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**IVF Calls on the European Parliament Plenary to redress the IMCO Committee
Report on geo-blocking and the film and audiovisual sector
as it would place the sector at great risk.**

The IVF notes with great disappointment the adoption by the European Parliament IMCO Committee of a recommendation that “a comprehensive revision with a particular view to the inclusion of audiovisual services in the scope of the EU Geo-blocking Regulation be undertaken by the European Commission by 2025 at the latest”.

Audiovisual services are currently excluded from the EU Geo-blocking Regulation which bans the use of unjustified geo-blocking – an exclusion which is fully justified due to the specific circumstances of the film and audiovisual sector. This approach is consistent with impact-assessments carried out by the European Commission and fully corresponds to the fundamental principles of the EU treaties on the promotion of cultural diversity in Europe. The European Parliament CULT Committee, as expert in the creative and economic parameters underpinning the film and audiovisual sector, has confirmed the continued exclusion of the film and audiovisual sector from the EU Geo-blocking Regulation.

In contrast, the IMCO Committee report constitutes a deep misunderstanding of the fundamental economic conditions for raising financing for and distributing films and audiovisual works. As a result, it would place the film and audiovisual sector in Europe at great risk. A ban on the use of geo-blocking technology to support territorial exclusivity for film and audiovisual content and services would jeopardize the economic sustainability of the film and audiovisual sector in Europe. The resulting drop in the number and range of films and audiovisual works produced, variety of languages, and reduced distribution and circulation of works across the EU would also have a direct and negative impact on consumer welfare resulting in less choice in content and distribution options as well as higher prices.

The IVF therefore calls on the European Parliament Plenary to redress the IMCO Committee Report at its upcoming plenary vote by honouring and trusting the expertise of the CULT Committee and oppose the IMCO Committee’s call for future inclusion of audiovisual services in the scope of the EU Geo-blocking Regulation.

Editor's Notes:

The importance of territorial exclusivity for the European film and audiovisual sector is widely documented, for example by the [European Audiovisual Observatory](#) and recently also by the [European Parliament's Research Service](#). The European Audiovisual Observatory publishes ongoing [research](#) documenting the development of online offers of film and television content to European consumers. According to the EAO, on average, European consumers have access to more than 8,500 European films online, of which 82% (~7000) are produced in other European countries – an exponential growth in content and services offered to consumers and a market development [welcomed](#) by the film and television sector in Europe.

Consecutive impact-assessments and independent economic analysis have consistently concluded that erosion of territorial exclusivity through a ban on the use of geo-blocking in the context of financing and distributing films and audiovisual works also erodes the economic value of the rights concerned with a direct and negative impact on the financing and distribution opportunities as well as on recoupment of investments of future film and audiovisual works in Europe. Erosion of territorial exclusivity would also have a direct and negative impact on consumer welfare resulting in less choice in content and distribution options as well as higher prices. Research by Oxera, [The impact of including AV in the EU Geoblocking Regulation](#), indicates that erosion of territorial exclusivity would have a “significant short-term impact on industry and consumers, with up to €9.3bn of welfare lost per annum—as well as medium- to long-term outcomes that would be worse than they are today (a welfare loss of up to €4.5bn per year.”