

France looking at taxing Netflix, Amazon to fund film and TV sector

PARIS, FRANCE: France is looking to decide this year on how it might tax US online giants Google, Amazon and Netflix to help fund its heavily subsidised film and television sector in response to changes brought on by internet video streaming...



Paris... Culture Minister Fleur Pellerin says "different paths" are being looked at on the French and EU levels to make sure the Internet majors contributed.
(Image: Wikimedia Commons)

Culture Minister Fleur Pellerin told *Les Echos* business newspaper in an interview published on Thursday that "different paths" were being looked at on the French and EU levels to make sure the internet majors contributed, and she wanted "to find a solution" by the end of this year.

"It's an urgent issue for the financing of French production, which they (the US internet companies) profit from because they are also advertisers," she said.

"I have no doubt the solutions France will come up with will also interest Britain, Germany, Italy, Spain and Poland."

The comments were the latest sign that France is determined to protect its audiovisual sector, and will counter any attempts by the big American companies to avoid French taxes used to support domestic productions.

French President Francois Hollande said in October that European laws on audiovisual services should be overhauled so that digital companies based outside of Europe but streaming to European customers are subject to the same taxes as European firms.

France has already taken a first step this year by changing its laws to compel online companies located outside of the country but selling to French consumers to pay sales tax.

That measure notably hits Netflix, which started streaming to French customers in September 2014. Its European headquarters are moving this year from Luxembourg to The Netherlands.

Google is increasingly making inroads into streaming commercial movies and TV shows through its YouTube subsidiary, and online retail giant Amazon is also getting in on the act with its Amazon Prime Instant Video service, which this month signed up Woody Allen for his own series.

"Globally, the sector is reconfiguring itself and the emergence of new actors like Netflix and Amazon are shaking up the production and distribution landscape," Pellerin said.

France has a vibrant film and television sector thanks to a system that requires television networks to hand over a proportion of their turnover to back domestic production, on top of a series of public grants and funds.

The result is a diverse field of many small- to mid-size production companies, unlike in the United States, where studios and listed entertainment conglomerates dominate.

In terms of quality, French films are well-regarded. In this year's Oscars race, 13 French films or co-productions with other countries are in the running.

But Pellerin said that while France should maintain its diversity, it also needs to restructure its audiovisual sector to create companies "that better perform internationally, able to compete with the big foreign groups like HBO".

Source: AFP, via I-Net Bridge

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