

## IGF 2016 WS 22

Session Title	Local Content and Sustainable Growth (WS22)
Date	Tuesday, December 6
Time	11:15 - 12:45
Session Organizer	Paolo Lanteri (WIPO), Bertrand Moullier (FIAPF)
Chair/Moderator	Paolo Lanteri (WIPO), Bertrand Moullier (FIAPF)
Rapporteur/Notetaker	
List of Speakers and their institutional affiliations	<p>Cristina Gallego, Film Producer, Ciudadunar Films, Bogota</p> <p>Manuel Guerra Zamarro, Director General, INDAUTOR, Mexico DF</p> <p>Nicole Amarteifio, TV Producer, An African City, Accra</p> <p>Gerardo Muñoz de Cote, Director of IP, Televisa, Mexico DF</p> <p>Bobby Bedi , Film Producer, Kaleidoscope Films, New Delhi</p>
Key Issues raised (1 sentence per issue):	<ul style="list-style-type: none"> <li>- Local Content is a broad concept, encompassing both noncommercial material and high-quality resource intensive creative production. Professional audiovisual content is a specific category which deserves special attention if it is to play its part fully in driving demand for Internet connectivity and use.</li> <li>- The distribution of creative content can boost the development of ICTs for connectivity.</li> <li>- Internet traffic is increasingly driven by demand for professional quality video entertainment offered by legitimate sites – innovative partnerships between the audiovisual content production sector and broadband Internet and telephony operators/platforms is of mutual strategic interest to both industries.</li> <li>- The role of Intellectual Property as an enabler for the creation and distribution of creative content throughout the world, and especially in emergent economies with nascent local content production sectors.</li> </ul>
If there were presentations during the session, please provide a 1-paragraph summary for each Presentation	<p><b>Ms. Gallego</b>, producer of the critically-acclaimed and Academy Award nominated Colombian film <i>El Abrazo de la Serpiente (Embrace of the Serpent)</i> explained the challenges of engaging in a major indigenous production in a developing country like Colombia. She compared the position of creative independent film production companies to that of organic farmers, with a low-volume/high-value output that offers consumers a rich alternative to that from large conglomerates, thereby enriching cultural diversity and choice. She said making films to a professional standard necessitated a complex system of enabling laws and regulations.</p> <p>As the consumption of films shifts increasingly away from traditional media (e.g. cinema, linear TV), she saw in the emergent non-linear</p>

Internet video platforms new opportunities for collaborative relationships that will help open new access to consumers for local independent films and help make local content sustainable and competitive.

**Mr. Guerra** emphasized the prominence of the cultural industries in general, and the film industry in particular, as contributors to Mexico's economy and cultural identity.

He shared data regarding the national cultural production of Mexico. The country is a net exporter of cultural products and services and its diverse cultural industries overall employ over 1 million people. The country is the world's tenth largest producer of feature films in volume: 140 films were made in 2015, the largest output in the country's history. The average budget for professionally made feature films is around \$1 million

**Ms. Amarteifio**, an audiovisual producer from Ghana, spoke about the development and the marketing she and her other first-time producer colleagues adopted in order to write, produce and release the first two seasons of the successful African digital series *An African City*.

As a digital native, Ms Amarteifio chose to bypass traditional sources of audiovisual content commissioning (e.g. linear broadcasters) and financed the low-budget first season of the show largely through her personal savings from her previous career. Season 1 premiered on YouTube where it rapidly aggregated a global African diaspora audience, attracting as many as 3,000 views in first 5 minutes of each new 'webisode' being uploaded. The season was also tied to social networks, where it gathered considerable attention and online conversation, leading Ms. Amarteifio to describe the *An African City* phenomenon, as "a movement, as much as a TV show". Both seasons of the show were shot and post-produced in Ghana's capital Accra, using local skills, infrastructure and services.

Ms. Amarteifio attested to the fact that the success of Season 2, which built on the brand exposure of Season 1, was what enabled her and her team to move from "an amateur pursuit to a professional career". Season 2 was made for double budget and attracted rights' licensing agreements with senior operators in the local and global linear TV marketplace and 'over-the-top' Internet video-on-demand platforms.

**Mr. Bedi** articulated a positive vision for the future of the professional filmed entertainment content industries in the broadband Internet age. He said that – in the more developed technology markets – up to 70% of peak time Internet traffic was accounted for by video entertainment.

Mr. Bedi believes the current transitional stage has made it challenging for audiovisual producers to monetize their content on the new non-linear platforms. The nature and size of investments in delivery infrastructures and systems has temporarily tipped the balance in favour of that sector and content producers are "being

	<p>paid a pittance for their work”. He thought that a more balanced relationship would be restored because the two sectors depend on each other to achieve growth and helping to keep the local professional content industries viable was in the interest of the Internet operators and platforms. Mr Bedi thought adjusting to the new digital paradigm would require a focus on “sustainability and fairness of trade”.</p> <p><b>Mr. Muñoz</b> described the evolving strategy of content production and distribution of Televisa, the market leader in locally-originated audiovisual content in Latin America.</p> <p>Mr. Muñoz said the Latin American challenge was to develop a meaningful presence on the Internet. Currently, only 30% of traffic by Latin American consumers has local sites with local content as its destination. He said there were three tenets to address the challenge: language; production capability; and making culturally relevant content. Additionally, in order to compete with global OTT platforms, local Latin American audiovisual content should be available online from any place and at any time convenient to local consumers and in a form that allowed ‘binge’ watching of entire seasons or series.</p> <p>Mr. Muñoz said Televisa’s formal status as a “dominant undertaking” under Mexican law meant the conglomerate had to comply with rights acquisition obligations to local content. He also stressed the “immense importance” of copyright law in incentivizing local content production.</p>
<p>Please describe the Discussions that took place during the workshop session: (3 paragraphs)</p>	<ul style="list-style-type: none"> <li>- In Latin America and other regions of the Southern Hemisphere, there is still a dearth of OTT platforms offering local content – the question was raised about developing sustainable economic models for local platforms to finance, acquire, and make available culturally relevant content for local/regional audiences</li> <li>- Professionals on the panel were concerned about the continuous rise in illegal streaming and downloads on the Internet, which they said undermined economic incentives for investment in new locally originated audiovisual content. They felt that – in some jurisdictions – the legal and enforcement systems were not yet adequate to the need to educate and encourage consumers to choose legal options for accessing audiovisual content</li> <li>- The language issue was seen as salient: practitioners thought that high quality content on the Internet can have universal appeal even when not made in English but in a local language with more limited reach. They also emphasized the importance of developing resources needed to help dub and/or subtitle in world languages or other minority languages in order for local content to reach</li> <li>- Subtitling was also discussed in the context of access to local audiovisual content by disabled people with auditory</li> </ul>

	<p>impairments – Mexico’s Televisa and other broadcasters have subtitling obligations in Spanish of all foreign language broadcast – they are also experimenting with subtitling facilities for programmes in Spanish, such as Televisa’s news features programme anchored until this summer by Lolita Ayala – The WIPO representative also informed participants that the IGF 2016 schedule had a bespoke WIPO workshop on the issues of access to copyright content by disabled communities.</p>
<p>Please describe any Participant suggestions regarding the way forward/ potential next steps /key takeaways: (3 paragraphs)</p>	<ul style="list-style-type: none"> <li>- <b>Ms. Gallego</b> suggested that more economic incentives would very beneficial for the audiovisual industry in Latin America and other developing regions, in particular those that encouraged the pooling of content financing between different countries – she also emphasized the importance of respect for copyright in the entire region and the world. These actions would support sustainable local content, helping drive more consumers to legal sites on the Internet.</li> <li>- <b>Mr. Muñoz</b> said broadcasters were increasingly dependent on high quality content as they migrated towards online services. He clarified that the four imperatives were a) a commitment to local languages, b) a critical mass of resources to finance local content production, c) requisite attention paid to the cultural relevance of local content to local audiences and d) a solid and balanced copyright system.</li> <li>- <b>Mr. Bedi</b> emphasized the long term imperative of achieving a healthy equilibrium between content and delivery. The Internet has to be viable for both, with each term supporting the other’s growth through mutually beneficial terms.</li> <li>- <b>Ms Amarteifio</b> stressed the need to facilitate professional audiovisual content producers’ access to finance, in order to ensure the sector remedies market failure and remains sustainable, able to play its full part in the digital mutation.</li> </ul>