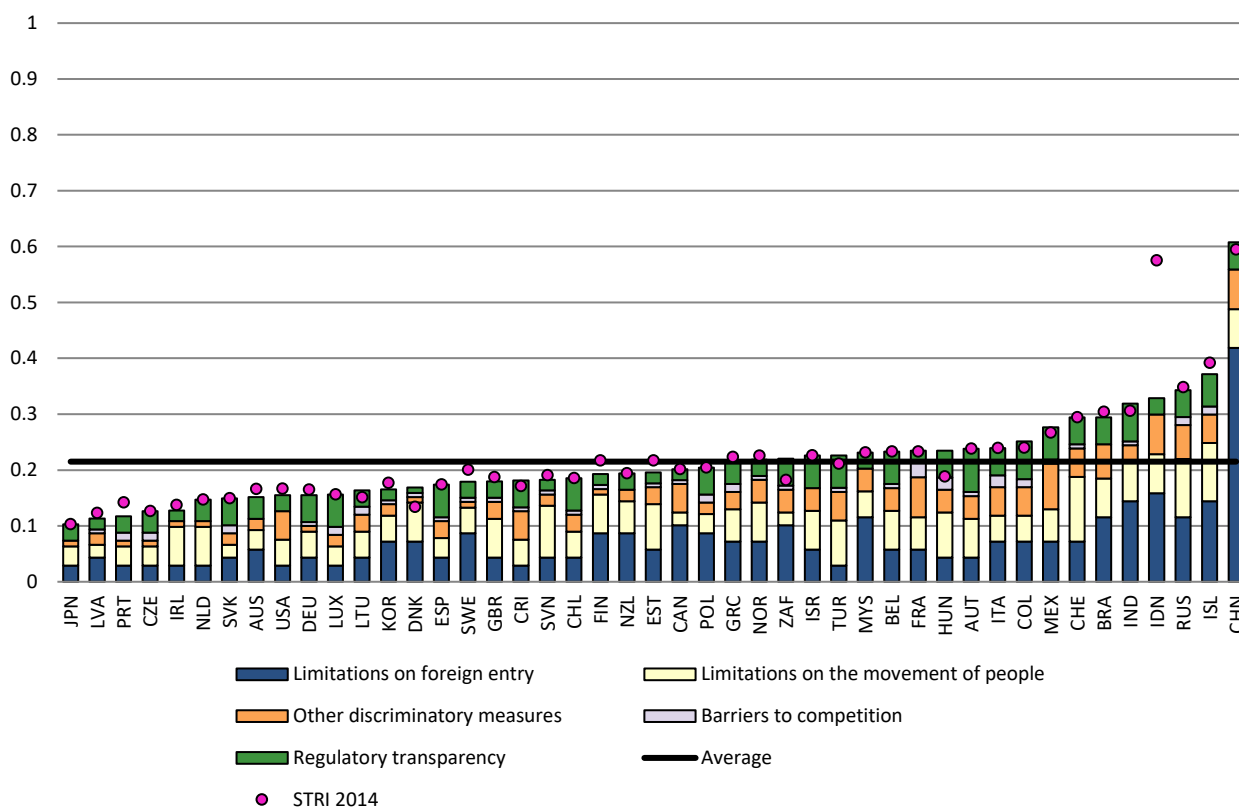


STRI Sector Brief: Audio-visual services, motion pictures

This note presents the Services Trade Restrictiveness Indices (STRIs) for the 36 OECD countries and Brazil, the People’s Republic of China, Colombia, Costa Rica, India, Indonesia, Malaysia, the Russian Federation and South Africa for motion pictures in 2018.

The sector of motion pictures is defined as motion picture, video and television program production, post-production and distribution activities (ISIC rev 4 codes 5911-5914). The sector has benefitted from rapid digitalisation and the increased technological developments that facilitate the streaming of media content over the Internet.

STRI by policy area: Audio-visual services, motion pictures (2018)



Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account.

The 2018 scores in the motion pictures sector range between 0.1 and 0.61 with an average of 0.22. There are 26 countries below and 19 countries above the average.

The measures in the STRI database are organised under five policy categories as indicated in the figure above. The index goes beyond discriminatory measures and includes domestic regulations that are important for effective market access and the creation of competitive markets. These include impediments to competition and technical standards, as well as a range of measures related to regulatory transparency and administrative requirements.

The motion picture sector is a global industry in which market transactions, whether within or across borders, are essentially the transfer of property rights from a seller to a buyer at the going price, or the right to use somebody’s property for a rental or fee. Therefore, the sector-specific measures in this sector relate to the implementation of

international treaties on the protection of copyrights and related rights in a non-discriminatory manner. Most countries have incorporated the copyright treaties in their legislation, although six countries protect the economic rights of foreign right holders on a reciprocal basis only (recorded under *Other discriminatory measures*).

Films are also a cultural expression subject to a range of promotional and protective measures that are relevant for international trade. Nine countries reserve a quota for local motion pictures in television or theatres. In 11 countries, on-demand services providers must promote local works, including through the application of quotas. Discriminatory subsidies are found in 25 countries. Dubbing is regulated in nine countries, and in four of them, must be carried out locally. Limitations on the local sourcing of cast and crew exist in six countries.

The motion pictures sector is also subject to the general regulatory environment. Under *limitations on foreign entry*, six countries have limitations on foreign branches, four countries require that at least half the board of directors must be residents and six countries require that foreign investors bring net economic benefits to the host country as a condition for investing. Four countries have limitations on cross-border mergers and acquisitions, while three countries control foreign capital flows in some shape or form. Finally, 37 countries have stricter conditions on the transfer of personal data than recommended in the OECD Guidelines for Protection of Privacy and Transborder Flow of Personal Data. These measures are all recorded under the *restrictions on foreign entry* policy area.

There is no country in the STRI database without *limitations on the movement on natural persons* providing services on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. Nine countries impose quotas on one or more of these three categories, 35 countries apply economic needs tests to stays that last longer than 3-6 months and the duration of stay is limited to less than three years in 37 countries.

The *regulatory transparency* policy area covers the implementation of copyright and related economic rights. Two countries do not have legislation in place supporting copyright enforcement of digital content and three countries do not have provisional enforcement procedures in place. The other measures under this policy area builds on information from administrative laws and regulations, information from the migration authorities on requirements for obtaining a business visa and the World Bank Doing Business Survey. The latter records time, cost and number of procedures required for establishing a company. These measures are benchmarked against a global threshold set at the 40 best performing countries. There are 21 countries included in the STRI database that are not among the 40 best performing countries on one or more of these measures. The score in the regulatory transparency area is largely attributed to this. In addition lengthy, costly and complex regulatory procedures related to obtaining a business visa contribute to the index for 28 countries.

Compared to 2014, denoted by the pink dots in the chart, the STRI index is unchanged for 16 countries, 18 have a lower (less restrictive) score, and 11 record a higher value of the STRI index (more restrictive) in 2018. The country that reduced the STRI index the most was Indonesia which removed foreign equity limitations in the sector in 2016. China has introduced new requirements for cooperation in film production with foreign organisations or the employment of foreign individuals. Iceland rolled back conditions on subsidies for film production, although conditions related to cultural tests continue to apply. Lithuania limits subsidies only to national films. Horizontal measures explain the change in the STRI index for the other countries. Most of the increase in the index stems from tightening of the regulation of movement of people.

More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in this publication: [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

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