second largest production hub behind India. Nigeria's film industry employs over one million people and is one of Nigeria's largest employers. The industry is articulated around a few major production centers like Lagos, Onitsha, Enugu, Asaba and Abuja. The distribution of the films hinge on these same production centers as well as, other major distribution points in Nigeria such as Aba.

There is some diversity in film production in Nigeria due to the country's multilingual nature. The majority of films are produced in English, while others are produced in Igbo, Yoruba, Hausa, and other indigenous languages. As a result, there are sub industries within Nigeria's Nollywood one of which is Kannywood; the local film industry for the Hausa speaking part of Nigeria.

Nigeria is a price sensitive market and currently ranks 131 on World bank's ease of doing



Capital: Abuja
Population: 202 million
GDP: US\$448.1 billion
Currency: Naira (NGN)
Languages: English, Hausa, Igbo, Yoruba

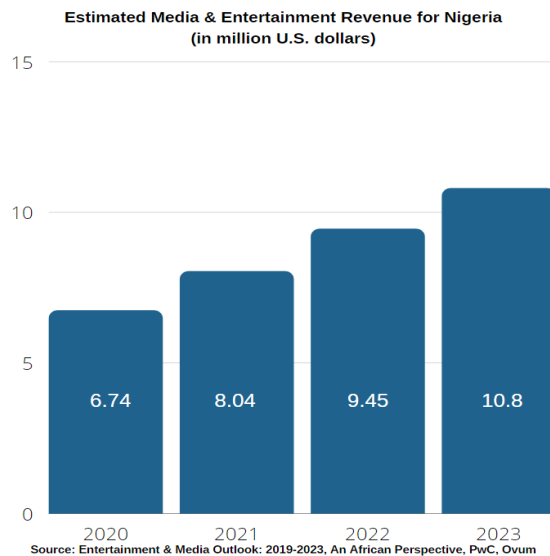
business in 2020 index.

CURRENT MARKET TRENDS

Nigeria is one of Africa's biggest media markets. Nigeria's Media and Entertainment revenue is projected to grow from \$6.74 billion in 2020 to \$10.8 billion in 2023. The traditional TV and home video market has been on a steady growth trajectory from 2019 to date, according to data from PwC's Media and Entertainment Outlook, and is expected to keep growing at a compounded annual growth rate of 1.77% until 2024. Revenue for the traditional TV and home video segment stood at \$625 million by 2019 and is expected to reach \$683 million in 2024. Subscription TV has recorded growth as well.

Over 8 million households in Nigeria have a TV subscription and this is projected to grow to 8.2 million households by 2024. While revenue from subscription TV reached \$588 million in 2019, operators are focused on upselling more premium services to households and this strategy is expected to result in an increase in subscription TV revenue to \$654 million by 2024. The use of physical home videos has been on a steady decline as preference for video streaming and subscription services increases. As of 2019, revenue from the physical home video segment stood at \$38 million and is expected to decrease at a compounded annual growth rate of -5.1% till 2024.

NIGERIA



and stability of power supply in the region. There is increasing preference for on-demand videos and subscription services, however, broadband penetration is low in Nigeria and this limits the development of the online video market. Pay TV users are also advocating for daily billing cycles as opposed to the monthly billing currently employed by Multichoice and most other players in the market. StarTimes and Kwese introduced daily billing cycles for their users in response to the market. Players need to be more user-centric in designing their business models and platforms to thrive well in the Nigerian market.

Nigeria's cinema market has recorded steady revenue growth since 2015 and grew from a \$7 million revenue in 2015 to \$13 million in 2019 as reported in PwC's 2020 Global Media and Entertainment Outlook. According to data from Comscore, an international audience measurement company, the *Avenger's Endgame* released in 2019 was the first film to break the \$1 million mark at the box office in Nigeria. The current top grossing Nollywood movie, *Omo Ghetto (The Saga)*, which was released in December 2020 made over \$1.1 million (N468,036, 300) in the domestic cinema. Nine of the top 10 highest grossing Nollywood movies are in the comedy genre and this implies that comedy titles are the most favored in Nigeria's box office compared to other genres.

The current global pandemic has impacted heavily on the Cinema culture and revenue in Nigeria hence 2020 and 2021 revenues will likely be on a downward trend, but this is expected to reverse once the crisis has been navigated and continued growth is expected in Nigeria's cinema market.

CURRENT DEMAND

Fast changes in technology, user preferences and availability of a wide range of substitutes are shaping the Nigerian media and entertainment market. Demand is influenced by user experience, quality of content, affordability, broadband availability and speed for online videos, variety of packages available

EXPORT & LICENSING GUIDANCE

The National Broadcasting Commission (NBC) is Nigeria's broadcast regulator and is charged with setting standards of content and quality of materials for broadcast in Nigeria. To operate a television, radio, sound, satellite station or cable in Nigeria, a license must be issued and granted by Nigeria's NBC. In June 2020, the NBC, in an amendment to its broadcasting code, prohibited broadcasters and licensees from entering into exclusive licensing agreements that may prevent sub-licensing to third parties. This amendment is believed to be aimed at promoting competition in the market and promoting broadcasting of local content, however it was not well received in the industry and has been criticized by many players in the industry for reducing the attractiveness of the industry for major players that strive on exclusive content.

NIGERIA

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The Nigerian Copyright Commission (NCC) is the regulatory agency mandated with supervising copyright registration in Nigeria. The Copyright Act LFN 2004 is the governing copyright law in Nigeria. Creative works eligible for copyright in Nigeria include cinematograph films, broadcast, sound recordings, literary works, musical works, and artistic works however there are certain conditions to be met for such works to qualify for copyrighting. The Copyright act in Section 15 defines what constitutes copyright infringement in Nigeria and in section 16, provides that an action for copyright infringement shall be actionable at the suit of the copyright owner or exclusive licensee in the Federal High Court exercising jurisdiction in the place where the infringement occurred. Copyright holders in Nigeria for films, performances and sound recording own the rights for 50 years from the time the work was first published.

Piracy and counterfeiting constitute major hindrances to development of intellectual property rights in Nigeria while actively hindering the growth and development of the media and entertainment industry. Despite significant effort to reduce the piracy rate and strengthen intellectual property rights in Nigeria, copyright infringements are very rampant. It is not uncommon to see pirated books and compact discs being openly sold in some major cities like Lagos and Port Harcourt. The American Business Council (ABC) actively engages with key stakeholders and Non-Governmental Organizations in Nigeria to raise awareness of IPR issues in Nigeria and work towards finding a solution.

As internet access rapidly increases across the continent, ratification and effective implementation of the WIPO Internet Treaties is of paramount importance. These treaties require parties to establish legal frameworks that allow copyright holders to control their works published online and be compensated for them. Progress has been made towards implementation – with Nigeria ratifying the Treaties.

According to the MPA's 2021 National Trade Estimate report, value-added tax (VAT) in Nigeria on online transactions serve as a barrier to both local and international companies seeking to offer affordable, legal programming and distribute content online.

MAIN COMPETITORS

Pay-TV: Multichoice Africa is the dominant player in Nigeria's pay TV industry and controls about 60% of the market with its DStv and GOtv services available via satellite and pay-Digital Terrestrial Television. StarTimes is also a big player in the market with about 29% market share. Other players include Daarsat, Consaat, Kwese TV and the latest entrant TStv.

Subscription Video on Demand (SVOD): The key players here are Netflix, Amazon Prime, iROKOTv, ShowMax and Kwese. iROKOTv is Nigeria's indigenous online movie streaming provider and features mostly Nollywood movies. SVOD giants Netflix and Amazon entered the Nigerian market in early 2016.

NIGERIA

Cinema: There are 22 cinema operators and 51 cinema locations in Nigeria with the top six operators running 68.6% of these cinemas. The South western region of Nigeria accounts for over 52% of Nigeria's cinema sites and box office earnings. Main Cinema operators in Nigeria include:

- Filmhouse Cinemas- 11 locations and 47 screens
- Genesis Cinemas- 10 locations and 39 screens
- Silverbird Cinemas- 6 locations and 28 screens
- Viva Cinemas- 4 locations and 14 screens,
- Light house Cinemas- 2 locations and 9 screens
- Ozone Cinemas- 2 locations and 9 screens

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Government Bodies

National Film & Video Censors Board

Nigerian Film Corporation

Nigerian Copyright Commission

Copyright Society of Nigeria

Ministry of Information & Tourism Federal Ministry

Industry Associations

Cinema Exhibitors' Association of Nigeria (CEAN)

Film Distributors' Association of Nigeria (FDAN)

NIGERIA

MAJOR AWARDS SHOWS AND FESTIVALS

Africa Movie Academy Awards (AMAA), December
<https://africamagic.dstv.com/show/amvca>

Africa Magic Viewer's Choice Awards (AMVCA), March
<https://www.ama-awards.com/>

Eko Star Film & TV Awards, April 12, 2021.
<https://www.nifsummit.com/>

Africa International Film Festival (AFRIFF) November 21-27, 2021
<https://afriff.com/>

Eko International Film Festival (EKOIFF), March 7-11, 2022
<https://filmfreeway.com/EkoInternationalFilmFestival>

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[U.S. Commercial Service- Country Commercial Guide: Nigeria](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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THE NORDIC REGION

SUMMARY

The media and entertainment industries are key market sectors in the Nordics and in 2019, the gross box office revenue totaled \$384 million. This places the Nordics as one of the 20 highest-grossing regions for the film industry. In 2020, cinema revenues were down 60% in the Nordics, but are predicted to return to normal in the coming years. Additionally, filming in Nordic countries has been desired by filmmakers for its beautiful and dramatic nature and landscapes. Furthermore, funding and incentives for domestic and international filmmakers is available, which makes the Nordics an opportune region for filmmaking. Video on demand (VOD) streaming is a growing market sector in the Nordics. 86% of residents in the Nordics use the internet daily, which is a larger margin than the rest of the EU, which has an average of 80% daily internet usage. The abundance of household access to the internet and broadband in the Nordics are key reasons for its early adoption and utilization of video streaming services. There are over 13 million streaming subscriptions in the Nordics and the market demand for additional streaming options are increasing.

CURRENT MARKET TRENDS

Demand for traditional TV and similar services are on the decline. The predicted growth rate of the sector is decreasing by an average rate of 6% annually in the Nordics. Demand is shifting to streaming and digital TV subscriptions. The Nordic streaming market is one of the most established and opportune in the world. Sweden, Denmark, Norway and Finland enjoy high penetration of superfast broadband and the majority of their populations are fluent in English. Half of the households in the Nordics have at least one VOD service, with the average being 2.1 subscriptions per household in the region ([Mediavision](#)). Media, such as news and television programming, is consumed at a higher rate digitally than previous years. In 2019, 47% of all films in Sweden were in the form of VOD.

Even though streaming and VOD services are a growing market sector in the Nordics, movie viewings and film production are important parts of Nordic countries and their cultures. Nordic countries and their residents are avid movie goers, and with a population of 27.3 million in the Nordic countries, there were 50 million admissions to the movies in 2019. Furthermore, the picturesque scenery in the Nordics is consistently used for TV and filming, with prominent examples including Game of Thrones and Mission Impossible. There are incentive programs and grants in the Nordic countries that can provide opportunities to filmmakers domestically and around the world, with the goal to stimulate growth and increase international cooperation. The resources for production grants can be found in their countries respective film institutes and foundations.

CURRENT DEMAND

Subscription video on demand (SVOD) is one of the fastest growing market sectors in the Nordics and is where most of current market demand lies for media and entertainment in the Nordics. According to PwC and its demand projections, the SVOD market will grow by 10% annually in the Nordics. This provides great opportunity for domestic and international streaming players in high demand market. Nordic households spend on average \$150 monthly on TV access and streaming services ([Mediavision](#)), validating the opportunities in media and entertainment throughout the Nordics.



THE NORDIC REGION

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Denmark, Finland, and Sweden are members of the European Union (EU) and abide by EU IP Regulations.

Norway and Iceland are not members of the EU but are linked to the EU through the European Economic Area (EEA) agreement. By virtue of the EEA, Norway and Iceland are practically part of the EU's single market and abide by similar legislation to the EU states. For information regarding Trade Barriers & Intellectual Property Rights in Nordics countries please reference [The National Trade Estimate Report on Foreign Trade Barriers \(2021\)](#). (EU IP Protection: P. 212) & (Norway IP Protection: P. 396).

MAIN COMPETITORS

The main competitors currently in the Nordic TV and streaming market sectors are Netflix, Disney+, Amazon Prime Video, and HBO Nordic. Additionally, the Nordics also have domestic streaming services that hold market share such as Viaplay and C More. In 2020, domestic VOD services held around 60% market share in the Nordics.

Nordic Streaming (VOD) and Media Companies

Company	Country	Services
Norsk Rikskringkasting (NRK)	Norway	NRK, TV2 Sumo, Discovery+, Eurosport Player, Strive
Egmont	Denmark	TV2, TV2 Sport, C More
Nordic Entertainment Group (NENT)	Sweden	Viaplay, Viasat, TV3
Sanoma Group	Finland	Ruutu+
Yleisradio Oy (YLE)	Finland	Yle Areena & Yle TV1

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

[The Finnish Film Foundation](#)
[The Norwegian Ministry of Culture](#)
[The Swedish Film Institute](#)
[The Danish Ministry of Culture](#)

THE NORDIC REGION

MAJOR FESTIVALS

The Norwegian International Film Festival, August 21-27, 2021

Location: Haugesund, Norway

<https://filmfestivalen.no/en/>

The festival is an arena for film-professional and film-political discussions and a display window for national and international cinema.

Goteborg Film Festival, January 29 - February 8, 2021

Location: Gothenburg, Sweden

<https://goteborgfilmfestival.se/en/the-festival/>

The largest film festival in Scandinavia and the Nordics.

Helsinki International Film Festival, September 16-27, 2021

Location: Helsinki, Finland

<https://hiff.fi/en/>

Finland's largest film festival

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[Swedish Film Facts and Figures 2019](#)

[Finnish Annual Film Statistics](#)

[Danish Film Facts and Figures 2020](#)

[Norway Film Facts and Figures](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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PHILIPPINES

SUMMARY

The Philippines is a strong market for U.S. entertainment content. The Filipino English-speaking young population's growth comprising 60% of the total population drives the Philippines' filmed entertainment and streaming market demand. Theatrical releases of U.S. films are the highest revenue source of Philippine cinemas. U.S. television programs, especially reality shows, remain very popular. The Philippines is also an emerging market for production projects. Hollywood films like *Almost Paradise*, *The Bourne Legacy*, and *Avengers: Infinity War and Endgame* were filmed in the Philippines. [Statista](#) reported that the top 10 box office movies in the Philippines in 2019 include *Avengers: Endgame*, *Frozen II*, *Captain Marvel*, *Spiderman: Far From Home*, *Aladdin*, *The Lion King*, *Maleficent: Mistress of Evil*, *Toy Story 4*, *Jumanji: The Next Level*, and *X-Men: Dark Phoenix*.

The Philippines has over 900 theater screens nationwide, and the top three cinema owners: SM Cinemas: operated by SM Lifestyle Entertainment, Inc. (SMLEI) of the SM Group of Companies. They have 333 digital screens nationwide, including eight IMAX theaters. Ayala Malls Cinemas: operated by Ayala Theatres Management of Ayala Land, Inc. They have close to 100 screens nationwide. Robinsons Movieworld: have approximately 100 cinemas countrywide. These cinema owners are among the largest mall owners in the Philippines as well. They have an average of five to twelve cinemas per facility. While the



Capital: Manila
Population: 109.6 million
GDP: US\$367 billion
Currency: Peso
Language: English, Tagalog

pandemic has changed the film industry, it has thrived to transition from theaters to online streaming platforms, which welcomes international co-productions and increased streaming platforms' peripherals. The government and telecommunication sector invest increasingly in improving connectivity infrastructure to support many Filipinos access online content.

CURRENT MARKET TRENDS

The pandemic has shifted Filipino market behavior drastically. Physical home video consumption has decreased in 2020 expected to continue up to 2024 at -6.99%. However, TV subscription is expected to grow by 4.32% in 2024. Over-the-top (OTT) media, mainly Subscription on Demand (SVOD), would even spike in the Philippines at 23.33% by 2024. This trend forecast is expected to continue in the coming decade, as the broadcasting and media companies in the Philippines are now investing in new media platforms.

[Statista](#) reported that VOD revenue in the Philippines is projected to reach up to \$158 million for 2021, with an annual growth rate of 10.97%, supported by increasing user penetration to reach 21.7% in 2025. To take on this demand, local media, entertainment, and telecommunication companies have immersed to create films available online. The top two Philippine telecommunications companies have signed up a partnership with Netflix for the content library. There are also local leading OTT content platforms in the Philippines like HOOQ, iFlix, TFC, Cinetropa, and iwantTV. Viu operated by PCCW Media Group is also available in the Philippines. OTT platforms are both downloadable via Android and IOS devices. The Film Development Council of the Philippines noted that the “popularity of streaming services like Netflix, HOOQ, iFlix, and others, the viewing habits of the Filipino audience is changing fast.”

PHILIPPINES

CURRENT DEMAND

Released on PwC perspectives report, The Philippines entertainment and media consumer spending are projected to increase compound annual growth rate (CAGR) 5.8% from 2019-2024. Filipinos highly regard U.S. movies in streaming services and local theaters. No need for international producers to translate films into the local language. This showcases the vast opportunity for U.S. streaming providers and distributors. Filipino viewers enjoy action, science fiction, horror, and comedy films. U.S. sports and entertainment personalities are also trendy among Filipinos.

Before the pandemic, U.S. companies dominate theater (projection systems, sound systems, booking and ticketing systems, servers, data services), film production, and editing equipment. DreamWorks has invested in an entertainment venue in the Philippines. “DreamPlay by DreamWorks” was opened in the City of Dreams Manila in 2015.

The demand for mobile services continues to rise, with subscribers exhibiting a growing appetite for content. BMI forecasts that consumer electronics purchase from population ages 15-64 at a CAGR of 1.5% from 2021 to 2025. The government is also expected to transition into digital TV signals by 2023.

Because of the COVID-19 pandemic requiring everyone to stay at home, incline more Filipinos to access content across available online platforms from mobile to desktop contributing to the growth in demand for SVOD. Top international providers in the country include Netflix, HBO Go, Disney, YouTube, and Rakuten Viki. Netflix offered a \$3 mobile plan where Filipino access its content via mobile phones and tablets. Filipinos can spend at least 5 hours watching online content via mobile devices twice as much as the global average. The price offer is to also entice the Filipino price-sensitive market where the average price would be more appealing.

PwC and Omdia value the Philippine TV and Home Video market at \$700 million and TV subscriptions at \$667 million with a compound annual growth rate of 3.79% and 4.32%, respectively, from 2019-2024. Omdia estimates the cinema market size is \$137 million, including \$7 million in cinema advertising. The Filipino internet advertising market is valued at \$807 million with a CAGR of 11.72% from 2019-2024.

INVESTMENT POLICIES

[Film Philippines](#) is an incentive program of the Philippine government inviting international film productions to create production projects in the Philippines. Film Location Incentive Program: International film projects held in the Philippines can receive a 20% cash rebate from its qualified spending. Eligible projects include foreign audiovisual content, including feature films, short films, TV and VOD content, web content, music videos, or virtual reality content. International filmmakers in partnership with Filipino firms can apply for this program.

International Co-Production Fund: In partnership with Filipino producers, international filmmakers can avail of \$200,000 for production and post-production in the Philippines.

PHILIPPINES

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Foreign investment in mass media, including film distribution and the pay-TV and terrestrial broadcast sector, is prohibited under the Philippines Constitution of 1987. However, 40 percent of foreign direct investment is allowed in the telecom sector.

U.S. companies experience a 30 percent income tax on net profits, a 5 percent withholding tax on gross receipts chargeable to income tax liability, and a 10 percent tax on the distributor's share of the box office. A municipal license tax of 0.75 percent of a company's prior year gross receipts is also imposed on motion picture companies. Moreover, the Philippines imposes a tax on all related advertising materials and royalty remittances.

For film production in the Philippines, the Philippine Film Development Council of the Philippines (FDCP) has a Film Location Engagement Desk to assist foreign productions to apply for government permits, locations, and production logistics and outsourcing of production needs in the Philippines. Before establishing the project, the international production company should register with the FDCP National Registry: <https://nationalregistry.fdcph.gov.ph/>.

Negatives or cinematographic films with obscene or immoral characters are prohibited under Chapter 3, Section 118 of the Customs Modernization and Tariff Act of the Bureau of Customs Philippines. It is necessary to secure declarations, clearances, and licenses are required before the importation and exportation of films. The list of regulated goods and the corresponding administering agencies should visit the Philippine National Trade Repository (PTNR) at <https://www.pntr.gov.ph/>.

Piracy remains to be a significant challenge for the Philippine film and entertainment industry. The average cost of a theater ticket is \$4.00, while a pirated movie DVD or music CD is US\$.50. Sustained efforts by the industry and the Intellectual Property Office of the Philippines (IPOP HL) resulted in the successful enactment of the Philippines anti-camcording law. This development has helped U.S. films even more.

The Philippines is a member of the World Intellectual Property Organization (WIPO) and committed to combating intellectual property (IP) issues. The IPOP HL is mandated to administer local intellectual property policies. Foreign firms with IP issues can reach IPOP HL and submit reports to its enforcement office at operations@ipophil.gov.ph.

U.S. companies may also seek advice from a local attorney or IP consultant who specializes in Philippine law. The United States Patent and Trademark Office has an office in Thailand covering Southeast Asian nations, including the Philippines. U.S. firms with IP concerns in the Philippines should contact the U.S. IP Attaché Kitisri Sukhapinda at kitisri.sukhapinda@trade.gov.

PHILIPPINES

MAIN COMPETITORS

Japanese and Korean contents are popular in the Philippines due to the JPOP, Anime, and KPOP culture. Crunchyroll and Viu are emerging Asia online streaming platforms for premium Asian content. Viu offers service for free under SD (480p). Taiwanese and Thai films were also dubbed in the local Philippine language streamed across traditional and online streaming platforms. Various foreign embassies partner with FDCP for Film Festivals to promote content in the Philippines, like the European countries Italy, Germany, France, and Spain. The U.S. Embassy, through the Public Affairs Section, organizes U.S. film festivals.

MARKET ENTRY

To visit the Philippines would be the ideal step to increase presence in the country. Establishing a partnership with local Philippine companies to expand production portfolio in the country is also highly encouraged. Having a Philippine partner would help secure government requirements and clearance to conduct an international production project. U.S. companies should be patient yet diligent in pursuing partnerships and contracts, particularly with the Philippine Government.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Trade Associations:

[Cinema Exhibitors Association of the Philippines](#): Association of cinema owners and operators in the Philippines.

[Kapisanan ng mga Brodkaster ng Pilipinas \(KBP\)](#): Promotes independent, free broadcasting and the development of Philippine broadcasting.

[Cinemalaya](#): Promotes and develops Filipino independent films through independent film making and Film Festivals.

[Animation Council of the Philippines](#): Promote Philippine animation and creative content.

Government Agencies:

[Film Development Council of the Philippines](#): The council is under the Office of the President, mandated to establish and implement a Cinema Evaluation System, and implement incentive and reward system to encourage production of quality films.

[Movie and Television Review and Classification Board](#): The board that regulates and classify motion pictures, television programs and publicity materials.

[Optical Media Board](#): The agency mandated to protect and promote intellectual property rights in digital form and promotes optical media piracy.

[Department of Trade and Industry](#): Supports to grade film's review, reproduction, importation and exportation, and other purposes.

MAJOR FESTIVALS

[Metro Manila Film Festival](#) December 2021

[Cinemalaya Philippine Independent Film Festival](#) July 2021

PHILIPPINES

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

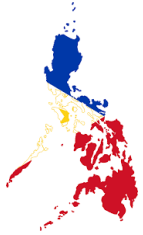
Philippines Country Commercial Guide

<https://www.trade.gov/knowledge-product/philippines-market-overview?section-nav=3440>

Global Entertainment and Media Outlook 2020-2024

<https://www.pwc.com/gx/en/industries/tmt/media/outlook.html#>

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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PORTUGAL

SUMMARY

Portugal is considered a very active market in this segment. The Portuguese television market is well developed with a focus on growth and to gain global recognition. Producers take advantage of the excellent digital capacity and reliable internet connections the country offers.

Portugal ended 2020 with a pay-TV penetration rate of 93.2%, or 5.4% more than a year earlier. According to the regulator ANACOM, the total number of subscribers reached 4.2 million, or 163,000 (+4%) more than the previous year. This increase was mainly due to FTTH (fiber to the home), that reached a total of 2.2 million subscribers, an increase of 14.4% from 2019. FTTH was responsible for the most pay-TV connections (51.6%), followed by cable TV (31.1%), DTH (10.6%) and ADSL (6.8%). Meo and Grupo NOS are the leading operators delivering fixed and mobile telecommunications services in Portugal, and they share the general and residential subscriptions in the following way:

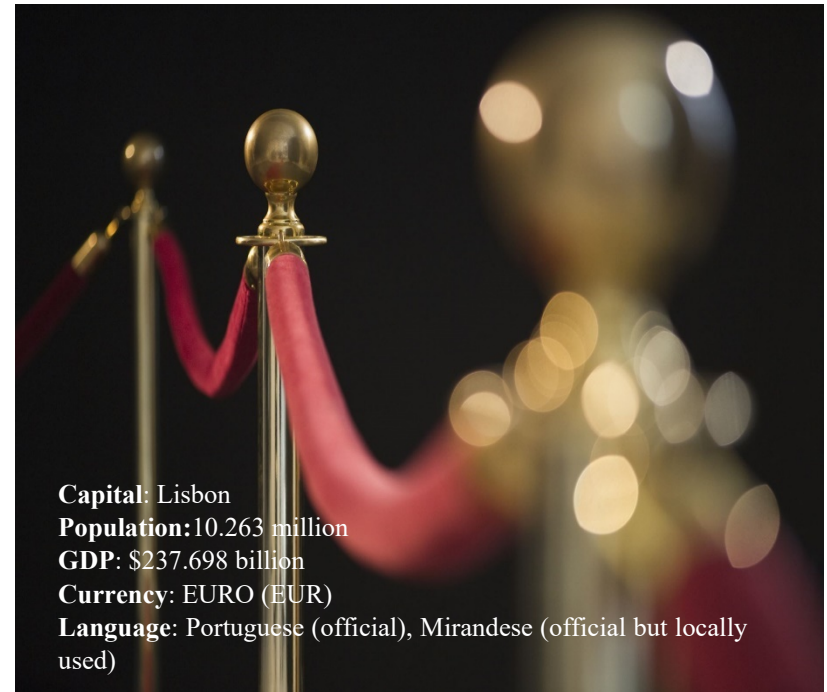
According to ANACOM (communications regulatory authority), the number of subscribers of bundles that include, television,

	MEO	Grupo NOS	Vodafone	NOWO
General Subscriber members	40%	39%	17,3%	3,5%
Residential subscription	38,6%	39,8%	17,6%	3.90%

pay-TV, internet, land, and mobile telephone communications, reached 4.2 million (+183 thousand or +4.5% year-on-year), during the third quarter of 2020.

By mid-year 2020, nearly nine out of ten households (89.3%) households in Portugal had subscribed to pay-TV services, 3.3% higher than the homologous period in in 2019. 4.5 million homes had pay-TV at home, an increase of 4.1% when compared to the same period in 2019. This growth was driven by FTTH, which was responsible for 263,000 new connections, a +14.8% increase and the highest annual growth in both relative and absolute terms since 2016.

In Portugal, revenue in the Digital Media market is projected to reach US\$291 million by year end 2021. The market's largest segment is Video Games with a projected market volume of US\$133 million in 2021.



Capital: Lisbon

Population: 10.263 million

GDP: \$237.698 billion

Currency: EURO (EUR)

Language: Portuguese (official), Mirandese (official but locally used)

PORTUGAL

CURRENT MARKET TRENDS

	Market Volume (2021 projected)	CAGR 2021-2025	User Penetration (2021 projected)	Revenue Growth (2021 projected)
Video on Demand	US\$ 73m	5.68%	23.50%	14.20%
Video Streaming (SVoD)	US\$ 62m	5.85%	10.60%	15.10%
Pay -per-View (TVoD)	US\$ 6m	7.64%	10.90%	15.10%
Video Downloads (EST)	US\$ 5 m	0.61%	4.80%	3%
Source: https://www.statista.com/outlook/dmo/digital-media/portugal				

As seen in the table above Video on Demand and Video Streaming had the highest impact in this segment. According to publicly available data, this trend appears will continue throughout 2025. Although the ARPU (Average Revenue per User) is low according to U.S. standards, it is considered reasonable for a small market like Portugal.

	ARPU -Average Revenue Per User (2021 projection)
Video on Demand	US\$ 31
Video Streaming (SVoD)	US\$ 58
Pay -per-View (TVoD)	US\$ 5.5
Video Downloads (EST)	US\$ 10
Source: https://www.statista.com/outlook/dmo/digital-media/portugal	

PORTUGAL

CURRENT DEMAND

There is still room for new streaming platforms. According to the Telecommunications Barometer**, Netflix is the most popular streaming service among subscribers. Other important platforms are HBO, Amazon, Fox Play, AXN Now, RTP Play, NOS Play and Q Play, Disney+ and Apple TV+. In Portugal there are 14 subscription television services, and as mentioned before, led by the Netflix platform.

**Business Telecommunications Barometer” (BT) is a regular study, conducted by DATA E since 2000, whose main objective is to verify if the services provided by the telecommunications operators to meet the requirements of the businesses, (Companies and Sole Proprietorships).

According to the European Audiovisual Observatory ‘s (OAS) latest report on consumption trends for subscription television services on demand (‘Video on Demand’ or VOD), there was a change and increase in the consumption of audiovisual content with the entry of new operators, such as streaming platforms during 2020.

EXPORT & LICENSING GUIDANCE

There are no significant restrictions on exporting to Portugal. It is recommended to partner with local companies/distributors, who know the market well and how to register brands with Portuguese authorities.

Portugal is among the first countries in Europe to implement the European Union’s recently approved Audiovisual Media Services Directive ([AVMS](#)), which obligates foreign streaming services such as Netflix and Amazon Prime Video to invest a portion of their revenue into local productions. Now that Brussels has approved the AVMS, parliaments across Europe must transpose it into law by 2021.

Lastly, the European Commission launched the process for the adoption of a comprehensive regulatory package, the so-called Digital Services Act package (DSA) in 2019. Two new Regulation proposals were published on 15 December 2020 with the objective of modernizing the current legal framework for digital services.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Distributors of movies and videos are certified by the IGAC-Inspeção Geral das Atividades Culturais (General Inspection of Cultural Activities) and are listed on their website: <https://www.igac.gov.pt/distribuidores-de-video>. There is also a list of all entities responsible for Collective Management of Copyright and Related Rights: <https://www.igac.gov.pt/entidades-colectivas-de-direitos>.

To register movies and videos, GEDIPE- the Portuguese Association for the Collective Management of Copyright and Cinematographic and Audiovisual Producers is the entity that represents cinematographic and audiovisual producers and the productions of general television programming.

PORTUGAL

For information regarding Trade Barriers & Intellectual Property Rights in Portugal please reference [The National Trade Estimate Report on Foreign Trade Barriers \(2021\)](#), (EU IP Protection: P. 212).

MAIN COMPETITORS

The US continues to be the main supplier of movies and series. According to the OAS study, the three most relevant VOD operators in the Portuguese market are Netflix (47 percent), AppleTV (21 percent) and Amazon (13 percent). European streaming platforms do not compete with the well positioned U.S. streaming services offered.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

IGAC - Inspeção-Geral das Atividades Culturais

igacgeral@igac.pt
<https://www.igac.gov.pt/>

AGECOP - Associação para a Gestão da Cópia Privada

geral@agecop.pt
www.agecop.pt/

ASSOFT - Associação Portuguesa de Software

geral@assoft.org
<https://www.assoft.org/pt/>

AUDIOGEST - Associação para a Gestão e Distribuição de Direitos

info@passmusica.pt
<http://www.passmusica.pt>

GEDIPE - Associação para a Gestão Coletiva de Direitos de Autor e de Produtores Cinematográficos e Audiovisuais

info@gedipe.org
<https://www.gedipe.org/website/>

PORTUGAL

MAJOR FESTIVALS

Portugal International Film Festival

Crowne Plaza Hotel, Porto, Portugal

December 7, 2021

<https://filmfreeway.com/PORTUGALINTERNATIONALFILMFESTIVAL>

Description: The Portugal International Film Festival will have its fourth edition in 2021 and aims to promote Portuguese and World Cinema.

Lisbon & Sintra Film Festival

Lisbon and Sintra, Portugal

November 11-20, 2021

<https://www.leffest.com/en>

Description: Committed to deliver the best of contemporary film production, the 15th edition of LEFFEST's program will bridge cinema with other arts and disciplines.

IndieLisboa – International Independent Film Festival

Lisbon, Portugal

Apr 29-May 1, 2021

<https://festagent.com/en/festivals/indielisboa>

Description: INDIELISBOA is a privileged event to meet the most recent and interesting works of independent cinema from all over the world.

Fantasporto / International Film Festival Porto

Porto, Portugal

Feb 26-Mar 6, 2021

<https://festagent.com/en/festivals/porto>

Description: Critics consider the Portuguese festival to be interesting and diverse.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

<https://ec.europa.eu/digital-single-market/en/audiovisual-media-services-directive-avmsd>

<https://variety.com/2020/digital/news/portugal-filmmakers-eu-legislation-avms-netflix-amazon-1234810554/>

[https://advanced-television.com/2019/08/30/portugal-1-5m-subscribe-to-streaming-](https://advanced-television.com/2019/08/30/portugal-1-5m-subscribe-to-streaming-services/#:~:text=The%20Telecommunications%20Barometer%20also%20revealed,includin%20Disney%2B%20and%20Apple%20TV%2B)

[services/#:~:text=The%20Telecommunications%20Barometer%20also%20revealed,includin%20Disney%2B%20and%20Apple%20TV%2B](https://advanced-television.com/2019/08/30/portugal-1-5m-subscribe-to-streaming-services/#:~:text=The%20Telecommunications%20Barometer%20also%20revealed,includin%20Disney%2B%20and%20Apple%20TV%2B)

https://www.gedipe.org/site_gedipe/main/

<https://www.rirm.org/en/erc-entidade-reguladora-para-a-comunicacao-social/>

<https://www.obs.coe.int/en/web/observatoire/>

PORTUGAL

<https://www.statista.com/outlook/dmo/digital-media/portugal#revenue>

<https://www.igac.gov.pt/distribuidores-de-video>

<https://www.datae.pt/en>

<https://www.erc.pt/pt/fs/erc-in-english>

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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Capital: Bratislava
Population: 5.45 million
GDP: US\$104.1 billion
Currency: Euro (EUR)
Language: Slovak

SLOVAK REPUBLIC

SUMMARY

In 2019, more than 6.529 million viewers visited Slovak cinemas. It was the second-highest attendance recorded since country's acquired independence in 1993. The number of visitors increased by 9.5 percent comparing to 2018. The revenues reached EUR 37.258 million (USD 44.005 million). Slovak cinemas screened 755 movies from 48 countries. The majority are U.S. produced. Cinema attendance views American blockbusters favorably and they dominate Slovak cinema. The movies were presented by 18 distribution companies. The most successful distribution company in 2019 was Continental Film who signed with Warner Bros production. The second place belongs to CinemArt SK representing 20th Century Fox International, Dream Works Animation, Paramount and Universal.

In the same period, Slovakia operated 164 cinemas including single-screen and multiplex cinemas. There is one state-owned TV station named RTVS broadcasting on three channels and three privately owned television stations broadcasting on ten channels. These private-owned TV stations include TV Markiza, JoJ and TA3. The cable network TV market in Slovakia is significant. The cable network providers offer a wide range of TV channels including popular TV channels of surrounding countries. Slovaks speak Slovak language, but the Czech language spoken in neighboring Czechia is perfectly understood. There is a huge Hungarian minority on the south of Slovakia mostly enjoying Hungarian TV channels.

Besides cable TV, cable network providers offer internet services. There are about 150 local companies retransmissioning audiovisual work to Slovak households. Some of the biggest players are UPC, Orange, Slovak Telekom, Digi Slovakia, Slovanet and Swan. The number of cable network household subscribers in 2020 reached 3.6 million. Video on demand is rising in popularity and represents great opportunities for U.S. companies. In 2020 only 2 percent of Slovak population subscribed to VOD services. Netflix had the biggest share with approximately 50,000 accounts, followed by HBO GO with 30,000 subscribers. AppleTV and Amazon Prime Video have a minor presence. HBO GO was the very first entrant and enjoys the huge advantage of having Czech language subtitles, as well as Czech dubbing. Netflix offers subtitles, but only for a minimum number of movies compared to the total number of their streaming films and TV programs.

Factors influencing film selection for the Slovak viewer include relations with distributors and the budget. Slovak state-owned TV is in many cases limited by legal restrictions. When it comes to film purchasing, Commercial TV channels Markiza and JoJ cooperate with large U.S. studios, such as Warner Brothers, Sony Picture, Disney, Fox, NBC, Universal and MGM. U.S. studios prefer selling their production in program packages containing several film and series hits as well as certain volume of "B" and "C" film categories and obsolete production.

SLOVAK REPUBLIC

However, not everything made in America is successful in Slovakia. Local TV stations eliminate horror movies, documentaries and musicals. These genres are less attractive to a typical Slovak viewer. The broadcasting of science fiction and fantasy series was received with a lukewarm response. Slovaks enjoy watching action movies, comedies, romantic, and family movies. A dynamic method of storytelling and clearly defined characters are the most important aspects. Slovak viewer loves crime and sitcoms. *NCIS*; *Two and a Half Men* and *The Big Bang Theory* are top ranked programs provided by the top private TV stations. Viewers dislike when the storyline of each episode continues into another. They prefer crime TV series like *CSI*, *Bones* and *Castle*, where an individual case is resolved in each episode. While the American viewer picks a movie depending on the famous actor, Slovak viewers appreciate the fascinating and entertaining story more than which actors is starring in it. The Slovak viewer does not like drama with unresolved relationships dragging down the whole movie because they tend to remind him of real life.

Interactive reality TV shows are booming. People enjoy licensed content like *Your Face Sounds Familiar*. In order to reduce the costs and increase the number of viewers, Slovak and Czech TV stations with the same owner enjoy collaboration on licensed content. As a result, the viewers in both countries watched *Czecho Slovakia's Got Talent*, *The Voice* and *Pop Idol*. Private TV stations' have deeper pockets compared to state-owned RTVS. Private Markiza and Joj have budgets for making sitcoms and series with unpretentious stories. The most popular have reached 500 episodes in three years.

CURRENT MARKET TRENDS

U.S. movies are highly successful in local movie theatres and on streaming services. This highlights excellent opportunities for U.S. distributors and streaming providers. The box office revenues are rising due to the opening of new shopping malls with movie theatres. Millennials and teenagers from larger cities love to spend their free time at the shopping malls. It is considered a place for dating and fun. The number of VOD subscribers is expected to experience enormous growth. VOD providers offering subtitles and/or dubbing in Czech/Slovak language will have the best prospect for success. Please note that official language for Slovakia is Slovak. However, Slovaks understand Czech perfectly and often prefer Czech dubbing representing high quality tradition of popular Czech actors.

MARKET ENTRY

The best way to gain firsthand experience in Slovakia is to visit. You can get a feeling of what the market is like and how your product or service would be received; Bratislava is a 45-minute drive from the Vienna airport in Austria. After a visit to Slovakia, you may want to consider the other regional markets, including the Czech Republic, Poland, Hungary, Austria, and Ukraine. Slovakia is an EU member and it can serve as a gateway to the 28-member EU market. The Euro became Slovakia's nationwide currency on January 1, 2009, easing trade transactions among the 19 EU countries that use it. Preferred business strategy to enter the local market is to set up an office. The most common option for establishing an office in Slovakia is the limited liability company (LLC). It is the simplest to establish, permits 100 percent foreign ownership, and allows full repatriation of after-tax profits.

SLOVAK REPUBLIC

The following rules apply to Limited Liability Companies in Slovakia:

(a) Between 1 and 50 shareholders may form a limited liability company, and the total basic capital must be at least EUR 5,000 (USD 5,905) with a minimum participant deposit of EUR 750 (approximately USD 885) each.

(b) A supervisory board is not required but may be established.

(c) An official appraiser must value non-monetary contributions, and for certain contributions, two appraisers are required.

The forms for local office registration and all steps involved in establishing a local office are available on the [Slovak Ministry of Justice's website](#). The process of registering a company with the Slovak Commercial Register takes approximately five days.

EXPORT & LICENSING GUIDANCE

There are opportunities for joint projects in film making across Slovakia. The Slovak Film Commission established in 2018 as a new organizational unit of Slovak Audiovisual Fund provides expert guidance to foreign filmmakers. The Slovak Film Commission promotes Slovakia as a country with scenic landscapes. Major projects recently shot in Slovakia included fantasy TV series *Van Helsing*, action movie *Red Sparrow*, Amazon's series *Hanna*, Netflix's *The Witcher* and *Dracula*. The biggest production receiving a cash rebate is *Marco Polo*. Official film shooting permits in Slovakia are required. Filming locations might belong to the state and regional municipalities, denominational groups, different church as well as private entities. Slovak Film Commission might be a first stop agency when considering film making in Slovakia. They provide a helping hand with all the permits, location scouting, incentives and tax payments. One of the significant incentives is a 33 percent cash rebate refunded to film makers on all expenses spent while shooting in the country. The minimum amount of costs required for a cash rebate are as follows:

EUR 100,000 (USD 118,109) for individual feature film; EUR 50,000 (USD 59,054) for animation or documentary spent in Slovakia over a period of three years
EUR 300,000 (USD 354,327) for TV series of maximum 26 episodes spent in Slovakia over a period of three years

To learn more about available incentives, law and taxes please visit the following webpage: <https://www.filmcommission.sk/law-and-tax/>

Business practices and etiquette in Slovakia represent a mixture of those used in Western Europe and the United States and those used in Eastern Europe. Decision-making in a company is often restricted to a small number of people, if not just one person. Doing business successfully in Slovakia generally requires the establishment of good personal relationships and mutual trust. Slovakia is a party to the Schengen Agreement. As such, U.S. citizens may enter Slovakia for up to 90 days for tourist or business purposes without a visa issued prior to departure from the United States. U.S. passports should be valid for at least six months beyond the period of stay. Persons intending to stay in Slovakia longer than a total of 90 days during any 6-month period must apply for a Temporary Term Residence Permit. Obtaining a long-term stay permit can be a long and difficult process, with health and police checks, among other things, needed to complete the process. U.S. companies seeking long-stay residency permits for their employees should contact the [Slovak Embassy in Washington, D.C.](#), for further application information and detailed instructions. Most U.S. companies engage the services of an attorney with extensive knowledge and experience with Slovak immigration law to guide them through the application process. Entry and Exit Requirements for U.S. citizens during COVID-19 pandemic can be found here: <https://sk.usembassy.gov/covid-19-information/>.

SLOVAK REPUBLIC

Slovakia is part of the European Union. They adopted the euro (EUR) as their currency on January 1, 2009, becoming the 16th member of the European Monetary Union, which facilitated trade through lower transaction costs, higher pricing transparency, and greater monetary stability. Slovakia is one of the most industrialized economies in the EU having 32 percent of its workforce employed in industry, 65 percent in services, and remaining 3 percent is agriculture. The minimum wage in 2020 was EUR 580 (USD 685) per month. The average nominal wage in 2020 was EUR 1,113 (USD 1315) per month, which is significantly lower than the EU average. Slovakia has a standard workweek of 40 hours and the law mandates a maximum workweek of paid overtimes to 48 hours. The most important revenue sources for local government include income tax, social security, value-added tax and corporate tax. The existing double taxation treaty reduces the amount of tax that the international company must pay to a state government, so they do not have to pay tax twice, in both countries.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The local legal system provides solid protection for Intellectual Property Rights. The country transposes and follows robust EU regulations and adheres to major international IPR treaties. The protection of IPR falls under the jurisdiction of two agencies. The Industrial Property Office oversees industrial property protection and the Ministry of Culture is responsible for copyrights, including software. In case of IPR infringement, rights holders can bring a civil lawsuit in the district courts and if applicable, have the right to claim lost profits. The courts can issue injunctions to prevent further infringement of IPR and in certain cases violation of IPR can be considered a criminal offense. No major IPR-related laws were passed in 2020. The EU directives on copyright are required to be transposed by June 2021. Slovakia is not included in USTR's Special 301 report or the Notorious Market List. Please consult the following websites for more information:

<https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2015/185/20190101.html>

<https://www.dusevnevlastnictvo.gov.sk/web/guest/aps>

<https://amcham.sk/home>

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. The contact attaché for the EU is located in Brussels, Belgium: Ms. Susan Wilson, susan.wilson@trade.gov, U.S. Mission to the EU, Belgium, Brussels.

For information regarding Trade Barriers & Intellectual Property Rights in the Slovak Republic please reference [The National Trade Estimate Report on Foreign Trade Barriers \(2021\)](#), (EU IP Protection: P. 212)

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Slovak Ministry of Culture www.culture.gov.sk

Section for Media, Copyright and Audiovisual Industry: smaap@culture.gov.sk

Slovak Film Institute: www.sfu.sk; sfu@sfu.sk

Creative Europe Desk Slovakia: www.cedslovakia.eu; media@cedsslovakia.eu

Slovak Film Commission: www.filmcommission.sk; zuzana.bielikova@filmcommission.sk

Slovak Audiovisual Fund: www.avf.sk; sekretariat@avf.sk

Slovak Audiovisual Producers Association: www.slovakproducers.com; slovakproducers@gmail.com

Slovak Union of Film Distributors: www.ufd.sk; ufd@ufd.sk

SLOVAK REPUBLIC

American Chamber of Commerce in Slovakia: www.amcham.sk

MAJOR FESTIVALS

Trade shows covering Media and Entertainment Industry do not exist in Slovakia. Slovakia is offering several film festivals as follows:

- 28th Art Film Fest starting June 18 – 26, 2021 in Kosice, Slovakia. Art Film Fest is an annual international film festival showcasing both popular and less known work from local and international film industry. www.artfilmfest.sk
- 16th International Film Festival CINEMATIK www.cinematik.sk taking place in Piestany, Slovakia, September 14 – 19, 2021. CINEMATIK is an annual event focusing on European and local production.
- 28th International Film Festival FEBIOFEST organized at the end of March 2021 is an annual event. The festival presents broad scale of contemporary and retrospective work at global film industry. For more information please visit www.febiofest.sk

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Slovak Ministry of Culture / Sprava o stave slovenskej audiovizie
U.S. Commercial Service Bratislava / [Country Commercial Guide](#)
Association of Slovak Cable Network Providers / Rocenka

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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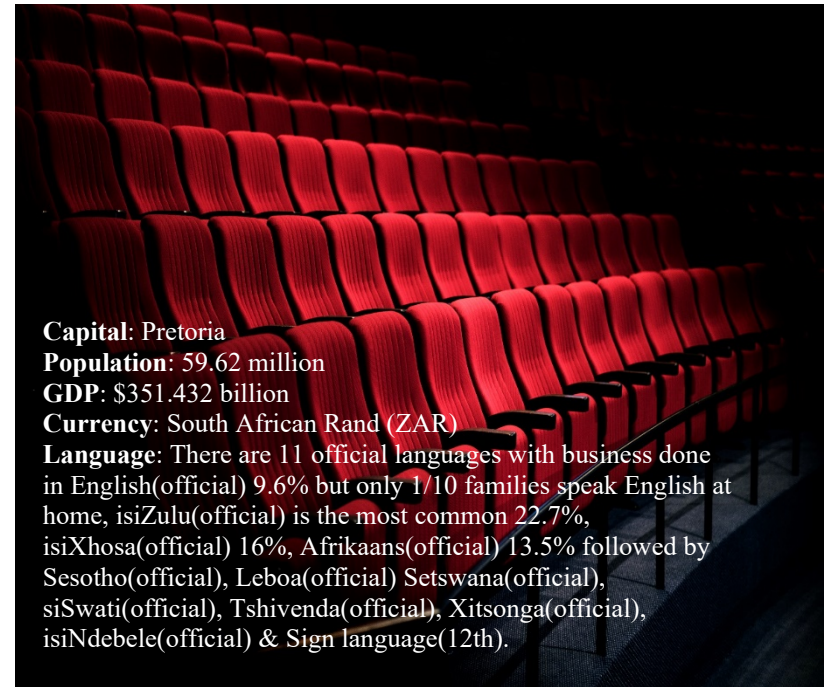
SOUTH AFRICA

SUMMARY

To understand the demand one has to look at the market. The national broadcaster 'South African Broadcasting Corporation' (SABC) has three free to air channels (SABC 1, 2 & 3). The SABC has been struggling financially for a while and currently in the process of streamlining the workforce and budget. Although it is still one of the most popular ways to view content in South Africa, it has been mired in controversy from corruption to hefty local content regulations. Local content requirements regulated by the Independent Communications Authority of South Africa (ICASA) for the three channels are as follows: SABC 1 and 2 at 55% and 3 at 35%. After the financial result for 2018/19 business confidence dropped as the SABC could not pay providers, adhere to committed contracts or commission local content which decreased business confidence and resulted in many advertising companies pulling their funding, therefore decreasing the advertising income which is duly needed as license fees collected by the end user only contribute 14%. Unfortunately to add to this, South Africa has missed the international deadline to switch from analogue to digital with a new deadline of July 2021.

On a more positive note, demand for Pay-tv continues to grow and South African provider Multichoice (DSTV) leads the way with regional content rights. DSTV has over 200 channels ranging from entertainment, sport, music, religion, language etc. It is the largest Pay TV company in the region, partly due to buying the rights to host premium sporting events. MultiChoice has partnered with Amazon and Netflix to offer their OTT services through its hardware. With the decrease in internet connection costs and increase in access, OTT/streaming platforms are available to more consumers. The top 5 streaming platforms in SA are Netflix, Amazon Prime Video, Showmax, Curiosity Stream and Apple TV. As local content remains important in gaining viewership SVODs like Netflix have started to offer both local and international content. However, the South African Department of Communications and Digital Technologies would like streaming services to adhere to a local content quota with 30% being suggested. This also comes with a proposed change to legislation suggesting that streaming services and Pay-tv broadcasters collect license fees for the SABC.

We are already starting to see international SVODs investing in the market by creating local African original series for the region from both South Africa and Nigeria. The National Film and Video Foundation (NFVF) has just announced a partnership with Netflix where ZAR28 million (USD1.9 million) will be used to fund 6 micro budget films. By genre, South Africans love Drama, with this being the most watched of all genres at 42.3%, followed by Comedy (20%), Action/Adventure (17.8%), Children (5.6%), and then Animation, Horror, Documentaries and Reality. Adaptions and remakes of U.S. unscripted shows do well in the South African market. Currently *MasterChef*, *Bachelorette*, *Survivor*, *The Real Housewives*, *Family Feud* and many more have been filmed and adapted for the local audience. There is also a big appetite for scripted formats from the U.S. and foreign content for the many channels available.



Capital: Pretoria

Population: 59.62 million

GDP: \$351.432 billion

Currency: South African Rand (ZAR)

Language: There are 11 official languages with business done in English(official) 9.6% but only 1/10 families speak English at home, isiZulu(official) is the most common 22.7%, isiXhosa(official) 16%, Afrikaans(official) 13.5% followed by Sesotho(official), Leboa(official) Setswana(official), siSwati(official), Tshivenda(official), Xitsonga(official), isiNdebele(official) & Sign language(12th).

SOUTH AFRICA

CS South Africa are working with U.S. companies that sell equipment used in broadcasting technology, especially with reference to the change from analogue to digital. Competitors in this area are mostly from China and the EU. As most of the sales are to government local partners it is beneficial to win government tenders. There are high duties on goods imported from the U.S. (on average 45%) so merchandise, in this form, is usually produced in South Africa under a license.

CURRENT MARKET TRENDS

The digital transformation is responsible for the growing numbers of consumers. Internet penetration is nearing 62%. Internet access is driving the increased number of OTT/Streaming available and increasing revenue streams from these areas. This suggests an overall rise in consumer spend for video based content services as more OTT/Streaming platforms become available and accessible.

EXPORT & LICENSING GUIDANCE

Production Permits and Travel

Each of the major provinces has a Film Office or Film Commission. These organizations assist foreign companies to get film permits, finding locations and local crews.

The three most popular provinces to film in are:

Western Cape and Cape Town: <https://www.wesgro.co.za/film/home>

KwaZulu Natal: <https://kznfilm.co.za/>

Gauteng: <http://www.gautengfilm.org.za/>

Professional international film and production teams are required to have the correct visas in place before they travel to South Africa. One needs to apply for these in the country of your origin in this case the U.S. The South African Department of Home Affairs is the regulatory body that manages visa regulations and processes visa applications. The application process may change so check on the Department of Home Affairs website on a regular basis. Currently, it is important to note that one needs a valid passport with visa and at least 3 blank pages.

Import Regulations and Duties

South Africa has entered into four audiovisual co-production treaties with Canada, Italy, Germany and the United Kingdom. The DTI states, that the effect of these agreements is that a film or television program, which is approved as an official co-production, is regarded as a national production of each of the co-producing countries and is therefore eligible to apply for any benefits or programs of assistance available in either country. The second advantage of international co-productions is that each of the co-producers brings access to their domestic market.

Film equipment used by foreign crews must be declared at the point of entry. A form needs to be completed declaring the equipment will be taken out of the country after completion of the project. Keep valuation documents for equipment which may be checked. Value Added Tax (VAT) of 14 percent is payable on purchases, but can be claimed back.

SOUTH AFRICA

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Local Agents/partners and distributors are given special preference for Broad-Based Black Economic Empowerment BB-BEE certification. This is very important if one wants to claim from the DTI's incentive schemes. Manufacturers or suppliers to government, get varying levels of procurement preferences if they qualify as a Black Economic Empowerment (BEE) partner. The criteria to become a BEE partner aim to quantify the contribution by these partnerships to empower previously disadvantaged individuals according to a varying mix of the following parameters:

- Black Ownership
- Black Management Control
- Employment Equity
- percentage of Black Skilled Personnel
- Preferential Procurement from Black/BEE Suppliers
- Skills Development Initiatives
- Enterprise Development Initiatives for Black Businesses

In March 2019, the South African Parliament passed the Copyright Amendment Bill and the Performers' Protection Amendment Bill. In June 2020, President Cyril Ramaphosa returned the bills to parliament citing constitutional concerns about the procedures used to pass the bills and substantive concerns about the contents of the bills. At that time MPs unanimously agreed to properly classify the bills according to the South African Constitution and allow for greater public consultation. Since then, the committee has not debated the bills. Separately, in April 2019, the International Intellectual Property Alliance (IIPA) requested a review of South Africa's eligibility for Generalized System of Preferences (GSP) benefits, in part based on these bills. USTR announced this GSP review in October 2019. While there is general agreement that South Africa must update its copyright legislation, these bills have been controversial and contested. Currently, the Bill allows for broad exceptions for the term "fair use" which allows for reproduction of copyrighted content under certain circumstances.

The MPA states that as internet access rapidly increases across the continent, ratification and effective implementation of the WIPO Internet Treaties is of paramount importance. These treaties require parties to establish legal frameworks that allow copyright holders to control their works published online and be compensated for them. South Africa has signed the treaties (however without a timeframe for ratification).

According to the MPA's 2021 National Trade Estimate report, value-added tax (VAT) in South Africa on online transactions serve as a barrier to both local and international companies seeking to offer affordable, legal programming and distribute content online.

SOUTH AFRICA

INVESTMENT POLICIES

Film and TV Production/Post-Production Incentives are run by the Department of Trade and Industry (DTI). Here are the three most popular:

- Foreign Film and Television Production and Post-Production Incentive
- SA Film and Television Production and Co-production
- The South African Emerging Black Filmmakers Incentive (SA Emerging Black Film)

South Africa has an unemployment rate of 32.5%. The South African government encourages foreign investment, especially if this creates local jobs. Hence various incentives are available for foreign productions as long as the specific criteria are met.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

[Department of Communications](#)

[Department of Trade and Industry \(DTI\)](#) - foreign film incentives

[Film and Publication Board \(FPB\)](#)

[SASFED The South African Screen Federation](#)

[A.S.A – Animation South Africa](#)

[DFA – The Document Filmmakers' Association SA](#)

[IPO – The Independent Producers Organization](#)

MAJOR MARKETS AND FESTIVALS

[DISCOP](#) – Dates TBC

[Cape Town International Animation Festival](#) - Dates TBC

[Comic Con Africa](#) - 23-26 September 2021

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[PWC – Global Entertainment & Media Outlook 2020 - 2024](#)

[Accenture – Unlocking Digital Value in SA's media sector](#)

[Deloitte](#)

[South Africa Country Commercial Guide](#)

SOUTH AFRICA

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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SOUTH KOREA

SUMMARY

The film industry in Korea has grown into one of the world's most active markets through the development of multiplexes and the popularity of the movie-going culture. According to the Korea Film Council, in 2019, the Korean film market was estimated to be \$5 billion reporting over 226 million moviegoers, surpassing the 200 million mark for the eighth year in a row. Overall, in 2019 South Korean consumers watched an average of about 4.37 films per capita, one of the highest numbers in the world compared to the U.S. average of 3.51 films according to data from IHS Markit.

Over the past decade, South Korea's status evolved to be a content powerhouse with popularity of "K-Wave" dramas, film, and music. "Parasite", one of the notable examples of the globalization of K-film won the 2020 Oscar's for best picture. In fact, this blended genre Korean movie became the first foreign language film to win the Oscar for best picture.

For 2020, COVID-19 substantially impacted the Korean film market. The number of moviegoers dropped by 74% from 226 million to 60 million and the average films per capita also dropped from 4.37 to 1.15 according the latest available data from the Korea Film Council. Film viewing via Over-the-top platforms (OTT) took over cinema viewing and movie releases. Many movies which have had their theatrical releases postponed or canceled

due to the pandemic were released on OTT platforms. Industry expects that OTT will continue to surpass cinema viewing this year.

CURRENT DEMAND

According to the Korean Film Industry Report for 2019, the total box office in Korea was \$1.6 billion, an increase of 5.5 percent over the previous year. However, in 2020, the box office revenue plunged by 73 percent to \$430 million, the lowest number since 2004. The digital/online revenue which includes the sales from Video on Demand (VOD) and OTT also dropped by 11 percent from \$430 million to \$383 million. * Note that these figures don't include the revenues from other value-added activities from non-theatrical sales. In 2020, the Korea Film Council (KOFIC) estimated that the total size of the Korean film market was down from approximately \$5 billion to \$4 billion. As of 2020, the number of movie screens in South Korea was 3,015.

In terms of genre, the Hollywood-style action blockbusters are trending. In 2019, action movies including 'Avengers: End Game', 'Spider-man: Far from Home', and 'Captain Marvel' generated 25 percent of total box office followed by drama, comedy, and animation.



Capital: Seoul
Population: 51.8 million
GDP: \$1,646.7 billion
Currency: Korean Won (KRW)
Language: Korean (Official), English (widely taught in elementary, junior high, and high school)

SOUTH KOREA

CURRENT MARKET TRENDS

The popularity of VOD services and OTT streaming platforms are changing the Korean film industry. These new services are opening new opportunities for film markets as accessing a wider range of content is more convenient and easier.

Moreover, niche genres are gaining in popularity in Korea. In the past, niche genres did not receive attention or time slots at the cinemas; however, thanks to the internet-based services opportunities for niche genres are increasing. Korea is welcoming more diverse filmmakers, importers, and distributors into the film market. There are growing examples of films that are by-passing the cinema and being released directly through VOD/OTT platforms, and are making a profit. There are opportunities for U.S. content providers in both the traditional cinema path and via the new internet-based services.

MARKET ENTRY

One of the conventional ways to export film to Korea is partnering with local independent importers. There are 50 local film buyers and distributors according to the 2018 Content Industry Statistics by the Korea Creative Content Agency. However, the number of local film importers is expected to decline because of COVID-19. Excluding the films handled by the US direct distributors such as Warner Bros, Walt Disney, UPI, and Sony Pictures, 90 percent of US films were released by local independent importers according to the Korea Box-Office Information System. CJ Entertainment and Lotte Entertainment produce and distribute film and are the largest importers of foreign films. Additionally, JOYNCINEMA, NOORI pictures, Pop Entertainment, Mountain Pictures are other well-known local film importers. Major film markets such as EFM, Cannes Film market and AFM provides an opportunity to build a business connection with the local Korean film importers.

As OTT services gain more popularity among Korean movie watcher, partnership with major/local OTT platforms can provide US content companies with access to local market. Competition among local and foreign OTT platforms has intensified over the past few years and these platforms are stepping up their efforts to import more contents. The most active local OTT platforms in Korea are Wavve (co-operated by terrestrial broadcasters MBC, SBS, KBS and mobile carrier SK Telecom); TVING (operated by CJ); and Watcha.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

To enter the Korean film market without complications, foreign companies must understand a number of key regulations in the market. The “Promotion of the Motion Pictures and Video Products Act” lays out the key measures governing the local film industry.

- Screen Quota: In 1960, to protect the domestic film industry, the Korean government has introduced the screen quota system. This quota remains in effect stipulating that each of the country’s screens must show domestic films for 73 days per year.

SOUTH KOREA

- Film Rating: All films, videos and other motion picture must receive a rating from the Korean Media Rating Board (KMRB). The KMRB is the public agency that provides age-based ratings. The ratings are determined with following criteria: Theme, Sex/Nudity, Violence, Language, Horror, Drugs, and Imitable Behavior. Based on the 7 criteria, the Board rates films into 5 categories: All, PG-12, PG-15, R-18, and Restricted Rate.

The Korea Communications Commission limits broadcast time for foreign films to 75 percent of all films for terrestrial television and 80 percent for cable and satellite television. Also, foreign animation may not exceed 55 percent of all animation for terrestrial television and 70 percent for cable and satellite television. OTT/VOD platforms are not subject to these quotas.

In 2020, the Korean government reformed the “Telecommunication Business Act” to regulate OTT platforms in the market, requiring content providers to ensure local network stability. OTT platforms now are obligated to provide technical prevention of errors in connection; to share contact information for customer care; and to report to local regulator in case of service failure. Any OTT platform that attracts an average of more than one million users per day and accounts for more than one percent of the country’s internet traffic is subject to this regulation.

In support of Korea’s ever-growing popularity of “K-wave” entertainment and content, the government continues to strengthen its IP protection regime. Ever since its WTO membership in the year 1995, South Korea has observed the WTO TRIPs agreement and actively participates in multilateral discussion on copyrights and other IP issues. Also, South Korea is a signatory to the following international IP agreements: the Bern Convention, the Universal Copyright Convention, the Geneva Convention, the Rome Convention, the Brussels Convention, the Beijing Treaty on Audiovisual Performances, and the World Intellectual Property Organization treaty.

In South Korea there are three government bodies that share responsibility for copyright protection: the Ministry of Culture, Sports, and Tourism (MCST) which coordinates overall copyright regimes; the Korea Copyright Protection Agency (KCOPA) which monitors and enforces copyright infringements; and the Korea Copyright Commission (KCC) which oversees copyright and serves as the non-judiciary copyright dispute resolution body. Industry assessed the South Korea authorities to be generally effective in monitoring and enforcing copyright infringements. South Korea has introduced multiple legislation to reinforce its copyright protection regime. The relevant legislation for copyright protection in the country includes:

- The Copyright Act: <https://www.law.go.kr/LSW/lsInfoP.do?lsiSeq=192474&viewCls=engLsInfoR&urlMode=engLsInfoR#0000>
- the Content Industry Promotion Act: https://elaw.klri.re.kr/kor_mobile/viewer.do?hseq=49196&type=sogan&key=8

INVESTMENT POLICIES

A jointly produced film can be recognized as a Korean film if it meets certain criteria defined by the Korea Film Council including investment share, involvement of Korean nationals in the fields of directing, scenario writing, performing, and filming location. Once a film is recognized as a Korean film, it is excluded from the screen quota system and becomes eligible for various central and local governments supported production programs.

In addition, the Korean government provides a cash rebate to foreign production companies that shoot projects in South Korea. The amount depends on the number of shooting days and the amount spent in Korea. Up to 25 percent of the total qualified expenditure can be granted with the maximum grant of \$140,000 per production. Detailed guideline for the location incentive: <http://www.koreanfilm.or.kr/eng/kofic/location.jsp>

SOUTH KOREA

MAIN COMPETITORS

In 2019, domestic movies accounted for about 51 percent of all films screened in Korean Cinemas. The success of ‘Parasite’ well-proves the competitiveness of the country’s film industry. During 2019, 502 Korean films were screened while 1,238 imported films were screened. Even though the number of screens available for imported films is limited, Korea continues to import foreign-made films. Hollywood films make up most of the South Korean box office, representing more than 46 percent market share. For the second year in a row, six of the top ten grossing films in Korea hailed from Hollywood. In 2020, the market share of U.S. films in Korean Cinemas dropped significantly due to the decreasing number of Hollywood blockbusters released amid COVID-19.

Market Share of Films by Country

	Korea	U.S.	Europe	Japan	Others
2018	50.3	46.0	1.5	1.2	1.0
2019	50.7	46.9	0.9	0.9	0.5
2020	68.7	25.4	3.2	1.4	1.5

Source: Korea Film Council (by revenue, 2018 – 2020)

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

Ministry of Culture, Sports and Tourism: <http://www.mcst.go.kr/english>

Korea Creative Content Agency: <http://www.kocca.kr>

Korea Film Council: <http://www.kofic.or.kr>

Korea Media Rating Board: <http://www.kmr.or.kr>

Korea Copyright Commission: <https://www.copyright.or.kr>

Korea Copyright Protection Agency: <https://www.kcopa.or.kr/eng/index.do>

Copyright Protection Center: <http://www.cleancopyright.or.kr/>

Korea Film Producers Association: <http://www.kfpa.net/>

TRADE EVENTS (LOCAL AND INTERNATIONAL MARKETS AND FESTIVALS)

Busan International Film Festival (October, Busan): <http://www.biff.kr>

The BIFF is the largest and the first international film festival in Korea. In 2020, 192 films from 68 countries were screened.

Asian Content & Film Market (October, Busan): <http://www.acfm.kr/kor/>

Hosted by the BIFF office, the ACFM is the largest local film market and conference. In 2019, the market featured more than 200 exhibition booths and 2,200 representatives from 56 countries.

SOUTH KOREA

Busan Contents Market (November, Busan): <http://www.ibcm.tv>

First hosted in 2006, the BCM is the trading market for local video contents. The trade show also features conference and funding sessions. In 2020, 433 representatives from 37 countries participated.

Jeonju International Film Festival (April, Jeonju): <http://www.jiff.or.kr/>

The JIFF is one of the major film festivals in Korea mainly highlighting independent and short films. In 2019, 262 films from 52 county were screened.

Bucheon International Fantastic Film Festival (July, Bucheon): <https://www.bifan.kr/>

The BiFAN has established its identity as a fantastic-genre film festival. In 2020, the festival attracted about 36,000 horror, thriller, fantasy, and animation film fans from both offline and online.

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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SPAIN

SUMMARY

While the COVID-19 pandemic has had a significant impact on the Spanish media industry as a whole, its effects on specific sub-sectors have varied widely. COVID-19 has driven the transformation in which the industry was immersed and has accelerated key aspects such as digitization, personalization or the intelligent use of data, all caused by ongoing changes in consumers behavior. While the data included in this report refer to the year 2019 and the estimates and projections are based on the data existing at that time and the behavior-based trends known until then, trends have been altered in an unprecedented way due to the pandemic.

The health crisis has increased the consumption of video on demand in Spain, boosting over-the-top (OTT) revenues by 26 percent in 2020. Pay TV continues to expand and reaches more than 10 million households in Spain.

The Spanish government offers a lucrative tax incentive for international films and TV series, making Spain one of the most competitive destinations in the area.

CURRENT MARKET TRENDS

The filmed entertainment sector, which includes motion picture, television and video was valued at 4,654 million euros in 2019. This is the fifth consecutive year of growth, although it has been considerably reduced compared to 2018, when the sector increased its turnover by 33.3 percent. The greatest growth will come from OTT movie streaming services with 6 million viewers. In 2019, 53 percent of Spanish households had some type of paid television service, with Netflix being the platform with the highest number of subscribers, followed by Amazon Prime and HBO. Netflix represents 59.8% of total subscribers to these platforms. Pay TV revenues amounted to 572 million euros, which places it ahead of free-to-air television, which in 2019 reached 461 million revenues according to the Association for Media Research. Netflix opened a production center in Madrid in 2018 and has chosen Spain to host their first European Production Hub. Netflix plans to launch 15 shows made and produced in Spain, and to date has created 13 co-productions and 17 original productions on its soil. Box office revenue reached 624 million euros in 2019 and 105,5 million viewers, the best result in the last decade, according to data from the Spanish Film Theatre Exhibitors Federation (FECE).

Spain is the only country in the European market that maintains an average movie ticket price (€ 5.91) below the European average (€ 6.28). In the last 6 years, the number of spectators has increased by 37%, from 76.9 million in 2013 to 105.5 million in 2019. The number of Spaniards who attend theaters at least once a year has increased 3.8 points in the last 4 years. The Spanish Film Theatre Exhibitors Federation (FECE) has declared an estimated investment of 100 million euros in 2019, mostly destined for the opening of new entertainment complexes, remodeling theaters and installation of new technologies, representing a total of 153 new screens available to viewers. Like the rest of Europe, revenues are being driven mainly by the list of successful Hollywood box office movies, with the exception of the Spanish film *Father There Is No More Than One*, which came in #8 out of 10 in 2019 box office revenue.



Capital: Madrid
Population: 47 million
GDP: \$28,668
Currency: Euro (EUR)
Language: Spanish

SPAIN

The government of Spain will allocate 13 million euros to boost the film industry in the face of losses caused by the pandemic. Spain offers tax incentives for international films and TV series which make Spain one of the most competitive destinations in the area. The law that regulates these incentives can change every year. These incentives are applicable to any Spanish producers, registered on the Ministry of Culture and Sport's Film company Register, who are managing a foreign production.

CURRENT DEMAND

Augmented reality and virtual reality are emerging trends in current Spanish production. The government presented Spain's digital 2025 strategy including ten strategic axes with which the aim is to promote the process for the digital transformation in line with the digital strategy of the European Union. One of its objectives is to improve the attractiveness of Spain as a European audiovisual platform to generate business and jobs, with a goal of increasing audiovisual production in the country by 30 % by the year 2025.

EXPORT & LICENSING GUIDANCE

Typical buyers, licensors and distributors of film and TV including streaming in Spain might include state and regional government, small and medium sized private companies, and large private companies. Preferred business strategies to enter/expand in the market might include identifying key buyers and distributors to the Spanish market and setting up an office in country.

U.S. Department of Commerce Country Commercial Guide: [CCG Spain](#)

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

A cinema Law (Royal Dree 2062/2008 of 12 December) contains anti-piracy measures and changed official mandatory proceedings between film production companies and the Spanish authorities, simplifying the process to obtain a certificate of nationality, film qualification, distribution certificates, or registration in the Register of AV companies. A provision was included to allow the production companies and TV channels to agree on how to invest 5 % of the TV companies' gross income. TV channels can decide when and on which films to invest. In addition, the decree gives an inventive to Economic Interest Associations to invest in movie production, opting for the same forms of aid as other film production companies.

Spanish Intellectual Property ("IP") legislation is consistent with other EU Member States' IP laws. Spain has ratified the most relevant international treaties in this field, which entails that non-Spanish nationals may obtain protection of their IP rights in Spain, and that Spanish nationals may obtain such protection in virtually every other country in the world.

For information regarding Trade Barriers & Intellectual Property Rights in Spain please reference [The National Trade Estimate Report on Foreign Trade Barriers \(2021\)](#), (EU IP Protection: P. 212)

SPAIN

MAIN COMPETITORS

The Spanish feature film distributors market is dominated by Hollywood companies, including Sony Pictures, Walt Disney Pictures, Paramount, Warner Bros. and the Spanish Independent distributor DeAplaneta and AContracorriente Films. The main production companies are Grupo Prisa, Grupo Vocento, Grupo Mediapro, AtresMedia and Mediaset.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

ICAA – Institute of Cinematography and Audiovisual Arts

(www.culturaydeporte.gob.es/cultura/areas/cine/el-icaa/direcciones-telefonos.html)

SGAE - The Spanish General Society of Authors and Publishers (www.sgae.es/)

APPA – Association of Audiovisual Production Professional (www.asociacionappa.es)

EGEDA. Society for Services to Audiovisual Producers (<https://www.egeda.es/>)

SPAIN FILM COMMISSION NETWORK (www.shootinginspain.info/en/about-us)

FECE - The Spanish Film Theatre Exhibitors Federation (FECE) (www.fece.com/)

FEDICINE – Federation of Cinema Film Distributors (<https://fedicine.com/en/>)

AMI – Information Media Association (www.ami.info/que-es-ami)

AIMC: Association for Media Research (www.aimc.es/)

IAB: Internet Advertising Bureau (www.iabspain.es/)

RED.ES – ONTSI - National Observatory of Telecommunications and the Society of the Information

(www.red.es/redes/en/quienes-somos/redes)

SEAD: Secretary of State for Digitization and Artificial Intelligence

(<https://avancedigital.mineco.gob.es/es-es/Paginas/index.aspx>)

MAJOR MARKETS AND FESTIVALS

European Film Market Berlin Online – March 1-5, 2021, Berlin, www.efmberlinale.de/en/home/homepage.html

Berlinale is one of the biggest media events in the film industry

San Sebastian International Film Festival – September 17-25, 2021, www.sansebastianfestival.com/in/

MIPTV Digital, April 12-16, 2021, Cannes, www.miptv.com

SPAIN

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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UNITED KINGDOM

SUMMARY

The UK has one of the most successful filmed entertainment and streaming markets in the world. Its wealth of home-grown talent, high quality production facilities, popular filming locations, and ongoing government initiatives and support, are helping to drive post-Brexit and Covid-19 recovery, investment, and growth. The country is home to many large local and international companies however the majority of firms in this sector are small (1 to 200 employees). London is a main hub for companies involved in film, television and video production, post-production, and distribution. There are clusters of activity in the East and South East of England, Scotland, Wales, and Northern Ireland. Key hubs for animation include Bristol, Cardiff, Dundee, London, and Manchester. UK film facilities are situated across the country with large studios such as Pinewood, Elstree, and Warner Bros Studio in Leavesden. The country also offers a wide choice of indoor and outdoor filming locations, including stately homes, vast landscapes, villages, and cities. Construction work is expected to start on a new film and television studio, Liverpool Littlewoods, sometime this year. There continues to be strong demand for film and television content. Until the Covid-19 pandemic cinema admissions remained high. Lockdown measures have resulted in a rise in demand for home viewing content. The appeal of UK and international films or television programs crosses the demographic, irrespective of age, ethnicity, or socio-economic status.

CURRENT MARKET TRENDS

The UK filmed entertainment market, which includes film, television, and video production, post-production, and distribution activities, had a turnover of approximately \$26 billion in 2018 (Source: Office of National Statistics (ONS)). According to the British Film Institute (BFI), UK film production spend amounted to \$1.9 billion in 2020, a fall of thirty-one percent from the previous year. Inward investment accounted for eighty-nine percent and domestic production or co-productions for eleven percent of this figure. U.S. studio supported productions contributed to approximately seventy-eight percent (\$1.5 billion) of total spend. Independent films twenty-two percent. Spend on High End Television (HETV) productions amounted to \$1.5 billion in 2020, a fall of twenty-eight percent on the previous year.

Inward investment and co-productions accounted for seventy-six percent of the total figure. The country also has a very successful and celebrated animation industry however spend on animation production also fell by seven percent to \$84 million in 2020. Inward investment and co-productions combined accounted for seventy-three percent of this total. UK animation studios have a close relationship with their U.S. counterparts.

UNITED KINGDOM

The main television broadcasters are the BBC, ITV, Channel 4, Channel 5, Sky and S4C. They also offer additional specialist channels and Broadcast Video on Demand (BVOD) or Advertising on Demand (AVOD) catch-up services. Content is a mix of broadcaster produced or commissioned work from independent production companies. Some channels focus on particular genres or audiences. For example, 5USA screens imported U.S. films and television. The digital television service, known locally as 'Freeview' encompasses approximately one hundred television, radio, and interactive services, including the above channels and other independent commercial broadcasters. Audiences also have the choice of various pay cable, digital satellite, and streaming subscriptions, Sky Digital, Sky Now TV, Netflix, and Amazon Prime being among the most popular.

Over the Top (OTT) services and the video market generated revenues of approximately \$3.8 billion in 2019. Research by Ampere Consumer has found that BVOD has the largest audience followed by online Video on Demand (VOD) and SVOD services. Growth, which increased substantially during the pandemic, is being driven by SVOD. The segment is currently dominated by providers such as Netflix and Amazon Prime Video, who have monthly users of approximately 9.9 million and 7.7 million subscriptions, respectively. New SVOD providers also continue to enter the market (Apple TV, Disney+). Ampere Consumer has identified a gap in the market for the AVOD space. It found approximately 65% of users accessing AVOD or catch-up services. The provision of direct-to-consumer (DTC) services has not grown in the UK, mostly because of the dominance of public service broadcasters and Sky, which has contracts with content providers such as HBO. In late 2019 UK based Sky announced the full integration of Netflix into its advanced Sky Q set-top box, bundling the service into some customer packages, an added-value move to reduce churn. In October 2018 Sky Plc was acquired by Comcast. The shift towards streaming services is expected to continue as the market and service offering widens and demand grows. Ofcom found younger audiences (18-34 years) watch more VOD services as opposed to older viewers (50-64 years) who favor traditional broadcasters, such as the BBC or ITV, and their BVOD catch-up services.

CURRENT DEMAND

The popularity of VOD and increase in demand for exclusive content is creating opportunities to license, distribute, or produce content. SVOD service providers typically offer a larger percentage of scripted, international content, across genres such as crime, thriller, or action. Boxsets are also popular. BVOD services typically provide more locally made and unscripted offerings such as reality shows, entertainment, or documentaries. Main broadcasters such as the BBC are known globally for their high-quality content and work with foreign broadcasters. U.S. films and television shows have always been extremely popular and are widely available across all services. Filmed entertainment also remains popular with audiences across all platforms, from cinema to the various choice of home entertainment providers. Cinema admissions totaled 176.1 million in 2019 and are expected to increase again following end of the pandemic. Approximately twenty-five percent of films released in the UK in 2019 were U.S. made. They represented fifty percent of box office earnings. Films from Europe, India, and other parts of the world are also popular (Source: BFI).

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UK's Top Ten Film releases by Genre in 2019

Genre	Releases	Percentage of Releases	Gross Box Office	Percentage of Total Box Office	Top Performing Titles
Action	102	13.4	328.3	25.2	Avengers: Endgame
Animation	40	5.2	312.1	24.0	The Lion King
Drama	264	34.6	166.4	12.8	Downton Abbey
Comedy	136	17.8	83.5	6.4	Yesterday
Biopic	19	2.5	80.7	6.2	Rocketman
Thriller	20	2.6	75.3	5.8	Joker
Sci-Fi	3	0.4	64.3	4.9	Star Wars: The Rise of Skywalker
Horror	37	4.8	60.6	4.7	IT: Chapter Two
Adventure	8	1.0	44.5	3.5	Aladdin
Family	5	0.7	42.7	3.3	Dumbo

Source: BFI. Remaining genres: Romance, Musical, Documentary, Crime, Mystery, War and Fantasy.

The following table shows who Foreign Sellers of Film (other than US major studios and a few well-known independents) work with to license independent films to the UK.

Note: this is provided in the context of theatrical releases before they were affected by cinema temporary closures beginning in 2020.

UK's 3 Types of Film Buyers

Distributor and Sales Agent categories	Role	Examples
First tier independent distributors	Predominantly handle product that their parent companies have produced or acquired for North American, or, in the case of select major studio films, for international release	Entertainment Film Distributors; Studio Canal; London offices of eOne, Lionsgate UK, and STX International.
Second-Tier distributors	Are more likely to license an independent film for the U.K. While sellers may ask for a full theatrical window, the Second-tier distributor will give an estimate of what the windows are going to be in order to maximize revenue.	Altitude Film Sales, Dogwoof, Kaleidoscope
UK Sales Agent	Going with a sales agent may mean a film has been judged to not have the potential for a U.K. theatrical release. However, this is not always the case.	

Source: IFTA

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According to IFTA, “instead of licensing independent films, the Free TV Channels (BBC, ITV, Channel 4, Channel 5) fill their schedules with game shows, reality programming, in-house and commissioned TV series, and major studio films. However, sales of commercially viable independent films can happen in particular to Channel 4 and Film 4 which still have movie slots. While the BBC rarely buys independent films, they will acquire titles that fit their criteria of being “British,” have a popular theme, or are festival worthy. Selling catalog titles to Free TV to be played in conjunction with a relevant current event can also be a winning strategy for some distributors”.

EXPORT & LICENSING GUIDANCE

Production Permits and Travel

Companies wishing to film on UK public land, roads or in buildings need to apply to the respective regional council or local authority. It may be necessary, in some cases, to obtain the permission of the local police force and have their presence on set if filming with weapons, using police uniforms or in areas that could impact public safety. Regional screen agencies such as Creative Scotland www.creativescotland.com or Film London www.filmlondon.org.uk, can help to identify locations, cast and crew, help obtain relevant permissions, and offer advice on potential tax relief or funding.

The U.S. is on the list of non-visa national countries therefore U.S. creative workers, such as crew members or performers that are being paid by or sponsored by a foreign party outside of the UK to engage in entertainment activities for a period of less than six months, may be able to work here without a visa. Visitors must be able to meet certain criteria, including having sufficient funds for their own travel costs and living expenses, to qualify. Anyone planning to stay for a period of six months or more will most likely require a visa. Please visit the Gov.UK web site for more information www.gov.uk/check-uk-visa/y/usa/work/longer_than_six_months

Employment, Health & Safety and Contracts

There are no major employment labor concerns in the UK. The main employee unions: Equity for performers; BECTU for non-performance workers working in broadcasting, film, and media; and The Writers’ Guild of Great Britain (WGGB), support and advise their respective members on working conditions and pay. Initial information regarding Health and Safety requirements for the film and broadcasting segment can be found on the UK Health and Safety Executive web site www.hse.gov.uk/entertainment/index.htm Visit the following Gov.UK. web site for information on employee rights, contracts of employment, payroll etc. www.gov.uk/browse/employing-people/contracts.

U.S. companies wishing to appoint an agent or distributor need to ensure agreements or contracts adhere to UK law. For example, the Commercial Agents (Council Directive) 1993 establishes rights and obligations of commercial agents and their principals. It includes minimum periods of notice and grants agents the right to commission on transactions following termination of a contract. Any agreements or contracts should be vetted by a legal advisor that is qualified in UK law. The Commercial Service in London can provide a list of local law firms and accountants.

IMPORT REGULATIONS AND DUTIES

Businesses wishing to import goods such as film equipment may qualify to use an ATA Carnet, a customs document that permits the temporary import of professional equipment, with relief from duties and taxes, for up to one year. The carnet serves as a goods declaration for export, transit and import. (www.atacarnet.com/what-carnet) Items remaining in the UK may be liable to duties and standard tax of 20% (VAT). Visit www.gov.uk/import-goods-into-uk

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for a step-by-step guide on how to import goods into the UK. Commodity codes, duty and tax rates can be found on the UK Tariff at www.gov.uk/trade-tariff. The UK is seeking to enter into a free trade agreement (FTA) with the U.S. Negotiations under the previous U.S. administration reached a fifth round of discussions in October 2020. A U.S.-UK FTA could potentially result in benefits such as non-tariff barriers, collaboration in areas such as data flow or intellectual property. It is not known when or if talks will resume.

Value Added Tax (VAT)

For companies providing goods from the U.S., non-UK established sellers are now required to charge UK VAT on sales of \$185 (GBP 135) or less to UK customers at the point of sale and maintain on-going VAT compliance (VAT invoices, returns, and Payments) www.gov.uk/guidance/vat-and-overseas-goods-sold-directly-to-customers-in-the-uk

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

U.S. companies should not encounter any political or trade barriers to entry. The U.S. remains a substantial investor and influential player in the market and there is strong demand for U.S. films, television, products, and services. The cost of doing business can be high and there is a competition across all segments of the industry. The UK legal system provides a high level of intellectual property rights protection and enforcement mechanisms that are comparable to those available in the U.S. Automatic copyright protection is granted on creation of works such as film, television recordings or broadcasts, writing or literary works. Trademarks and patents need to be applied for. The Intellectual Property Office (IPO) is the official UK government body responsible for intellectual property rights including copyright. Its web site contains comprehensive information on UK law and practice www.gov.uk/government/organisations/intellectual-property-office Also visit International Trade Administration (ITA) web site www.trade.gov/protect-intellectual-property for more information. Intellectual property crime in the form of product counterfeiting and piracy, through the supply and access to content via illicit streaming devices (ISD's), continues to rise. UK authorities take a strong stance against IP crime however it is likely a year-on-year increase in illegal activity will continue. Visit Stopfakes.gov for resources and training on how to protect IP overseas.

Video-on-Demand (VOD) Catalogue Quota – The Government will transpose the minimum, mandatory requirements of the 2018 Audiovisual Media Service Directive (AVMSD) into UK law for the purposes of future alignment with its closest trading partner. The necessary secondary legislation was laid on 30 September and is expected to enter into force on 1 November. This will include transposing into law the 30 per cent share of European Works in VOD catalogues and related prominence requirements. The Government's formal response to the consultation on the 2018 AVMSD states that it does not intend to introduce a financial contribution obligation ("a levy") but will keep this issue under review. UK content will continue to qualify for European Works status after EU exit as a country party to the Council of Europe's Convention on Transfrontier Television, unless and until sufficient pressure is placed on the European Commission try to remove this status as part of the next review of the AVMSD legislation in 2026.

Digital Services Tax (DST) – In April 2020 the UK introduced a new two percent tax on the revenues of search engines, social media platforms, and online marketplaces that derive value from UK users. In line with the European Commission and other EU Member States, the UK plans to introduce a DST to try to tackle the perceived misalignment between the place where profits are taxed and the place where value is created. It also aims to address a strong public perception in the UK that large, multinational companies are not making a fair contribution through taxation to supporting UK public services. However, the UK

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does recognize that the most sustainable long-term solution to the digitization challenge is reform of the international corporate tax rules, and is backing G7, G20 and OECD talks on an international solution. The current Government has therefore committed to adjusting the proposed DST once an appropriate global alternative is in place.

Internet Piracy – Online piracy remains the prevalent form of film and TV piracy in the UK, with streaming of film, TV and sports content via TV-connected boxes and other physical devices, and via digital apps and add-ons accessed via laptops, tablets and smaller devices. Organized criminal gangs, still heavily involved in optical disc piracy, are increasingly involved in the importation, configuration, and marketing of piracy devices and apps. MPA appreciates the Border Agency’s increased interest to deal with this problem.

For information regarding Trade Barriers & Intellectual Property Rights in the United Kingdom please reference [The National Trade Estimate Report on Foreign Trade Barriers \(2021\)](#). (UK IP Protection: P. 542).

Investment Policies

The UK Government offers a very generous package of tax reliefs to the creative industry, including film, television, and animation development and production companies. International applicants can apply if they meet criteria, which varies, in order to qualify. Additional information can be found here: www.gov.uk/guidance/corporation-tax-creative-industry-tax-reliefs

Television Broadcast Licenses

Broadcasters that are located in the UK, including VOD service providers, are regulated and licensed by UK regulatory body the Office of Communications (Ofcom) www.ofcom.org.uk Ofcom’s Broadcasting Code outlines required standards in programs. Currently, companies that provide SVOD services to UK audiences and are located outside the country fall outside the sphere of Ofcom regulations. For companies located in the EU, the Audio-Visual Media Services Directive (AVMSD), which outlines rules for television and streaming services, is transposed into members states national legislation. In December 2020, the UK Government announced that all providers, regardless of location, could become subject to UK regulation.

SAMPLE OF COMPETITORS

The UK is home to many studios including Warner Bros Studios Leavesden, Pinewood, Elstree, and Ealing Studios. Television broadcasters include the BBC, ITV, Channel 4, S4C. Cable TV: CBS, Discovery, Film 4, MTV, Sky, and Sony. VOD providers/companies: BBC iPlayer, All4, Disney+, Netflix, Amazon Prime Video and BritBox. Production and Distribution companies: Aardman Animations, Working Title Films, Eon Productions, Lionsgate, 20th Century Fox, Sony Pictures, and Metro-Goldwin-Mayer. There is also a variety of small and medium sized companies across the sector.

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KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

British Film Commission www.britishfilmcommission.org.uk
British Film Institute www.bfi.org.uk
Film Distributors Association www.filmdistributorsassociation.com
UK Screen Alliance www.ukscreenalliance.co.uk
Department for Digital, Culture, Media and Sport
www.gov.uk/government/organisations/department-for-digital-culture-media-sport

MAJOR MARKETS

The Photography Show & The Video Show (public),
NEC Birmingham – September 18-21, 2021
www.photographyshow.com
Exhibition floor and seminar for amateur through professional photographers and filmmakers.

BSC Expo, Battersea Evolution London,
UK – February 10-12, 2022
www.bsceexpo.com
Film and TV production equipment and technology.

The Media Production and Technology Show,
London Olympia, UK - May 11-12, 2022
www.mediaproductionshow.com
Media and broadcast industry show, covering all aspects of content creation from pre-production to post-production distribution.

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U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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A black video game controller is shown from a low angle, resting on a dark wooden surface. The scene is illuminated with a strong blue and purple glow, creating a moody atmosphere. The controller's buttons and joysticks are visible, and a thin cable extends from the right side. The background is a blurred wooden texture.

Industry Resource Guides for the

VIDEO GAMES SECTOR

Media & Entertainment Global Team

BRAZIL

Note: The exchange rate used in this report is of 3.946 BRL per 1 USD for 2019 data, and 3.655 BRL per 1 USD for 2018 data. These are the official average rate of those years according to the U.S. Federal Government. This exchange rate is being used because much of the data in the report are from those years. However, please note that the official yearly average exchange rate of 2020 was 5.151 BRL per 1 USD.

SUMMARY

Brazil is currently the 13th largest videogame market in the world and the second in Latin America – after Mexico. In 2019, the industry registered total revenue of US \$1.6 billion and the number of players reached 81.2 million, making Brazil the fourth largest consumer market in the world for games. The industry is expected to register an increase in revenue of 13% at constant 2019 prices, due to an uptick in demand as a result of the global pandemic. Revenue is expected to show an annual growth rate of 10.76% between 2021 and 2025, resulting in a projected industry value of US \$ 2.1 billion by 2025.

The strong growth in these numbers has had a positive impact on the labor market in the industry. The number of digital game developers in Brazil grew 164% between 2014 and 2018, from 142 to 375. These companies employ more than 2,700 professionals and 72% are micro companies (annual revenues of up to US \$ 22.160).

CURRENT MARKET TRENDS

Most Brazilian companies develop PC, web, and smartphone games (iOs and Android systems) since a special developer license is needed to create games for consoles. Game developers have been focused on enhancing gaming experience by rewriting and launching codes through cloud platforms for PlayStation, Xbox, and Windows. Cloud gaming is likely to fuel demand and multi-player engagement. Additionally, there has been an increase in the use of immersive technologies like virtual, augmented, and mixed reality.

In 2019, Brazil had two digital devices per inhabitant, totaling 420 million devices (computers, notebooks, tablets, and smartphones). That same year, there were 230 million smartphones being used, more than one per inhabitant. Today, for every TV sold, four smartphones are sold in Brazil. Scholars identify a fast-digital disruption, especially amongst young people, who use smartphones for shopping, banking, and social media.

Videogame usage for educational purposes has been a growing trend in Brazil. Recently, the Ministry of Education launched an educational app called GraphoGame to support remote teaching and provide tools for families to evaluate if children are acquiring literacy abilities. The app was developed with the private sector under the National Policy of Literacy. Investments in educational games are expected to rise in both the public and private sector.



Capital: Brasilia
Population: 212.8 million
GDP: US\$1.8 trillion
Currency: Brazilian Real (BRL)
Language: Portuguese

BRAZIL

CURRENT DEMAND

Current research shows that 73.4% of Brazilians play electronic games. Most of these consumers are women (53.8% versus 46.2% of men) and fall in the 25 to 34 years old age range (this age range represents 34.7% in all gamers). 16- to 24-year-olds make up 34.6% of Brazilian gamers and 35- to 54-year-olds, 24.7%. Nearly nine out of ten gamers use smartphones as their main game platform, followed by consoles (43%), PCs (40.7%), laptops (38.2%), and tablets (15.8%). When asked about their favorite platform, half of women and men answered smartphones, with consoles representing only 20%. Additionally, purchase intention within games is remarkably high with 83% of gamers completing at least one in-game purchase in the last six months of 2018.

As mentioned above, most players in Brazil turn to mobile devices as their primary gaming source. Console and gaming-PC prices in Brazil are among the highest in the world, making them less accessible to consumers. Since 71% of Brazilians own a smartphone, the barrier to entry in the mobile gaming market is far lower. While in the U.S. 61% of the online population plays on mobile, in Brazil this number is 70%, and more likely to identify themselves as core gamers.

Mobile gamers in Brazil like to play competitive mobile games, including, strategy, racing, and shooter titles. Other competitive genres preferred by Brazilian gamers include battle royale (25% vs. 14% of U.S. mobile players) and sports (26% vs 15% of U.S. mobile players). While in the United States 42% of mobile gamers find puzzle-solving possibilities appealing, in Brazil this number is only 18%. Brazilian gamers display greater interest in character development possibilities and science-fiction settings.

Most videogame categories performed well in 2020 since demand increased due to consumers looking for entertainment options during lockdown. Physical games were amongst the poorest performers due to a shift towards digital, as sales plummeted due to the closing of non-essential brick-and-mortar stores.

56.8% of all gamers play or would like to play esports and 17.6% have participated in a championship – 47.2% of participants claim to have won money through this activity. One quarter watch esports content less than once a week, while two out of ten watch it every day. Most of these (68.6%) use YouTube to find esports content, followed by social networks (39.7%), Facebook (37%), paid TV (24.7%), Twitch (23.4%), and IGTV (18.7%). The majority (59%) of the online population watch online gaming video content, with 16% viewing gaming video content but playing less than once per month. The most regularly watched franchise by the esports audience is EA's FIFA.

The increased pressure of gamers to obtain access to games and consoles has had an effect on Brazil's federal government. In October 2020, President Jair Bolsonaro issued a decree reducing the Industrial Product Tax (IPI) on videogames and accessories by 10% over the total value: consoles and game machines now have a 30% IPI; console and game machines parts and accessories, 22%; and portable or non-portable, built-in screen consoles and parts, 6%. This is the second reduction made by the Bolsonaro administration – the first one was announced in 2019, when tariffs over consoles and game machines were reduced from 50% to 40%; console accessories that transmit images to television, from 40% to 32%; and built-in screen videogames, from 20% to 16%.

BRAZIL

EXPORT & LICENSING GUIDANCE

U.S. companies have many opportunities to partner with Brazilian counterparts to export their products and services to Brazil. Doing business in Brazil requires intimate knowledge of the local environment, including both the direct and indirect cost of doing business locally, often related to distribution, government procedures, and a complex tax structure. The Government of Brazil is the nation's largest buyer of goods and services and navigating through its procurement process can be challenging. In order to sell to public entities in Brazil, U.S. companies must either have a local partner or be incorporated in the country. The U.S. Commercial Service in Brazil strongly encourages U.S. exporting companies to utilize its range of services to identify a local partner to enter the Brazilian publishing industry.

Licensing is generally understood as an agreement under which the owner of an intellectual property right (IPR) grants authorization to its use without an effective transfer of ownership. Licenses are granted for a determined period of time and within a determined territory, on a remunerated or free-of-charge basis. A licensor may grant a license in Brazil to practically any intangible asset, including patents, industrial designs, trademarks, and copyrights.

The Brazilian Industrial Property Law (Law No. 9,279 of 14 May 1996) (BIPL) contains the general provisions on technology transfer agreements, which are further regulated by Normative Instruction No. 70 of April 2017 (70/17) of the National Institute of Industrial Property (INPI). Normative Instruction No. 70/17 specifies the following categories of agreements that involve transfer of technology:

- licensing of IP rights (use of trademarks, or exploitation of patents or industrial designs – both applications or registrations);
- assignment of IP rights (assignment of patents, trademarks or industrial designs – both applications or registrations)
- technology transfer (know-how contracts, or contracts or invoices regarding the rendering of technical and scientific assistance services), and franchise agreements

The Brazilian Copyright and Neighboring Rights Law (Law No. 9,610 of 19 February 1998) (BCL) determines that the economic rights of the author may be wholly or partly transferred by means of a license agreement. In contrast, the moral rights of the author are inalienable and irrevocable, meaning they cannot be transferred, licensed, or waived. Specifically, in relation to the licensing of computer programs, provisions are found in the Brazilian Software Law (Law No. 9,609 of 19 February 1998) (BSL).

In addition to the above, it is possible to negotiate authorizations to use one's image, likeness, voice, and name (commonly referred to in other jurisdictions as 'rights of publicity'). These individual assets fall under the category of personality rights, which are protected under several bodies of Brazilian law, namely the Federal Constitution and the Civil Code (Law No. 10,406 of 10 January 2002).

BRAZIL

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The Brazilian videogames industry is young and characterized by structural problems, including high piracy levels, a low-income population facing access barriers, and digital exclusion. In conjunction with the high cascade tax system applied to videogames, Brazil becomes a riskier market to invest in compared to others in the region.

Two different pieces of legislation provide the core legal basis for protection of intellectual property rights (IPR) in Brazil: Law No. 9,279/96 (Industrial Property Law) and Law No. 9,610/98 (Copyright Law). It is highly recommended that US exporters register their copyrights in Brazil, as the registration is a relevant document in case of disputes. Whereas literary works are registered at the Copyrights Office of the National Library Foundation (EDA – Escritório de Direitos Autorais da Fundação Biblioteca Nacional), other types of copyrightable works are registered at different bodies. For more information, please refer to the [Intellectual Property Rights Toolkit](#) prepared by the U.S. government.

Brazil is on the U.S Trade Representative (USTR) Special 301 Watch List. This designation reflects USTR’s concerns with respect to the high levels of piracy and counterfeiting in Brazil, including internet piracy.

MAIN COMPETITORS

There has been an increase in the number of videogame studios in Brazil, and games developed in-country have gained exposure abroad. In 2018, several Brazilian-made games registered reasonable sales internationally, including “Sword Legacy: Omen”, of Firecast Studios in partnership with Fableware Narrative Design, “Best Game” winner of the Lisbon Game Week; and Pixel Ripped, of Arvore Immersive Experiences, winner of the most innovative game category in the same event. The game “Horizon Chase Turbo”, of Aquiris Games Studio, was well-received by the foreign press and ranked amongst Nintendo Switch’s Indie Hits of 2018. The Brazilian Electronic Game Developers Association (ABRAGAMES) creates a number of projects to strengthen the country’s digital game industry and foster business opportunities for Brazilian companies in international markets, including the project “Exportação Brazil Games”, developed in partnership with the Brazilian Trade and Investment Promotion Agency (Apex-Brasil).

The Brazilian videogames market is dominated by the large, traditional multinational companies Sony, Microsoft, and Nintendo. All of them, except for Nintendo, manufacture in the country at the Manaus Free Trade Zone (“Zona Franca”), mostly in partnership with the electronics manufacturing service (EMS) company Flex. Nintendo does not manufacture in Brazil and, in 2015, had stopped official distribution to the country due to high taxes and import duties. Nintendo resumed distribution to the Brazilian market in 2017 by introducing its newest console at the time, the Nintendo Switch.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

The main trade associations for the videogame industries are the [Brazilian Electronic Game Developers Association](#), the [Brazilian Licensing Association](#), [Acigames](#), and the [Brazilian Information Technology Companies Association](#).

BRAZIL

TRADE EVENTS

Brazil's Independent Games (BIG) Festival 2021

May 3-9, 2021

Sao Paulo, Brazil (online)

<https://www.bigfestival.com.br/homeen.html>

BIG Festival (Brazil's Independent Games Festival) is an independent games festival and business forum in Latin America. On top of exhibiting the most innovative games in the world, the event is also a meeting point for those who want to understand gaming, with lectures, workshops, keynotes and a game business forum.

Brazil Game Show (BGS) 2021

May October 9-12, 2021

Sao Paulo, Brazil (online)

<https://www.brasilgameshow.com.br/>

Brazil Game Show (BGS) is the largest gaming fair in Latin America in terms of audience and area. In 2021, the event will reach its 13th edition, and will bring more innovation, launches and resources.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

- [Gaming Market – Growth, Trends, COVID-19 Impact, and Forecasts \(Mordor Intelligence\)](#).
- [Brazil Games Market 2018 \(Newzoo\)](#).
- [Video Games in Brazil \(Euromonitor International\)](#).

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BRAZIL

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CHINA

SUMMARY

China is the largest video gaming market in the world, with a total gaming revenue of \$42 billion in 2020. With a record high of 665 million gamers, China's total number of gamers is more than the combined population of the United States, the United Kingdom, Japan, Germany, and France. In part due to historical prohibitions on console gaming, China's market tends to be driven more by mobile gaming than other markets, with recent innovations like mini-programs embedded in platforms like WeChat driving continued growth in the subsector. Console games and PC games also continue to generate billions of dollars in revenue in China, but growth has lagged in these segments.

The Chinese government has made significant efforts in recent years to develop esports by introducing support policies and accelerating the application of new technologies. China is by far the largest market by revenue and enthusiasts. According to market researcher Newzoo, the market revenue of esports gaming in the country grew to more than \$385.1 million in 2020, without counting broadcasting platform revenues. China will have the most esports enthusiasts (those who watch professional esports more than once a month) in 2021 with 92.8 million, followed by the United States and Brazil. China will also be the largest market for games live streaming, with a projected audience of 193.0 million in 2021.



CURRENT MARKET TRENDS

China's gaming industry revenues are led by mobile games with \$32 billion revenue in 2020, roughly 75 percent of the market share. In terms of genres, role-playing games remained in the lead, while card games were on the rise.

In addition to the strong growth achieved in domestic markets, Chinese gaming companies are looking to expand to overseas markets and have had some success over the years. Chinese gaming firms' revenue from overseas markets grew from \$9.59 billion in 2018 to \$11.59 billion in 2019 and reached a record high of \$15.45 billion in 2020. The United States, Japan, and South Korea are the leading export destinations for Chinese games, accounting for over 60 percent of the total revenue generated in overseas markets.

China's esports industries also have developed rapidly. Esports has become part of the social fabric for many young Chinese, and more women have become professional esports gamers. In terms of genres, Multiplayer Online Battle Arena (MOBA) games are the most popular (68% of the total esports audience in China in 2020, according to Penguin Think Tank).

Local governments, such as Shanghai and Hainan, have introduced policies to incentivize the esports industry to transition from online to offline, encouraging more esports tournaments to be held offline. It has started a new round of industrial expansion. Most recently, China's National Development & Reform Committee has also announced that it will support Hainan in piloting the local approval of new games.

CHINA

CURRENT DEMAND

- Intellectual Property (IP) Licensing

Chinese firms are interested in importing quality Intellectual Property (IP) (characters, plots, settings from other forms of entertainment like movies, animation or novels, etc.) for use in games. IP-based games still take up a major portion of the games market. Among the top 100 highest-grossing mobile titles in China in 2019, around 73% were IP based.

- China Gaming Companies “Going Overseas”

Opportunities exist for selling your products and services to Chinese gaming companies looking to “go overseas”: for example, games localization support, cloud services, hardware and server distribution, talent recruitment, and overseas investment support.

EXPORT & LICENSING GUIDANCE

Foreign firms interested in marketing their games in China face significant hurdles. Individual games must receive content approval from Chinese regulators, and subsequently be issued a license. Games deemed inappropriate, for example for violence or sexual content, will not be issued a license. Also, graphics deemed too revealing by the Chinese government can be censored, and certain content can be banned altogether. Often, gaming companies have to release a Chinese version of the game, different from the version available in the United States or other countries, in order to adhere to China’s stringent regulations.

In order to distribute a game domestically – that is within the Chinese Great Firewall, with local payment collection – foreign developers must partner with a local firm that distributes the title on their behalf. Some developers do sell to Chinese consumers through foreign servers, such as the platform Steam, without having to undergo Chinese content review and licensing, establish a formal presence in China, or find a partner to distribute the title. However, the consumer base for this channel is limited as these platforms can typically only be accessed through a VPN, require payment in foreign currency, and the title will not be featured on Chinese versions of popular app stores like those from Apple and Tencent.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

China’s National Press and Publication Administration has tightened the approval processes for new games since 2018, making it harder for any new game, domestic or overseas, to enter the market. As a result, some smaller gaming studios went out of business, and more title numbers are being allocated to the big players such as Tencent and NetEase, etc., giving international games limited choices when choosing a Chinese partner to publish its games in China.

Please refer the [China IPR Resources](#) page for more information on China IPR issues or contact our IP experts.

CHINA

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MAIN COMPETITORS

Tencent is the leading game publisher with more than half of the market share in 2019. It has published popular games like *Honor of Kings*, *Peacekeeper Elite*, and *PUBG Mobile*. NetEase occupied a market share of about 17 percent with games like *Life After* and *Minecraft*. Other game companies like 37 Interactive Entertainment and Perfect World only gained a relatively small share of the gaming market.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

- [National Press and Publication Administration](#)
- [China Audio Video and Digital Publishing Association - Gaming Industry Committee](#)
- [China Audio-Video and Digital Publishing Association](#)

TRADE EVENTS

China Digital Entertainment Expo and Conference (ChinaJoy)

July 30- August 2, 2021

Shanghai, China

<https://www.chinajoy.net/cjdhen/>

As one of the most influential events in the global digital entertainment industry, the ChinaJoy Expo showcases online games, console games, web games, hardware products related to digital entertainment, and more.

2021 League of Legends World Championship Finals

Dates TBD

Shenzhen, China

This will be the second consecutive year that the eSports tournament will crown its champion in China. Last year, the finals were held in Shanghai.

CHINA

Herts 2021 China(Beijing) International E-sports Exhibition

June 26-28, 2021

Beijing, China

<http://www.herts-expo.com/>

A good platform for e-Sports manufacturers and professional users. A total of 930 well-known companies from more than 30 countries and regions participated in the 2020 exhibition and attracted 86,900 high-quality buyers at home and abroad.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

China Gaming industry MI Report

<https://www.trade.gov/market-intelligence/china-gaming-industry>

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FRANCE

SUMMARY

In the last few years, video games have become one of the most popular hobbies in France. In 2020, video game sales hit a new high of 5.3 billion euros. There are 36 million French gamers. This dynamic market is driven by the right balance between artistic creation and technological innovation. New game consoles have recently arrived on the market and are driving sales as well. Moreover, the long period of confinement during the last year drove French people to spend more hours playing video games. In 2019, each gamer spent an average of 8 hours and 54 minutes per week playing video games. Overall, the video game market is growing and evolving to keep up with the demands of French gamers.

CURRENT MARKET TRENDS

The French video game market in 2020 was estimated at 5.3 billion euros including hardware, software, accessories, and mobile, representing a growth of 11.3 percent compared to 2019.

The market was divided as follows:

Console: 2.707 million euros, representing 51 percent of the total market, and registering a

10 percent increase compared to 2019 figures.

PC Gaming: 1.182 million euros, representing 22 percent of the total market, and registering a 9 percent increase compared to 2019 figures.

Mobile: 1.426 million euros, representing 27 percent of the total market, and registering a 16 percent increase compared to 2019 figures.

Video games sales for 2020:

- 2.3 million consoles sold
- 27.5 million games (console + PC) sold, representing a growth of 16.6 percent compared to the previous year.
- 7 million accessories (console + PC) sold

Below are sales for each category:

Console:

Software: 1.757 million euros (+ 9.5 percent compared to 2019)
Hardware: 679 million euros (+ 11 percent compared to 2019)
Accessories: 270 million euros (+11.3 percent compared to 2019)



Capital: Paris
Population: 67 million
GDP: US\$2.7 trillion
Currency: Euros (€)
Language: French

FRANCE

PC:

Software:	491 million euros (- 1.9 percent compared to 2019)
Hardware:	516 million euros (+ 20 percent compared to 2019)
Accessories:	175 million euros (+ 13 percent compared to 2019)

Mobile:

Software:	1.426 million euros (+ 16 percent compared to 2019)
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The French market for applications (IOS and Google combined) were as follows:

By download:

Games: 53 percent
Applications: 57 percent

By consumer expenditure:

Games: 67 percent
Applications: 33 percent

CURRENT DEMAND

While targeted for a long time toward a young male audience, video games are now a hobby for all ages. The number of gamers has never been greater. The average video game player has shifted from 21 years (in 2005) to 40 years (in 2019). This intergenerational hobby includes young children and seniors. The pandemic has made this especially apparent. While in 2005, 29 percent of the French population identified as gamers, more than 71 percent of French people define themselves as gamers today.

This expansion is explained by the increase of game media (home console, portable console, personal computers and mobile devices) and women. In 2019, women represented 48 percent of gamers. This massive increase in the number of female players can be explained by the democratization of video games.

With an increasing rate of smartphones and tablets, the growth of the mobile games market is anticipated to grow in the following years.

Thanks to the first consumer virtual reality devices available since 2016, the video game sector is experiencing a real revolution. The major players in the market are working to integrate VR technology into their best sellers; this will be a boon for the industry, although it is still too early to evaluate the public interest in this new technology. The growing popularity of esports among gamers also represents a new outlet for the video game industry.

FRANCE

According to statitica.com, the bestselling video games on all gaming platforms in France in 2019 by sales volume were:

Number of Units sold in thousands:

FIFA 2020 (PS4)	1.192.52
Call of Duty: Modern Warfare (PS4)	653.71
Mario Kart 8 Deluxe (Switch)	517.25
New Super Mario Bros. (Switch)	429.63
Luigi's Mansion 3 (Switch)	395.36
Pokemon Sword (Switch)	376.64
Super Mario Party (Switch)	297.4
The Legend of Zelda (Switch)	260.01
Minecraft Nintendo Switch)	258.86
Super Mario Maker 2 (Switch)	255.09

Source:<https://www.statista.com/statistics/412464/top-10-video-games-in-france-by-volume-across-all-platforms/>

TRADE BARRIERS

There are no real trade barriers for video games, except for betting and money games. For games forbidden under the age of 18 years, it is the seller's responsibility not to sell the games to minors.

The institution which regulates video game is the Interactive Software Federation for Europe (IFSE) based in Belgium. The PEGI (Pan-European Game Information), founded in 2003 by IFSE, regulates the age rating system for video games. The system is part of the industry's commitment to protect minors and to build trust with consumers by ensuring that reliable information about video game content is provided in a responsible manner. All the major game platforms use the PEGI ratings as part of their parental control tool system.

The classification system comprises 5 age categories and 8 content descriptors.

<https://pegi.info/what-do-the-labels-mean>

<https://pegi.info/page/pegi-age-ratings>

Game publishers and game developers, in need information on how to register a company, or submit a game for an age classification, and labeling information, can visit the link below:

<https://pegi.info/page/publishers-and-developers>

More information about legislation can also be obtained by contacting the following French agency:

AFJP – Agence Francaise pour le Jeux Video (French agency for Video Game)

HTTPS://WWW.AFJV.COM/DROIT_JURIDIQUE.PHP

FRANCE

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

AFJP – Agence Francaise pour le Jeux Video (French agency for Video Game)

[HTTPS://WWW.AFJV.COM/DROIT_JURIDIQUE.PHP](https://www.afjv.com/droit_juridique.php)

TRADE EVENTS

Paris Games Week, Paris, Porte de Versailles, October 2021 (dates need to be confirmed)

<https://www.sell.fr/evenements/la-paris-games-week>

Paris Games Week is an industry-initiated event for the general public, created in 2010 by the French Union of Leisure Software Publishers (SELL – Syndicat des Editeurs de Logiciels de Loisir). The goal of this event is to celebrate video games and present the novelties and innovation. With an attendance of more than 317,000 visitors in 2019, Paris Games Week is a popular event for video gamers.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

SELL - Syndicat des Editeurs de Logiciels de Loisir (French Union of Leisure Software Publishers)

<https://www.sell.fr/lindustrie>

ISFE – Interactive Software Federation of Europe -

<https://www.isfe.eu/games-sales-data/>

AFJP – Agence Francaise pour le Jeux Video (French agency for Video Game)

[HTTPS://WWW.AFJV.COM/DROIT_JURIDIQUE.PHP](https://www.afjv.com/droit_juridique.php)

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GERMANY

SUMMARY

The German gaming market is the fifth largest in the world and the largest in Europe. In 2019 the market volume was \$7.5 billion. This figure includes: \$2.89 billion in hardware, \$2.73 billion in in-game-purchases, \$1.27 billion in in-game purchases, \$560 million in online services and \$137 million in subscriptions. The biggest drivers in growth were online services and in-game purchases. The gaming market in Germany has been consistently growing and is expected to grow further, despite the Covid-19 pandemic.

CURRENT MARKET TRENDS

34 million Germans play video-/computer games; 36% regularly and 42% occasionally. The average German gamer is 37.5 years old. The most common gaming platforms in Germany are mobile devices, with the biggest revenue stream being in-game-purchases. This is a strong upward trend. 48% of gamers are playing both on PCs and consoles with 42% playing PC - only games and 10% playing on consoles only. German companies make up 5% of the market.

CURRENT DEMAND

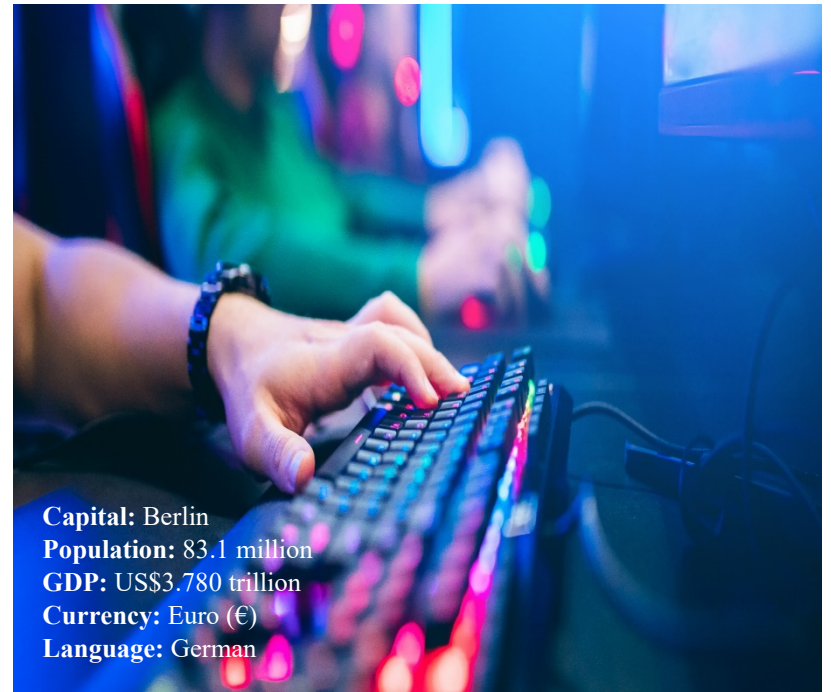
According to the Statista Global Consumer Survey conducted in 2020, the favorite genres in Germany are strategy 37% followed by action adventure 29%, simulation 29%, action (e.g., platform games, fighting games) 28%, adventure 27%, role-playing 26%, sports 25%, and shooters 22% (note: multiple answers were possible).

Mobile Gaming Market

Mobile gaming (especially free-to-play-games) is one of the most important sectors in the German market. 19.5 million German gamers use smartphones and 11.2 million use tablets for a combined total of 30.7 million devices. The most used operating system for smartphones is Android with a market share of 63.8% followed by iOS with 35.6% in early 2021. For tablets, the numbers are a bit closer; Android had a market share of 58.1% and iOS a share of 41.8% in early 2021. Following these numbers, the most successful distribution platforms for gaming software are the Google Play Store and the Apple App Store. The biggest revenue stream was in-game-purchases at a volume of \$2.2 billion in 2019. Game purchases generated only \$15.7 million in 2019. Even though Android dominates the global market, Apple has paid much more to app developers. Since iOS and the Apple App Store launched, Apple has paid \$155 billion to developers. Google has paid \$80 billion to developers since the launch of their OS (both numbers represent the money paid until 2020).

PC Gaming Market

16.3 million German gamers use a PC as their primary gaming platform. Windows is the most used OS on the German market with a market share of 78.8%. OS X (Apple) follows with a share of 17.6% in 2021. Only 2.1% (2021) use Linux OS. As with mobile gaming, in-game-purchases generated the largest revenue share of \$388 million in 2019, representing 44% of the market. \$251 million was generated via subscriptions and online services.



GERMANY

PC Gaming Hardware Market

PC gaming hardware generated \$1.94 billion in 2019. This market includes gaming PCs and gaming equipment such as headsets, keyboards, monitors, etc. The German gaming community spent \$946 million on gaming PCs and \$998 million on equipment in 2019.

Console Gaming Market

Unlike the other two markets, in-game-purchases only made up 10% of sales, totaling \$156 million in 2019. Physical purchases in 2019 generated \$781 million; 29% or \$445 million went to subscriptions for online services such as *Xbox Live* and *PlayStation Plus*. Game downloads made up 12% of the market share or \$190 million, sold primarily through console digital stores.

Console Gaming Hardware Market

The hardware market for consoles in Germany is hotly contested between Sony (PlayStation) and Windows (Xbox) and represented \$605 million in 2019. The launch of the Nintendo Switch, however, has been a success in Germany in 2020. The equipment market (which includes headsets, microphones, controllers, etc.) for consoles is also served by third party products but is still dominated by the big corporations, generating \$309 million in 2019.

Esports

In 2019, the German esports market represented \$92 million and experienced a growth of 26.7% compared to the year before. Esports has generated a lot of attention in recent years and is continually growing its fan base. The biggest sources of revenue growth are sponsoring and media rights. Advertisement and esports events are attracting widespread attention. Fans usually follow these events via Twitch or other streaming platforms.

EXPORT & LICENSING GUIDANCE

Games are primarily distributed on online platforms such as Steam, the Epic Games Launcher and GOG, to name a few. Game download sales generated \$227 million in 2019 and had a market share of 25%. Physical game sales generated \$37 million and had a market share of 4% in 2019.

Hardware Retailers

Media Markt & Saturn, Media-Saturn-Holding LLC.
Amazon, Amazon.com, Inc.

GERMANY

Online Software Distribution platforms

Steam by Valve LLC.

Epic Games Store

Origin by Electronic Arts Inc.

Ubisoft Connect

Microsoft Store

PlayStation Store by Sony Interactive Entertainment LLC.

Apple App Store

Google Play Store

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

There are no entry barriers that would prevent an American developer or publisher from entering the German market. The easiest way to enter the German market is via an online platform such as Steam or any other online distribution platform. These platforms have their own quality assurance standards, but these are usually easy barriers to pass.

Intellectual Property Rights in Germany are quite similar to American law. To make sure that IP is protected in the U.S. and in Germany (and the EU for that matter), a company should register with the *WIPO* (World Intellectual Property Organization) <https://www.wipo.int/portal/en>

The VAT on digital services in Germany is covered by the MOSS scheme (Mini One Stop Shop). MOSS means a company does not need to register with tax authorities in every EU country, instead, they can register for VAT, file VAT returns, and make payments in one EU location. https://europa.eu/youreurope/business/taxation/vat/vat-digital-services-moss-scheme/index_en.htm

There is one specialty in German law that developers and publishers should be aware of. German law prohibits the display of anti-constitutional symbols (this includes the swastika for example). Usually this law does not apply to artistic or cultural publications but in the past publishers and developers have opted to alter the German version of the game in order to prevent being indexed in Germany. You can find more information on that issue at <https://gameslaw.org/>.

The law for protecting minors (Jugenschutzgesetz) is somewhat compatible with international rules on age ratings for video games. One important difference is that gambling mechanics can affect the age rating for a game. Here is an extensive article on the German law for protecting minors: <https://www.game.de/wp-content/uploads/2016/08/MMR-08-2020-Beilage-englisch.pdf>

GERMANY

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

German Games Industry Association <https://www.game.de/en/> : Representing the industry to politics and other institutions.

Entertainment Software Self-Regulation Body (USK) <https://usk.de/en> - is the state-approved self-regulation body for publishers of digital games and apps. It can be compared to PEGI (Pan European Game Information) or the ESRB (Entertainment Software Rating Board) and fulfills similar tasks. For more information, visit <https://usk.de/en/the-usk/downloads/>

I.S.F.E. <https://www.isfe.eu/about-ifse/> - Interactive Software Federation of Europe; represents the industry on an EU-Level.

TRADE EVENTS

(Note: due to the Covid-19 pandemic this list is subject to change)

Hamburg Games Conference Online 2021, March 16th -17th, 2021

Online

<https://www.gamesconference.com/#conference> A conference for the industry to meet and network.

ESL One Cologne 2021, July 16th – 18th, 2021

Cologne

<https://www.esl-one.com/csgo/cologne/> An e-sports tournament.

GamesCom 2021, August 25th – 29th, 2021

Cologne

<https://www.gamescom.global/> The largest European gaming event for business and public visitors.

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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GREECE

SUMMARY

Despite the Covid-19 pandemic, the video games industry remains one of the fastest growing and GDP-originating industries in the world. The global gaming revenue value surpassed \$160 billion in 2020 and is estimated to almost double by 2026. Likewise, Greece is experiencing an increase in Video Gaming (including esports, A/R, V/R, M/R, mobile, streaming, online and game consoles), especially taking into consideration the country's gaming engagement in relation to its population. Advanced network technologies, new digital policies, technological advancements, and a safer cyberspace, have all played a crucial role in this growth.

CURRENT MARKET TRENDS

Greece, in the last two decades, went from an era of internet cafes and a temporary ban on electronic games to the era of streaming, esports and cloud gaming. Generations that grew up with a console or a handheld gaming device are now playing online video games on their high-tech computers and dual monitors.

Higher internet speeds allow for smooth gaming, which results in higher spending on equipment, software, and hardware. The pandemic also provided more time for people to enjoy their hobbies, or even turn their hobbies into a career. Young kids to adults, have

greater access to entertainment via their consoles, PCs, mobiles, and tablets. From store bought games to monthly subscriptions on platforms that have thousands of games available, all projections show growth.

Live streaming, a worldwide trend, is popular in Greece. In 2020, Greece introduced the Greek Gaming Day event which included hundreds of streaming hours. The online streaming platform Twitch saw a viewership increase of more than 50% in the Greek market.

Statistics show that playing and downloading games appeals to not just a younger audience, but across an aging demographic as well. In detail, 33.7% of people who played or downloaded a game in 2020 in Greece were ages 16-24, 23.1% ages 25-34, 19.8% ages 35-44, 15% ages 45-54, 5.7% ages 55-64 and 2.7% between 65-74.

In Greece, 28% of people engaged with esports are age 25-34 and 24% are age 18-24. Esports revenue totaled \$1.2 million in 2018 and is increasing approximately 10% annually. The female audience in Greece amounts to 20% which is slightly higher than the European average. Esports attracts high profile sponsors in Greece, such as Microsoft, Sony, and EA.

Esports is also trending in Greece, with the creation of various esports teams active in various games including *Fortnite*, *Dota 2*, *League of Legends*, *Hearthstone*, *CS:GO*, *Playerunknown's Battlegrounds*, *Overwatch* and recently *Valorant*, which has seen a huge increase worldwide and its first all-female team.

Statistics from 2017 put total gaming revenue in Greece at \$112 million with projections of 14% annual growth over the next four years. This projected growth appears to have been realized by early 2021.

GREECE

Revenue in the Video Game Consoles segment is estimated to be \$105 million in 2021, with Sony's PlayStation console and its games the most popular with Xbox, Nintendo Switch and PC games following. The revenue in the Mobile Games segment is projected to reach \$92 million in 2021, while user penetration is estimated at 11.9%.

VR is an area of potential growth. Companies are developing A/R and V/R environments that are used by psychologists, educators and even Greece's Ministry of Culture.

CURRENT DEMAND

2017 was a pivotal year for Greek gaming. In that year the GROW Games Expo, the Digital Expo and the Athens Games Festival were organized for the first time. Although there is increasing interest in such events, the pandemic put a temporary halt to all of them. This hasn't stopped Greek esports teams and game developers, however, from participating in worldwide events and winning competitions across borders.

Many developers and individuals in Greece are self-funded and self-developed. They have creative ideas, but no funding or exposure, which results in most gaming development happening in-house with small underpaid teams. Companies mention that more government initiatives are required for them to obtain more exposure to the public. Most of the production nowadays is based on indies and individual developers that share their content on Steam, a Valve online distribution platform. Developers continue despite the challenges, viewing gaming as a form of art which has helped generations. In Greece, an entire generation has learned English just by playing online video games.

Research shows that Greek male gamers (45%) prefer action-adventure games, while female gamers (55%) prefer mostly puzzle games. 50% of gamers use PC/laptops. 32% of gamers play every day and around 27% play 1-3 times per week. 44% prefer buying digital copies and 38% choose the cheaper option available, for example, a digital copy without featured bonuses. Even though internet speed has increased and now internet service providers offer up to 100mbps of speed, around 49% of gamers still face connection issues and low speed. 65% mention they receive gaming suggestions from friends and family, 26% from gaming forums and the rest from social media influencers and content creators. Around 9% of gamers create their own content and only 1% of them are currently paid, either through advertisements or sponsors. Generally, Greek gamers purchase games over more than 14 different platforms such as Steam, Battle.net, Origin, Ubisoft and more. Many play free-to-play games, such as *League of Legends*, but still purchase in-game content one to three times per month.

EXPORT & LICENSING GUIDANCE

Video games are a non-frontier industry. With exceptions, most consoles are region-free and are only customized for voltage and licensing. With the growth seen in worldwide consumption of digital and physical gaming, brands can include licensing, partnerships, and sponsorships for increasing success as a marketing tool.

The European Commission is trying to evaluate the cross-border sales and in one case ended up fining six game publishers for breaching EU antitrust rules for "geo-blocking" practices. Greece is a part of the EU Digital Single Market which offers the opportunity to any EU consumer to search and purchase the best offer for them in the EU.

GREECE

Greece follows all European Directives regarding eCommerce and adheres to PEGI (Pan-European Game Information) for rating video games and content to protect minors.

To attract foreign investment and promote in-country production, the Greek government has introduced a 2018-2022 cash rebate for Entertainment. Particularly, for digital games a 40% cash rebate is offered as an investment incentive. The rebate covers production or post-production in Greece. Together with the country's separate tax relief program, the rebate may reach 50% of the overall production cost and 60% for EU co-productions. Minimum spending for digital games is 30,000 euro and there is no cap.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The Greek video games industry is new and although there are no known banned video games currently in Greece, the country went through a controversial period of banning gaming. In 2002, the Greek government introduced law 3037/2002 which banned all electronic gaming, mainly to restrict illegal gambling from public places. This law conflicted with the European legislation and was amended. Greece was referred to the European Court of Justice and in 2011 finally revoked the law. Since then, video gaming content has flooded the market.

VAT for video games is 24%, as with all electronic goods. Duty rates differ from 0% to 17%. Computer accessories are classified under Movies, Music & Video Games and are taxed on the sum of the items cost, insurance, and shipping on a general amount of 3.5%, although this may vary. For example, mobiles, tablets, computers and gaming are charged 0% duties, while audio video is charged 2%. Particularly for gaming consoles, there has been an increase in tariffs when importing from the U.S. directly which has caused frustration to consumers purchasing new consoles this past year.

Import and export documents require a commercial invoice, Intrastat, and a packing list, as well as a Bill of lading for exports and a CMR waybill for imports. A battery statement may also be required. Tax and duties are calculated on a CIF method. There is no tax threshold, while the duty threshold is 150 euro. As a member of the European Union and the World Trade Organization (WTO) Greece follows the global rules of international trade policy. In detail, it adheres to the EU Regulation No. 952/2013, a basic legislative act of the Union Customs Code and the National Customs Code (Law 2960/2001) which includes specific rules regarding customs procedures, duty assessment and collection and sanctions against customs violations. The Common Customs Tariff and the Integrated Tariff (TARIC) are applied to goods from non-EU countries. EU goods fall under the rules of the internal market and the Common Commercial Policy. Union Customs Code is implemented by EU that ensure Greece and other member states apply the rules in uniformity.

In 2020, Greece was removed from the USTR's Special 301 Annual Watch List in recognition of its progress on protecting intellectual property rights. Greece has made continuous efforts to block pirated content and is actively trying to ensure intellectual property rights are not violated. Greece follows the EU framework to help the video game industry grow in a safe manner.

GREECE

MAIN COMPETITORS

Main competitors in the Greek gaming market include mainly U.S. companies such as Activision, Riot Games, Electronic Arts, Blizzard Entertainment, Valve Corporation and more. Game development, designing and programming in Greece is still a niche area that has seen increasing engagement the last decade. Greek game developer companies include: Avaca Technologies, Aventurine, eNVy softworks, Icehole Games, InterAction Studios, Leap, Loresoft, Tenebra Studios, Terahard, Total Eclipse Games and more. Stores selling gaming products include: Public, Kotsovolos, Media Mrkt, and various small shops through Skroutz.gr an online price comparing platform. The lists are non-exhaustive.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

[National Center of Audiovisual Media and Communication](#) - EKOME
[gi-Cluster - Gaming and Creative Technologies](#)

TRADE EVENTS

The pandemic of 2020 halted trade events in Greece, though the local industry remained active with online global events. Most events in Greece are organized for gamers including the RedBull Campus Clutch or the Greek Gaming Day which was first introduced in December 27, 2020. The last trade event, the Digital Expo 2019, gathered more than 20,000 attendees. There is an increasing interest for introducing gaming in education, so DEX Greece together with the Mediterranean College organized a webinar for start-up companies in the gaming and e-sports field.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[Hellenic Statistical Authority](#)
[Europe's Video Game Industry](#)
[EKOME – Digital Games Cash Rebate](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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THE NORDIC REGION

SUMMARY

The European video game market had a turnover of 14 Billion USD and has grown by 55% since 2014. The Nordic video game market is estimated close to 1 Billion USD.

Swedish video games alone have been calculated to reach over a billion players worldwide. The total value of the Norwegian game industry was 328 million USD in 2018. Video gaming in Finland consists of active video game developer studios and roughly a dozen professional players.

Country	Number of Companies	Revenue Million Euro	Number of Employees
Sweden (2019)	435	2,318	5,925
Finland (2018)	230	2,200	3,200
Denmark (2018)	159	123	1,009
Norway (2018)	388	37	285
Iceland (2016)	18	53	450

Source: Game Develop Index 2020, [Swedish Games Industry](#).

Esports have experienced a substantial growth in demand and is driving the overall gaming industry globally. esports in the Nordics has a high popularity rate. The Finnish Olympic Committee has established esports as a part of the country's sports community. Sweden is hosting multiple eSport events and tournaments through DreamHack, and Norway has several professional eSport players. Danish esports are growing, and the professional players and teams have performed well internationally. Denmark is also the first country in the Nordics to have a planned esports strategy.

CURRENT MARKET TRENDS

In 2020, there was an increase in digital sales of video games. The latest report on the European gaming market shows that more than half of the population aged 6-64 plays video games. The same trend can be seen across the Nordics.

In the wake of the COVID-19 outbreak, online gaming is picking up its pace as one of the best options for stay-at-home entertainment. Free-to-play online video games such as Fortnite and Apex Legends have grown in the last couple of years. The trend is the same with mobile (smartphone) gaming. In 2020, there were more than 200 million smartphone players last year in the US alone. This growing demand for mobile games is a direct result of the multiple technological advancements in the market, such as AR and VR. Mobile games such as Candy Crush (King) and Clash of Clans (Supercell) were developed in the Nordic countries.



THE NORDIC REGION

CURRENT DEMAND

Video games have witnessed a steady climb in revenues across all the Nordic countries in the last few years. Decline in physical game copies sold, has resulted in loss of revenue, but have been replaced by digital subscriptions. Casual browser-based games are also witnessing a loss of players, mostly due to the easy access on gaming platforms such as PC, Xbox; PlayStation, Nintendo etc., that contain larger user networks.

Every fourth adult in Finland plays video games weekly, 62% of all Swedes play video games and almost half of all Norwegians over the age of 15 play video games at least once a month. According to Statistics Denmark, 52 percent of men and 50 percent of women over the age of 16 play digital games on their mobile phones, computers, or gaming consoles.

The video game market is experiencing high demand in various avenues such as educational institutes. The adoption of gaming as an educational tool provides opportunities for deeper cognitive learning. The concept of ‘gaming to learn’ has been around for quite some time. All the Nordic countries have organizations, such as the Association for the Nordic Game Industry (ANGI), dedicated to helping parents and teachers understand video games.

EXPORT & LICENSING GUIDANCE

The Nordic countries are receptive to U.S. goods, services, and investments. There are relatively few barriers to trade. Consumers have high expectations in terms of product innovation, design, and quality – in addition consumers are willing to pay for state-of-the-art technology and are less price sensitive.

The Nordic economy features a combination of free market activity and government intervention. The governments in the Nordics have ownership in some key national industries and companies, for example parts of the oil and gas industry in Norway.

Norway is not a member of the European Union but is part of the European Free Trade Association (EFTA). EFTA members have access to the European Union single market through the European Economic Area (EEA). Norway grants preferential tariff rates to EEA members. As an EEA signatory, Norway adopts most of the rights and obligations of EU member states.

Sweden is a member of the European Union (EU) and applies EU customs laws and regulations, as well as common customs tariffs from the United States and other non-EU countries. When products enter the EU, they need to be declared by customs according to their classification in the Combined Nomenclature (CN).

Finland follows European Union internal market practices, which define Finland’s trade relations both inside the EU and with non-EU countries. Restrictions apply to certain items such as products containing alcohol, pharmaceuticals, narcotics and dangerous drugs, and explosives.

Denmark, alongside Finland and Sweden, are a part of the EU, and therefore follows EU regulations when it comes to export and licensing. EU legislation and standards are harmonized across the EU Member States and EEA countries to allow for the free flow of goods.

THE NORDIC REGION

TRADE BARRIERS & IPR

All Nordic countries are part of the World Intellectual Property Organization (WIPO). And all Nordic countries have multiple intellectual property right (IPR) related laws regarding trademarks, design and patents which closely follow the policies set by the European Commission. As stated by European Commission: “Intellectual property rights (IPRs) (such as patents, trademarks, designs, copyrights, or geographical indications) enable European inventors, creators, and businesses to prevent unauthorized exploitation of their creations, and to receive compensation for their investment. IPRs also offer guarantees to users or consumers (e.g., geographical indications) to identify the origin of the goods concerned.”

For U.S. citizens and companies doing business in foreign countries that have free trade agreements with the United States, IP protections are built into those agreements, but you will still need to file in each country to get those protections.

Conversely, if you do business in any country in the European Union, you only need to file for protection with the EU - not every individual nation.

Games and content sold in the Nordics are subject to European age classifications.

MAIN COMPETITORS

The largest competitors for the Nordic gaming and esports industries are other European and North American companies. These include notable names such as Zynga, Quantic Dream and Guerrilla Games.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Association for The Nordic Game Industry <http://angi-nordic.com/>

Neogames – Hub of The Finnish Game Industry <https://neogames.fi/>

International Game Developers Association <https://igda.org/>

Swedish Games Industry [English — Dataspelsbranschen](#)

Europe’s Video Games Industry Europe’s video games industry - [ISFE](#)

WIPO <https://www.wipo.int/portal/en/index.html>

Game Hub Denmark <https://gamehubdenmark.com/>

TRADE EVENTS

Swedish Game Awards https://en.wikipedia.org/wiki/Swedish_Game_Awards

Gotland Game Conference https://en.wikipedia.org/wiki/Gotland_Game_Conference

European Speedrunner Assembly https://en.wikipedia.org/wiki/European_Speedrunner_Assembly

Nordic eSport Summit <https://www.nordicesportsummit.com/>

GameXpo <https://gamexpo.messukeskus.com/?lang=en>

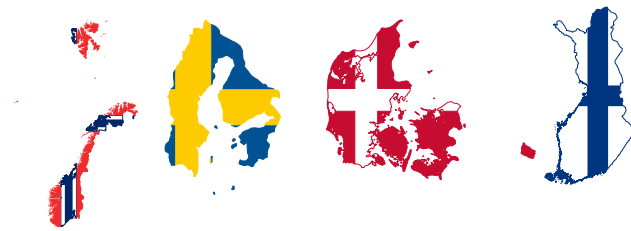
THE NORDIC REGION

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Denmark's National Strategy for esports https://kum.dk/fileadmin/_kum/1_Nyheder_og_presse/Arkiv/2019/National_strategy_for_esport.pdf

Invest Stockholm's report on The Game Industry in Stockholm https://www.investstockholm.com/investment_opportunities/tech-ict/gaming/

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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THE PHILIPPINES

SUMMARY

The Philippines is a young nation with 88.95% of its population under the age of 54. The strong growth in the video games market is being driven by the Gen Z and the Millennial generations.

Filipino gamers regularly use their mobile devices for online gaming. The Philippines is considered a mobile-first market with \$3.57 billion in mobile device sales to date this year and will increase by 40% until 2025, according to BMI Research. Filipino gamers access online games via Android and IOS operating systems.

To encourage more Filipino content downloads, Philippine mobile service providers have launched 5G services. The third telecommunications company to launch in 2021 will build additional mobile towers to improve the country's connectivity.

CURRENT MARKET TRENDS

The Philippines is an emerging market for entertainment and media. [PwC](#) forecasts Filipino consumer spending to increase at a compound annual growth rate (CAGR) of 5.8% up to 2024.

Video games are expected to continue to increase by 12.67% up to 2024. PC games is expected to grow at 20.79%, while console games will increase 14.38% up to 2024. [Statista](#) forecasts video games revenue to reach \$1.4 billion in 2021. Mobile video games is the largest market segment and is expected to reach \$1.03 billion by 2025. [Euromonitor](#) forecast 23% sales growth for video games during the pandemic with many following stay-at-home orders.

Gaming Development is now offered as a degree program at numerous Philippine universities such as the De La Salle University Laguna, De La Salle-College of Saint Benilde, Colegio de San Juan de Letran, College of Arts and Technology (CIIT). [CITT](#) anticipates the continued rise of Filipino gaming content with *Barangay143: Street League* recording 100,000+ installs. The Game Developers Association of the Philippines (GDAP), the largest gaming association in the Philippines, has partnerships with these universities to grow the industry.

CURRENT DEMAND

Esports is a growing segment in the Philippine video games market. Major telecommunications firms support its growth along with well-recognized Philippine Esports firms such as Bren Esports, Gariath Concepts, Mineski Philippines, The National Playbook Esports, Tier One Entertainment, TV5, and TNC holdings, according to the [Philippine Esports Organization](#) (PeSO). PeSo leads Philippine delegations to various Esports international competitions, and esports was one of the medal games at the 2019 Southeast Asian Games held in the Philippines.

THE PHILIPPINES

TRADE BARRIERS AND INTELLECTUAL PROPERTY RIGHTS

The Philippines provides a video game content rating and classification system through the Games and Amusement Board under the Philippine President's Office. In addition to the rating and classification requirements for market entry, local and foreign firms need to apply for a license to distribute esports in the Philippines.

Illegal video games distribution remains a challenge in the Philippines. The Philippines is a member of the World Intellectual Property Organization (WIPO) and is committed to combating intellectual property (IP) infringement. The Intellectual Property Office of the Philippines (IPOP) is mandated to administer Philippine intellectual property policies. Foreign firms with IP issues may contact IPOP's enforcement office at operations@ipop.gov.ph.

The United States Patent and Trademark Office has an office in Thailand covering Southeast Asian nations, including the Philippines. U.S. firms with IP concerns in the Philippines may contact the U.S. IP Attaché Kitisri Sukhapinda at kitisri.sukhapinda@trade.gov.

MAIN COMPETITORS

[Statista](#) reported that online games *Fornite*, *League of Legends*, *Mobile Legends: Bang Bang* by Moonton and *Apex Legends* lead the Philippine market with some 300 million users in 2020. [Euromonitor International](#) reported that Shanghai Moonton Technology led the video game market in the Philippines in 2019. [Yugatech](#), a technology website in the Philippines, listed *Defense of the Ancients* or *Dota 2* as the top online PC games in the Philippines with some 500,000 players monthly.

GDAP members create and publish interactive games and entertainment content for various platforms. They represent about 60 companies, including Definite Studios, Keywords Studios, Yang Yang Mobile, and Top Peg Animation & Creative Studio. Developers from the Philippines contributed to the development of successful games such as *Uncharted*, *Last of Us 1 & 2*, *Gears of War* (XBOX), *Cyberpunk*, and *Witcher 3*.

MARKET ENTRY - TRADE ASSOCIATIONS AND GOVERNMENT AGENCIES

[Games and Amusements Board](#): Mandated to regulate and supervise professional sports and related activities including esports.

[Game Developers Association of the Philippines](#): Represents and promotes the Philippines game development industry.

[Philippine Esports Organization](#): The national organization for Esports.

MAJOR EVENTS

[Global Game Jam](#) – Manila Game Jam: January 28-29, 2022

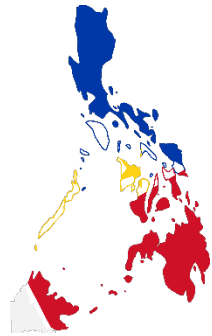
PHILLIPINES

ADDITIONAL MARKET RESEARCH AND OTHER RESOURCES

Philippines Country Commercial Guide

<https://www.trade.gov/knowledge-product/philippines-market-overview?section-nav=3440>

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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SOUTH AFRICA

SUMMARY

South Africa(SA) has one of the largest video game markets in Africa (Egypt leads in terms of revenue). Recently, increased access to connectivity due to falling data costs, increased speed and penetration of mobile, fixed line and wireless internet has seen this sector rapidly grow. This is especially true in the wealthier cities such as Johannesburg, Cape Town and Durban where fiber has been largely integrated into the metros. The biggest gaming community is in the province of Gauteng, followed by Cape Town.

2019 saw 20.3 million gamers in SA spend \$210 million on games, an increase of 9.4% year on year. Following the international trend, gaming has overtaken the movie and music sectors. SA, along with the rest of the African continent, has a high youth population. In 2019, youth, categorized as those between the ages of 18-34 years, made up a third of SA's population and is driving this trend.


CURRENT MARKET DEMAND

South Africa's love of sports is evident in the most popular genres being Sport, Racing and Fighting. Most played games in SA are *Candy Crush*, *FIFA*, *Need for Speed*, *Grand Theft Auto* and *Call of Duty*. *FIFA* is played by more than half of all gamers in SA. The most popular, however, is *Candy Crush* which is played on mobile.

Esports has seen an increase of Multiplayer Online Battle Arena (MOBA) games. These are free to play, but add-on digital items such as skins, weapons and character mods come at a cost.

There is an increased demand and opportunity for sponsorship of live tournaments over streaming advertising.

Due to the poor ZAR vs USD exchange rate (roughly ZAR14: USD1) South Africans pay much higher prices for video games and consoles, with the average game costing ZAR1000, roughly equivalent to USD71. Gaming consoles are less expensive than powerful gaming PCs. Most gaming happens via mobile devices as the majority of the population does not have access to gaming hardware but do have a mobile phone. In Africa, mobile gaming drives the highest value growth and generates close to half of the revenue of the gaming industry annually.



Capital: Pretoria

Population: 59.62 million

GDP: \$351.432 billion

Currency: South African Rand (ZAR)

Language: There are 11 official languages with business done in English(official) 9.6% but only 1/10 families speak English at home, isiZulu(official) is the most common 22.7%, isiXhosa(official) 16%, Afrikaans(official) 13.5% followed by Sesotho(official), Leboa(official) Setswana(official), siSwati(official), Tshivenda(official), Xitsonga(official), isiNdebele(official) & Sign language(12th).

SOUTH AFRICA

The VR/AR sectors are slowly growing, and revenue is steadily increasing in SA with more companies developing software and content for various sectors such as agriculture, mining and education. Presently, most portable VR units connect to smartphones. Issues with affordability, compatibility and comfort have been identified and investment in local companies see these challenges being addressed.

GROWTH TRENDS

Digital transformation is responsible for the growing numbers of consumers. Internet penetration is nearing 62% and mobile smartphone penetration reached 91.2% in 2019.

South Africa is seeing an increase in esports competitions, and companies who specialize in online and LAN tournaments do well. There are even competitions starting in schools and universities with some schools running a *Minecraft* esports League. Students of ages 9 to 14 have been invited to enter and the finals will be live streamed for viewers to watch. The *Minecraft: Educational Edition* is used in more than 115 countries to facilitate STEM learning.

There are opportunities for attracting South Africans to international virtual Expos and large LAN events. Sponsorship and prize money for these contests would create brand awareness and product promotion.

EXPORT & LICENSING GUIDANCE

Travel

Professionals are required to have the correct visas in place before they travel to South Africa. One needs to apply for these in the country of your origin, in this case, the South African Department of Home Affairs is the regulatory body that manages visa regulations and processes visa applications.

The application process may change; applicants are advised to check the [Department of Home Affairs website](#) for updates. It is important to note that one needs a valid passport with visa and at least 3 blank pages.

Import Regulations and Duties

Value Added Tax (VAT) of 15 percent is payable on purchases but can be claimed back on departure from SA.

HS Codes 130.10 9504.50 Video game consoles and machines, other than those of subheading 9504.30: 130.10.07 9504.50.20 Video game consoles from which the image is reproduced on a television receiver, a monitor or other external screen or surface carry a rate of excise duty at 9%.

MARKET ENTRY BARRIERS

Local Agents/partners and distributors are given special preference for Broad-Based Black Economic Empowerment BB-BEE certification. This is very important if one wants to claim from the DTI's incentive schemes. Manufacturers or suppliers to government, get varying levels of procurement preferences if they qualify as a Black Economic Empowerment (BEE) partner. The criteria to become a BEE partner aim to quantify the contribution by these partnerships to empower previously disadvantaged individuals according to a varying mix of the following parameters:

SOUTH AFRICA

- Black Ownership
- Black Management Control
- Employment Equity
- percentage of Black Skilled Personnel
- Preferential Procurement from Black/BEE Suppliers
- Skills Development Initiatives
- Enterprise Development Initiatives for Black Businesses

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

In March 2019, the South African Parliament passed the Copyright Amendment Bill and the Performers' Protection Amendment Bill. In June 2020, President Cyril Ramaphosa returned the bills to parliament citing constitutional concerns about the procedures used to pass the bills and substantive concerns about the contents of the bills. At that time, MPs unanimously agreed to properly classify the bills according to the South African Constitution and allow for greater public consultation. Since then, the committee has not debated the bills. Separately, in April 2019, the International Intellectual Property Alliance (IIPA) requested a review of South Africa's eligibility for Generalized System of Preferences (GSP) benefits, in part based on these bills. USTR announced this GSP review in October 2019.

While there is general agreement that South Africa must update its copyright legislation, these bills have been controversial and contested. Currently, the bill allows for broad exceptions for the term "fair use" which allows for reproduction of copyrighted content under certain circumstances.

This also affects game developers, who struggle to get protection from the SA government. As this is a fairly new sector regarding policy, the departments of the SA government have not yet decided if this sector falls under Department of Trade and Investment, Arts, Culture & Sport or Communications.

Another challenge affecting gaming in South Africa is Eskom's (the State-owned electricity public utility) roll out of "loadshedding". This can create electricity blackouts for several hours, affecting the planning of various events and tournaments.

MAIN COMPETITORS

South Africa is starting to see an increase in specialized gaming stores.

Local expos and relatively large LAN events for the region are run by local companies.

Multichoice, which owns DSTV the biggest Pay-Tv network, has recently launched a partnership with esports channel GINX eSports TV as the demand for streaming esports keeps growing.

Various big technology companies in South Africa host local server game servers which improve gaming in South Africa. This improves local competition and increases the demand for games hosted on their servers.

SOUTH AFRICA

INVESTMENT POLICIES

The South African Department of Trade and Industry (DTI) are in the process of developing incentives for digital content and gaming.

South Africa has an unemployment rate of 32.5%. The South African government encourages foreign investment, especially if this creates local jobs.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS, & GOVERNMENT AGENCIES

[Africa Electronic Sport Association](#)
[Virtual Reality South Africa Association](#)
[Interactive Entertainment South Africa](#)
[A.S.A – Animation South Africa](#)
[Serious About Games](#)
[Department of Trade and Industry \(DTI\)](#)
[South African Revenue Service \(SARS\)](#)

TRADE EVENTS (LOCAL AND INTERNATIONAL MARKETS AND FESTIVALS, AS RELEVANT)

Unfortunately, most of the local trade shows have been cancelled for 2021. Please contact Kirsten Bell for information on events for 2022 towards the end of 2021.

[Comic Con Africa](#) September 23 – 26, 2021
[Techspo Expo](#) Nov 2 - 3, 2021
[Africa Games Week](#) Dec 6 –12, 2021
www.rageexpo.co.za
www.rushesports.co.za

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

<https://newzoo.com/insights/articles/consumer-insights-south-africas-passion-for-sports-trickles-into-gamers-playing-behavior/>
[U.S. Country Commercial Guide South Africa](#)
[PWC – Insights from the Entertainment and Media Outlook 2019 - 2023](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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SOUTH KOREA

SUMMARY

In 2020, the size of the Korean game industry was estimated to be \$14.9 billion, according to the 2020 White Paper on Korean Game published by the Ministry of Culture, Sports and Tourism, and is considered one of top five largest gaming market worldwide. Over the last 10 years, the Korean gaming industry recorded an average annual growth of nine percent, and the industry is optimistic that this growth rate is sustainable for the next few years thanks to the increased accessibility to play games through multiple platforms.

The penetration rate of gamers within the general population in Korea is among the highest in the world. According to a survey by the Korea Creative Content Agency, more than 70 percent of Koreans between 10-65 years old are playing games on a regular basis. Thanks to the high-speed internet connection and a culture of internet cafés, Korea had earned its name in the global game industry with PC games. Recently Korea has diversified its profile into mobile gaming. In 2019, more than 67 percent of Korean gamers used their mobile phones as their main gaming device. Because of the COVID pandemic, more gamers played at home, causing many internet cafes to close. This resulted in the growth of the local console market.

Korea's widespread gaming culture played a major role in building the nation's esports ecosystem. Thanks to the internet cafés, professional game leagues, company sponsors and

dedicated broadcasting infrastructure, the esports industry has grown to over a hundred-million-dollar business and is attracting fans worldwide.

While the market provides opportunities because of its large gamer population and robust profits; South Korea has unique market dynamics which require foreign companies to pay particular attention to the different publishing channels, local regulations, and rating system.

CURRENT MARKET DEMAND

For the first time, in 2017, the industry generated more sales from mobile games than PC games. As of 2020, mobile games were expected to account for 55 percent of the total market in Korea, an estimated \$8.3 billion in revenue, with 21 percent growth from the previous year. PC games, which accounted for 29 percent of the market, generated an estimated revenue of \$4.3 billion in 2020. Console games and arcade games accounted 5 percent and 0.5 percent respectively. * Revenues from Internet Cafés and Offline Arcades were excluded.

Most mobile games are released through app stores like Google Play Store, Apple App Store and ONEstore, a local app store which was established by Korea's three mobile carriers (KT, SK Telecom and LG+). In addition, local portal operators such as Kakao and Naver also distribute mobile games through their own platforms. Many times, mobile games are serviced through local publishers. These publishers provide funding for development, marketing and operational resources. Major local game developers have publishing businesses within their portfolios as well. PC games are distributed by both local game publishers and global game distribution services like Steam and Epic.



SOUTH KOREA

In terms of genre, massively multiplayer online role-playing games (MMORPGs) are leading the trend. The major local game companies are NC soft, Netmarble and Nexon. For the past couple of years, these companies have been developing various IPs, such as NC soft's "Lineage" which was so successful that Netmarble purchased the right to use the title, character and story from NC soft and developed its game, "Lineage 2 : Revolution". In addition, Multiplayer Online Battle Arena (MOBA), simulation, strategy, puzzle, and board games are also popular genres in Korea.

GROWTH TRENDS

Mobile gaming is expected to continue leading market growth of the South Korean gaming market. The COVID pandemic and greater accessibility via mobile devices has increased the demand for home entertainment and is further spurring the popularity of the mobile gaming within the market.

Additionally, because of stay-at-home requirements during the pandemic, the demand for console games in South Korea continues to rise. Since 2020, more Korean gamers are favoring console games with higher production value over mobile games with simple offerings. The MCST expects the demand for gaming consoles to grow over 35 percent in 2021 compared to the previous year.

MARKET ENTRY

While domestic games are currently preferred by Korean gamers, U.S. developers can jump into trending genres and seize opportunities in the Korean market. Local game brands focused most of their attention on role playing games (RPGs); allowing global game companies to successfully entered the strategy and causal game genres.

A few considerations for overseas game developers include:

- Partnering with local publishers. This provides a company with access to various market resources and local support.
- Participating in local game shows. This activity provides opportunities to interact with the local publishers.
- Localizing your products: Translating games and content will help your company to penetrate the Korean market.

Nexon, Netmarble, Webzen, Gamevil, and Kakao Games are some of the well-known local game publishers and importers.

EXPORT & LICENSING GUIDANCE

To enter into the Korean game market without complications, foreign companies must understand a number of key regulations in the market.

Since mid-2000s, the Korean government introduced the "Game Industry Promotion Act", which implemented several measures and regulations on the gaming industry. For example:

- The Shutdown regulation prevents those under 16 from playing online games from 12 am – 6 am (the shutdown period). This regulation aims at ensuring that children do not play games while they should be sleeping.
- Limits the amount of money that can be bet within online board and card games.

SOUTH KOREA

- Pending legislation would impact the sales of probability items and other randomized in-game purchase system. The government is claiming the black box nature of the probability item makes it difficult for users to trust the value of their spending. The legislation is currently pending in the National Assembly.
- Rating of game contents. All games released in South Korea should receive a rating for the contents of game product. There are a few rating entities: The Game Rating and Administration Committee, the Game Content Rating Board, and the Independent Rating Classification Business Entity. Sony, Apple, Google, ONEstore, Oculus, Samsung, Kakao, and Microsoft are all businesses which provide independent ratings to game companies.

	Permitted for use by all	Permitted for use by 12-year-old	Permitted for use by 15-year-old	Not permitted for use by juveniles
Mobile	GCRB IRCB			
PC				
Console				
Arcade				GRAC

In 2020, to support the growth of this sector, the government started to evaluate relaxing some of the legal regulations. Discussions include implementing more flexible game ratings system, increasing the betting limits, and promoting government-led industry events.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

In support of Korea’s ever-growing popularity of “K-wave” entertainment and content, the government continues to strengthen its IP protection regime. Ever since its WTO membership in the year 1995, South Korea has observed the WTO TRIPs agreement and actively participates in multilateral discussion on copyrights and other IP issues. Also, South Korea is a signatory to the following international IP agreements: the Bern Convention, the Paris Convention, the Beijing Treaty on Audiovisual Performances, and the World Intellectual Property Organization treaty.

In South Korea, there are four government bodies that share responsibility for IP protection: the Ministry of Culture, Sports, and Tourism (MCST) which coordinates overall IPR regimes; the Korea Copyright Protection Agency (KCOPA) which monitors and enforces IP infringements; the Korea Copyright Commission (KCC) which oversees copyright; and the Korean Intellectual Property Office (KIPO) which oversees all other IP rights. Industry assessed the South Korea authorities to be generally effective in monitoring and enforcing IPR infringements.

MAIN LOCAL COMPETITORS

In South Korea, U.S. game companies face competition from both local and global game companies. Local game companies (NCSoft, NEXON, and Netmarble) lead the MMORPG category, the most popular game genre in Korea. These Korean game giants reported an annual revenue over \$1 billion. According to the recent report from the Korea Creative Content Agency, there are about 900 local game developers in the Korean market.

SOUTH KOREA

Other strong competitors are from China, Japan, and Europe. Chinese companies are gaining ground in the mobile gaming category by investing in local developers and partnering with local publishers. Japanese companies continue to expand their market presence in the console market, while European companies keep releasing blockbuster titles in the PC/mobile segment.

KEY TRADE ASSOCIATIONS, PROFESSIONAL AFFILIATIONS & GOVERNMENT AGENCIES

Ministry of Culture, Sports and Tourism: <http://www.mcst.go.kr/english>

Ministry of Gender Equality and Family: <http://www.mogef.go.kr/>

Game Rating and Administration Committee: <https://www.grac.or.kr>

Rating Guide: <https://www.grac.or.kr/english/ebook/GRACRatingsGuide.html>

Korea Creative Content Agency: <http://www.kocca.kr>

Korea Association of Game Industry: <https://www.gamek.or.kr>

TRADE EVENTS (LOCAL AND INTERNATIONAL MARKETS AND FESTIVALS, AS RELEVANT)

G-Star (November, Busan): <https://www.gstar.or.kr>

Organized by KOTRA, a trade promotion organization operated by the South Korea government, G-Star is the largest trade show for game industry in Korea. Major Korean game developers as well as international companies participate in this event.

Play X4 (May, Goyang): <https://www.playx4.or.kr/>

Hosted by the Gyeonggi Provincial government, Play X4 is an exhibition focusing on small and medium sized developers in the Korean game industry.

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION

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SPAIN

SUMMARY

While the COVID-19 pandemic has had a significant impact on the Spanish media industry, its effects on specific sub-sectors have varied widely. COVID-19 has driven the transformation in which the industry was immersed and has accelerated key aspects such as digitization, personalization or the intelligent use of data, all caused by ongoing changes in consumer behavior. The data included in this report refers to the year 2019 and the estimates and projections are based on the data existing at that time and the behavior-based trends known until then.

Spain is an important and growing video game market, thanks mainly to the growth of social games whose revenues exceed traditional games reaching 1,823 million euros in 2020 according to PwC. Esports in Spain continues to grow at a faster rate than the rest of Europe, mainly due to the interest in high-profile sports teams and corporate sponsors bringing along large audiences.

CURRENT MARKET TRENDS

The video game industry in Spain represents 14.3% of the publishing sector, 9.6% of the audiovisual production sector (film, video, television, and music), 3.8% of the programming sector and data processing and 3.2% of the telecommunications sector.

The Spanish video game industry is an important market with total revenue that reached 1.479 million euros in 2019 according to the Spanish Video Games Association (AEVI).

Spain is the 4th largest market in Europe and the 10th worldwide in video game consumption. This growth is mainly due to the expansion of social games in recent years, as mentioned previously. The video game industry in Spain generates more than 9,000 jobs according to AVI and plays a key role in the digital economy with an increasing presence in areas such as education, health, and entrepreneurial sectors.

In 2019, 8.4 million videogames, 1.1 million game consoles and 4.2 million accessories were sold, with game consoles being the preference for Spanish gamers. With the proliferation of smart phone and tablets, app-based games have experienced significant growth, the number of players has exceeded 15 million gamers.

Fortnite and *FIFA 19* (Epic Games and EA Sports) are the titles that have generated most revenue in 2019, followed by *GTA V* and *Call of Duty: Modern Warfare*, by Activision.



SPAIN

New monetization strategies have allowed mobile game developers to take advantage of the growth of smartphones in Spain. Free games with small but recurring payouts, like *Clash of Clans* and *Game of War* have come to dominate the market.

Esports in Spain continues to grow at a higher rate than the rest of Europe thanks to the interest in video game competitions, corporate sponsors and ardent audiences. The number of Spanish esports enthusiasts was 2.9 million in 2019 according to AEVI with a total revenue of 17.13 million euros, just above Italy.

Spain represents around 4% of the world esports market. The main employer in the sector is the Spanish Video Association (AEVI), which is part of the Interactive Software Federation in Europe (ISFE); whose main activity is to ensure respect for a code of ethics by both players and programmers. According to data from this association, the sector currently employs about 600 people in Spain, including about 250 professional players.

Spain stands out in esports for its organization and structure. The first professional esports competition in Spain took place in 2011, by the Professional League of Video Games (LVP). Currently, LVP counts 300,000 registered players and operates national competitions such as the Orange Super League in Spain. The LVP hosts major international tournaments (Gamergy Masters, CR Nations Cup, Riot Open) and distributes world events in the Spanish language, including, the League of Legends Championship Series and Call of Duty.

83% of Spanish game developers use the Steam platform to sell their products. Alternatives, such as the Epic Games Store are beginning to capture larger market share. Streamers use platform such as Twitch, YouTube, Discord, and Facebook.

Although not regulated by any specific law, esports in Spain are already affected by commercial, labor, tax, intellectual property and industrial, competition, data protection, electronic commerce and consumers and users, among others, as with any other economic activity. In the environment of the European Union, the only country that has a regulation of the sector is France, with two articles in its Digital Law.

CURRENT DEMAND

Content related to esports is experiencing significant growth according to the Spanish Association of Production Companies and Developers of Video Games and Entertainment Software (DEV).

EXPORT & LICENSING GUIDANCE

Typical buyers, licensors and distributors of M&E in Spain might include state and regional government, small and medium sized private companies, and large private companies.

Preferred business strategies to enter/expand in the market might include identifying key buyers and distributors to the Spanish market and setting up an office in country.

U.S. Department of Commerce Country Commercial Guide: [CCG Spain](#)

SPAIN

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Spanish Intellectual Property (“IP”) legislation is consistent with other EU Member States’ IP laws. Spain has ratified the most relevant international treaties in this field, which entails that non-Spanish nationals may obtain protection of their IP rights in Spain, and that Spanish nationals may obtain such protection in virtually every other country in the world.

MAIN COMPETITORS

The main players in the video game industry are the publishing companies as they hold IP and industrial rights. The main International publishers have established headquarters in Spain including: Activision-Blizzard, Bandai Namco, Electronic Arts, Microsoft, Nintendo, Riot Games, Sony, Take-Two Interactive, Ubisoft, Warner Bros, Scopely, Ubisoft, Gameloft, King and Zeptolab.

Spanish game developers include: Tekila Works, Pendulo Estudios, FX Interactive, Mercury Steam, Digital Legend, and Nomada Studio.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

AEVI - Spanish Game Association (www.aevi.org.es/)

DEV - Spanish Association of Companies Producing and Developing Videogames and Entertainment Software (www.dev.org.es/)

IAB - Internet Advertising Bureau (www.iabspain.es/)

LVP -Professional League of Video Games (www.mediapro.tv/es/area-digital/liga-videojuegos-profesional)

ACE – Spanish E-Sport Club Association (<https://www.asociacionclubesports.org/>)

SEAD: Secretary of State for Digitization and Artificial Intelligence

(<https://avancedigital.mineco.gob.es/es-es/Paginas/index.aspx>)

TRADE EVENTS

Gamescon 2021- August 25-29, 2021

Colonia

<https://www.gamescom.global/>

Europe’s largest event for computer and video games

MGW (Madrid Game Week) 2021 dates tbc

Madrid

www.ifema.es/en/madrid-games-week

SPAIN

Video Game and Entertainment Electronics fair
NICEONE BARCELONA (last edition 2019)

Barcelona

www.niceonebarcelona.com/

Game and digital experience festival

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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INDUSTRY RESOURCE GUIDES FOR THE
PUBLISHING SECTOR

Media & Entertainment Global Team

BRAZIL

SUMMARY

Brazil has the largest publishing market in Latin America. According to the International Publishers Association's (IPA) latest [report](#), Brazil is the seventh largest publishing market in the world, with a total revenue of USD 1.4 billion in 2018. 2019 numbers were recently made public by Brazil's Book Publishers Union (SNEL), showing revenue of USD 1.45 billion in 2019, a 10 percent increase over 2018 figures.

For the sales of digitally published goods (e.g., e-books and audiobooks), SNEL registered total revenues in 2019 of USD 26.1 million, an increase of 140% over three years – a small percentage of the total revenue (1.86%). Data regarding the digital market for publishing products is very scarce in Brazil, and SNEL has made two [reports](#) available from surveys conducted with their members – this does not include Amazon in Brazil, which directly affects the publishing industry here with its book and e-book marketplace.

The educational sector represents the largest share of the industry's revenue (62.4%) compared to the retail sector (37.6%). The Government of Brazil has historically been the largest consumer of publishing products, but it has decreased its share of the market in recent years.

Brazil's book imports totaled USD 103.9 million in 2019 with China (plus Hong Kong)

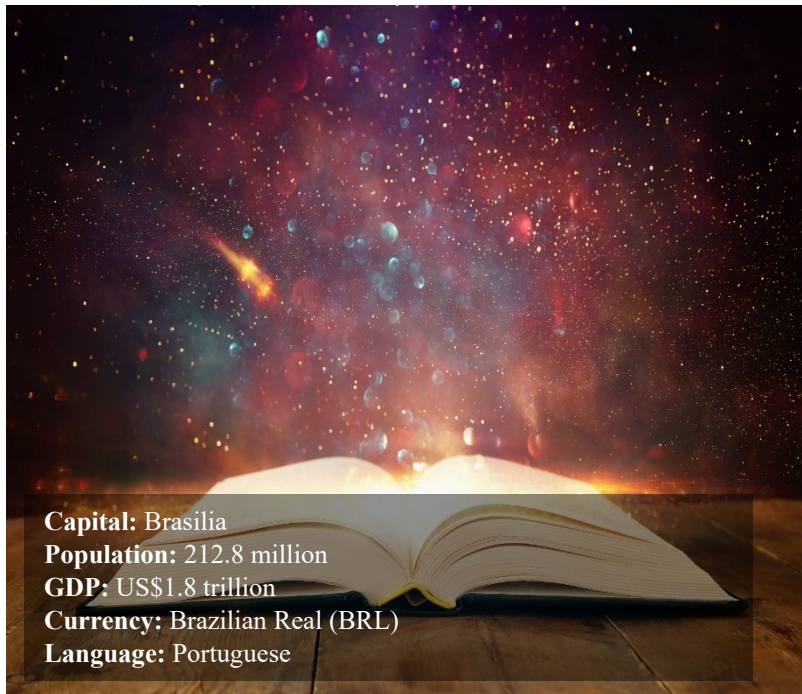
ranking first as country of origin (32.3% of all imports), followed by the United States (23.9%), and the U.K. (10.5%).

CURRENT MARKET TRENDS

The market for physical books in Brazil has been following the global trend of a slow decline over the past 20 years. Bookstores are still the main sales channel; however, the importance of online sales increases every year, along with a steady growth in e-commerce.

Given the growth in consumer access to different types of digital platforms and devices, as well as increased broadband penetration and Internet access, digital books have become quite popular. However, due to lack of data, it is difficult to accurately measure the size of the digital market.

The publishing industry Brazil was one of the industries most affected by COVID-19 and revenues declined by 9.4% from January to August 2020 when compared to the same period in 2019 – the sharpest decrease in the interval was registered in April, when revenues plummeted 48% compared to the previous year. The impact was so big that Saraiva, the largest bookstore chain in the country, declared Chapter 11 after years of crisis.



BRAZIL

CURRENT DEMAND

The main sales channels for distribution are bookstores (41.6% of revenue share), followed by distributors (22.89%), online (17.86%), and school and universities (5.89%).

According to a survey conducted by SNEL, 56% of Brazilians are book consumers and the average number of books read per inhabitant is 4.96 per year. The bible is the most read book in the country, reaching 42% of readers, followed by religious books, fiction, and romance.

EXPORT & LICENSING GUIDANCE

U.S. companies have many opportunities to partner with Brazilian counterparts to export their products and services to Brazil. Doing business in Brazil requires intimate knowledge of the local environment, including both the direct and indirect cost of doing business locally, often related to distribution, government procedures, and a complex tax structure. The Government of Brazil is the nation's largest buyer of goods and services and navigating through its procurement process can be challenging. In order to sell to public entities in Brazil, U.S. companies must either have a local partner or be incorporated in the country. The U.S. Commercial Service in Brazil strongly encourages U.S. exporting companies to utilize its range of services to identify a local partner to enter the Brazilian publishing industry.

Licensing is generally understood as an agreement under which the owner of an intellectual property right (IPR) grants authorization to its use without an effective transfer of ownership. Licenses are granted for a determined period and within a determined territory, on a remunerated or free-of-charge basis. A licensor may grant a license in Brazil to practically any intangible asset, including patents, industrial designs, trademarks, and copyrights.

The Brazilian Industrial Property Law (Law No. 9,279 of 14 May 1996) (BIPL) contains the general provisions on technology transfer agreements, which are further regulated by Normative Act No. 135 of 15 April 1997 of the National Institute of Industrial Property (INPI). Normative Act No. 135 specifies the following categories of agreements that involve transfer of technology:

- licensing of rights (use of trademarks or exploitation of patents or industrial designs);
- the acquisition of technological knowledge (supply of technology and rendering of technical assistance services);
- and franchise agreements.

The Brazilian Copyright and Neighboring Rights Law (Law No. 9,610 of 19 February 1998) (BCL) determines that the economic rights of the author may be wholly or partly transferred by means of a license agreement. In contrast, the moral rights of the author are inalienable and irrevocable, meaning they cannot be transferred, licensed, or waived. Specifically, in relation to the licensing of computer programs, provisions are found in the Brazilian Software Law (Law No. 9,609 of 19 February 1998) (BSL).

In addition to the above, it is possible to negotiate authorizations to use one's image, likeness, voice, and name (commonly referred to in other jurisdictions as 'rights of publicity'). These individual assets fall under the category of personality rights, which are protected under several bodies of Brazilian law, namely the Federal Constitution and the Civil Code (Law No. 10,406 of 10 January 2002).

BRAZIL

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Two different pieces of legislation provide the core legal basis for protection of intellectual property rights (IPR) in Brazil: Law No. 9,279/96 (Industrial Property Law) and Law No. 9,610/98 (Copyright Law). It is highly recommended that US exporters register their copyrights in Brazil, as the registration is a relevant document in case of disputes. Whereas literary works are registered at the Copyrights Office of the National Library Foundation (EDA – Escritório de Direitos Autorais da Fundação Biblioteca Nacional), other types of copyrightable works are registered at different bodies. For more information, please refer to the [Intellectual Property Rights Toolkit](#) prepared by the U.S. government.

Brazil is on the U.S Trade Representative (USTR) Special 301 Watch List. This designation reflects USTR's concerns with respect to the high levels of piracy and counterfeiting in Brazil, including internet piracy.

MAIN COMPETITORS

China is currently the main source of imports for the publishing industry, with one third of market share, and its companies are amongst the main competitors for local and foreign publishers. Other relevant sources of publishing-related products include the United Kingdom, with one tenth of all imports, followed by Spain (7.89% share of imports), India (4.4%), and Italy (3.46%).

Some of the largest publishers in the world are present in Brazil through local offices. One example is RELX Group, the largest publishing company in the world, which is present in Brazil through Editora Elsevier. Another example is Penguin Random House, which owns 45% of one of the most traditional Brazilian book publishers, Companhia das Letras, since 2011.

Currently, the largest publishers in Brazil are Somos Educação, Editora FTD, and Companhia das Letras.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

[Brazilian Book Chamber](#)

[National Union of Book Publishers \(SNEL\)](#)

[Brazilian ISBN Agency](#)

[Special Secretariat of Culture, Federal Government of Brazil](#)

[Brazilian Association of Licensing](#)

BRAZIL

TRADE EVENTS

Brazil has no B2B events covering the sector. The main B2C event in the country is the [Biennial Book Fair of Sao Paulo](#), organized by the Brazilian Book Chamber. Additionally, the local association [Brazilian Publishers](#) take delegations of Brazilian publishing companies to the [Licensing Expo in Las Vegas](#) and to the [Frankfurt Book Fair](#).

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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BULGARIA

Note: This Market Brief was Published in 2018.

SUMMARY

Bulgaria's printing history spans over 100 years. In 1828, the City of Samokov was home to one of this region's largest engraving sites. From 1842 to 1877 Bulgaria had, in circulation, some 63 newspapers and 36 magazines. Today some 8,100 employees work in 1,036 printing companies throughout Bulgaria. The sector is connected to Bulgaria's other forest-based industries such as in wood-working, pulp, and paper; the industry is seen as an employer of skilled staff.

In the first half of 2018, Bulgaria's printing industry showed an 18 per cent growth over 2017 as the number of books and brochures increased; circulations also increased 26.1 percent. Print production reached USD376.8M (EUR 325 M) of which USD47.6M (EUR 41M) was exported. FDI in 2017 reached only USD 7.2M (EUR 6.2M).

Macroeconomic indicators indicate a certain industrial revival and a trend towards enhanced print activities. Specific printing materials have slightly increased their values.

CURRENT MARKET TRENDS

The sector reacts to niche markets and local needs. Modern technologies have increased the sector's productivity and its ability to provide a complete range of services. At the same time, process automation has resulted in a change of the main workforce from craftsmen to technicians.

In 2017, Bulgaria's printers printed 8,640 books (with a circulation of 5M), and 1,428 brochures (with a circulation 2M); ISBN issuances amounted to 8K books and 1,315 brochures.

CURRENT DEMAND

There is a need to offer customers new services, products and technologies creating more added value through a diversification of services. New services can include offering printing with database management, while innovative processes such as 3D printing, intelligent labels, and flexographic printing offer potential for new services. Bulgaria's printing sector can also benefit from increased consumer awareness toward sustainability as the industry has had, and, has maintained an excellent track record of environmental and social responsibility. This differentiates EU manufacturers from non-EU low-cost competitors.

New paper-based products with added functionality such as paper-printed electronics are needed. These new can open new niches in the market and bring higher value added to the printing industry.



Capital: Sofia
Population: 7.1 million
GDP: US\$52.4 billion
Currency: Bulgarian Lev (BGN)
Language: Bulgarian

BULGARIA

Since Bulgarians enjoy their ever-growing and expanding supermarkets and malls -- the printing of informal flyers and announcements for this retail sector will continue. Promotion of thousands of new apartment buildings will also put demand on local printing.

EXPORT & LICENSING GUIDANCE

A vetted, experienced agent/distributor, or representative is essential in Bulgaria. The Commercial Service can assist U.S. exporters in finding good reps and agents.

As is occurring globally, the sector faces challenges related to changing habits, shifts to digital communication, and competition from non-EU countries which mean that consolidation must be encouraged.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Bulgaria is a relatively open market, but certain administrative and procedural requirements can become a non-tariff trade barrier. Poor IP protection and the need for greater transparency and predictability in the regulatory environment are common market access issues for U.S. firms.

The IPR regime is challenged by online piracy, through peer-to-peer (P2P) downloading and direct streaming, and inadequate enforcement of laws on copyrights, patents, and trademarks. For this reason, in three consecutive years Bulgaria remained on USTR's Watch List of countries not doing enough to enforce an effective IPR regime. In 2018, Bulgaria was removed from the Watch List. The government entered into voluntary agreements with some of the most egregious pirate sites, which marked a step ahead in the fight against online piracy of music and films after many years of little or no results. Together with industry, the government is reducing business software piracy.

MAIN COMPETITORS

Forty-nine (49) active book publishers dominate the domestic market and there is fierce competition among the major players: Anubis, Colibri, Egmont, Siela, Hemus, Multiprint, Kibea and some university publishing houses.

LIST OF PUBLISHING COMPANIES IN BULGARIA

The Bulgarian company CARIER Ltd, represents three large European companies:

Burgo Group, Gruppo Cordenons, and Favini S.R.L.

Bulgarian company SPANTEK EOOD distributes ONYX (U.S) and InkTec (South Korea).

Egmond Bulgaria represents the leading media Egmond group from the Nordic Area.

BULGARIA

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Union of Publishers in Bulgaria: www.enpa.eu/union-publishers-bulgaria
Alliance of Newspapers and Press Distributors: www.anpd.bg/?page=activities&lang=en
Bulgarian Media Union

TRADE EVENTS

Sofia International Book Fair on December 11-16, 2022
Sofia, Bulgaria
www.abk.bg

The fair hosts 200 exhibitors and 50,000 visitors.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Infostat IP: infostat.nsi.bg
NSI website: www.nsi.bg/ (see section) "Culture".

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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Capital: Beijing
Population: 1.4 billion
GDP: US\$15.2 trillion
Currency: Renminbi (RMB)
Languages: Mandarin (Official), Cantonese, and others

CHINA

SUMMARY

China presents foreign publishers with opportunities given its current economic growth, rising incomes, and improved education. In the last ten years, the number of imported book rights more than doubled, and the availability of journals and magazines distributed in the market increased tremendously.

China has a huge publishing industry. According to OpenBook research and analysis firm, 90,900 new titles counted between January and June in 2019 reveals a drop of 6.2 percent over the same period in 2018. It is a large and lucrative market for foreign publishers. E-book publishing in China is attracting domestic and foreign publishers alike for its lower cost and profit margins which are higher than print. Driven by digital reading devices and integrated online stores, as well as an aggressive pricing policy by online retailers such as JD.com, Amazon, and Dangdang, e-book revenues continue to expand. The market is further stimulated by the proliferation of iPad, Kindle, and Douban readers, as well as tablets and mobile devices.

CURRENT MARKET TRENDS

According to a survey released by the Chinese Academy of Press and Publication (CAPP) in 2020, adult Chinese read on average 4.65 books in print and 2.84 digital books in 2019, whereas in 2018 it was 4.67 and 3.32, a small drop for both. As for children and young people under 17, the survey revealed they read 10.36 books a year on average, 1.45 more than in 2018. Audiobooks are attracting more Chinese, as 30.3 percent of adults and 34.7 percent of minors had a habit of listening to audiobooks in 2019, increasing by 4.3 and 8.5 percent compared to 2018.

CURRENT DEMAND

The Chinese publishing market is booming, propelled by a fast-growing middle class, which is expected to cover 600 million people by 2020. Armed with a higher disposable income, this middle-class has a propensity to spend more and they are better traveled and more sophisticated than earlier generations. This leads to a growing demand for more varied reading materials with international perspectives and unique themes as well as higher-priced books.

OpenBook, the Chinese leader in information services for the book market, reported that China's retail book market in the first half of 2019 expanded at a rate of 10.82% over the same period last year. Among them, Children's books are the largest category of sales (28.85 percent), while in the physical bookselling environment, the lead is held by study aids (31.45 percent).

CHINA

EXPORT & LICENSING GUIDANCE

While the market offers tremendous potential, large market size, and robust profits, China has strict censorship and import regulations for books. Foreign companies are not allowed to import or distribute imported books on their own in China. The right to import, distribute, and publish books is reserved for a collection of Chinese state-owned companies. Also, foreign publishers should be aware of piracy challenges

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Like other media sectors, the publishing industry is also under the direct control of the Publicity Department of the Communist Party of China. Issues surrounding piracy, translation costs, import regulations, and censorship are all factors that have traditionally discouraged foreign publishers and writers from operating in China, and that continues to act as sticking points. Quality inspections occur at both the pre-and post-publication stages in China, where a publication may receive random inspections to ensure that it does not contain content prohibited by the Regulations on Publication Administration.

However, there are encouraging signs that some of these barriers are breaking down now. The subjects of piracy and copyright are high on the agenda for the Chinese government, as they begin to acknowledge the necessity of promoting, improving, and strengthening national copyright systems to match international standards. While China is a signatory to the Berne Convention and therefore is required to give the same protections to a U.S. author as it would a Chinese author, enforcement—especially administrative enforcement of copyright—can be cumbersome in China.

The quotas set by the Chinese government on other imported media (such as film) do not apply to books. It is generally considered easier and cheaper to provide translated editions of foreign texts than to have them translated into English in China.

MAIN COMPETITORS

The largest Chinese company in the publishing sector is the China National Publications Import and Export Corporation, based in Beijing with sub-offices spread over Europe and in the United States.

Six other Chinese companies round out the bulk of the Chinese publishing market share including:

China International Book Trading Corporation
China Educational Publications Import and Export Corporation
China National Sci-Tech Information Import and Export Corporation
Beijing Publications Import and Export Corporation
Shanghai Book Traders

CHINA

Several major international publishing groups already operate subsidiaries or work with representatives in China including:

Bertelsmann (GER)	
Hachette (FRA)	Reed Elsevier (UK)
HarperCollins (U.S., UK)	Springer (GER)
McGraw-Hill (U.S.)	Thomson (CAN)
Oxford University Press (UK)	Wolters Kluwer (NLD)
Pearson (UK)	

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

General Administration of Press and Publication, www.nppa.gov.cn
The Publishers Association of China, www.pac.org.cn

TRADE EVENTS

Beijing International Book Fair (BIBF)

- Beijing, China
- www.bibf.net/en

Beijing International Book Fair (BIBF) is divided by focus areas: children's books and comics, industry, book and newspaper publishers. Another focus is copyright trade and protection.

China Shanghai International Children's Book Fair

- Shanghai, China
- www.ccbookfair.com/en

The only children's book fair approved by the government regulating body includes focus areas, copyright trading, author promotion, publishing, printing, and distribution. The Fair focuses on materials for children up to the age of 16.

CHINA

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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CZECH REPUBLIC

Note: This Market Brief was Published in 2018.

SUMMARY

In 2017, 16,422 books were published in the Czech Republic. The total value of the Czech book market was estimated to be \$358 million. In that same year, 6,391 books were translated, which represented about 36 percent of total book production. While sales of copyright licenses offer the best opportunities for American publishers, imported books in English and other foreign languages are also a growing part of the Czech market

Number of titles published in the Czech Republic 2013–2017

2013	2014	2015	2016	2017
17,876	18,379	18,282	17,815	16,422

CURRENT MARKET TRENDS

GENRES

The Czech book market is dominated by fiction with an estimated share of 30 percent. Children’s literature accounted for 11 percent and textbooks for 5.2 percent of overall book production in 2017. These three categories of books have become the most successful published genres.

LANGUAGE

The top three most translated languages are English (3,109 books, 53.3 percent of all translations), German (884 books, 15.1 percent) and Slovak (332 books, 5.7 percent). These percentages have grown slightly since 1990.

SALES & DISTRIBUTION CHANNELS

Large booksellers and publishers dominate the market. Traditional bookstores remain in the marketplace despite strong competition from digital publishing, thanks to specific service and merchandise offers and a demand for an old-fashioned bookstore environment. However, the distribution networks are undergoing consolidation and the number of independent bookstores is diminishing.

CURRENT DEMAND

In 2017, the e-book market reached an estimated value of \$5.9 million. Even though it is still just about 1.7 percent of the total book market, it grew quicker in 2017 than hard copy book market. At the end of 2017, there were around 20,000 e-books available and 1 million e-books were sold.



CZECH REPUBLIC

EXPORT & LICENSING GUIDANCE

It is advisable to use the professional services of literary agents, established publishers, or distributors to enter the Czech market. Please note that distributors and publishers play a more significant role than literary agents in the Czech publishing field.

TOP 7 Private Publishers (# of Titles)			
PUBLISHERS	2015	2016	2017
Albatros Media, Prague (CR)	885	948	1170-
Euromedia Group, Prague (CR)	560	655	695
Moravská Bastei – MOBA, Brno (CR)	361	371	361
Grada Publishing, Prague (CR)	339	365	323
Václav Svojtka & Co, Prague (CR)	183	273	294
Dobrovský (CR)	-	170	210
Argo (CR)	198	148	190

Key Players in the Market:

Distributors

Euromedia
Kosmas
Pemic Book
Neoluxor
Kanzelsberger
Knihy Dobrovsky Eknihulka

E-Book Distributors

Palm Knihy
Raj Knih
Martinus CZ
Databook
Ereading

Literary Agencies

Dilia
Aura-Pont
Kristin Olson
Oxford Literary & Rights Agency, Ltd.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

There are no trade or other barriers to the entry of books into the Czech Republic. Intellectual property rights in the Czech Republic comply with EU legislation. Copyrights expire 70 years after an author's death. The VAT charged on books is 10% – one of the highest publishing VATs in Europe; however, imported books and other printed materials have zero (0) percent import duty.

CZECH REPUBLIC

MAIN COMPETITORS

Publishers from the European Union are major competitors, especially those from Germany and France. Whereas the total official number of Czech publishers is about 6,900. In 2017, 269 new publishers registered (in 2016, it was 323). Half of the registered Czech publishers are inactive or published very little in 2016. Many of these companies specialize and publish only a few books a year. Institutions of higher education, universities as well as state (government) institutions play an important role in the publishing market. They produce many titles in small volumes.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

National Library of the Czech Republic www.en.nkp.cz

The Association of Czech Booksellers and Publishers www.sckn.cz

TRADE EVENTS

Book World Prague, May 2022

Prague, Czech Republic

www.svetknihy.cz

The major Czech publishing tradeshow with 400+ exhibitors and 45,000+ visitors.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Review of Book Publishing in the Czech Republic in 2017 *(by Jaroslav Cisar)*

Annual Report on the Czech Publishing Market 2016/2017” *(by Association of Czech Booksellers and Publishers, in Czech only)*

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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Capital: Cairo
Population: 99 million
GDP: US\$335 billion
Currency: Egyptian Pound (EGP)
Languages: Arabic

EGYPT

SUMMARY

In 2019, the publishing market in Egypt was estimated at USD 670.4 million. About 35% (USD 234.6 million) of this market is generated through imports, of which around 80% is serving curriculum and academic needs. Of more than 1000 registered publishers, only 400 are functional, 7000 print houses, 650 are digital printers.

The Egyptian government is focusing on developing and enhancing the country's educational system. As a result, the growth rate of imported books in the fields of technical, scientific and professional, non-fiction books, novels, and biography are expected to increase. The demand for foreign magazines, newspapers, and periodicals is growing, particularly among affluent Egyptians and the expatriate community. The educational system is a priority for the government, because out of the estimated 100 million Egyptians living in the country, there are 24 million students, with approximately 1.3 million university graduates each year. Also, there is a growing number of international schools (K-12), with around 10,000 schools registered in the country as of 2019. In addition to, 26

Government University, and same number for registered International Universities most of which teach in English.

CURRENT MARKET TRENDS

In Egypt, English has become the dominant language among the business and science communities. Therefore, the need for English language books is increasing. According to market leaders, around 80% of sales are to educational entities, with the remaining balance of sales going to walk-in clients.

Egypt's National Book Program (NBP) initiative was created to foster a generation eager to read not only for knowledge, but also for pleasure. This program provides Egyptian children in all public schools with libraries that include high quality books to help them achieve literacy and develop their love for reading.

The e-books market in Egypt represents about 11% of total sales (vs 40% in the United States). It is expected to grow as Egypt adopts new educational programs and f the government's plan to digitalize data. Electronic distribution of information has been hindered by intellectual property law breaches, and limited internet coverage. However, the prohibitive cost of printed books, the proliferation of internet-related devices, and the emergence of a generation of young English-speaking readers are all factors that will affect the spread of e- books in the coming years.

EGYPT

The Egyptian Ministry of Education launched developed the Egyptian Knowledge Bank (EKB), which is the world's largest collection of online educational resources. It is available free of charge to the Egyptian population. The portal includes videos, online encyclopedias, scholarly books, and scientific research publications. In 2020 (Coved 19 vireos) the Ministry of Education introduced a new educational system, a system that promotes the use of technology in schools, E-book. and online education. 1.900 million Tablets have been distributed to high school students to enable them to have easy access to vast volume of resources via the Knowledge Bank (EKB). And help to transfer the study through online, as well as canceling the printed textbook as a result of costs.

CURRENT DEMAND

U.S. publishers have captured a 45% market share of Egypt's imported books and periodicals. Whereas, U.K. firms hold 35%, India 10%, France 8%, and Germany, 2%. Imported books are subject to a 5% duty.

Successful market entry depends mainly on price, book design and paper quality. A successful importer and distributor should have outlets in major upscale malls and districts. Discounts and promotions are an attractive way to engage more readers. Moreover, participation in major local book fairs is crucial to build awareness.

EXPORT & LICENSING GUIDANCE

There are around fifteen public sector publishing entities in Egypt, of which the best known are: the General Egyptian Book Organization, Akhbar Al Youm, El Ahram, and El Gomhoria. Their distribution channels reach almost all the governorates of Egypt and other countries in the Arabian Gulf and across the Middle East.

Famous Egyptian private sector publishers include: Nahdet Misr, Dar El Shorouk, Dar El Nasher, and El Dar El Masria El Lebnaneya. Most private publishers operate bookstores under their own names. Larger companies have greater market coverage inside Egypt because they own their own distribution channels. Small publishers rely on regional and national book fairs to exhibit and sell their products.

A publisher can either import books or purchase the copyrights from a foreign owner. In the first case, the publisher must present the title and a synopsis of the book to the General Directorate of Foreign Publications of the General Book Authority to get approval to sell. Alternatively, the publisher must present its publishing license and the foreign affiliation agreement along with the book title to the General Book Organization for approval.

If the publisher wishes to print and sell a translated copy of a book, a copy of the translation must be presented to the Egyptian State Information Service then the General Book Authority for approval.

EGYPT

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The most important challenge facing the industry is fraud and copyright violation. Pirated books command a large market share.

Egyptian Law No. 82 of 2002 is intended to protect the Intellectual Property of authors and publishers. However, the law does not assess penalties on violators, and is not enforced. Important writers, politicians and officials have been engaged in efforts to strengthen the law, but without success to date.

At the end of 2016, the Egyptian government announced the floatation of the Egyptian pound, which weakened the currency relative to the dollar (\$1= 16.5 Egyptian pounds). Consequently, the price of imported goods more than doubled in local currency terms. This has affected demand for imports. European publications enjoy a significant price advantage over U.S. competitors because EU products do not pay import tariffs based on the Free Trade Agreement between Egypt and the EU. Government censorship has caused delays in Customs clearance of imported publications.

MAIN COMPETITORS

American and Egyptian cooperation in publishing started in the 1950s through joint publishing projects such as: “Thousands of books” and “Franklin” projects, which had a deep impact in developing the Egyptian market.

There are several U.S. bookstores in Egypt, including McGraw-Hill Higher Education, WILEY Knowledge for Generations, Pearson Education, and South-Western Cengage learning. Some centers such as the German Goethe Institute and the French and the British Cultural Centers are gaining market share in the publishing industry in Egypt. There is also increased competition from China and India.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Egyptian Publishers Association
The General Egyptian Book Organization
Culture Palaces Authority
Egyptian State Information Service
Bibliotheca Alexandria

EGYPT

TRADE EVENTS

Cairo International Book Fair: annually in January

Egypt International Exhibitions Center, Cairo Egypt, www.cairobookfair.org.eg

Cairo Book Fair is the largest of its kind and the most diverse book fair in the region. It includes local and international publishers. It takes place usually during the mid-year school breaks.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

The U.S. Library of Congress (The Library of Congress Office, Cairo, Egypt, established in 1963, functions as a regional center for processing materials acquired from countries in the region of the Middle East and North Africa.): www.loc.gov

Institute of International Education (IIE): www.iie.org

Egyptian Ministry of Education: www.moe.gov.eg

Central Agency for Public Mobilization and Statistics: www.capmas.gov.eg

World Bank: www.data.worldbank.org

El Ahram Economic online newspaper www.ahram.org.com

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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Cairo

FINLAND

Note: This Market Brief was Published in 2018.

SUMMARY

Despite the decreasing trend, reading continues to be a favorable pastime in Finland with 73 percent of Finns buying books in 2018. In 2018 Finns bought approximately 18 million printed books, which is about 3 million less than in 2013. Use of public libraries is popular in Finland. There is at least one library in every municipality and those are also significant book buyers by spending every year over €300 per citizen on the acquisition of books and other materials. In 2018 Finns loaned over 12 printed books per person, but the trend has been decreasing (vs.15 loans in 2003). The share of e-books continues to increase in purchased and loaned books.

The Finnish book market is diverse with sales over \$291million in 2018, of which general literature was worth \$167 million and educational literature \$124 million. The Finnish book market consists of 178 publishers. According to the Finnish Book Publishers Association (Suomen Kustannusyhdistys), 3850 new titles were published in 2018, which is 5.3 percent less than the year before. The number of first edition translations was 901 in 2018 compared to 911 in 2017. Every year around 300-400 Finnish books are translated into 40 languages.



Capital: Helsinki
Population: 82.7 million
GDP: US\$275.3 million
Currency: Euro (€)
Languages: Finnish, Swedish

CURRENT MARKET TRENDS

Finnish book buyers divided into following groups in 2018: 88 percent of women and 66 percent of men bought books, 77 percent from age group 40-49, 69 percent from age group 20-29, of those 81 percent had academic degree and 59 percent had vocational education. The trend of heavy consumers (buying more than 8 books/year) buying majority of books has decreased from 60 percent in 2013 of total sales into 53 percent in 2018.

Most important and a rising criteria for buying literature are topic, author and price. Most read literature in 2018 were Finnish (34 percent) and translated fiction (31 percent) followed by detective stories (28 percent). Reading has increased most in historical books/memoirs, science fiction and social literature. Popularity on buying e-books has increased among book buyers but also those not buying books before having entered into the world of literature through e-books. Voice books have not found a big audience and the percentage on total book sales was only 4 percent in 2018 as well as in 2008.

The turnover in the Finnish e-book market showed a strong increase by +19 percent in 2018, which was about \$46 million (+46 percent/ 39 million in 2017). The share of the total book sales was 16 percent. Strongest increase was in school literature and children's literature. The e-book market is expected to increase in the coming year faster than in the past. The reason for this is that on 1st of July 2019 VAT was lowered from 24 percent into 10 percent, which is now the same as in printed books.

FINLAND

Buying online has increased in both printed and e-books, but the share on the total online shopping was only 4 percent in 2017. Finns seem to prefer domestic online stores more than foreign. Out of single foreign online stores, Amazon is biggest with 18 percent share in both printed and e-books, Apple has only 2 percent share and other miscellaneous sites 25 percent.

CURRENT DEMAND

The revenue in the Finnish Book market shows a 0.5 percent increase (7.2 percent in 2017) and it is mainly due to the increase in the Finnish educational book market (+4.3 percent in 2018) and e-book market (+19 percent in 2018). Other categories show decrease in sales. The most important product group in the Finnish book market is school literature, with a sales share of 42.5 percent, followed by non-fiction (31.9 percent), fiction (12.9 percent) and children's books (10.6 percent). 73 percent of Finns bought at least one book in 2018.

EXPORT & LICENSING GUIDANCE

In 2017 Finland sold 562 licenses abroad and export revenue was \$2,6 Million, which was -25 percent from the record year of 2016 (\$3,5 Million). In 2017 shares in export revenue were divided by fiction (38 percent), non-fiction (24 percent) and children's literature (38 percent). The share of non-fiction literature has increased in the 2010s and taken shares from the children's literature. USA/the United Kingdom together with Germany are the number one buyers of Finnish books (18 percent share each), followed increasingly by China (12 percent). In 2018 the top languages for translations of Finnish literature were Estonian and German followed further behind by French, Czech and English. Finland is part of Creative Commons Chapters worldwide. [Sanasto](#) is a Finnish Literary Copyright Society, which manages copyright on behalf of the right holders. It offers services such as granting licenses to users and managing both the revenue derived from the exploitation of copyright and remunerations to right holders. It also ensures that the rights are enforced

DISTRIBUTERS

[Suomalainen Kirjakauppa](#) – major book wholesaler

[Akateeminen Kirjakauppa](#) – major book wholesaler in few bigger cities

[Info](#) – wholesaler with 18 stores all over the country

[Adlibris](#) – Biggest online wholesaler in the Nordic region

[Tiedekirja](#) – wholesaler for science books

FINLAND

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

There are no trade barriers to foreign publishing in Finland. All imported books and other printed materials, including e-books, have 10 percent VAT, which is a reduced rate from the general 24 percent. Since 1 July 2019 also e-books have only 10 percent VAT, as it used to have 24 percent, which was the main reason for a slow growth in the e-book market. More information on IPR in general through [the Finnish Patent and Registration Office](#).

MAIN COMPETITORS

Main competition in all categories come from the Finnish literature. Finnish literature has shown some decreasing numbers in sales on the fiction side, but this could be explained partly by the fact that reading in general has decreased. Foreign literature in general has increased in the past few years. Non-fiction books, especially historical/memorial books, have increased sales as interest towards fiction has decreased. Detective stories are bestsellers in fiction books. Top sellers come from other Nordic countries, mainly from Sweden and Norway. Finnish publishers Otava, WSOY and Gummerus control the market.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

[The Finnish Book Publishers Association](#)
[The Booksellers' Association of Finland](#)
[Ministry of Education and Culture](#)

TRADE EVENTS

Event: Turku International Book Fair, October 4-6, 2019
Turku/Finland

www.turunmessukeskus.fi

This literary culture event is a well-known attraction with over 27 years of history, bringing together approximately 700 presenters, about 500 presentations and hundreds of exhibitors. The Book Fair also offers dozens of interesting discussions on topical themes and truly unique encounters with authors. All major publishing houses, as well as the most important literary organizations and agents will be in attendance.

Event: Helsinki Book Fair, October 24-27, 2019
Helsinki/Finland

www.kirjamessut.messukeskus.com

The book fair is the most important event for lovers of literature and book industry professionals in Finland. More than 300 publishers, bookstores and second-hand booksellers take part in Helsinki Book Fair every year. Helsinki Book Fair is hosted by Messukeskus Helsinki, Expo and Convention Centre in cooperation with the Finnish Book Publishers Association and the Booksellers' Association of Finland.

FINLAND

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

[The Finnish Book Publishers Association](#)

[The Booksellers Association of Finland \(Kirjakauppaliitto\)](#)

[What Finns Read 2018](#)

[Finnish Literature Exchange](#)

[Finnish Federation for Communications and Teleinformatics \(FiCom\) - e-books \(Finnish only\)](#)

[Helsinki Book Fair](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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FRANCE

SUMMARY

France is a stable market with 5,000 publishing houses. Large companies with revenue exceeding one million euros are generally involved in all editorial categories and take advantage of strong distribution networks.

In 2020, the book sector is holding up well, with sales declining by only 3%.

The book market employs around 80,000 people: 15,000 in publishing houses; 5,000 authors, translators and illustrators; 3,000 in the publishing industry; 30,000 in distribution and 30,000 in bookstores.

In the French economy, books cover 50% of the cultural market, followed by creative arts, video and music. The top 10 publishing houses are Hachette Livre, Editis, Madrigall, Média Participations, LeFevbre-Sarrut, Albin Michel, Relx Group, France Loisirs, Actes Sud and Panini France.

The major difference between the Anglo-Saxon and the French book markets lies in the fact that the French do not consider books to be a product or an ordinary good of consumption,



but *rather a “bien culturel”* (a cultural good), and this justifies the fact that the industry has evolved and operates in a regulated and not a free market. The French prefer physical books than digital ones.

CURRENT MARKET TRENDS

Digital technologies, copyright & intellectual properties and new distribution channels are changing consumer behavior and forcing publishers to rethink their business models.

The global pandemic has had a huge impact on the publishing industry with the closure of bookshops and cancellation of book fairs, and urgent measures have been taken by the French government.

The French expressed their loyalty to independent bookstores by showing up en masse to retrieve books purchased via click & collect during the months of the closure instead of buying online. However, without advice from booksellers, sales were concentrated around renowned authors and literary prize winners to the detriment of lesser-known authors and small publishing houses.

The comic books and the mangas have seen a positive trend over the past 10 years, having grown by 20%. The audio books present a new market opportunity.

FRANCE

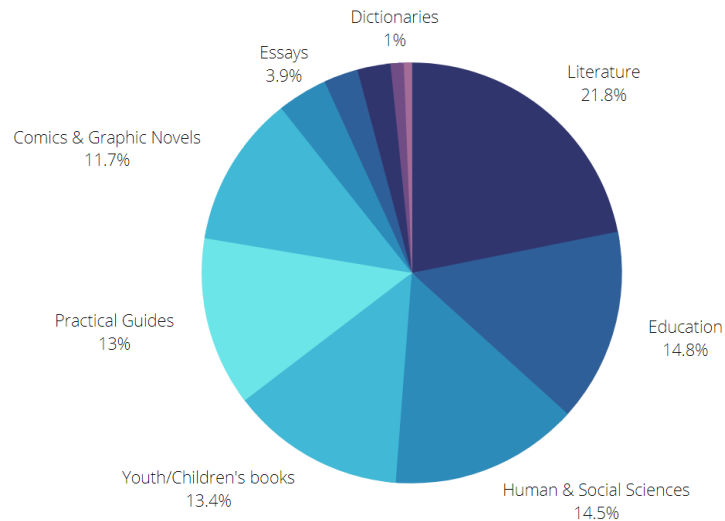
CURRENT DEMAND

The best prospects are:

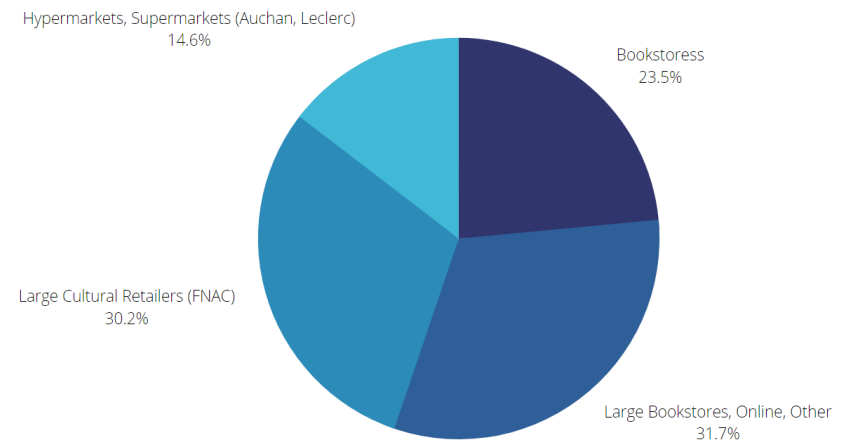
Contemporary novels & American thrillers
Arts, lifestyle, and photography
Spirituality and self-help books

Fantasy books
Travel & Tourism, nature and wildlife
Comics, graphic novels

The Market Segmented by Category



Type of Sales Channels in 2020



Source: GFK 2020

EXPORT & LICENSING GUIDANCE

There are nearly 150 wholesale distributors in France. Large companies are generally involved in all editorial categories and take advantage of strong distribution networks. Most of the time, publishers often use the same distributors. In France, 55% of the book's price is dedicated to the cost of distribution.

FRANCE

The leading French distributors are:

- Hachette Distribution for Hachette, Hatier, Le Chêne, Hazan, Dunod, Le Livre de Poche, Larousse
- Interforum for Editis, Place des Editeurs, Robert Laffont, Edi 8, Univers Poche
- Sodis for Gallimard, Flammarion, Casterman.
- Union Distribution for Madrigall (Actes Sud, Castermann, Flammarion)
- MDS for Media Participations (Le Seuil, La Martinière, Fleurus, Dargaud)
- Dilisco for Albin Michel

SOURCE: SNE (Syndicat National De l'Edition)

Trade Barriers & Intellectual Property Rights

France is one of several European countries that engages in price fixing on books to support local publishing. The law that permits this in France is called the “*Loi Lang*”, instituted in 1981. Anyone who publishes or imports a book to France is required to set a single price for the book’s sale to the public, which cannot change nor be discounted. In France, books are subject to the value added tax of 5.5% whereas the standard rate is 20%.

The *droit d’auteur* (authors’ rights) in France, Belgium and Germany, grants the rights of an author’s works to the author or his or her heir (s) and denies it to legal persons (except for collective works, and for software), whereas “*droits voisins*” or neighboring rights, grants these rights to the editor or the producer. French copyright law is defined in the *Code de la propriété intellectuelle*, which implements European copyright law. Two distinct types of rights are defined: Proprietary rights (*droits patrimoniaux*) and Moral rights (*droits moraux*). In 2006, the DADVSI Act was implemented to reform French copyright law. In France, the large publishing houses have a Rights Department to handle rights management and intellectual property protections. Authors typically work directly with publishers, without a literary agent. The literary agencies are used but less than in anglo-saxon countries.

MAIN COMPETITORS

The United Kingdom, United States and Netherlands publishing markets are the primary competitors to the French publishing industry.

2019 ranking of the world’s leading publishers:

RELX Group (U.K./NL/U.S.)
Pearson (U.K.)

FRANCE

ThomsonReuters (U.S.)
Bertelsmann (Germany) includes Penguin Random House
Wolters Kluwer (NL)
Hachette Livre (France)
Springer nature (Germany)
Wiley (U.S.)
HarperCollins (U.S.)
Scholastic (U.S.)

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Ministère de la Culture (French Ministry of Culture), culture.gouv.fr
Le Syndicat National de l'Édition (French Books & Publishing Association), sne.fr
Le Bureau International de l'Édition Française (International Bureau of French Publishing), bief.org

TRADE EVENTS

Livre Paris –April 21-24, 2022
Grand Palais Museum, Paris, France
www.livreparis.com
Livre Paris is the leading book fair in France with 160,000 visitors (B to C, B +. The U.S. Commercial Service is organizing a U.S. presence.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

Major Trade Association:
SYNDICAT NATIONAL DE L'ÉDITION, SNE.fr

Trade Publications:
BOOKS, Booksmag.fr
LIVRES HEBDO, livreshebdo.fr
LIRE, lire.fr

FRANCE

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



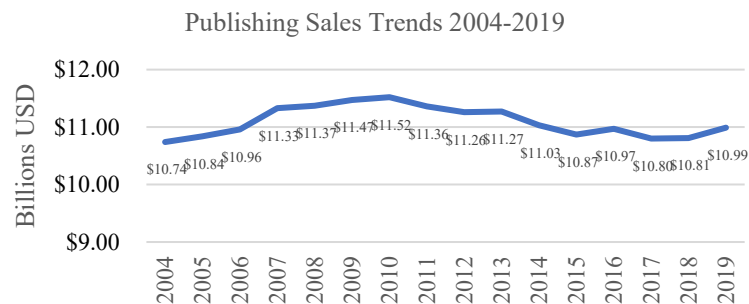
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GERMANY

INTRODUCTION TO GERMANY'S PUBLISHING MARKET

The German book market, with sales of over USD [10.9 billion in 2019](#) (an increase of 1.7% in value compared to 2018), is an important market for publishers and booksellers. Printed books are deeply rooted in the German culture and life. The German market serves as a role model in terms of quality and diversity of options. Market performance is stable overall. Along with English and Chinese, German is one of the most printed languages for book publishing. The German book market consists of approximately 21,000 companies including 15,000 publishers. According to [statistics](#), 70,400 new titles were published in 2019 which is 1.6% less than the year before. Similarly, the number of first edition translations decreased slightly in 2019 to 9,802 from 9,803 in 2018.

Germany also dominates book sales in Switzerland and Austria. Imports represent more than 80% of the publications sold in these markets, and Germany is the largest of these importers.



[Source](#): Börsenverein des Deutschen Buchhandels, 2020



GERMANY

CURRENT MARKET TRENDS

In 2019, revenue from the German publishing industry increased by 1.7%, continuing the industry's stability over the last 15 years. However, the number of book buyers is steadily declining. This is somewhat offset by the remaining book buyers' strong desire to purchase and read more books on average. The number of buyers in the public book market has decreased by 17.8% in the last six years. The age group of 40-49 bought significantly fewer books over the past few years. In the past six years, the share of potential book buyers in this age group has decreased by 37%. The same applies to the age groups of 30-39 and 20-29 years old with decreases of 26% and 24%, respectively. TV and Internet often replace books and digitalization has impacted the German book market for several years.

Bookstores and publishers in Germany are managing the digital transformation very successfully. Two-thirds of German bookshops also sell their books via online-shops. In 2019, stationary bookshops were still the largest distribution channel with sales of USD 5.08 billion in 2019, but Internet book sales are steadily increasing, and as of 2019 make up 20% of all book sales in Germany.

The German e-book market, contrary to the printed book market, has been growing. Although the price of German e-books dropped by 3% to 7.46 USD in 2019, sales slightly decreased by 1.2%, selling 32.4 million e-books on the German consumer market (source: [Statista](#)). In 2019, e-books made up 5% of book sales for private use. Twenty-five percent of Germans read e-books. Yet the German e-book market is behind the U.S. market, where, although the market share of e-books has been declining in recent years, 13% of all book sales are e-books. This can partly be explained by the German "Buchpreisbindung" (fixed book price agreement), which causes e-books in Germany to cost just a few Euros less than the printed alternative. This agreement fixes a book price and prohibits competition between publishers. Taxes for e-books have been reduced from 19% to 7% value-added tax (VAT).

CURRENT DEMAND

The decline in revenue in the German Book market affects almost all categories of books, but there are three major exceptions. Non-fiction books grew by 4.9% in 2019, children's books grew by 4.6%, and social science books grew by 3%. Generally, e-books are becoming more popular, however the willingness to pay the higher price is not strong.

A high proficiency in English among Germans makes English language books very popular in Germany. Of the books translated into German, English was the most common original language, followed by French and Japanese. English is the most widely spoken foreign language in Germany. Eighty-seven percent of German students learn English as a second language in school, according to Eurostat 2014 data, with approximately eight million school children enrolled in English language courses. All primary schools in Germany are now required to provide foreign language courses as part of their main curriculum starting in the third grade. A study by the European Commission says that more than 50% of Germans aged 15 or older can converse in English placing Germany well ahead of the European average for this age group.

GERMANY

EXPORT & LICENSING GUIDANCE

License sales decreased by 1.23% in 2019. Overall, sales of licenses abroad have slightly decreased with 7,747 titles translated into different languages in 2019 (2018: 7,844). Fiction books accounted for 18.2% of deals, a 10.6% increase from 2017. Non-fiction books saw a 24.9% decrease in licensing deals in comparison to 2017. Children and young adult titles were the most popular with 2,886 licenses sold in 2018. Chinese-speaking countries remain the number one buyers of German books, purchasing 1,560 licenses in 2018. In comparison Spanish-speaking countries purchased 373 licenses in 2018.

DISTRIBUTORS:

- www.knv.de - KNV Zeitfracht GmbH GmbH (KNV) - major book wholesaler
- [Libri GmbH](#) – major book wholesaler
- [G. Umbreit GmbH & Co. KG](#) – SME book wholesaler
- [Missing Link](#) – wholesaler of books to technical libraries
- [Lehmans](#) – wholesaler for educational books

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Most imported books and other print materials (TARIC Code, Section 10, Chapter 49) are free of import duties. Goods imported into Germany from non-EU countries are subject to an import sales tax, which is passed on to end-users as a value-added tax (VAT). The VAT levied on books, other print materials and e-books is seven percent thanks to exemption in the EU tax law. We advise U.S. exporters to review relevant taxes and import duties with a tax consultant.

MAIN COMPETITORS

Bestsellers from the United States fall behind book sales from the United Kingdom. The UK is the leading exporter of books to Germany and continues to fill the high German demand for English language books and English-German translations. A contributing factor may be the gradual reduction of American military presence in Germany that continues today. Additionally, the consistent use of British materials in German classrooms at the elementary and intermediate level explains the UK's higher book sales in Germany, as teachers and students are only free to choose their reading materials at higher education levels.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

- Börsenverein des Deutschen Buchhandels <https://www.boersenverein.de/>(German only)
- Ausstellungs und Messe GmbH des Börsenvereins des Deutschen Buchhandels e.V. Frankfurter
- Buchmesse <http://www.buchmesse.de/en>
- Frankfurt Book Fair New York Inc www.buchmesse.de/en/international-business

GERMANY

TRADE EVENTS

Frankfurt Book Fair, October 14-18, 2020 | October 20-24, 2021

Frankfurt/Germany

www.buchmesse.de

The book fair is the most important international marketplace for content, as well as a key trendsetter for society and a major cultural festival. 7,450 exhibitors from 104 countries (450 US Exhibitors) were showcasing their products to 302,267 visitors at Frankfurt Book Fair 2019. Due to the global health crisis, the Frankfurt Book Fair 2020 will be a hybrid event (digital/physical) with tight hygiene measures and a limited number of physical exhibitors/visitors. Please find updates on www.buchmesse.de/en.

Leipzig Book Fair, March 18-21, 2021

Leipzig/Germany

www.leipziger-buchmesse.com/?language=en

Leipzig Book Fair is the most important spring meeting place for the publishing and media sector. More than 1750 Exhibitors were showcasing their products to 286,000 visitors at Leipzig Book Fair 2019. In 2020 it had to be cancelled due to the health crisis.

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

German Publishers and Booksellers Association (Börsenverein des Deutschen Buchhandels) www.boersenverein.de

Fixed Book Price Agreement (Buchpreisbindungsgesetz) www.bundesrecht.juris.de

PriceWaterhouseCoopers Entertainment and Media Report 2015-2019 www.pwc.com

Frankfurt Book Fair www.buchmesse.de

Börsenblatt www.boersenblatt.net

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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INDIA

SUMMARY

India is the sixth largest book market and second largest market for English books. In addition to English and Hindi, the Indian publishing industry publishes in more than 24 regional languages to meet the local needs of the population.

The Indian book market is estimated at \$8 billion. Viewed as one of the fastest-growing English-language markets in the world, the Indian publishing industry is growing by around 19% every year. Almost 100,000 titles are published per year, and 50% of these are in English, followed by Hindi and regional Indian languages.

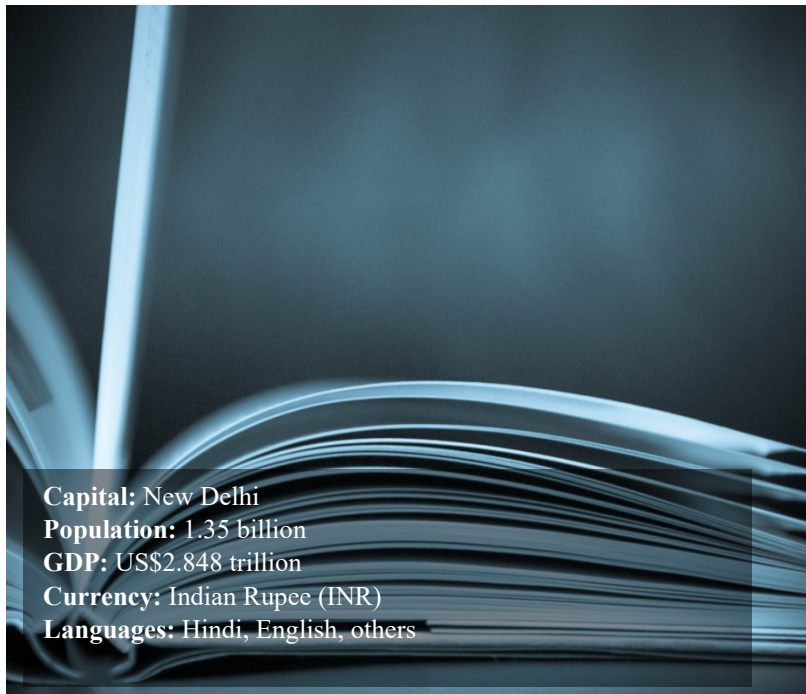
As far as books are concerned, 70% of the market caters to K-12 education books, followed by higher education academic books. In fiction, fantasy, comics and classics were the three most popular genres; the lowest selling were romance and graphic novels. When it comes to non-fiction, self-improvement books and biographies/autobiographies were the most preferred.

Leisure coffee table reading, reading galleries at bookstores, increased participation by international publishers at Indian book fairs and e-books are new avenues to boost sales. Since publishing is driven by consumers, book publishing and promotional events in India became trendier, with gala book launch events, more reader-publisher interactions and preview booklets of upcoming titles. Though the number of Indian authors is increasing, the pool of established writers is still limited. However, the publishing industry which was brought to a standstill by the COVID-19 pandemic is slowly limping back to life with lockdowns in many states being lifted. Online sales, audio books and e-books have been the sole lifeline of publishers. Release schedules are being deferred and it remains to be seen how publishers creatively overcome the hurdles involved in organizing in-person promotional launches.

The Indian Readership Survey 2019, issued by the Readership Research Council of India (RSCI) and Media Research Users Council (MRUC), reported that the total readership of daily newspapers had grown to 403 million from 395 million in 2017. However, print companies are making space for digital content and ensuring an online presence as well.

CURRENT MARKET TRENDS

The Indian publishing industry is estimated to have between 16,000 and 19,000 publishers, spread in fields of literature, science, fiction, art and others. This number varies across multiple sources and is indicative of the fragmented nature of the market and the difficulty of finding of verifiable statistics. The industry churns out more than 90,000-100,000 titles every year in all major Indian languages including English. Within the publishing industry in India, the focus is on academic and children's books. Fiction in English language does well for India. Given the size of the regional language market, the publishers are now open to acquiring translation rights from international authors.



INDIA

There has been a reduction in average expenses per publisher and, more importantly, the average selling price of books has fluctuated for various reasons. Imported titles continue to be more expensive than Indian titles. On July 1, 2017, GOI implemented a nationwide Goods & Services Tax (GST) to replace various existing taxes and to streamline the tax structure. Printed books, including braille books, newspapers, periodicals, journals, maps, atlases, charts and children's picture/drawing books are not taxable under GST. Other printed matter not falling under these categories such as printed music books or manuscripts are taxed at 12%; printing services are charged at 18%; printing materials and royalties are at 12% each and advertising revenues of the print industry at 5%, thus adding to the final printed product pricing.

There is a strong growth anticipated for academic publications, children's books, and fiction in English as well as regional languages, despite digitization. As per the industry sources, 70% of publishers have digitized their content. The e-book market in India is still in the nascent stage. However, with the growth of technology and proliferation of e-commerce portals, this segment has a potential to increase. Currently, the books have a 15% share of all sales through e-commerce in India. The COVID-19 pandemic has spurred a growth not only in the online sale, but also the audio and e-books sale.

The used or second-hand book market has a lot of potential but is inundated by disorganization and high price sensitivity. Despite this, there are book sellers that are taking advantage of the growing demand for second-hand books in a structured way. The main demand for second-hand books is in the areas of children's books (where the U.S. has an advantage over countries), art, architecture and photography, to name a few.

CURRENT DEMAND

Even with around 11-12% of India's population reading English, this works out to a substantial 125 million potential English readers. An interesting comparison is that this number exceeds the number of English speakers in Canada (about 30 million) and the entire populations of the U.K., (about 64 million) and Australia (about 21 million) and has the longer-term potential to surpass the number of English speakers in the U.S. (about 283 million). Experts suggest that India's clout is only likely to grow further in the coming decades, in the global market for English language publishing.

The book title output for India is about 8 to 10 titles per 100,000 population, far lower than the title output in mature publishing markets like the U.S., U.K., France and Germany. More than 8,000 daily newspapers are published in India, including many weekly and biweekly periodicals published in all Indian languages.

There are approximately 22,000 book retailers across the country, with a majority in the unorganized sector and family-owned. International exposure, increasing awareness and India's growing consumer class are factors that drive demand in the publishing sector.

INDIA

Brick and mortar stores are still holding out, although e-commerce and digital content are making inroads into these businesses, but so far only as supporting factors. The industry is aware of the challenges that it faces from all facets of technology that are eating into printed matter. Slowly but surely, changing reading habits and increased usage of technology are making way for interesting collaborations and partnerships.

EXPORT & LICENSING GUIDANCE

The GOI allows 100% foreign investment in publication of facsimile edition of foreign newspapers and for the publishing/printing of scientific and technical magazines, specialty journals and periodicals, but only 26% in newspapers and periodicals dealing with news and current affairs is permitted. The GOI has reduced the customs duty on newsprints from 10 to 5% as majority of newsprint is imported. The Indian publishing industry is largely dependent on volume; hence there is a focus on reducing prices by compromising on quality.

Finding a right partner, ensuring proper licensing, and establishing an effective readership base are the factors that a company looking to enter the Indian publishing industry should consider.

India Book Distributors (Bombay) Ltd. (IBD), International Book House, India Book House, and Aditya Books are some of the well-known Indian importers and book distributors. Crossword, Oxford Bookstore, Starmark Bookstores, WH Smith India, Om Books International, DC Books and Higginbotham's are book retailers.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

In India, the piracy of literary works takes three principal forms:

- Wholesale reprinting of trade and text books
- Unauthorized translations
- Commercial photocopying of books and journals

Industry sources have attributed a loss of nearly 50% by the legitimate book trade to book piracy, but due to outdated statistics the exact loss due to piracy remains unknown. Leakage and reverse leakage are two other growing concerns for foreign publishers operating in India. The Government of India (GOI), along with the publishing industry, recognizes these threats and is making efforts to combat them. The GOI has started taking measures towards protection of Intellectual Property Rights (IPR) by constituting a Copyright Enforcement Advisory Council (CEAC) and setting up special cells for copyright enforcement across the country. The pace of enforcing copyright protection laws by the judiciary is slow, but awareness is on the upswing, thanks mainly to the efforts of publishers.

INDIA

The distribution network consists of wholesale and retail distributors who represent foreign and Indian publishers. Lack of a cohesive network, proper distribution outlets and good public libraries are causes for concern. While there is demand for U.S. academic and educational titles, it is advisable to modify content where necessary, keeping in mind Indian culture and religious sensitivities.

MAIN COMPETITORS

Most of the leading publishers in India are subsidiaries of U.S., U.K. or European companies. These include Penguin Random House, HarperCollins, Oxford University Press, Cambridge University Press, Macmillan Publishers, Elsevier, Hachette, Pearson Education and McGraw-Hill Education. Smaller local publishers tend serve specialized niche markets.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

The [Association of Publishers in India \(API\)](#), [Federation of Indian Publishers \(FIP\)](#) and [Federation of Publishers' & Booksellers' Associations in India \(FPBAI\)](#) are the main associations that are active in the publishing arena. The [National Book Trust](#) is a publishing body under the aegis of the Ministry of Human Resource Development, Government of India. [The Indian Reprographic Rights Organization \(IRRO\)](#) is a non-profit organization. Its members are Indian and International authors, publishers and other rights holder in the literary copyrightable works.

TRADE EVENTS

New Delhi World Book Fair
New Delhi, India

The New Delhi World Book Fair (NDWBF) organized by National Book Trust, India, is one of India's largest international events in the publishing arena. The January 2019 fair attracted about 800 Indian exhibitors and 40 foreign exhibitors.

International Kolkata Book Fair
Kolkata, India

The International Kolkata Book Fair, organized by the Publishers & Booksellers Guild, Kolkata is one of the largest open-air book fairs globally and has over 2.5 million visitors. Since 2014, the Kolkata Literature Festival has also been part of the International Kolkata Book Fair. The 44th edition of the International Kolkata Book Fair was held in January 2020.

Jaipur Literature Festival (JLF)
Jaipur, India

The JLF, inaugurated in 2006, has evolved into one of the more popular annual literary festivals in India. It is the world's largest free literary festival and is held in January each year.

INDIA

ADDITIONAL MARKET RESEARCH & OTHER RESOURCES

- [Association of Publishers in India \(API\)](#)
- [Federation of Indian Publishers](#)
- [Federation of Publishers' & Booksellers' Associations in India](#)
- [National Book Trust](#)
- [Deputy Registrar of Copyrights](#)
- [Indian Reprographic Rights Organization \(IRRO\)](#)
- [Central Board of Excise & Customs ; Goods & Service Tax](#)
- [Federation of Indian Chambers of Commerce & Industry \(FICCI\)](#)
- [Media Research Users Council \(MRUC\)](#)

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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MEXICO

SUMMARY

During recent years, the publishing industry in Mexico has shown a steady growth. Mexico is a large and diverse country with over 124 million inhabitants, positioned as the most populous Spanish-speaking country in the world. It is estimated that government publishing represents about 60% of the total market, while commercial publishing represents about 30%. Book imports to Mexico are comprised mostly from Spain, the United States, and the UK. Proximity between the U.S. and Mexico provides a competitive advantage to U.S. firms over more distant foreign competitors due to the lower cost of shipping.

CURRENT MARKET TRENDS

The Mexican book publishing sector is set to increase to \$1.1 billion in 2019 at a growth rate of 2.8 percent. According to a survey conducted by the National Council for Culture and Arts (CONACULTA), Mexicans read an average of 5.3 books per year, making Mexico the second country in Latin America in terms of reading just after Chile.

As part of the National Development Plan, the Mexican Government implemented several programs to improve educational levels and literacy, supporting the production and distribution of books. The National Commission of Free Textbooks (CONALITEG), reached 200 million copies of textbooks for K12 schools for the 2018-2019 academic period. Private sector publishers produced 137 million copies from which about 30% are for government programs such as: “*Libro de Texto Gratuito en Secundaria (Free Textbook in Middle School)*”, *Programa Nacional de Ingles (National English Program)* and *Programa de Bibliotecas (Library Program)*”.

Besides the large publishing companies established in Mexico, there is a growth of small, independent publishers eager to partner with foreign companies interested in collaboration for projects in Mexico, Latin America and other international markets.

Digital publishing is becoming popular in Mexico, as the increasing access to the internet and the adoption of technology devices such as tablets and smart phones is changing the way people access to culture. Mexico is taking the lead in Latin America in the transition of the traditional book industry to the e-book era. The sale of digital editions continues with annual increments. In 2016, the increase was 24%, which meant 27 million pesos more.



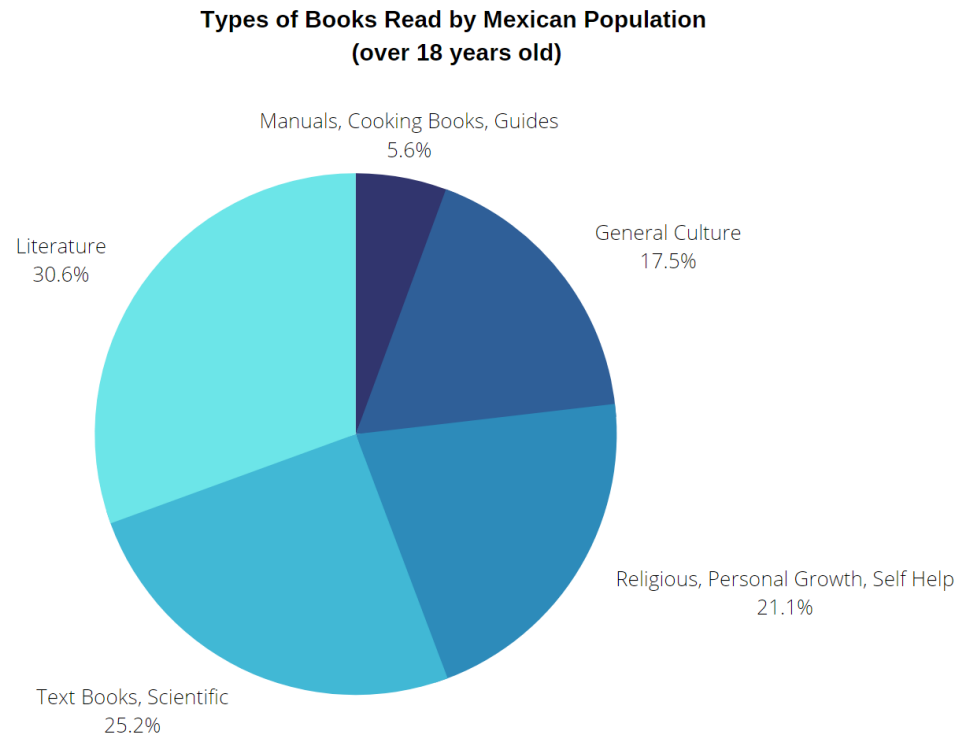
Capital: Mexico City
Population: 124 million
GDP: US\$2.458 trillion
Currency: Mexican Peso
Language: Spanish

MEXICO

CURRENT DEMAND

Mexico's 2.4 trillion economy is the 11th largest economy in the world, with a growing population of young people offering opportunities for US exporters in the following themes:

- Bestsellers & Literature
- Technical & scientific books
- Activity Books and literature for children



MEXICO

EXPORT & LICENSING GUIDANCE

The best way to enter the market is through distribution agreements to access channels such as bookstores, self-service stores, direct-sale and sales to government.

Partnering with Mexican publishing companies will provide a solid penetration to the Mexican and Latin American market. Some of the Key players are:

Fondo de Cultura Económica - a decentralized publishing institution funded by the Mexican Government and is considered one of the most important publishing companies in Latin America.

Editorial Porrúa: with over 100 years in the market, Porrúa is one of the most important publishing and bookstore chains in Mexico

Editorial Trillas: with over 50 years in the Mexican market, Editorial Trillas has focused in the publishing of textbooks and literature for K12 education.

Working with small local independent publishers also provides opportunities to grow in the Mexican market. It is recommended to approach the Mexican Alliance of Independent Publishers to learn more about collaborative projects. Among the most important independent publishing companies are Petra Ediciones, Ediciones el Naranja, NOSTRA Ediciones, Trilce Ediciones, Sexto Piso Editorial.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

As prescribed in the Book Reading Promotion Law, any book published in Mexico must contain information such as the title, author name, editor, edition number, date and printed date, editor name and business address, ISBN and bar code number.

To comply with this law, the book importer or publisher is obligated to set a fixed sales price known as a unique price, with exemptions given to educational entities and scientific research institutes. The importer and/or publisher can apply lower sales prices only for books already on the shelf for 18 months, antique books, used books, sold-out books and hand-made books. Prices are to be registered online with the National Council of Book Promotion.

Like the United States, Mexico uses the Harmonized Tariff System (H.S.). However, Mexico uses only eight digits while the U.S. uses up to ten digits. HS codes are mostly universal, but a few U.S. and Mexican codes are different. Overall, there are no major regulations for books, periodicals and related materials, though importers need to have an import license. Furthermore, the Tax Law exempts importers from paying 16% tax for books imported into the country. However, U.S. exporters are advised to work closely with their importers and customs brokers to ensure that any specific requirements for their books and materials are met, avoiding complications at the border.

Two different laws provide the core legal basis for protection of intellectual property rights (IPR) in Mexico: The Industrial Property Law (Ley de Propiedad Industrial) and the Federal Copyright Law (Ley Federal del Derecho de Autor). The National Institute of Author Rights (Instituto Nacional del Derecho de Autor) administers Mexico's copyright register and provides legal advice and mediation services to copyright owners who believe their rights have been infringed. It is highly recommended that US exporters register their copyrights in Mexico to get protection. For more information, please refer to the following website: www.stopfakes.gov/

MEXICO

U.S. authors need to be aware of Intellectual Property Rights protection in the U.S. and abroad including Mexico. The U.S. Department of Commerce through the United States Patent and Trademark Office provides the following information to obtain IPR protection in the United States.

U.S. Patent and Trademark Office: www.uspto.gov / U.S. Copyright Office: www.copyright.gov

MAIN COMPETITORS

The publishing import market has been dominated by Spain followed by the U.S. Other competitors are the U.K., Germany and France. Among the most important foreign publishers established in the Mexican market are: Grupo Planeta, Grupo Santillana, Penguin Random House, McMillan Editores, McGraw Hill, Larousse.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

National Publishing Industry Association (CANIEM)

www.caniem.com

The National Institute of Statistics, Geography and Information Technology (INEGI)

www.inegi.org.mx

Indautor – National Institute of Copyrights

www.indautor.gob.mx

Mexican Center for Copyright's Protection and Promotion (CeMPro)

www.cempro.com.mx

TRADE EVENTS

Feria Internacional del Libro de Guadalajara (Guadalajara International Book Fair)

Centro de Exposiciones, Guadalajara, Jalisco

www.fil.com.mx

The Guadalajara International Book Fair is the most important publishing gathering in Ibero-America.

Feria Internacional del Libro Infantil y Juvenil

Parque Bicentenario, Mexico City, Mexico

www.filij.cultura.gob.mx

Held annually since 1981, its mission is to encourage reading among children and teens. Consequently, besides the many books and publishers to see, activities include theater, puppetry, storytelling and reading workshops.

MEXICO

Feria Internacional del Libro del Palacio de Minería

Palacio de Minería, Mexico City, Mexico

www.filmineria.unam.mx

One of the largest international bookfairs in Mexico, the Feria Internacional del Libro del Palacio de Minería receives about 150,000 visitors and offers over 1,500 cultural activities

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



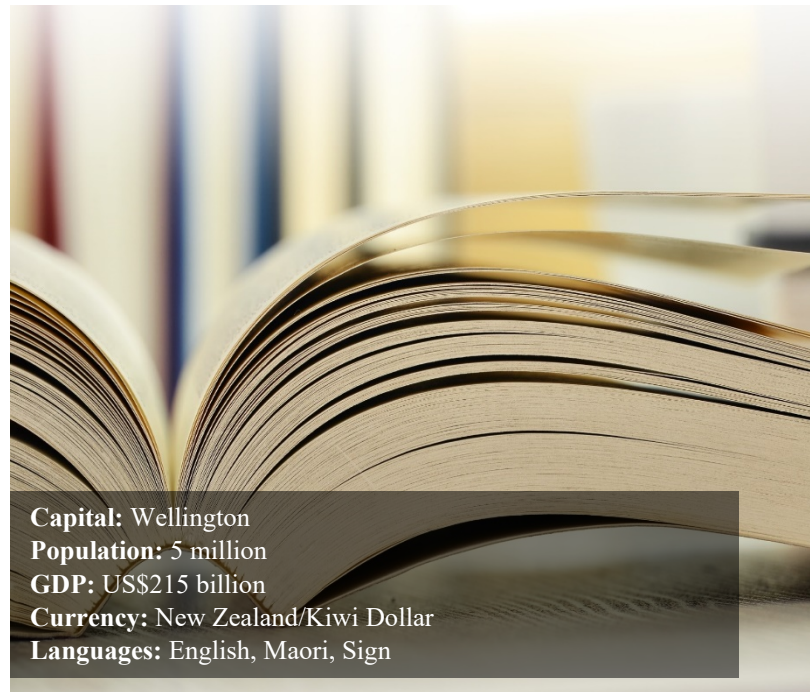
Martha Sanchez
Commercial Specialist
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Mexico City

NEW ZEALAND

SUMMARY

New Zealand's publishing industry is a complex and competitive industry comprising of multinationals and domestic publishers selling physical books through traditional brick-and-mortar retailers (who also offer their own online purchasing options) and through international online retailers such as Amazon. The sale of eBooks is an added distribution channel which, combined with international online platforms selling directly to consumers, means it is very difficult to determine the exact value and size of the industry. Additionally, due to this country's small book market, publishing houses often manage the supply of books to New Zealand through Australia to help reduce shipping costs. (Amazon has a distribution outlet in Melbourne, Australia.)

In 2019, New Zealand's physical book imports totaled US\$171.2 million (HS Code 49) – a decrease of 15.4% on the previous year. The leading source for New Zealand 2019 book imports was Australia (34% market share), followed by the United Kingdom (18.5%) and China (15.2%). U.S. 2019 book exports to New Zealand totaled US\$16.6 million (9.5% market share). Compared to the United States, books are expensive in New Zealand. Library membership is popular but less popular amongst millennial New Zealanders. Most libraries offer programs to attract children to books and reading. British English is used in New



Zealand.

CURRENT MARKET TRENDS

Consumers buying physical books through traditional New Zealand retailers incur a 15% Goods and Services Tax (GST).

From December 1, 2019 international companies selling low-value goods to New Zealand consumers (less than US\$600) are required to register, collect and return GST. The new regulation aims to help local businesses from international vendors. Since 2016, international companies supplying remote services e.g. e-books are required to register for New Zealand GST and charge GST.

CURRENT DEMAND

New Zealand has one of the world's highest literacy rates. Reading for work or for pleasure is an activity most New Zealanders do daily. New Zealanders keep up with international authors/reviews through the media and are interested as well in their own authors.

NEW ZEALAND

EXPORT & LICENSING GUIDANCE

Market entry of physical books is dependent on partnering with a New Zealand-based publishing company specialized in importing and distributing to local book retailers. Book chain retailers Paper Plus (100 stores nationwide) and Whitcoulls (56 stores nationwide) dominate local book retailing although there are many independent book shops in New Zealand. Unity Books is the largest independent bookseller in New Zealand with stores in Auckland and Wellington.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

The [Intellectual Property Office of New Zealand](#) (IPONZ) is the government agency responsible for granting and registering intellectual property.

In New Zealand, there is no copyright register or application process needed to be granted copyright protection. Protection comes into effect automatically when an original copyright work is created, published or performed (Copyright Act 1994). Copyright owners can appoint a licensing agency to licence their rights on a collective basis. The licensing agency is authorised to grant copyright licences for purposes and collect licence fees (royalties) on behalf of copyright owners.

The [Copyright Licensing New Zealand](#) (CLNZ) is a not-for-profit organisation jointly owned by the Publishers' Association of New Zealand and New Zealand Society of Authors. CLNZ has agreements with most New Zealand publishers, and offers both commercial and education licences.

MAIN COMPETITORS

Three Commonwealth countries (Australia, UK and Canada) dominate New Zealand book imports. In 2019, they supplied approximately 67.5% of all books imported into New Zealand. Multinational publishing houses with a New Zealand presence include Allen & Unwin, HarperCollins, MacMillan, Penguin Random House and Scholastic Corporation (New York, NY).

New Zealand's publishing industry includes small independent companies specializing in producing local books particularly children's and educational books. In 2019, New Zealand book exports totaled US\$29.5 million. Most New Zealand's book exports go to Australia (64%) followed by the United States (12.5%). The New Zealand Publishing Association membership includes 70 publishing houses.

NEW ZEALAND

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Publishers Association of New Zealand
Level 4, 15 Huron Street
Takapuna, Auckland 0740
New Zealand
Phone: 649 280-3212
www.publishers.org.nz

TRADE EVENTS

New Zealand has no trade event covering this sector. The Publishing Industry Association recruits a delegation of New Zealand booksellers to the Frankfurt Book Fair.

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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POLAND

SUMMARY

The Polish book publishing market accounts for almost 3 per cent of the European publishing market, while Poland's population accounts for 7.5 per cent of the total population of the European Union.

At the end of 2018, in the ISBN database maintained by the National Library, there were 40,540 publishers registered in Poland, though not more than 2,000-2,500 of them are active. A considerable number of them publishes only several books per year.

The market is highly concentrated and group of about 300 entities holds almost 97 percent. Approximately 600-700 firms publish more than ten books annually.

In 2018 the value of the Polish book market calculated in retail price was approximately \$1.2 bn USD.

(By Biblioteka Analiz sp. z o.o. and Polish Book Chamber)

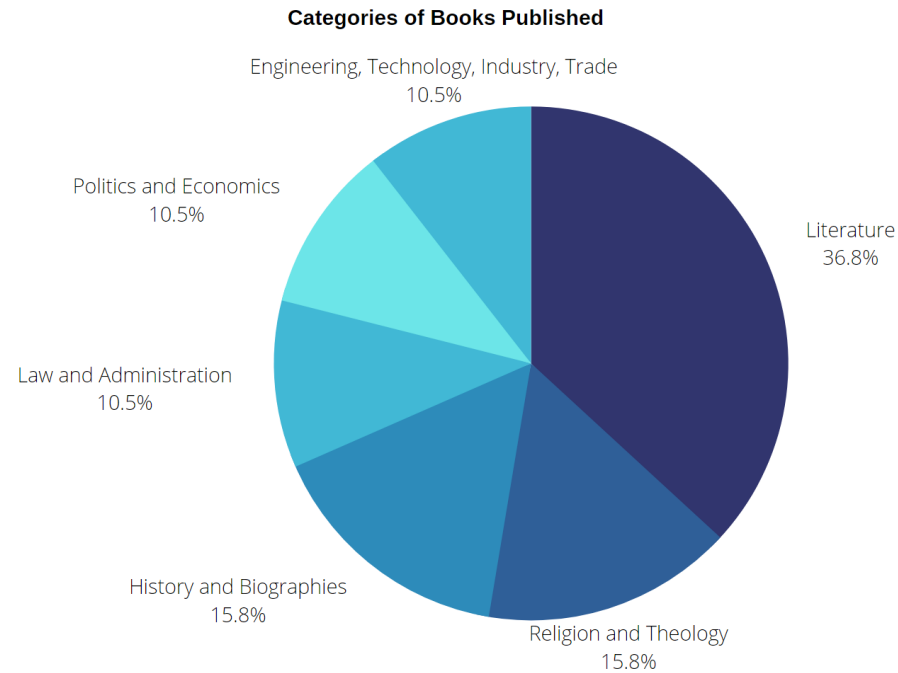
With considerably low production costs, the number of published titles grew by 10 percent annually for the past 3 years. In 2017 36260 book titles were published in Poland.

Foreign publications account for a large share of the market. In 2018, as reported by the National Library, of a total of 33,919 published titles, translated books accounted for 20 per cent (6,914). According to current estimates the income from books sales is higher. Most foreign language translations are from: English (60% of translations), French (8%), German (7%), Japanese (5%), Italian (5%) as well as Spanish, Norwegian and Swedish (2% each).

Books for children, romance books and comics have the largest share in all translations from foreign languages. *Polish Book Chamber.*



POLAND



BOOK READING

A survey conducted by the National Library in April 2018 showed that Poles read few books. Two out of five Poles have read one book in the last 12 months, while 62 percent of Poles have not read any books in 2017. One in ten Poles declared reading 7 books during one-year period. All that does not bode well for Poland's publishing market, and the number of publishers reporting financial problems grew from 44 percent to 53 in 12 months.

According to the estimates of analyzes (Biblioteka Analiz), the Polish book market will decrease (8-10%) over the period 2016-2020.

POLAND

The Number of Bookshops in Poland (2012-2019)

Year	2012	2013	2014	2015	2016	2017	2019
Number of Bookshops	2,050	1,974	2,030	1,855	1,855	1,800	1,500

The Value of the E-Book Market in Poland

Year	2014	2016	2017
The value (in millions PLN)	56	60	85

MARKET TRENDS

It is estimated that by year 2020 the e-book market will account for 13% of total book market in Poland. The popularity of electronic media continues to grow in Poland. Bookstores offers both hard copies and audiobooks of recently published literature. The research carried out in 2018 by Novus, at the request of Storytel, showed a 5% increase of the number of audiobook users. It is estimated that about 21 percent of Polish readers who read more than 7 book per year, are acquainted with audiobooks and e-books and use them.

In November 2017 the Polish Institute of Quality Research compared opinions on 13 internet bookstores registered in Poland. They collected opinions on the bookstore's prices, delivery quality, client servicing, quality of its offer. Livro received positive opinions from over 90% of the poll's participants. Other popular internet bookstores include publico.pl, who's offers include popular on-line magazines, and ligimi.pl, who offers a wide range of e-books and audiobooks. Audioteka.pl was founded in 2009 and has an estimated value of \$19.25M, currently has 5 million users and supplies materials from 500 publishing houses. Storytel Sp. z o.o.- publishes their own line of audiobooks and distributes audiobooks to many Polish and foreign publishers. Launched in 2005, Storytel has supplied the market with more than 53 million of their audiobooks and e-books. Over the past four years, Storytel's annual growth rate has remained at 62% and continues to grow year by year. Headquartered in Stockholm, they have operations in 15 markets, including Sweden, Norway, Denmark, the Netherlands, Finland, Russia, Poland, Iceland, Turkey, Italy, Spain, India, United Arab Emirates, Mexico and Bulgaria.

TRADE EVENTS

International Book Fair in Krakow - an annual event organized since 1997. Held in October in 2018 the event attracted 68000 visitors and featured more than 700 exhibitors from 20 countries. The exhibitors included publishers, distributors, printing houses, representatives of cultural institutions and associations connected with book publishing and promotion. More than 80 authors were present at the event. (www.ksiazka.krakow.pl)

Warsaw Book Fair – first organized in the 1970s and held annually with the Science and Academic Book Fair ACADEMIA in May, the 2019 fair attracted 815 exhibitors from 25 countries, 1017 book authors and more than 70,000 visitors. The four-day event featured nearly 1500 professional events: meetings, discussions, debates, presentations of new releases and bestsellers, competitions, literary and artistic attractions, and focused exhibitions. (www.targi-ksiazki.waw.pl)

POLAND

LICENSE

Licensing products, technology, technical data, and services has been less common in Poland, due to concerns about to protect intellectual property rights and copyrights. Still we suggest U.S. businesses be cautious when licensing their products in Poland, particularly since we expect the number of U.S. firms opting to license their products in Poland to increase, especially in the industrial manufacturing and consumer goods sectors.

IPR PROTECTION

For general information on Protecting Your Intellectual Property in the EU, please follow this link: www.trade.gov

Several general principles are important for effective management of intellectual property (“IP”) rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. For example, your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Granting patents registrations generally is based on a first-to-file (or first-to-invent, depending on the country) basis. Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the EU. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

CHANGES OF VAT

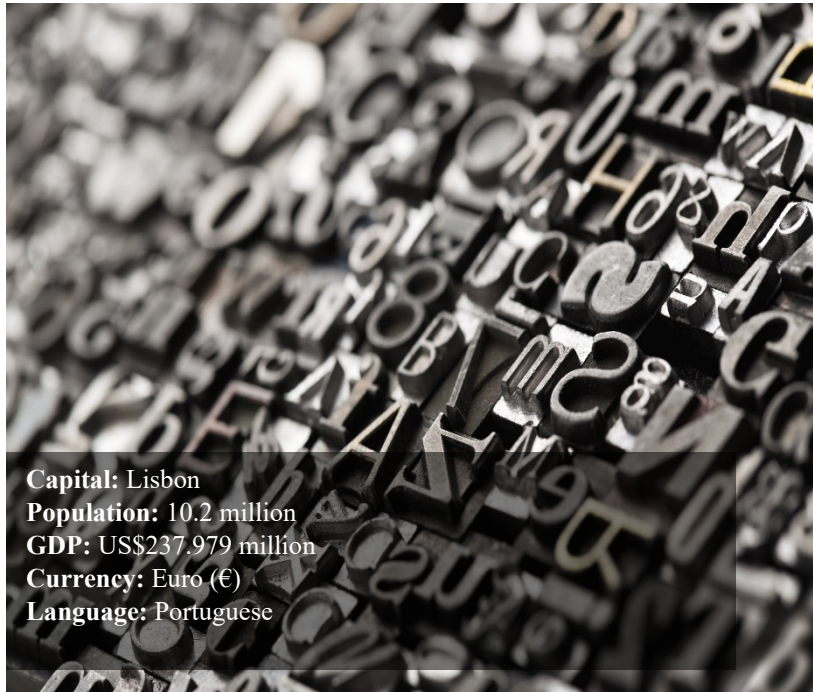
As of November 2019, VAT for all kinds of books printed on electronic media, that is discs, tapes as well as published in electronic version (E-books) will be lowered from 23 percent to 5 percent. VAT for newspapers, dailies, printed magazines that will be offered on discs, tapes or other media carriers in an electronic form (e-press) will be lowered from 23 percent to 8 percent.

POLAND

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



Anna Krywalska
Commercial Specialist
Anna.Krywalska@trade.gov
Warsaw, Poland



Capital: Lisbon
Population: 10.2 million
GDP: US\$237.979 million
Currency: Euro (€)
Language: Portuguese

PORTUGAL

SUMMARY

In what concerns sales and quantity, the Portuguese publishing market has dropped significantly in the decade from 2009 to 2019, mainly due to the availability and growth of e-books. Nevertheless, Portuguese have poor reading habits, 51% of Portuguese parents do not have reading habits, however 66% take books for their children on vacation and 90% read or have the habit of reading to their children, because even if they do not read, they consider it important for children to be good readers.

Portugal's publishing industry revenue in 2019 totaled USD 638 million, representing a decrease of 9% compared to 2018. This includes published books (USD 370 million), newspaper publishing (USD 130 million), publishing of journals and periodicals USD (101 million), other publishing activities (USD 33.8 million), publishing of directories and mailing lists (USD 3 million). According to a statistics site, (statista.com), by 2023 Portugal will grow to approximately USD 427,8 million of revenue of publishing books, periodicals and other printed materials.

APEL-Associação Portuguesa de Editores e Livreiros, the Portuguese Publisher's Association, uses data published by *GFK (Growth from Knowledge) obtained through its reports and studies on Portugal's publishing industry and the reading habits of the population. According to the latest study, dated August 2020, the sale of books dropped to almost 30%, counting the period after the end of the confinement. APEL's representative recalls that the this does not come as a surprise and is due to poor reading habits and low purchasing power of the Portuguese population, compared to other European countries.

The Portuguese drop in book sales, 28.3% from January to June 2020, was much higher than the decrease registered in the other seven analyzed countries: -18.4% in Spain, -15.4% in France, -12, 8% in Brazil, -10.1% in Italy, while losses in Switzerland were comparatively small (-4.4%) and in the Netherlands and in the Flanders region in Belgium until there was an increase (respectively, 4.2% and 1.6%).

*GFK is a marketing services company that develops market insights used by APEL.

The Portuguese market is led by two major publishing companies, Porto Editora and LeYa, which between them share around 50 percent of the market. Despite the dominance of these players, their presence has raised the level of professionalism and quality in Portuguese publishing. Portugal has around one thousand points of sale for books throughout the country, but around 600 are inside supermarkets, offering a limited selection. Smaller bookstores and used books stores have struggled to maintain their doors open, in face of fierce competition from larger chains such as FNAC and Bertrand (since 2010 part of Porto Editora).

PORTUGAL

CURRENT MARKET TRENDS

The national financial crisis in 2008 caused a publishing industry contraction of around 30 percent, despite this the industry survived and there are still many books being published. However, smaller bookstores were forced to close, and the market is now dominated by large book sellers Bertrand and FNAC, some online book stores and big surface supermarkets have created literature corners.

In 2018, 11.7 million books were purchased in Portugal, excluding schoolbooks, which totaled around USD 13.8 million in revenues. Thirty-seven percent (37%) of Portuguese parents buy six or more books for their children annually and 28% spend more than € 50 on books for children annually. This is mainly since 63% of these parents believe that children who read are (and will be) more creative.

As an incentive to increase reading habits, and in accordance with the Portuguese Government's Reading Plan (Plano Nacional de Leitura) to increase reading, the National Library has an e-book platform and Porto Editora created Cool Books (www.coolbooks.pt) with the motto *Reading is Cool*.

However, publishing rates in Portugal are among the highest in Europe; around 15% of Portuguese publishers' revenues are due to book exports to all of Europe and other Portuguese speaking countries.

CURRENT DEMAND

Compared to the rest of Europe there is a lower literacy rate which makes new releases hard to market and sell. According to APEL's latest figures based on GFK's report on the sector, in a regional perspective the demand for the business is growing in the north and decreasing in the center (not including Lisbon) of the country.

Bestseller titles, as in other European countries, is fiction, especially psychological thrillers and romance. For non-fiction books, the preference is for self-development, wellbeing and historical titles. Local authors both on fiction and non-fiction lists continue to lead sales.

In an interview with a national radio station in August 2020, the president of APEL stated that the sale of books dropped above 30%, during and prior the confinement. It is not as bad as in the period when a large part of the population stayed at home, but even so these are values that, will force many companies to undertake profound restructuring.

PORTUGAL

Industry Revenue of “Publishing of Books, Periodicals” in Portugal from 2017 to 2023 (USD Millions)

Year	Book Publishing	Newspaper Publishing	Publishing of Journals and Periodicals	Other Publishing Activities	Publishing of Directories and Mailing Lists	Total	Previous Year % Change
2017	386.3	169.83	161.48	39.68	10.75	768.04	-8.57%
2018	378	149.45	130.52	36.64	6.75	701.36	-8.60%
2019	370.11	130.09	101.11	33.76	2.96	638.03	-9.01%
2020	362.62	111.7	73.17	31.01	0	578.5	-9.33%
2021	355.5	94.22	46.63	28.41	0	524.76	-9.28%
2022	348.74	77.63	21.41	25.93	0	473.71	-9.72%
2023	342.32	61.86	0	23.58	0	427.76	-9.70%

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

All imported books into Portugal are free of import duties. Nevertheless, to manage the increasing influence of big surfaces/book chains, under the fixed price law bookshops can't offer more than 10% discount in the first 18th months after publication; additionally, books are taxed with a 6% VAT.

EXPORT & LICENSING GUIDANCE

According to APEL-Associação Portuguesa de Editores e Livreiros, increased access to the Internet, boosted by new mobile platforms, has contributed to a gradual increase in digital piracy. APEL believes that although many of the situations identified are in fact acts of piracy for profit, most are allegedly the result of a lack of knowledge of copyright laws. APEL plays a role in safeguarding Copyrights and has collaborates closely with MAPINET to fight piracy. (MAPINET is an anti-piracy group, created by Portuguese associations that signed a **“Voluntary” agreement against copyright infringements** though an MOU and is promoted by the Portuguese government.)

Portugal is governed by the European Union Guidelines on IPR Law no. 50/2004 www.parlamento.pt, Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonization of certain aspects of copyright and related rights in the information society, eur-lex.europa.eu
APEL is also responsible for the attribution of the international Standard Book Number (ISBN).

PORTUGAL

MAIN COMPETITORS

The two leading Portuguese publishers are Porto Editora and Leya, which between them represent approximately 50% of the market. The publishers 20|20, Penguin Random House and Presença and independent publishing houses such as Relógio de Água, Cavalo di Ferro, Tinta da China and Gradiva also have an important share of the publishing market.

Source: www.publishingperspectives.com)

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Portuguese Government: www.portugal.gov.pt

APEL- Associação Portuguesa de Editores e Livreiros: www.apel.pt

ASSOFT-Portuguese Software Association www.assoft.org

AUDIOGEST-Portuguese Association for Managing and Distributing Rights www.audiogest.pt

FEVIP - Portuguese Association for the Protection of Audiovisual Works - www.fevip.pt

GEDIPE -Association for the Collective Management

TRADE EVENTS

Lisboa

Yearly, in May

www.feiradolivrodelisboa.pt

ADDITIONAL SOURCES

www.data.un.org

www.expresso.pt

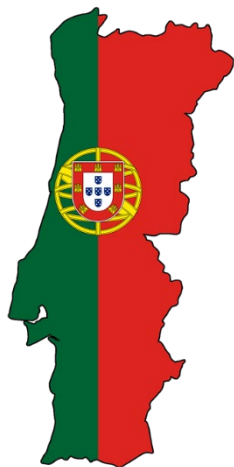
www.statista.com

www.publishingperspectives.com

www.gfk.com

PORTUGAL

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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SPAIN

This Market Brief was published in 2018

SUMMARY

The Spanish publishing sector has shown a moderate growth over the last year. The sale of non-university textbooks has decreased by 4.2 percent due to market intervention by public administration, but the rest of the sector has enjoyed a better growth compared to past years growing about 4.3 percent in 2018. Bookstores and bookstore chains continue to be the main channels of book distribution with considerable sales growth of 2.6 percent representing 53 percent of turnover. Internet sales also had an increase of 7.6 percent. Digital distribution platforms are the main sales channels for digital books representing 76 percent of the market.

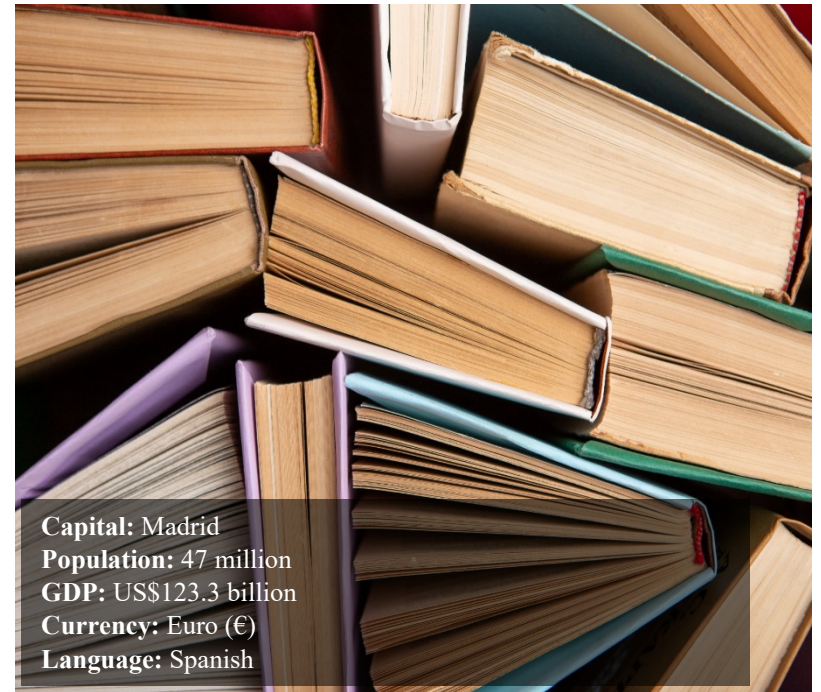
CURRENT MARKET TRENDS

The Spanish book sector sold 160 million copies in 2018 (1.6 percent more than in 2017). These figures reflect a decline in non-university textbook sales of 4.2 percent compared to 2017. Total turnover for 2018 is reported at €2.36 billion (USD 2.65 billion), a moderate increase of 1.9 percent over the previous year.

Total editorial production in 2018 was 76,202 titles. The average circulation per title in 2018 was 3,762, down 5.8 percent from 2017 with an average price of €13.96 (USD 15.66).

In 2018, four categories made up 78.8 percent of sales: non-university texts (33.6 percent), literature (20.7 percent), children and adolescents (12.8 percent), and social sciences (11.7 percent).

E-Book sales in Spain has a slight decrease of 0.1 percent in 2018, with total book sales at €118.98 million (USD 133.47 million). Over 12.8 million e-book copies were sold in 2018, up to 0.2 percent from 2017.



SPAIN

CURRENT DEMAND AND POTENTIAL OPPORTUNITIES

Sales in literature (fiction for adults) for 2018 were €488.19 million (USD 547.64 million) and made up 20.7 percent of the market. Sales in literature are up 8.1 percent since 2017.

Books for children and adolescents accounted for 12.8 percent of the market and generated sales of €303.33 million (USD 340.27 million), a 6 percent increase from 2017.

The sales of non-university textbooks generated €793.60 million (USD 890.24 million), representing 33.6 percent of the market, a decrease of 4.2 percent from 2017.

The turnover for social sciences and humanities books in 2018 was €274.52 million (USD 307.95 million), representing 11.7 percent of the market, a 3.1 percent increase from 2017.

Sales of university textbooks and technical scientific books were worth €111.48 million (USD 125.05 million) in 2018, representing a 4.7 percent of the market, a 3.7 percent increase from 2017.

POTENTIAL OPPORTUNITIES:

Based on the given statistics, the e-book sector has shown stagnation in 2018, representing 5 percent of total turnover of the sector.

Printed books have shown consolidated figures of growth during last years.

The best growth indicators come from the literature segment. It is expected that demand in literature will continue to expand.

In 2018, a relevant fact to consider is the increasing figures regarding the pocketbooks with a turnover of more than €93 million (USD 104.52 million), representing an annual increase of 1.6 percent. Copies sold were more than 12 million, representing an annual increase of 3.8 percent.

EXPORT & LICENSING GUIDANCE

Procedures related to exporting to Spain from the United States:

U.S. firms can export into the Spanish market without needing any authorization. The importation of books in Spain is exempt from customs duties, leaving only the settling of the corresponding VAT (Value Added Tax) in customs. Spain has no restrictive licenses or quotas of any kind. The only requirement is that the arrival of goods must be communicated to customs with sufficient notice to allow them to do a risk assessment. If customs suspect for some reason that the goods could be dangerous, their unloading and importation could be impeded for security reasons.

SPAIN

KEY DISTRIBUTORS:

Alfaomega: www.alfaomega.es

Alfaomega, S.L, is a Spanish distributor with a comprehensive network reaching all Spanish-speaking countries and the United States. Their primary focus is on philosophy and spirituality.

Anaya: www.grupoanaya.es

Grupo Anaya is a distributor with many branches in various sectors. They are well known for educational texts but have expanded by acquiring and starting new publishers in other areas of expertise, including some specializing in other regions like Galicia, Cataluña and in Latin America.

Casa del Libro: www.casadellibro.com

Casa del Libro is the largest bookstore chain in Spain, with 46 stores around the country and a large online catalog. In addition to regular book sales, they have an established e-book section online.

Edelsa: www.edelsa.es

Edelsa specializes in and is the leading publisher for tests for Spanish as a foreign language.

Grupo Planeta: www.planeta.es

Grupo Planeta is a multinational editorial and communication group that is a leader in Spain with a major presence in other countries in Latin America and Europe.

Marcial Pons Librero: www.marcialpons.es

Marcial Pons Librero is a bookstore company and distributor with a large network in Spain and the rest of the Spanish-speaking world.

Penguin Random House: www.penguinrandomhousegrupoeditorial.com

Penguin Random House is a global editorial and publishing firm that is a leader in distribution of Spanish language works for all types of readers in all formats.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Spain has no importing/exporting market trade barriers in the publishing sector. In recent years, Spain has made a few legal advances regarding Intellectual Property Rights. In December 2011, the government adopted the Copyright Act, a law designed to combat copyright piracy online. Spain amended the same act in October 2014, enhancing areas such as damages for infringement and enforcement, and has amended its Penal Code in attempts to achieve similar goals. However, some U.S. stakeholders still want to see better efficiency and efficacy from the Spanish government regarding Intellectual Property Rights.

Spanish law requires universities to pay the Spanish Center for Reprographic Rights. This group represents authors and is designed to pay them for the use of textbooks.

SPAIN

MAIN COMPETITORS:

British publishing firms dominate the Spanish market for the English textbooks. The British Council has been operating in Spain for many years, helping firms like Burlington Books, the Oxford Exchange, Longman, and the Cambridge Secondary English Course become very well connected in Spain.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

FANDE - Federación de Asociaciones Nacionales de Distribuidores de Ediciones

www.fande.es/asp-bin/index.aspx

The Federation of National Associations of Distributors of Editions is an association of distributors of books and periodical publications (newspapers and magazines) in Spain.

FGEE – Federación de Gremios de Editores de España

www.federacioneditores.org/ingles/

FGEE is a non-profit, private professional association created in 1978 to represent, manage, enhance and defend the general common interest of Spanish publishers on a national, European and international level.

TRADE EVENTS

LIBER, The International Book Fair 2019

IFEMA – Feria de Madrid, Spain – Hall 7

October 9-11, 2019

www.ifema.es/en/liber

This annual trade fair is the largest showcase for Spanish books and is the principle business exchange center for the Spanish publishing industry. It alternates between Madrid and Barcelona each year.

OTHER EVENTS

It is a tradition in the Catalan region to celebrate Saint George or Sant Jordi's Day on April 23rd. It is a special day for literature with book markets all over the area.

SPAIN

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TURKEY

SUMMARY

The Turkish publishing market is steadily developing thanks to many factors: growth in the population (with around 30% under the age of 18); lengthening of compulsory primary education to eight years, increase in the GNP, a variety of books becoming more available with the improved distribution network and the development of publishing technologies. In the last decade there has been a 300 percent increase in the number of published books with 68,554 titles released in 2019 according to the Turkish Publishers Association. In 2019, the Turkish publishing sector size amounted to 1.46 billion dollars, making it the 16th largest market globally.

The main market opportunities for U.S. publishers are in the imported books segment, which is calculated around \$113 million, including educational and academic titles (print books). In addition, many international book titles are translated into Turkish, providing licensing rights/royalty payments to publishers. E-books are slowly growing as a market segment since their first introduction into Turkey in 2010; the Turkish Publishers Association estimates that e-books sales are at 5-7 percent of the printed book sales.

CURRENT MARKET TRENDS

Turkish publishers initially had minimal interest in e-books, believing the market was not ready and worrying about the negative effects on the published books market. Turkey's major online bookstore Idefix first introduced Turkish e-books into the market in April 2010. In 2019, the total e-books revenues sold through digital publishers in Turkey amounted to 7.5 million dollars. In 2019, over 300 Turkish publishing houses offered 6,500 titles in e-book format and 1,000 titles in audio book format. Although the quantity of e-books in Turkey is still low, it is expected that e-books will have a substantial market share, catering to the needs of the country's digitalized young population. To give an example, the writing community Wattpad has become extremely popular among the youth of Turkey and has now become a source for the Turkish publishers to mine new writers.

The internet is also growing in importance as a sales channel. Both international (such as amazon.com; itunes.apple.com; bookmate.com) and national (such as idefix.com; kitapyurdu.com; babil.com) online booksellers are increasing their sales in Turkey. It is estimated that currently the online booksellers have captured around 30% market share. Online booksellers offer huge discounts, which also cuts into the profits of the bookstores across the country.



TURKEY

CURRENT DEMAND

The Turkish Publishers Association informs that the total book sales in 2019 amounted to \$1.46 billion with 68,554 book titles. 40-45% of the book titles are translations and about 85% of them are translated from English.

The Turkish market can be divided into the segments of educational books (textbooks, supplementary and test preparation books), cultural publications (adult fiction, adult non-fiction, children and teens, religion books), academic books (university and professional publications) and imported books (ELT, books, other books in foreign language). Most books sold in Turkey are supplementary educational and test preparation books, followed by adult non-fiction books category. The third most popular book category are books on religion.

The retail market breakdown of the publishing sector (print books) in in 2019:

Market Segment	Sales (million \$)	Market Share (%)	Change from 2018 (%)
EDUCATIONAL BOOKS	775	52.99	22.30
Textbooks (free books for students)	138	9.42	17.26
Supplementary & Test Prep Books	638	43.57	23.55
CULTURAL PUBLICATIONS	547	37.36	-11.98
Adult Fiction	90	6.17	-7.91
Adult Non-fiction	308	21.06	-10.95
Kids and Teens	67	4.56	-1.80
Religion	81	5.57	-25.24
ACADEMIC BOOKS	28	1.93	13.06
IMPORTED BOOKS	113	7.72	6.50
TOTAL	1,463	100	5.57

Source: Turkish Publishers Association

The Turkish Ministry of Education distributes most of the school textbooks free of charge; and these free books have 17.26 % market share. In cultural publications, the average first print runs are at 1,500-2,000 copies per title. Every year around 50 book titles sell over 100,000 copies, which are mostly international bestsellers. Extraordinary bestsellers can surpass 750,000 copies.

TURKEY

EXPORT & LICENSING GUIDANCE

The direct imports of books into Turkey are typically handled by one of Turkey's major book importers, sales agents, bookstore chains or on-line bookstores. For translated books, cooperating with a Turkish publishing house or literary and copyright agency, which represents foreign publishers' titles, would provide the

easiest access to the market. Ideally, a partner should have experience in translations and an established distribution network. The publishing business of Turkey is based in Istanbul.

Turkish publishers frequently participate in major international book fairs in Europe, such as the Frankfurt Book Fair, London Book Fair, and Bologna Children's Book Fair. These fairs provide opportunities to meet with Turkish publishers for possible cooperation.

In 2019, the 8% VAT on print books and publications was cut to zero. E-books and e-publications VAT rate was increased to 18%.

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Piracy continues to be a major problem for the publishing sector in Turkey. The Turkish Publishers Association states that the market size would be 30 percent larger if the piracy of books could be controlled. According to Law No. 5846 on Intellectual and Artistic Works (revised in 2004), piracy is considered a public offense. In the past three years, 23 million pirated books were seized by the law enforcement agencies in large-scale raiding operations.

The Publishers Copyright and Licensing Society-YAYBIR is the main organization coordinating anti-piracy efforts in publishing. The COVID-19 pandemic increased the internet usage and digital piracy in Turkey. In the first six months of 2020, over 600 links with pirated e-book content was removed. YAYBIR also collaborated with social media platforms such as Facebook to remove online pirated book sharing groups and is working with law enforcement agencies to block Telegram channels sharing thousands of copies of pirated e-books.

MAIN COMPETITORS

Some of the main suppliers in the imported books segment include the following:

Dunya Publishing represents 15 foreign publishing houses including Cambridge University Press, Houghton Mifflin, Klett Verlag, Cle International and Hachette. Dogan Books estimate total market share is 10%. Dogan-Egmont Publishing is a partnership between Dogan Group and the Danish Egmont Group operating in the distribution and sale of children's books.

Kardes Kitap deals in ELT books, academic and professional books, IT books. Kardes Kitap is the exclusive distributor for McGraw-Hill/Contemporary ELT, Heinle/Thomson, New-Editions, Ladybird and imports books from Penguin, DK (Dorling Kindersley), Scholastic and Wordsworth.

TURKEY

There are over 150 book distributors in Turkey, but the top ten major book distributors (including Alfa, Final. Kida, Arti, Nobel Tip) cover around 80% of the market.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

Turkish Publishers Association: www.turkyaybir.org.tr/en

Publishers Copyright & Licensing Society: www.yaybir.org.tr/

The Republic of Turkey Ministry of Culture and Tourism: www.ktb.gov.tr/EN-98538/culture.html

TEDA - Translation and Publication Grant Program of Turkey: www.tedaproject.gov.tr

TRADE EVENTS

International Istanbul Book Fair

Istanbul, Turkey

www.istanbulkitapfuari.com/en

Organized annually since 1982, it is Turkey's largest book fair. Backed by the Turkish Publishers Association, the fair mainly targets the public, with 605 thousand attendees buying books from over 800 publishers. The Fair also has a section named "International Rights Center", where international and Turkish publishers meet to explore business opportunities.

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UNITED KINGDOM

SUMMARY

The United Kingdom's (UK) publishing market, one of the world's largest, is well-established and competitive. It was worth an estimated \$7.4 billion in 2018, an increase of 2% on the previous year. The country also maintained a healthy showing in the global market with exports accounting for 58% of total income (Source: The Publishers Association). The impact of the coronavirus pandemic (COVID-19) and the country's departure from the European Union (EU) in January 2020 (Brexit), with its associated economic uncertainty, will bring significant changes and challenges over the coming year.

CURRENT MARKET TRENDS

Combined sales of physical and digital books fell by 4% to \$4.3 billion. Although figures indicate a slight shift from physical (\$3.5 billion) to digital books (\$796 million), the size of both segments underscores the enduring appeal of printed materials. The fall in income within the physical books segment is attributed to the fiction, English Language Teaching (ELT) and academic, school and professional books segments. Sales of children and adult non-fiction books, cookery and self-help books were among genres that did well (Source: Booksellers Association). According to Nielsen BookScan crime and thriller books were the most popular type of fiction followed by general and literary fiction. Within the digital segment, income from academic e-books and consumer e-books accounted for \$343 million and \$305 million respectively.

The number of independent bookstores rose for the second year running in 2019 indicating a slight revival within this segment of the market. Approximately 44% of independent bookstores closed between 2005 to 2017 and larger bookstore chains continue to dominate the high-street. Many of the new independents are engaging in additional community activities, such as book readings or workshops, or striving to offer a more customer centric service. All high street stores are facing competition from online booksellers. There have been calls for the government to offer increased support for physical businesses, such as lower business rates, to help reverse the decline. A survey conducted in May 2020 found many of the smaller players in the market, publishers, high-street booksellers etc., feared going out of business, as a result of the country's COVID-19 lockdown, which resulted in falling sales and cash flow.



Capital: London
Population: 66.5 million
GDP: US\$2.7 trillion
Currency: Pound (£)
Language: English

UNITED KINGDOM

Reading remains a popular pastime in the UK. A study conducted by Kantar Media in 2018 found 56% of adults had read at least one and 37% of adults had read ten or more books in the past year. Prolific readers tend to favor the internet for buying books. This group is also more likely to favor the e-book format however physical books are still popular. The audiobooks segment continues to grow in popularity. Public libraries are an important part of local communities nevertheless one hundred and thirty closed in 2018 as lack of funding is an ongoing problem. British Library data on the reading habits in libraries shows that U.S. thriller writer James Patterson retained his position as the most borrowed author in 2018.

CURRENT DEMAND

Although the UK market one of the most productive in terms of general title output, the U.S. has a strong presence and is the leading importer of books and related services. There are therefore opportunities across all segments of the market. Brexit is encouraging industry to explore global opportunities and partnerships.

EXPORT & LICENSING GUIDANCE

Authors wishing to go through the traditional book publishing route will find it helpful to search for a literary agent, one with excellent connections within the market. A list of UK agents can be found in the Writers' and Artists' Yearbook or Children's Writers' and Artists' Yearbook, which are published annually. Some publishers will accept unsolicited manuscripts from authors though this route can be more challenging. Self-publishing continues to increase in popularity with some authors using crowdfunding resources to raise money for their work. Authors can also self-publish e-books and paperback books via online retailers such as Kindle Direct Publishing. Various companies offer proof-reading, cover design, and marketing services.

U.S. publishers have the option of approaching book distributors that have connections to various bookstores, schools or universities, libraries etc. Distributors will handle promotion, order fulfilment, invoicing, warehousing and distribution among other services. Another route, especially for smaller independent, self-publishing authors offering work within a specific genre, is to approach bookshops directly. This method is more time consuming and having a wholesaler in place will be essential to fulfill orders.

As licensing can be complex, individuals or companies are advised to work with an independent legal representative or the legal team within their UK representative's office e.g. agent or publisher. Organizations such as the UK trade union Society of Authors will also offer advice to members. There are various organizations in place to support industry such as Publishers' Licensing Services, which manages collective licensing and rights management services to the publishing industry, and the Author's Licensing and Collecting Society, which collects and distributes royalties to members.

UNITED KINGDOM

TRADE BARRIERS & INTELLECTUAL PROPERTY RIGHTS

Anyone entering the UK is subject to legislation covering intellectual property (IP) however, overall, the UK publishing industry is among the most open in the world, both commercially and intellectually. The UK has committed to maintaining a strong IP system following Brexit. Issues affecting the industry are discounting and copyright infringement.

Copyright law in the UK generally covers all original literary, dramatic, musical and artistic work, including illustration and photography; original non-literary written work, e.g. software, web content and databases, sound and music recordings, film and television recordings, broadcasts, and the layout of published editions of written, dramatic and musical works. Like the U.S. UK copyright starts from the moment a work is created. For written, dramatic, musical and artistic work, copyright protection runs for 70 years after the author's death and for layout of published editions of written, dramatic or musical works, 25 years from when it is first published. The Intellectual Property Office (IPO) is the official UK government body responsible for intellectual property rights. Additional information on UK law and practice can be found on the IPO web site. www.bit.ly/2Ks71Wj

The policy of discounting between publishers, wholesalers and retailers, and the extent to which retailers or direct sales organizations pass on some discount to the ultimate consumer is an issue. There is no longer a fixed price for books in the UK however most titles carry a recommended retail price (RRP). The discounts given by publishers vary, with higher discounts given to consumer books, especially mass-market titles, rather than academic or schoolbooks. They also differ per customer, with chains and supermarkets receiving higher discounts than independent booksellers. This creates an imbalance making it more difficult for the small independent bookseller to compete, as margins must be cut even further to match prices offered by larger bookstores of supermarkets.

MAIN COMPETITORS

Leading book publishers include Penguin Random House, Hachette, Macmillan Publishers, Oxford University Press, HarperCollins, Simon and Schuster, and John Wiley and Sons. Distributors and wholesalers include Gazelle Books, Turnaround, and Gardners. Larger chains such as Waterstones, Blackwell's, The Works, and Hatchards dominate the bookstore sector. There are also smaller chains, such as Daunt Books and Foyles, and various independent bookstores. Amazon dominates online book selling market and is estimated to have a 90% share of the e-book market. Other e-book suppliers include Apple, Google Play, Kobo and Waterstones.

TRADE ASSOCIATIONS & GOVERNMENT AGENCIES

The Publishers Association www.publishers.org.uk
The Booksellers Association www.booksellers.org.uk
The Independent Publishers Guild www.ipg.uk.com/
Professional Publishers Association www.ppa.co.uk
Association for Online Publishing www.ukaop.org
Association of Author's Agents www.agentsassoc.co.uk/
Society of Authors www.societyofauthors.org/

UNITED KINGDOM

Publishers' Licensing Services www.pls.org.uk/
Author's Licensing and Collecting Society www.alcs.co.uk/
Department for Digital, Culture, Media and Sport www.bit.ly/2L8HqkN
The Copyright Licensing Agency www.cla.co.uk
Intellectual Property Office www.bit.ly/2nQIJLV

TRADE EVENTS

The London Book Fair, April 5-7, 2022
London, United Kingdom
www.londonbookfair.co.uk

Book publishing trade fair which features an International Rights Center a hub for agents, scouts and publishers to meet and discuss existing or new contracts.

U.S. DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION CONTACT INFORMATION



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