Brussels, 21 May 2026

The proposed merger between Paramount and Warner Bros. Discovery raises deep concerns for Europe's audiovisual and film ecosystem. It represents yet another major consolidation in the global media and entertainment sector — following a series of mergers that, in retrospect, may have been cleared by regulators without sufficient scrutiny of their long-term consequences for cultural diversity and market competition. Because of its scale and the market power of these US studios in Europe, this transaction will have far-reaching consequences for directors, screenwriters, producers, distributors, cinemas and audiences across Europe.

In addition to raising obvious competition issues, the merger also triggers industrial, cultural and strategic challenges for Europe.

**Increased concentration across the film and audiovisual value chain and risks for creators, independent production, and cultural diversity**

The merger would further concentrate market power in the hands of a small number of global US-based players with growing control in the EU across production, commissioning, distribution, streaming and audience access.

Following the Disney/Fox merger in 2019, this transaction will lead to even greater consolidation of decision-making power related to the selection, financing, and distribution of audiovisual works. In practice, this risks reducing opportunities for independent producers, authors and creative talent — including screenwriters and directors — while favouring fewer, safer and franchise-driven projects at the expense of originality, local stories, and cultural diversity.

In addition, Warner Bros. has long been a major producer and distributor of local-language works in several European markets. The financing structure of the transaction — and in particular the significant debt burden associated with it — raises serious concerns that the foreseeable post-merger cost-cutting measures will impact this activity, thereby weakening national film and audiovisual ecosystems that already rely on a limited number of studio-scale partners.

At the same time, the merger raises a further structural concern: control over access to audiovisual works. Films and series are increasingly consumed through connected TV environments dominated by a handful of global platforms – such as Disney +, YouTube, Netflix, Amazon - where European broadcasters and services already struggle to maintain visibility against far larger international offerings. The creation of an integrated entity combining Warner Bros. Discovery and Paramount would add yet another non-European gatekeeper, one that simultaneously controls the full chain from production to distribution and owns the catalogues on which European stakeholders depend to build competitive services - further marginalising them at every stage.

The merger also raises questions about how the merged entity would meet its European works and investment obligations under the Audiovisual Media Services Directive. In practice, the

AVMSD catalogue quotas – requiring 30% of works to be European– can increasingly be fulfilled through vertically integrated in-house productions, reducing the commercial incentive to acquire rights from independent European producers and distributors. Beyond quotas, there is a significant risk that investment obligations strategies shift further away from financing original European works towards the exploitation of existing back catalogues, global entertainment franchises, and lower-cost short-form programs - with potentially even greater consequences for smaller markets where no investment obligations are in place.

Further consolidation across commissioning, production, distribution and exploitation channels risks reducing opportunities for original European works and narrowing the diversity of screenwriters, directors and other creators able to bring projects into development. Fewer producers and commissioners would also mean less competition on writing fees and contractual terms, increasing the risk of downward pressure on the working conditions and fair remuneration of European authors. The combined market power of the merged entity also raises concerns that contractual practices used in the US market — such as full buy-outs and global rights assignments — could increasingly be imposed on European stakeholders.

Because of that, the merger will inevitably lead to a reduction in the market share and visibility of European films, with direct consequences for the circulation of European works and the cultural and linguistic diversity of screen works available to audiences.

Similarly, increased concentration is likely to restrict financing and distribution opportunities for European independent productions, while reducing creative autonomy and diversity of voices across the sector.

Beyond competition concerns, the merger also poses important questions regarding media pluralism in the audiovisual sector. The European Media Freedom Act (Regulation (EU) 2024/1083) explicitly recognises that high levels of concentration in the production and distribution of audiovisual works can significantly affect the diversity of voices, stories and perspectives available to European audiences. It therefore provides for a specific assessment of such concentrations, separate from — and complementary to — the traditional competition law analysis.

**Impact on cinemas and audience access**

European cinemas are a vibrant, resilient and innovative sector, welcoming hundreds of millions of admissions each year and playing a central economic, cultural and social role. They rely on a balanced and consistent flow of films, including local productions, repertory titles and US studio films.

According to the European Audiovisual Observatory, US films – often supported by significant marketing - represent more than 60% of admissions in Europe. They attract audiences to cinemas, who then also come back to see other (and often more diverse) films. Any weakening of US production would directly impact cinemas' ability to attract audiences, sustain investment, and support a broad diversity of films – including European titles.

At the same time, the merger would significantly increase the bargaining power of the combined entity by concentrating more "must-have" works in fewer hands. In an already concentrated market, this risks increasingly rigid commercial terms and reduced programming flexibility, particularly for smaller and independent cinemas.

The merger is also likely to intensify pressure on theatrical exclusivity. Meaningful theatrical windows remain the foundation of the cinema model, underpinning investment, marketing impact, and long-term value across all distribution channels. Any erosion of these windows would have consequences far beyond exhibition, affecting the broader ecosystem of theatrical and downstream value on which the financing of works and the remuneration of authors and creators rely.

Moreover, the combined entity would control one of the most significant film libraries in existence, including local and European titles. This could threaten the continued theatrical availability of catalogue titles that are essential to repertory programming and to the broader cultural role played by cinemas across Europe.

The cumulative impact would ultimately affect what European audiences are able to watch. Fewer releases, reduced diversity of works and weaker theatrical circulation would mean less choice for audiences, reduced access in smaller markets and a more standardised film offer overall.

**Europe must act**

The scale of this transaction requires a thorough investigation by European competition authorities, in particular to assess its multiple impacts across the entire European audiovisual and cinematographic ecosystem. The future of the European industry cannot rely solely on broad promises — even if made in good faith — that evaporate once the transaction is completed and debt repayment pressures intensify – but rather on meaningful, legally binding and enforceable commitments designed to protect the whole value chain.

Protecting a competitive, diverse, and sustainable European film and audiovisual ecosystem must remain a priority – not only for economic reasons, but also to safeguard Europe's cultural diversity and ensure that European audiences continue to benefit from a wide range of stories, perspectives, and creative voices.

CEPI - European Audiovisual Production association
CICAE - International Confederation of Arthouse Cinemas
Eurocinema
FERA - Federation of European Screen Directors
FSE - The Federation of Screenwriters in Europe
SAA - Society of Audiovisual Authors
UNIC - International Union of Cinemas