

Global watch on culture and digital trade

STREAMING PLATFORMS IN DIGITAL CULTURAL GOVERNANCE: BETWEEN GLOBAL EXPANSION AND INCREASING LEGAL OBLIGATIONS

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The September report begins with the decision from the European authorities to open an office in Silicon Valley, California, in order to promote dialogue with large tech firms and online platforms toward the implementation of the two centerpieces of the digital strategy of the European Union (EU): the Digital Markets Act and the Digital Services Act. In addition, the report deals with the US-led negotiations on an Indo-Pacific Framework for Economic Prosperity. Then, the report emphasizes the worldwide expansion of several video streamers, such as Disney Plus, Netflix and highlights in which ways global video streamers seek to align their online catalogue with national censorship policies. Moreover, it focuses on new data showing that US streaming viewership has surpassed cable TV for the first time. Finally, the report turns to new business plans and strategic partnerships of streaming platforms, focusing on Netflix's activities and on the launch of the new music platform TikTok Music.

Regulation issues, digital trade and culture

A Silicon Valley office for the European Union

According to POLITICO, in September, the EU will open a new California office, where Big Tech firms in Silicon Valley will have a direct line with EU regulators. Gerard de Graaf, long-time European Commission bureaucrat and Director for the Digital Economy and Coordination in DG “Communications Networks, Content & Technology”, will head the office in order to talk with California’s tech firms about how the new European legislation toward digital economy applies to them. More specifically, the key issue is the implementation of two major new regulations passed recently by the EU.

On the one hand, the Digital Markets Act is one of the centerpieces of the EU digital strategy. The goal of the new legislation is to put in place a series of obligations for big online platforms – the so-called gatekeeper platforms - including Google, Meta, Amazon. According to POLITICO, the legislation is to apply to platforms with a market capitalization of 75 billion EUR or more or with a turnover in the European Economic Area equal to or above 7.5 billion EUR in the last three financial years. Once the legislation enters into force, the Commission will label certain powerful companies that provide “core platform services” as “gatekeepers”. Core platform services comprise digital services, including online social networking services, online search engines, video-sharing platform services, and others. To qualify as gatekeeper, a company must provide a core platform service and have at least 45 million monthly end users and 10.000 annual business users. The new legislation will focus on anti-competitive practices of large online platforms, by increasing consumer choice and empowering businesses to bypass the platforms to reach their customers.

On the other hand, the Digital Services Act (DSA) is a modernized version of the EU e-commerce rules established in 2001. It focuses on intermediary services, hosting services, online platforms and very large platforms and imposes new rules regarding several issues, such as transparency reporting, transparency of recommender systems and user choice for access to information, cooperation with national authorities following orders, reporting criminal offenses, data sharing with authorities and researchers, user-facing transparency of online advertising, etc. The DSA includes significant mechanisms for the removal of illegal content and creates a stronger public oversight of online platforms. For instance, the DSA incorporates measures to “counter illegal goods, services or content online, such as a mechanism for users to flag such content and for platforms to cooperate with ‘trusted flaggers’”.



Insofar as the two EU regulations will create a new framework for the activities of big platforms, such as Google, Meta, Amazon, Apple, Netflix, and are expected to be a normative landmark for modeling new digital legislation in other countries, the European Commission seeks to promote dialogue with the big tech firms through the establishment of the Silicon Valley office. According to Gerard de Graaf, “there will be litigation, no doubt. We are prepared for litigation, but we would like a constructive discussion with the platforms rather than an adversarial discussion”.

US-led Negotiations of the Indo-Pacific Economic Framework


The US administration is planning to host the first in-person ministerial talks on an Indo-Pacific economic cooperation plan in Los Angeles on September 8 and 9. The goal of the meeting is to reach an agreement in order to launch formal negotiations for the US-led Indo-Pacific Framework for Economic Prosperity (IPEF). It is worth noting that the Framework includes a “connected economy” pillar that comprises digital trade issues, such as cross-border data flows and privacy issues. The countries that are expected to participate in the negotiations are the following ones: Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Republic of Korea, Singapore, Thailand, the United States, and Vietnam.

Besides, a US-business Association of the Indo-Pacific has been formed earlier this year with the goal “to secure a binding and meaningful framework by bringing forward proposals, insights, and best practices from the American business community in the region”. The Association launched a task force for the IPEF, which features 15-member companies, including Apple, eBay, Intel.

Worldwide activities of online platforms

Global struggle for subscribers and geographical expansion

In August, Walt Disney Company announced strong third-quarter streaming results. The three Disney streaming platforms, Disney Plus, ESPN+ and Hulu, have reached 221.1 million subscriptions worldwide, overtaking Netflix on streaming subscriptions. Netflix said it had 220.7 million streaming subscribers. More specifically, Disney Plus jumped from 138 million subscribers in May to 152 million. Viewer numbers of Hulu and ESPN+ grew from 45.6 million subscribers to 46.2 million and from 22.3 million to 22.8 million, respectively.




In addition, Walt Disney Company decided not to include kids-focused content, such as Lightyear and Baymax, in the Disney Plus Middle East. According to the company, “any kid-focused content that does not align with local regulatory requirements will not be added to the streaming service”. It is worth noting that “Lightyear” includes a same-gender kiss and the “Baymax” series feature a transgender character. Besides, the United Arab Emirates’ Media Regulatory Office banned Lightyear from theatrical release in June “due to its violation of the country’s media content standards”.

According to WSJ, for the first time in July 2022, Americans spent more of their TV-viewing time streaming content on services, such as Netflix, YouTube and HBO Max than they did watching cable television. Streaming platforms attracted 34.8% of total US TV viewing time during the month, whereas cable TV captured 34.4%. Netflix held the largest share of overall TV viewing among streaming platforms with 8% - “a record high for the service”. In addition, broadcast’s share of TV viewing was at 21.6%.

According to Nielsen data, people spent 22.6% more time streaming content than a year earlier and 8.9% less time watching cable. Finally, audiences watched an average of 190.9 billion minutes per week of streamed content in July, a result which surpassed April 2020, when people were stuck at home because of the COVID-19 pandemic.

New business plans and strategic partnerships

TikTok, the short video content app, is set to launch a new music streaming app, TikTok Music, which would allow “fans to create and share playlists, download and purchase music and livestream video and audio”. According to the TECH, the app’s parent company ByteDance has already filed TikTok Music trademark in countries like the UK, Singapore, New Zealand, Mexico, Malaysia, and Costa Rica. The trademark application says it would allow “users to purchase, play, share, download music, songs, albums, lyrics, quotes, create, recommend, share playlists, lyrics, quotes, take, edit and upload photographs as the cover of playlists, comment on music, songs and albums”. It is important to note that in 2020 the China-based conglomerate had already launched Resso, - a music streaming app -, in India, Brazil and Indonesia. The application had 42.3 million downloads from the App Store and Google Play from January to May 2022 and grew by 19% year over year for the same period.



Since its launch in 2017, [TikTok](#) has experienced a spectacular growth, earning close to four billion USD in 2021 and expects to earn 12 billion USD in 2022, turning upside down the landscape of social media. According to [Fortune](#), YouTube has recently created a new feature (Shorts) entirely designed to be like TikTok; likewise, Amazon is testing a photo and video feed for online shoppers that looks like TikTok. Now, TikTok Music/Resso will compete directly with the big music streaming services, such as Spotify, Apple Music, YouTube, and Deezer.

Moreover, according to [Deadline](#), end of August 2022, Japan's Nippon TV, a leading Japanese entertainment company, is expanding its partnership with Netflix, licensing 13 of its most popular anime titles to the platform in a non-exclusive plan. As such, on September 2, Hunter X Hunter will be added to Netflix in 104 countries, including Spain, South Africa and Saudi Arabia. At the same time, Ouran High School Host Club will be available in 190 countries and Claymore in 136 countries. As [Variety](#) mentioned, Nippon TV has previously "licenced its biggest drama series "Old Enough" for Netflix to stream in 190 countries, as well as 30 of its biggest live action series and entertainment shows (released notably in Asian countries).

Finally, end of August, Netflix has announced the extension of its Netflix Creative Equity Scholarship Fund ([CESF](#)) to film and television students in the West and Central Africa region. Applications are now open for students to apply to study at institutions in Nigeria, Ghana, Benin and Gabon. It is worth reminding that in January 2022 Netflix announced a commitment of one million USD toward the [CESF](#) for film and TV students in Sub-Saharan Africa. The scholarship fund forms part of Netflix's global [Netflix Creative Equity Fund](#) launched in 2021 with an investment of 100 million USD over the next five years.

Additional readings for the September report:

- The Digital Services Act's lesson for US policymakers: Co-regulatory mechanisms, Brookings, 23 August 2022, [Link](#).
- Australia's News Media Bargaining Code led the world. It's time to finish what we started, The Conversation, 11 August 2022, [Link](#).
- The US government is trying to stop the merger of two of the world's biggest publishers – but will it help authors?, The Conversation, 10 August 2022, [Link](#).
- Four ways your TV subscriptions could change because of the cost of living crisis, The Conversation, 27 July 2022, [Link](#).

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- The European Union opens a Silicon Valley Embassy, Politico, 9 August 2022, [Link](#).
- EU braces for Big Tech's legal backlash against new digital rulebook, Politico, 10 August 2022, [Link](#).
- United States to Host Indo-Pacific Economic Framework Ministerial, US Department of Commerce, [Link](#).
- Disney has finally surpassed Netflix in overall streaming subscriptions, Quartz, 11 August 2022, [Link](#).
- Streaming viewership surpassed cable TV for the first time, says Nielsen, the TECH, 18 August 2022, [Link](#).
- Disney+ Bans Lightyear, not Doctor Strange 2 Middle East Release, CBR.com, 5 August 2022, [Link](#).
- TikTok Music's trademarks spotted in multiple countries, hinting toward global launch plans, the TECH, 3 August 2022, [Link](#).
- Tech companies keep trying to copy TikTok. Meanwhile, the video platform has bigger ideas, FORTUNE, 18 August 2022, [Link](#).
- Nippon TV Seals Major Anime Licence Deal with Netflix, Variety, 29 August 2022, [Link](#).

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