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NEW BUSINESS MODELS DEMAND COMPETITIVE MARKET CONDITIONS

The Creative and Media Business Alliance, an informal grouping of some of Europe’s top media and creative businesses and industry associations calls upon the European Commission, European Parliament and the 25 EU Member States to focus on the creative and media business in their joint efforts to foster innovation, growth and employment in the Information Society.

The creative, media and information businesses have always been a crucial sector of the European economy. They produce, disseminate and invest in a huge array of content that educates, informs and entertains Europe’s citizens. The creative media and information businesses create jobs and drive growth.

The creative and media businesses are more than a mere driver for technology deployment or an ‘added value’ to the Lisbon Agenda. They are the true value of the Information Society. A dynamic and competitive Information Society will not be created by hardware technology and distribution networks alone. Instead, those who make the new roads of the Information Society worth travelling must be put at the centre stage of the Lisbon agenda: **the creative and media businesses.**

Creative products and services are increasingly distributed online legally in various formats and at prices attractive to consumers. A variety of business models are being tested and employed. Only the creative industries can provide the innovative content needed to satisfy increasingly sophisticated consumer demand. The creative and media businesses also play a pivotal role in contributing to cultural diversity and a well-informed pluralist society.

Europe is a centre for excellence in the creative and media industries. There is no other part in the world that has the ability to compete with the U.S. in providing creative content that the consumer can enjoy worldwide. If Europe is going to rise to the challenge of becoming the world’s leading knowledge-based economy by the year 2010 and wants to fully embrace all new possibilities, it must create competitive market conditions to allow its creative and media businesses to flourish.

CMBA therefore calls for:

- **Encouraging migration to legal delivery services**
Legal online services are an exciting opportunity for the creative and media industries to reach consumers in new ways. The EU should play its role in encouraging migration to legal services and should foster a dialogue between the creative and media industries and those industries who seek to develop new distribution channels for our content, in particular electronic communications services and network providers to address the problem of intellectual property theft.



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- Increasing competitiveness**
Regulatory burdens, heavy social costs and high taxation levels make it difficult to compete on equal terms with the U.S. and other regions. CMBA calls on the EU to reduce these burdens to free its creative and media industries and allow them to compete in a global marketplace.
- Availability of creative content**
The creative industries embrace new and various business models that offer creative content to the consumers. No one business model is or will be effective at meeting the diverse needs of European creators, industry and consumers. Dictating a single model or restriction on the industry's freedom to license would penalise creators and eliminate incentives to invest in new and diverse content that can drive new business models, products and services. Allowing for a more diverse range of business models in turn stimulates investment in more diverse types of creative products and services to the benefit of the entire value chain.
- Respect for intellectual property rights**
Intellectual property is the cornerstone of the creative and media industries and the measure by which the people who contribute to creativity can be remunerated. The creative and media industries are, however, being threatened by the growing illegal use of protected content. The EU must provide a strong legal foundation, based on intellectual property and create a stronger deterrence against IP crime and online infringement.
- Technological neutrality and interoperability in the distribution of creative products and services**
Platform interoperability is a top priority for the creative sector if the consumer is to have a variety of creative content available securely on different platforms. Robust and secure digital rights management (DRM) solutions need system-wide support so that continuity of security is maintained across platforms.
- Priority to self-regulation**
The creative and media sector should be given the opportunity to develop self-regulatory initiatives to meet public policy objectives such as consumer protection or protection of minors. It is clearly in the interest of the creative and media industries that these self-regulatory initiatives be trustworthy and efficient.
- Stimulating employment**
Heavy social costs limit the potential to expand the number of skilled people employed by the creative industries. The EU must look closely at social costs in the creative industries in order to stimulate employment.