

Spain

Spain key data 2017

Population (m)	46.4	Comparison with 2016 (%)	-14.4%
TV households (m)	18.7	Consumer spending on digital video and TV VoD (EUR m)	260.0
Consumer spending on physical video software (EUR m)	87.0	Comparison with 2016 (%)	76.9%

Physical market

- In 2017, the Spanish physical home video market continued to decrease, amounting to consumer spending of EUR 87 million – a decrease of 14% compared to 2016.

Online distribution

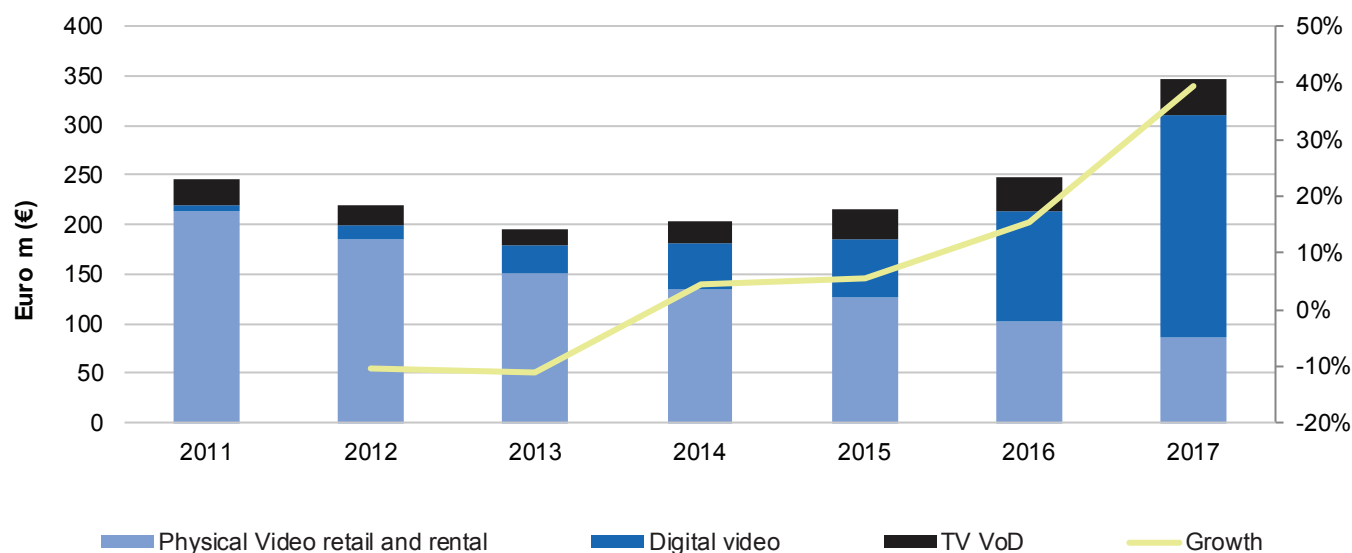
- The uptake of the Spanish digital market has been slow during the past couple of years, due to significant levels of digital piracy. A stronger approach to enforcement and legislative reforms led to a significant increase of 129% of the subscription market. The transactional market is growing, but still at a very modest rate.

Other relevant developments

- “Me siento de cine”, an online portal that helps consumers find legal offers for film (cinema, home video and online), was launched with the support of the local film industry and the Spanish government.
- In 2017, the Spanish Culture Minister and Government announced that VAT on cinema tickets would be reduced from the current 21% to 10% in 2018. The 2018 State Budget Law, where the tax reduction is included, was approved in the Congress on May 2018 and is awaiting final confirmation by the Spanish Senate.
- With the election of a new Spanish Prime Minister in May, it is now very unlikely that the 2018 budget (and hence the VAT reduction) will be altered.

This commentary was provided by UVE, the Spanish Video Association.

Consumer spending by segment



Video market: Spain

	2011	2012	2013	2014	2015	2016	2017	16/17 %
GENERAL								
Population (m)	46.9	46.9	46.7	46.5	46.4	46.3	46.4	0.0
TV households (m)	17.8	18.0	18.1	18.2	18.4	18.6	18.7	1.0
Population Total Europe (m)	622.4	623.8	624.9	626.1	627.7	629.4	630.9	0
TV households Total Europe (m)	250.8	253.2	255.0	257.3	259.3	261.3	263.2	1
Broadband households (m)	9.0	9.1	9.9	10.7	11.1	12.0	13.0	8.1
Nominal GDP (EUR m)	1,070.4	1,039.8	1,025.7	1,037.8	1,080.0	1,118.5	1,163.7	4.0
Consumer price index (100 in 2010)	108.3	102.6	107.5	107.2	89.2	88.8	92.2	3.9
DVD Video player/recorder (%)	76.4	76.3	76.3	75.6	74.0	71.0	69.4	-2.2
Blu-ray Disc player/recorders penetration (%)	3.2	6.5	10.6	12.8	15.2	15.3	15.6	1.9
DVD Video player/recorder Total Europe (%)	76.7	76.1	73.9	71.8	69.2	67.1	64.5	-3.9
Blu-ray Disc player/recorders penetration Total Europe (%)	6.8	11.2	15.4	18.4	20.7	21.7	22.3	2.5

Total video software market

	2011	2012	2013	2014	2015	2016	2017	16/17 %
CONSUMER LEVEL ALL VIDEO								
<i>Total market figures include consumption of both physical and digital video</i>								
Total spending on video (EUR m)	245.4	220.0	195.5	204.2	215.5	248.6	347.0	39.6
Growth (%)		-10.4	-11.1	4.4	5.5	15.4	39.6	
Total spending on video Total Europe (EUR m)	9,124.9	8,847.3	8,466.8	8,587.3	9,356.6	9,718.8	10,448.2	7.5

CONSUMER LEVEL PHYSICAL VIDEO – TOTAL SPENDING

Total market figures include consumption of legacy formats not broken out separately (eg. VHS, HD-DVD, UMD) where relevant.

Physical video rental (EUR m)	29.3	21.3	11.6	6.3	6.8	4.6	2.7	-40.9
Physical video rental Total Europe (EUR m)	984.8	865.3	683.8	526.9	430.8	293.7	213.4	-27.3
Physical video retail (EUR m)	184.8	163.7	139.6	127.7	119.9	97.0	84.3	-13.1
Physical video retail Total Europe (EUR m)	7,193.4	6,606.9	5,808.7	5,181.8	4,753.6	3,991.3	3,317.4	-16.9
Physical video software (EUR m)	214.1	184.9	151.2	134.0	126.7	101.6	87.0	-14.3
Physical video software Total Europe (EUR m)	8,178.2	7,472.2	6,492.5	5,708.7	5,184.4	4,285.0	3,530.9	-17.6

CONSUMER LEVEL DIGITAL VIDEO (OTT) – TOTAL SPENDING

The purchase or rental of films and TV series delivered over the open internet through transactional models (also known as EST, DTO, Internet VOD) or on a subscription basis. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.

Retail digital video (EUR m)	2.6	5.2	9.4	12.6	13.5	14.8	15.4	3.9
Rental digital video (EUR m)	3.1	6.8	10.8	14.0	15.9	17.3	19.1	10.2
Subscription digital video (EUR m)	0.4	3.2	7.1	20.0	28.4	80.4	187.9	133.9
Total digital video (EUR m)	6.1	15.3	27.4	46.6	57.8	112.5	222.4	97.7
Total digital video Total Europe (EUR m)	393.6	703.5	1,232.2	2,012.1	3,152.8	4,322.7	5,708.3	32.1

CONSUMER LEVEL PAY TV TRANSACTIONAL VOD – TOTAL SPENDING

The rental of film and TV content on a transactional (VoD, NVoD/PPV) basis via cable/satellite/IPTV services. These, paid for at the point of consumption, transactions occur only on set-top-boxes or through online services provided as part of a wider pay TV package to which consumers must subscribe prior to purchase. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.

Pay TV TVOD (EUR m)	25.2	19.8	17.0	23.6	31.0	34.5	37.6	8.9
Pay TV TVOD Total Europe (EUR m)	553.1	671.6	742.1	866.5	1,019.4	1,111.2	1,209.1	8.8

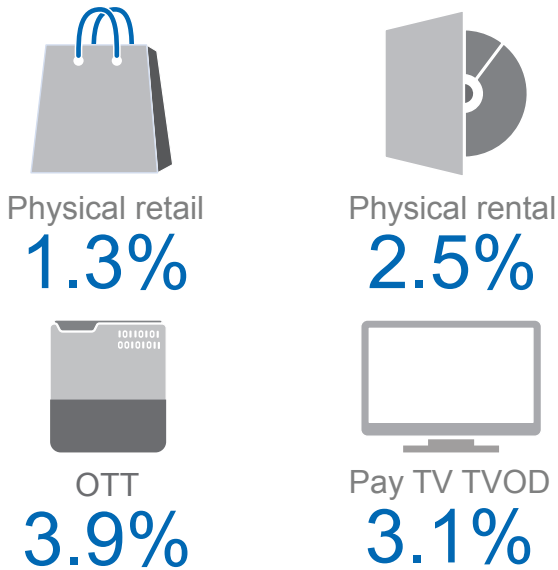
Notes: 1) Consumer level digital video (OTT) and pay TV transactional VOD figures may differ from locally published figures due to the application of different definitions. 2) Historical numbers in this section may differ from those published in previous years owing to changes in IHS Markit methodology. 3) The current online figures are a snapshot of the market in June 2017. Figures are updated regularly and so it may not be possible to compare directly to figures published after this date. 4) Total Europe includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK, Croatia, Czech Republic, Hungary, Poland, Russia, and Slovakia.

Key players in the market (in alphabetical order)

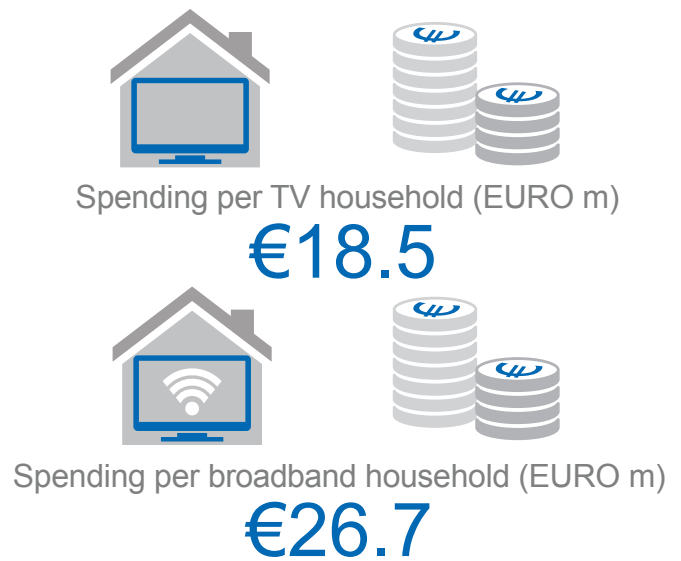
Physical and Digital

- 20th Century Fox Home Entertainment España
- Sony Pictures Entertainment Iberia
- Walt Disney Studios Home entertainment
- Warner Bros Entertainment España
- Cameo
- Aurum
- Divisa Red
- Karma Films
- Tri Pictures
- Versus Entertainment

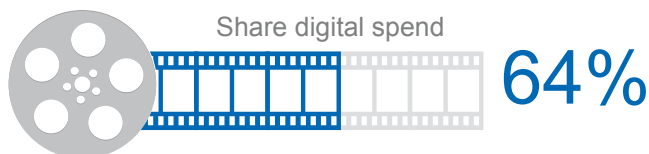
Share of European market 2017



Average home entertainment spending



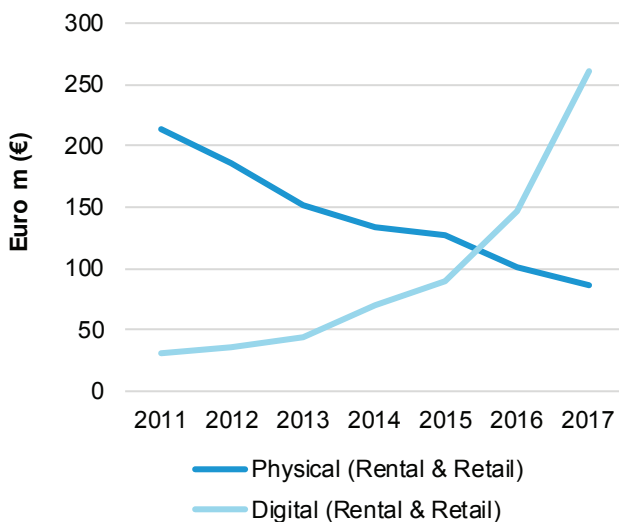
Digital share of spend vs. broadband speed



Broadband download speed rank (ranked across the 9 IVF countries)

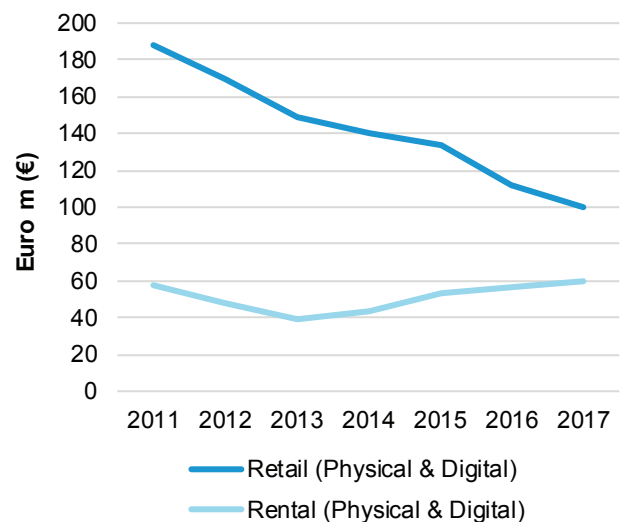


Comparison Physical vs Digital



Digital (Rental & Retail) includes SVOD data

Comparison Retail vs Rental



Rental (Physical & Digital) excludes SVOD data