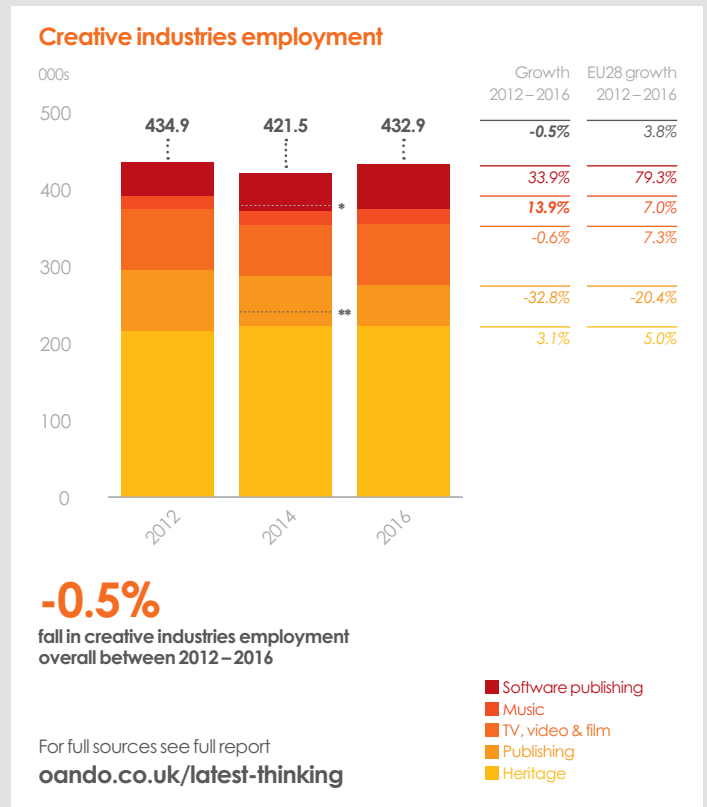
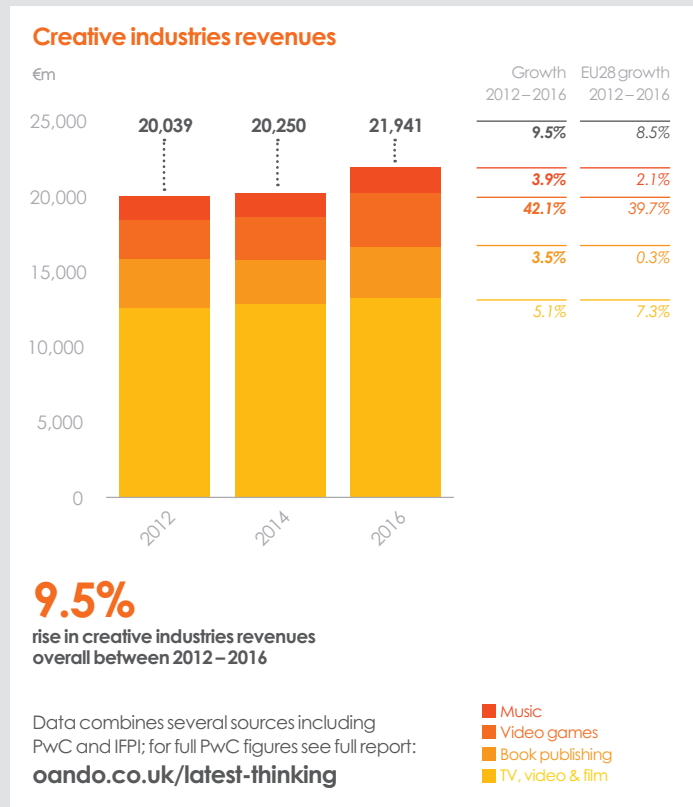


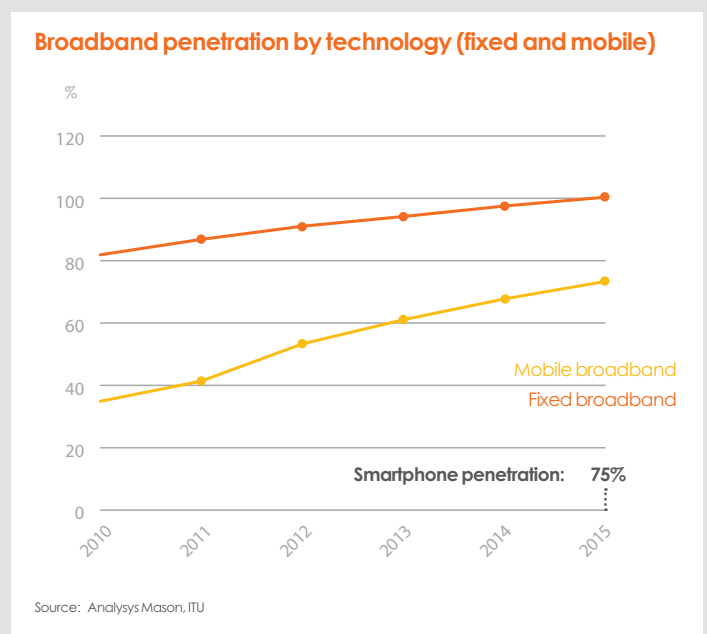
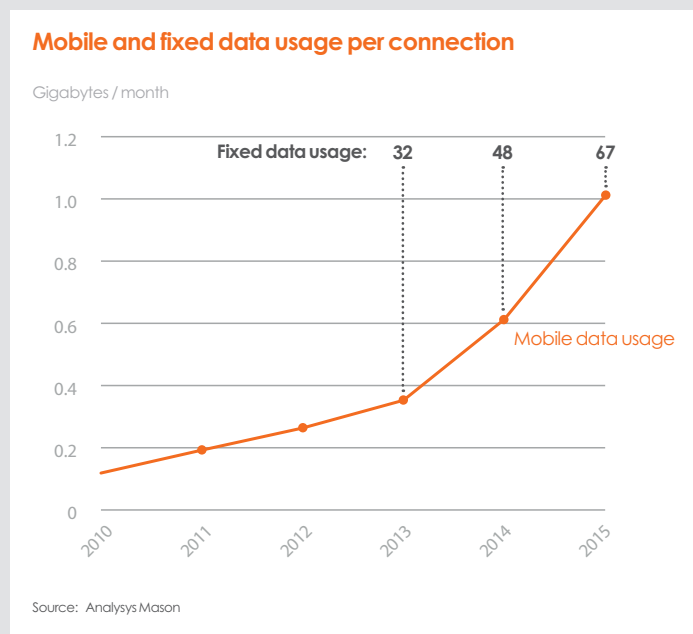
The impact of the internet and digitalization on creative industries in France



Increased creative industries revenues and employment



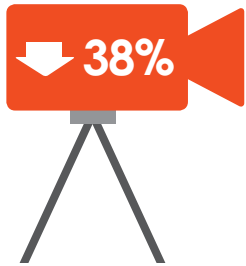
Increased access to creative content



Publishing includes books and news, software publishing includes video games publishing, music includes radio. In 2014 it is possible to estimate book publishing and video games publishing. *Of which video games publishing. **Of which book publishing.

Reduced production and distribution costs

Technological efficiencies: including lower cost production equipment, enhanced digital editing capabilities, and increased marketing efficiency and reach



Based on the CNC annual film production reports, the proportion of technical costs associated with image carriers for film production has decreased by 2 percentage points between 2011 and 2016 (the costs decreased by 38 percent in nominal terms)

Digital distribution has almost zero marginal cost and removes geographical barriers, thus making niche services economically viable



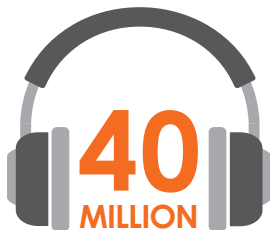
As a result, in France all video games developers sell digital games, whilst only a small share also sell the physical format

11 percent of book revenues in France came from digital sales in 2015 compared to 5 percent in 2011

Benefits to consumers

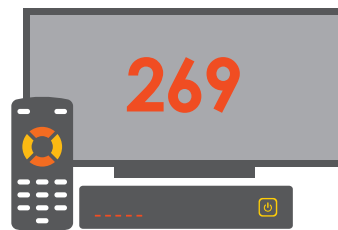
More content is available – both new and old

Connected devices provide greater access to it; for example French music streaming app Deezer offers a library of 40 million tracks, and all the major music and video streaming services are available in France (Apple Music, Amazon Music and Prime Video, Google Play Music, Spotify, Netflix)



A wider variety of services provide greater choice

France has 269 on-demand AV services, with around half from traditional broadcasters



Competition has driven increased quality

Video game developers in France reportedly reduced output in 2015 to focus on producing higher quality games



Benefits to producers

Demand for content has increased

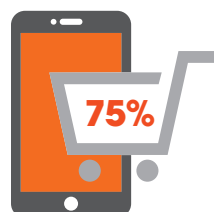
French players owned on average 24 PC games on the Steam platform in 2016 compared to 21 games in 2015

NEW HIGH SCORE

24

Content creators can go direct to consumers, taking a larger share of revenue

In France in 2015, around 75 percent of video games developers were financing, marketing, and selling their games themselves via online platforms without relying on publishers and distributors



More creators can enter the market

The proportion of local music acts in the top 10 album charts in France has increased from 75 percent to 90 percent between 2013 and 2014

