# UK Coalition for Cultural Diversity

*The UK Coalition for Cultural Diversity, UKCCD, is the UK's leading civil society network supporting UNESCO's ground-breaking Convention on Diversity of Cultural Expressions, 2005. UKCCD acts as a consultative partner to UNESCO-UK and the UK government on the implementation of the aims and obligations of the Treaty, which became legal in this country in March 2008. UKCCD is a founder member of the International Federation, IFCCD, which links over 600 creator and cultural organisations worldwide. Through this network we seek to optimize national policies to safeguard and enhance local, inclusive and pluralistic production and freedom of access for citizens to the full range and diversity of content/creative work both on and off-line.*

**April 2025**

## Answers to any US Trade Administration demands to include audio-visual/digital services in a UK:US FTA

### 1. Cultural Exception & Sovereignty

British policies (e.g., public funding; public service broadcasting; quotas; subsidies; tax credits) are rooted in the principle of **"cultural exception"**—the idea that audiovisual content is not just a commodity but a vital part of a nation's cultural identity. Unlike the U.S., where entertainment is primarily a for-profit industry, the UK, its European allies, Canada, Australia, NZ see film and TV as essential to

preserving and promoting cultural and linguistic diversity, social cohesion and national heritage.

**Counter:** The U.S. itself has so-called protectionist policies in other sectors (e.g., agriculture, manufacturing). Why should culture be treated purely as a market-driven industry when even the U.S. protects its strategic sectors?

**2. WTO & Trade Agreements Allow Cultural Exemptions**

International agreements (e.g., UNESCO's **Convention on Cultural Diversity**, EU trade deals) recognize that cultural goods are not the same as other traded products. The UK has ratified the 2005 UNESCO Convention on the cultural diversity of expressions which allows for national cultural policies to ensure that a viable TV and film industry can survive where otherwise there can be no level playing field with US global players.

**Counter:** The U.S. itself excluded audio-visual services from **WTO liberalization** in the past. Why is it "protectionism" when the UK does it but "industry policy" when the U.S. does?

**3. UK audio-visual market vs. Hollywood/US Streaming platform Dominance**

The UK audio-visual market is small relative to the USA market. It is difficult to compete with Hollywood's/US platform's economies of scale. Without support, local audio-visual productions would be overwhelmed by U.S. content. Already certain genres i.e. period drama; independent feature film; documentary; children's productions are under threat.

**https://www.bfi.org.uk/industry-data-insights/reports/economic-review-uk- independent-film**

- **Counter:** The USA benefits from a **massive domestic market** and global distribution power. UK public policy

measures simply help to level the playing field rather than distorting trade.

- **In UK cinemas,** around 80–85% of films screened are from the US **(Hollywood blockbusters dominate).**
- **On TV, SKY drama/film is 50-60% US content (further figures in annex below)**

**4. Public Service Media & Democratic Values**

**We have** strong **public broadcasters** (BBC, ITV, Channel 4, Channel 5) that are mandated to serve democratic, educational, and cultural needs—not just commercial interests.

**Counter:** If the UK adopted a purely market-driven approach, public service media would disappear, reducing diversity in storytelling and undermining social cohesion. Does the USA argue that all media should be purely profit-driven? Does the USA argue that a country has no right to ensure that its societies' stories are not told on screens large and small ?

**4. Subsidies Exist in the U.S. Too**

The U.S. film industry benefits from **state-level tax incentives**, federal R&D subsidies (via military/NASA collaborations), and indirect support (e.g., copyright enforcement).

**Counter:** If the USA opposes subsidies, should it also reject U.S. state tax breaks for Hollywood productions?

**6. UK Policies Actually Help U.S. Studios/US platforms**

Many U.S. studios/platforms benefit from UK tax credits; education, training and development provided by our public service broadcasters and other cultural/educational institutions.

**Counter:** If the USA is concerned about "protectionism," why do U.S. studios/platforms actively participate in some of these schemes?

**Conclusion:**

USA arguments ignore the **asymmetry** between Hollywood's/ platform dominance and the UK's need to sustain its cultural ecosystem. Rather than "protectionism," these policies ensure **diversity in global media**—something even American audiences benefit from.

Would the USA prefer a world where only Hollywood/US streamers' blockbusters exist ?

## ANNEX

### A. Share of the UK market by Netflix, Disney+ and Amazon Primve

The percentage of **UK TV drama and film content that originates from the USA** varies depending on the platform (broadcast TV, streaming, etc.) and genre. Here's a general breakdown:

1. Broadcast TV (BBC, ITV, Channel 4, Channel 5)

- **Drama**: British broadcasters prioritize UK-produced content, but a significant portion of imported drama comes from the US.
    - **BBC**: Mostly UK productions, but some US acquisitions (e.g., *The Graham Norton Show* features US stars, occasional co-productions).
    - **ITV, Channel 4, Channel 5**: Air US shows like *The Walking Dead* (Channel 5), *Homeland* (Channel 4), and *The Late Late Show with James Corden* (ITV).
- **Estimated US share**: Around **20–30% of non-news/non-sports programming** on commercial channels (higher for Channel 5, lower for BBC).

2. Pay-TV & Streaming (Sky, Netflix, Amazon, Disney+)

- **Sky (Now TV)**: Heavily reliant on US content (HBO, Showtime, NBCUniversal deals).
    - US content may make up **50–60%** of drama/film offerings.
- **Netflix UK**: While Netflix invests in UK productions (*The Crown*, *Sex Education*), **over 50% of its library is US-made**.
- **Amazon Prime Video**: Similar to Netflix, with a **large share of US films and shows**.
- **Disney+**: Dominated by US content (Marvel, Star Wars, Disney originals), with some UK acquisitions.

3. Cinema (UK Box Office)

- In UK cinemas, **around 80–85% of films screened are from the US** (Hollywood blockbusters dominate).
- UK-made films account for **~10–15%** of releases, with the rest being international (e.g., European, Indian cinema).

Overall Estimate

- **For TV drama**: ~30–40% of available content is US-made (higher on streaming, lower on BBC/ITV).
- **For films in UK cinemas/streaming**: ~70–85% are US productions.

The UK has strict **"public service broadcasting" quotas** (e.g., BBC must be majority UK-produced), but commercial and streaming platforms rely more on US imports due to cost and demand.

## B. Trajectory of Netflix, Disney+ and Amazon Prime over last 5 years

Over the past five years (April 2020 to April 2025), the streaming platforms **Disney+**, **Amazon Prime Video**, and **Netflix** have experienced notable changes in subscriber numbers and revenues within the UK market. Here's a detailed overview based on available data:

**Disney+**:

- **Subscribers**: Launched in the UK in March 2020, Disney+ rapidly gained traction. By the end of 2020, it had attracted approximately 3.5 million subscribers. This growth continued, with Disney+ reaching 7.1 million households by Q4 2022. However, by Q2 2024, the number of UK homes with access to Disney+ remained steady at 7.6 million, indicating a plateau in growth. The GuardianInformitv+2Home+2Home+2Home+1Informitv+1
- **Revenues**: In 2024, Disney+ reported a 40% increase in UK revenues, totaling £383 million. Home

**Amazon Prime Video**:

- **Subscribers**: As of Q2 2024, Amazon Prime Video was accessible in 13.7 million UK households, representing 46.7% of homes, up from 13 million in the previous quarter. Home+1Informitv+1
- **Revenues**: While specific revenue figures for Amazon Prime Video in the UK are not publicly disclosed, the service's substantial subscriber base suggests significant market presence.

**Netflix**:

- **Subscribers**: In Q2 2024, Netflix was available in 17.1 million UK homes (58.6% of households), an increase from 16.7 million in the previous quarter. However, this marked a decrease from its peak of 17.27 million in 2022, indicating a slight decline in subscriber numbers. Informitv+2Home+2Media Leader+2Informitv

- **Revenues**: In 2024, Netflix's UK revenues reached £1.61 billion, a 16% increase from the previous year. Home

These figures highlight the evolving dynamics of the UK streaming market, with Disney+ showing rapid initial growth, Amazon Prime Video expanding its reach, and Netflix maintaining a leading position despite recent fluctuations.