ANNEX Finland’s notification

Point 15, Impact assessment

The domestic market for audiovisual content

The total turnover of the Finland's audiovisual sector was almost EUR 1.6 billion in 2024 (TEM/VTT 2024). According to Statistics Finland, the largest individual media sector in 2023 was the television sector, with a volume of approximately EUR 1.4 billion. This corresponds to more than one third of the entire media market. The television sector includes the operations of the public broadcaster Yleisradio, television advertising, pay-TV fees, and subscription video-on-demand services. In addition, the estimate includes the connection and annual fees of cable television operators.

In 2022, the total revenue from subscription video-on-demand services in Finland was approximately EUR 330 million, according to Statistics Finland. In 2023, the corresponding figure had already risen to EUR 337 million.

The figures on pay-TV operations and subscription revenues compiled in the mass media statistics are rough estimates, based primarily on changes in subscriber numbers. Data on the development of subscriber numbers are collected, inter alia, by Finnpanel and the Finnish Transport and Communications Agency Traficom. Annual fees paid by households are estimated on the basis of publicly available service-specific pricing information.

In Finland, the consumption of audiovisual media content has changed significantly over the past ten years with the proliferation of international video-on-demand subscription services. According to the Television Households in Finland study conducted by Finnpanel, in 2025 nearly 2.5 million households in Finland had a subscription to a video-on-demand service. Of these, international services accounted for nearly 1.8 million subscribers. The most popular video-on-demand subscription service is Netflix, which is subscribed to by approximately one third of Finnish households. Domestic paid video-on-demand subscription services (Katsomo+ and Ruutu+) together reach a quarter of Finns on a weekly basis. The public service video-on-demand platform Yle Areena is the most popular streaming service in Finland, used by 54% of Finns in 2024.

A study commissioned by the Finnish Transport and Communications Agency Traficom shows a clear shift from linear television to video-on-demand subscription services between 2014 and 2021[1], particularly among users under the age of 45. According to the TV Year 2025 study[2] by Finnpanel in October 2024, the viewing share of various streaming and video services was 31% at the level of the total population, while among those under 45 the viewing share of video-on-demand subscription services was 65%. This trend is expected to continue. The popularity of video-on-demand subscription services is explained by the wide range of content available irrespective of time and place, as well as the possibility to watch content across multiple devices.

1.1 Public funding of audiovisual productions and private investment in European content

The growing popularity of video-on-demand subscription services and intensified competition for subscribers have increased investment in content offered by these services, with a growing emphasis on the local relevance of content. According to the European Audiovisual Observatory, total investment in original European content amounted to approximately EUR 25 billion in 2024, of which one third came from international video-on-demand subscription services. Two thirds of the investment, in turn, came from public and commercial television broadcasters.

In 2024, the three largest video-on-demand subscription services, Netflix, Disney+ and Amazon Prime Video, each invested more than EUR 2 billion in original European content. Together, they accounted for more than 80% of global streaming services’ investment in European content. Investments by international

[1] Liikenne- ja viestintävirasto Traficomin teettämä selvitys tv-katselun tavoista (2022).
[2] Finnpanel, Television katselu Suomessa 2025.

video-on-demand subscription services in European content have so far been concentrated to a significant extent in large countries such as the United Kingdom, Spain, Germany and France.[3]

Although the market position of US video-on-demand subscription services continues to grow in Europe, investment by European television broadcasters in original European content has also increased[4], and broadcasters in EU Member States remain the most significant financiers of European works.[5]

Studies have highlighted that video-on-demand subscription services and television broadcasters are increasingly retaining the intellectual property rights to audiovisual works. Under this model, production companies typically receive a lump-sum payment, while at the same time relinquishing revenue from exploitation rights.[6]

Public support in Finland

In Finland, the State supports audiovisual productions through two different support instruments. Production support granted by the Finnish Film Foundation amounts to approximately EUR 17 million annually, the majority of which is allocated to the production of feature films. Production support awarded by the Finnish Film Foundation often constitutes the most significant single source of financing for feature films (on average 35–42 per cent; approximately 30 per cent for feature films and 50 per cent for documentary films). However, this does not differ significantly from other European countries. At present, no production support is granted for TV drama series due to limited appropriations; however, the Finnish Film Foundation allocates approximately EUR 1 million annually to the development of drama series.

The audiovisual production incentive administered by Business Finland (approximately EUR 10 million per year) supports not only films but also the production of TV drama in Finland. The primary objective of the audiovisual production incentive is to attract international productions to Finland; in addition, it encourages the internationalisation of domestic operators. Under the scheme, production companies are reimbursed ex post 25 per cent of their production costs incurred in Finland. Slightly more than half of the funding has been allocated to fully foreign productions.

In Finland, the level of public film support is clearly lower compared to the other Nordic countries. For example, in 2024, the support budget of the Danish Film Institute amounted to EUR 82.6 million (or EUR 90 million including support for TV productions), compared with EUR 55.5 million in Norway and EUR 36.5 million in Sweden, whereas in Finland it totalled EUR 22 million.

In Finland, approximately 20–30 TV drama productions and around 20–30 feature films are produced annually. The budgets of TV drama productions (approximately EUR 3–10 million) are, on average, significantly lower than in the other Nordic countries and in Europe. In addition, compared with, for example, American productions, the difference in production budgets can be as much as tenfold. Similarly to drama productions, the budgets of Finnish films are lower than in the other Nordic countries. The average budget of a Finnish film in 2024 was EUR 2.4 million, compared with EUR 4.5 million in Norway, EUR 3.8 million in Denmark and EUR 3 million in Sweden, while the European average was EUR 2.17 million in 2023.

Domestic film production in Finland is fundamentally based on State funding, as described above. Due to limited appropriations, State support for TV drama series is modest, and their financing is derived mainly from the private sector and from the audiovisual production incentive scheme administered by Business Finland. Yleisradio commissioned programmes from domestic production companies in the period 2019–2023 at an average annual value of EUR 38 million. Yle participates in the financing of approximately half of domestic films. In addition, Finland produces short films, documentaries, and children's and youth programming among others, the financing of which is largely provided by Yle.

A parliamentary working group assessing the public service remit and funding of Yle proposed in its report published in September 2024 that Yle should increase its purchases of domestic productions from independent producers, as well as acquisitions of production services and domestic broadcast and usage rights, by 15–20 per cent by 2030. The target is based on the average level of purchases from independent

[3] Kostovska, Ivana, ym. (2025). Investment obligation for global streamers as a wind of hope for the peripheral markets in Europe: The cases of Croatia and Poland. *European Journal of Cultural Studies*.
[4] Audiovisual services spending on original European content - 2024 edition, European Audiovisual Observatory.
[5] Investment obligations for on-demand players in Europe: an update of current AVMSd transpositions Marlen Komorowski, Catalina Iordache, Ivana Kostovska, Stephanie Tintel & Tim Raats.
[6] Kostovska, Ivana, ym. (2025).

domestic producers and acquisitions of production services and other domestic broadcast and usage rights during the period 2021–2023 (EUR 68 million). The aim is for the corresponding amount to be around EUR 78–82 million in 2030.

Entertainment programming typically falls within the offering of commercial television broadcasters and video-on-demand subscription services. Among commercial operators, MTV Oy, Nelonen Media, and Elisa Viihde in cooperation with Sanoma Media Finland are the most significant financiers of domestic audiovisual productions.

1.2 Structure and turnover of Finnish production companies

According to Statistics Finland, the total turnover of companies engaged in motion picture, video and television programme production amounted to just over EUR 620 million in 2023.

According to financial statements for 2024, the total turnover of companies that received production subsidies from the Finnish Film Foundation in the years 2017–2024 (approximately 200 in total) was approximately EUR 108 million. The total turnover of companies included in the sample has decreased by approximately EUR 20 million since 2022. Nearly 80 per cent of the companies in the sample had an annual turnover of less than EUR 0.5 million.[7] The sample does not include all domestic production companies, but it provides an indication of the volume and structure of the audiovisual sector's turnover. According to calculations by Audiovisual Producers Finland APFI, revenues of film and television production companies and production service companies, including turnover and other income such as support from the Finnish Film Foundation, totalled approximately EUR 270 million in 2024, in addition to around EUR 30 million in ongoing productions.

Regarding corporate structures, both companies producing films and television series and those focused solely on television series are, on average, the largest in the sector in terms of both turnover and number of employees. By contrast, companies producing only feature films, or both feature and short fiction and documentary films, are significantly smaller. These producers of feature and short fiction and documentary films also represent the largest group in the sector. On average, the smallest operators are companies producing only short fiction or documentary films.

Table 1. Information on production companies in different business categories[8]

Business category	Number of companies in the category	Average turnover	Average number of employees
Hybrid companies	39	2 717 227	13
TV series companies	17	2 754 138	17
Companies specialising in feature films	25	599 260	5
Companies producing feature-length and short fiction and documentary films	105	530 115	5
Companies producing solely short fiction and documentary films	50	246 731	4

Film and television production companies are, on average, small both in terms of turnover and number of employees. Throughout the entire review period, approximately half of the companies have belonged to turnover categories of less than EUR 50 000 or EUR 50 000–100 000 per year. Similarly, around 15–20 per cent of companies achieve a turnover exceeding EUR 1 million. Approximately 95 per cent of companies in the sector have a turnover of less than EUR 5 million. The turnover of the largest individual companies in the sector exceeds EUR 10 million.[9] The production market in Finland is therefore dominated by a small number of large production companies, alongside a group of small operators. Almost all of the largest production companies operating in Finland are subsidiaries of international companies.[10]

[7] Study on the effects of public support for film production, publications of the Ministry of Education and Culture 16:2026 (OKM 16:2026).
[8] OKM 16:2026.
[9] OKM 16:2026.
[10] Keinonen & Vermilä (2023).

Finnish audiovisual production companies have traditionally focused mainly on the domestic market. By EU criteria, Finland is classified as a medium-sized production capacity country, but due to its small language area, the Finnish market has traditionally been relatively limited.

With the entry of video-on-demand subscription services into the market, the situation has changed, and the audiovisual content market has expanded internationally and grown. This has also created new opportunities for Finnish operators, as international audiovisual media service providers seek new and attractive content. The number of international co-productions has increased according to funding decisions by the Finnish Film Foundation. The audiovisual production incentive administered by Business Finland has also contributed to an increase in international co-productions.

Internationalisation of the sector is therefore seen as the most important factor driving its development. This has brought new financing opportunities and opened doors to international co-productions. Some companies have deliberately shifted their focus towards international productions. This is seen as opening new financing channels and enabling larger-scale productions. Internationalisation has been promoted by improved perceptions of Finland as a cooperative production partner, among other things.

However, several factors constraining the sector’s growth have also been identified. The financial position of domestic production companies is fragile, and in recent years the turnover of Finnish audiovisual production companies has declined. The relatively low level of equity in production companies and tight profit margins mean that companies are unable to invest sufficiently in development and production activities. Challenges in the commercial television sector, as well as the weak advertising market in recent years and rising content production costs, have also made the operating environment more difficult. In addition, there has been media coverage in recent years of the cessation of operations of certain production companies due to financial difficulties.

This is also reflected in the capacity to develop the management of intellectual property rights (IP) related to productions, and to retain such rights in Finland. IP rights are key to the international growth and export potential of Finnish audiovisual content. In situations where production companies are required to transfer all intellectual property rights in produced content to, for example, the commissioning party, they simultaneously lose a share of the secondary markets for the content and the possibility of long-term revenues. This, in turn, increasingly shifts the economic value generated by content abroad, weakening domestic value creation in the sector and narrowing the future growth prospects of the Finnish audiovisual industry.

1.3 The main impacts of the proposal

1.3.1 Economic impact

1.3.1.1 Impacts on providers of video-on-demand subscription services

The economic impacts of the Government proposal primarily affect video-on-demand subscription service providers established in Finland and in other EU Member States that direct their services to Finland. Video-on-demand subscription service providers established in Finland currently include Sanoma Media Finland (Ruutu+) and MTV (Katsomo+), which is owned by Schibsted. The remaining video-on-demand subscription service providers currently established in Finland are so small that they would not be considered to fall within the scope of the proposed regulation. International video-on-demand subscription service providers established in another Member State but targeting their services at Finland include the US-based companies Apple TV+, Disney+, Max (Warner Bros. Discovery), Netflix, Amazon Prime Video, Comcast, and Paramount Global (SkyShowtime).

In particular, with regard to video-on-demand subscription service providers established in Finland, the economic impacts of the proposal can be assessed as relatively moderate. The annual investments of these service providers in content covered by the proposal are estimated to clearly exceed the proposed five-percent share. There is no publicly available information on how much Sanoma Media Finland and MTV invest annually in Finnish content. However, the content offered by these companies’ video-on-demand subscription services includes a relatively large number of original series and films in Finnish and set in Finland, which in itself indicates the level of investment in domestic and European works.

The proposal would, however, increase the administrative burden on these companies, as service providers would be required to report their annual turnover from video-on-demand subscription services annually to the Finnish Transport and Communications Agency Traficom, including subscription and advertising revenues. In addition, service providers would, under the proposal, be required to report annually relevant information on audiovisual productions which they consider to fall within the scope of the Act to Traficom, provided that they meet the financing obligation through investments. The administrative burden would be alleviated by the requirement that the information be submitted electronically to Traficom. The new reporting obligations are expected to result in some additional administrative work for service providers, as the information to be reported would likely need to be compiled from multiple sources. However, the administrative impacts and costs are assessed overall as reasonable for video-on-demand subscription service providers.

The most significant economic impacts of the proposal would be borne by international video-on-demand subscription service providers that target their services to the territory of Finland. At the European level, investments by subscription video-on-demand international services in European works have increased significantly since 2020, when the Audiovisual Media Services Directive began to be generally applied in Member States. In 2024, total investment in European original works was estimated at approximately EUR 25 billion, of which the share of international video-on-demand subscription services was just under EUR 9 billion. Three service providers, Netflix, Disney+ and Amazon Prime Video, each invested approximately EUR 2 billion in European original works.[11] Investments by international video-on-demand subscription services in Finnish-language and Finland-based audiovisual productions have nevertheless remained relatively minor. For example, in 2020 the combined acquisition budget of international video-on-demand subscription services in Finland was estimated at approximately EUR 8 million.[12] According to estimates, acquisition budgets have not significantly increased in recent years. By contrast, HBO Max announced in 2022 that it would discontinue its own television drama productions in the Nordic countries. Netflix has released one Finnish original feature film and one original drama series since expanding its services to Finland. In recent years, investments by international video-on-demand subscription services in Finnish productions have mainly focused on the acquisition of distribution rights for programmes that have already been produced and broadcast once.

According to an estimate by Medialogi Oy in 2022, the combined revenue of video-on-demand subscription services in Finland was approximately EUR 280 million. The study estimated that a five-percent annual investment obligation by both domestic and international subscription video-on-demand providers, based on their revenue generated in Finland, would amount to a total of approximately EUR 14 million, of which the share of international providers would be just over EUR 8 million in total. On a rough basis, it can be estimated that an obligation to invest five per cent of revenue generated in Finland would correspond to annual investments of approximately EUR 8–10 million, depending on the development of subscriber numbers for each international service. For example, for Netflix, which is the most popular subscription video-on-demand service in Finland in terms of subscriber numbers, a five-percent investment obligation would correspond to at least EUR 3 million in annual investments, assuming that subscriber numbers remain relatively stable. By contrast, for Apple TV, which is estimated to be among the smallest video-on-demand subscription services in terms of subscribers, the obligation would correspond to approximately EUR 0.5 million in annual investments. However, the euro-denominated estimates are subject to significant uncertainty, as there is no public data available on subscriber numbers or revenues of video-on-demand subscription services, and the estimates are based on national sample data on subscriber numbers for different services. In addition, video-on-demand subscription services offer different subscription models with varying prices, which further complicates the production of precise impact assessments.

The estimates are based solely on revenues calculated from subscriber numbers. According to the Government proposal, turnover would also include advertising revenues generated by video-on-demand subscription services in Finland. Advertising-supported subscription models are becoming increasingly common, and it is typical for video-on-demand subscription services to offer lower-priced monthly subscriptions that include advertising. In 2025, the share of video-on-demand subscription services in the Finnish advertising market amounted to just over EUR 40 million.[13] Based on market shares, it can be estimated that the largest shares are predominantly held by services established in Finland, and the share of international video-on-demand subscription services in the Finnish advertising market is relatively small. Among international video-on-demand subscription services, for example Disney+ and Max (formerly HBO Max) offer subscription plans with advertising in Finland, whereas, for example, Netflix does not include advertising in its subscription plans in Finland. Accordingly, it can be assessed that advertising revenues would not, at least at present, have a significant impact on annual investment amounts in euros.

National investment obligations under Article 13(2) of the Audiovisual Media Services Directive may be regarded as a form of market intervention, in which national regulation seeks to safeguard audiovisual

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[11] Audiovisual services spending on original European content - 2024 edition, European Audiovisual Observatory.

[12] Keinonen & Vermilä (2023).

[13] Media advertising volume decreased by 0.7% in 2025, Kantar Media.

cultural diversity in a situation where market shares are increasingly concentrated among operators outside the EU. Interest among international video-on-demand subscription providers in financing Finnish-language or Finland-related audiovisual productions has so far been rather limited. One reason is considered to be Finland's small market and language area, as well as the already high subscriber penetration of international video-on-demand subscription services in Finland. On the other hand, some studies have highlighted that demand for European content has increased outside Europe as well, and the popularity of individual programmes has not been considered to depend on the language spoken in them.[14] In practice, however, investments by international video-on-demand subscription services over the past ten years have been directed primarily towards large European language areas and markets such as Spain and the United Kingdom.[15] National studies have also found that Finnish-language content may be difficult to export internationally, and Finnish content has not yet achieved such international success that it could serve as a competitive advantage for international video-on-demand subscription services.[16]

The obligation proposed in the Government proposal can be considered relatively flexible, which would in part mitigate the potential adverse effects of the obligation on the market-based operation of video-on-demand subscription services. The obligation would leave it to the discretion of video-on-demand subscription service providers whether they invest annually in audiovisual content falling within the scope of the proposal, thereby retaining, inter alia, the exploitation rights to such content, or whether they pay an audiovisual levy, which would be distributed by the Finnish Film Foundation on the basis of applications to audiovisual productions meeting the criteria set out in the proposed legislation. The model proposed in the Government proposal also seeks to take account of industry practices, where production schedules for audiovisual works may be extended or change unexpectedly, resulting in investments not being realised within the planned timeframe.

The flexibility of the obligation would make it possible for service providers to fulfil the requirement by investing in productions that are commercially attractive from a market perspective, where such productions are in development. The proposed obligation would also place some limitations on the types of audiovisual content that video-on-demand subscription service providers could finance. Service providers would still be able to finance different genres in line with market demand, subject to the conditions laid down in the Act, such as genre quotas and requirements relating to the language of the content. If video-on-demand subscription service providers, for commercial reasons, do not wish to finance new productions, they could, under the Government proposal, replace the investment obligation with an audiovisual levy. At the same time, video-on-demand subscription providers could benefit from state aid for audiovisual productions distributed annually by the Finnish Film Foundation.

The Government proposal would allow the obligation to be fulfilled by acquiring exploitation rights to works that meet the conditions defined in the Act and that have been completed in the investment year or within the two preceding years. It has been typical for video-on-demand subscription services to acquire exploitation rights to audiovisual content that has already been completed and released, either on an exclusive or non-exclusive basis.[17] However, it should be noted that, in principle, the acquisition or licensing of exploitation rights is less costly than, for example, financing new audiovisual productions. Financing new audiovisual productions, on the other hand, involves greater risks related to rising production costs and predictability. The strategic value of original productions may nevertheless be higher than that of licensed content.[18] In recent years, the focus of investment by international video-on-demand subscription services has been considered to have shifted away from commissioning original productions towards the acquisition of exploitation rights.[19] For example, a case study on the audiovisual sector in Croatia has highlighted that international video-on-demand subscription services have primarily fulfilled national obligations based on Article 13(2) of the Audiovisual Media Services Directive by acquiring licensed rights to already produced films and series.[20]

The strategies of international video-on-demand subscription services nevertheless vary, making it difficult to assess how investments would be distributed between new productions and the acquisition of exploitation rights. For example, in France, investments by international video-on-demand subscription services have,

[14] Keinonen & Vermilä (2023).
[15] Audiovisual services spending on original European content - 2024 edition, European Audiovisual Observatory.
[16] Keinonen & Vermilä (2023).
[17] Keinonen & Vermilä (2023).
[18] IP assets and film finance – a primer on standard practices in the U.S, WIPO 2023.
[19] Kemppinen (2024).
[20] Kostovska, Ivana, ym. (2025).

according to studies, been concentrated on the pre-financing of audiovisual productions. In addition, the majority of productions have been financed in cooperation with French television channels.[21]

The investment obligation proposed in the Government proposal could alter the current situation, in which domestic drama series, films and entertainment programmes may be considered a competitive advantage for video-on-demand subscription providers established in Finland compared with international services.[22] If the volume of domestic audiovisual content in the catalogues of international video-on-demand subscription services were to increase as a result of the obligation, this could affect the competitiveness of television broadcasters and video-on-demand subscription service providers established in Finland in the market, as domestic content becomes more widely available on international platforms. In addition, the competitiveness of domestic operators would be affected by rising production costs, which have been identified in the literature as a possible consequence of the implementation of investment obligations.[23] For example, in France, production costs for audiovisual works financed by video-on-demand subscription services have, according to studies, increased following the implementation of the national investment obligation.[24] If a national investment obligation were to increase the costs of audiovisual production in Finland, it could affect the ability of domestic television channels and video-on-demand subscription services to commission and finance competitive domestic content.

1.3.1.2 Impacts on production companies and audiovisual sector companies

According to estimates, the Government proposal would have positive economic effects on production companies operating in Finland, as well as other companies in the film and television sector involved in the production, creation and distribution of audiovisual works. As a result of the proposal, investments made by international video-on-demand subscription services in domestic audiovisual content would increase, thereby improving the operating conditions of audiovisual sector companies and employment in the sector.

The growth of the Finnish audiovisual sector has turned into a declining trend in recent years. This development can be attributed to trends in the media sector, such as changes in consumption patterns and structural changes in the advertising market, which have significantly affected, inter alia, those operators that have traditionally been key financiers and commissioners of domestic audiovisual productions. In addition to commercial operators, Yleisradio also plays a significant role in financing both domestic television series and films. Consequently, savings measures affecting its funding have had an impact on the operating conditions of domestic production companies and other audiovisual professionals. According to studies, commissions from Yle, MTV Oy and Sanoma Media Finland effectively sustain the Finnish production company sector, without which some production companies would face significant financial difficulties.[25] The level of support provided by the Finnish Film Foundation has not undergone significant changes over the past approximately ten years, for example in relation to rising costs. As a result, the level of support granted per production has declined.

As noted above, it can be estimated on a broadly indicative basis that the investment obligation proposed in the Government proposal would increase investments by international video-on-demand subscription services in mainly Finnish-language and Finland-based productions by approximately EUR 8–10 million annually in total. By contrast, investments in audiovisual content covered by the Government proposal by video-on-demand subscription service providers established in Finland are not expected to increase, as these service providers already invest significantly in domestic audiovisual content. Accordingly, growth in the domestic audiovisual sector would emerge primarily through increased investment by international video-on-demand subscription services.

As noted above, approximately 20–30 drama series and 20–30 feature films are produced annually in Finland. Budgets for drama productions vary between approximately EUR 3 million and EUR 10 million, depending, inter alia, on the duration and number of episodes. The average budget of Finnish films in 2024 was approximately EUR 2.4 million. According to a rough estimate presented in 2022, annual investments exceeding EUR 10 million in audiovisual productions in Finland could enable the production of approximately one to three drama series per year with budgets of around EUR 5 million. Similarly, approximately 1–5 feature films could be produced.[26]

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[21] Étude relative à la mise en œuvre du décret SMAD, ARCOM, 2024.
[22] Kemppinen (2024).
[23] Cultural Levies and the EU Audiovisual, Market Kristian Stout & Giuseppe Colangelo, 2023.
[24] Étude relative à la mise en œuvre du décret SMAD, ARCOM, 2024.
[25] Keinonen & Vermilä (2023).
[26] Keinonen & Vermilä (2023).

However, these estimates should be treated with caution, as the implementation of the investment obligation proposed in the Government proposal could increase the budgets of audiovisual productions in Finland. Budgets for audiovisual productions have increased, such as in France, where, following national investment obligations, the budgets of films financed by video-on-demand subscription services have been on average nearly 50 per cent higher than the average film budget. Furthermore, the hourly production cost of audiovisual works financed by international video-on-demand subscription services has been significantly higher than the market average.[27]

Studies on the Finnish audiovisual sector have found that the industry grew by 48 per cent between 2016 and 2021, during which time international business in the sector also doubled.[28] Among the drivers of this growth were new commissioners of productions and works and the audiovisual production incentive scheme, which accelerated the volume of domestic productions and improved their quality. It was only a few years ago that the sector's growth gave rise to discussions about a shortage of skills in the Finnish audiovisual industry.[29] The situation has since reversed. In general, budgets for drama productions and films in Finland are, on average, significantly lower than in the other Nordic countries and in Europe. Compared with US productions, the difference in production budgets can be as much as tenfold.[30]

Based on developments during the period 2016–2021 and international examples, it can be assessed that the investment obligation proposed in the Government proposal would likely increase the budgets of domestic audiovisual productions. Previous studies have estimated that even a modest increase in production budgets for domestic audiovisual works may improve production quality. Additional funding directed to the sector has also been assessed as promoting the development of domestic programme concepts and content, as well as international exports, among other things.[31] The proposal can therefore be expected to raise the quality of domestic productions and content development, which in turn would enhance the international competitiveness of production companies and audiovisual professionals.

In particular, direct investments may become concentrated among a small number of the largest companies, in which case the growth impact could be significant for them, while effects on other production companies may remain moderate. According to estimates presented in studies, for example in Poland, national investment obligations imposed on video-on-demand subscription service providers have particularly benefited the country's largest production companies, which are capable of carrying out multiple production projects simultaneously.[32] Similarly, studies show that in France, international video-on-demand subscription services have fulfilled national investment obligations by investing relatively large sums in a limited number of productions.[33] In the studies, it has also been considered that a possible increase in production costs may, in principle, benefit primarily the larger companies, while crowding out smaller production companies.[34]

According to the Government proposal, more than half of the total amount of direct investments should be directed to the acquisition of exploitation rights, production, or co-production of scripted films, documentaries, or drama series. In the case of fiction content, content investments by international video-on-demand subscription services at the European level have been largely concentrated on drama series, while the share of films has been significantly smaller.[35] The relatively high level of investment in drama series may be due, inter alia, to the fact that drama series typically engage consumers for longer periods than individual films.

In other respects, investments could also be directed, according to the proposal, to other types of audiovisual content. In recent years, various entertainment programmes, such as reality television and format-based programmes, have been among the most-watched content on many video-on-demand subscription services in Finland and have accounted for the largest share of content commissioned by such services. Studies have highlighted that different types of entertainment programmes have significant economic importance both for production companies and for video-on-demand subscription services commissioning such programmes.[36] It can therefore be assessed that part of the annual investments by video-on-demand subscription services would be directed to the financing or acquisition of entertainment programmes rather than drama series or

[27] Étude relative à la mise en œuvre du décret SMAD, ARCOM, 2024.
[28] Keinonen & Vermilä (2023).
[29] Growth pact for the audiovisual sector.
[30] Keinonen & Vermilä (2023).
[31] Keinonen & Vermilä (2023).
[32] Kostovska, Ivana, ym. (2025).
[33] Étude relative à la mise en œuvre du décret SMAD, ARCOM, 2024.
[34] Cultural Levies and the EU Audiovisual, Market Kristian Stout & Giuseppe Colangelo, 2023.
[35] Audiovisual services spending on original European content - 2024 edition, European Audiovisual Observatory.
[36] Keinonen & Vermilä (2023).

films. In addition, content strategies and investment decisions are increasingly influenced by audience analytics,[37] which guide service providers to allocate funding to content deemed to correspond to consumer demand. At the European level, however, entertainment programmes have accounted for only around 20% of investments made by international video-on-demand subscription services, while drama series and films together have accounted for approximately 80% of investments.[38] According to a study conducted in France, investments by video-on-demand subscription services were predominantly directed towards fiction content.[39]

The estimated annual investments of approximately EUR 8–10 million by international video-on-demand subscription service providers were assessed in a study by Petri Kemppinen as increasing the Finnish audiovisual sector by an estimated EUR 20–25 million per year, assuming that other sources of financing would grow as a result of the additional investment. However, this estimate is based on the assumption that approximately EUR 8–10 million per year would be channelled as an audiovisual levy to the Finnish Film Foundation, which would distribute the funds to audiovisual productions on an application basis.[40] With regard to the Government proposal, it is not possible to assess how large a share of the obligation would be fulfilled annually through direct investments and how large a share would be paid as an audiovisual levy, as the allocation between these options would be based on the discretion of the video-on-demand subscription service providers. The share of funding provided by the Finnish Film Foundation in the total budgets of feature-length fiction films is typically around 30 per cent, while the remaining share of financing is raised from other sources such as distributors and production companies.[41] Similarly, financing for drama series is typically assembled from multiple sources, including foreign financiers.[42]

Support allocated through levy-based funding could strengthen the retention of intellectual property rights in Finland. On the basis of background studies, it can be concluded that the most critical issue related to the development of the audiovisual sector concerns intellectual property rights in productions.[43] The development of sustainable business operations requires international revenue streams, often referred to, for example, as secondary market revenues. In principle, secondary market revenues do not arise unless the rights to the content remain, in whole or at least in part, with the production companies. According to the Government proposal, conditions would be imposed on state aid for audiovisual productions, under which support could be granted to a production company registered in the Finnish company register that has the professional and financial capacity to produce a film and whose producer manages, to a sufficient extent assessed for the purposes of granting state aid, the commercial exploitation rights to the work in Finland. With regard to impacts, it cannot be entirely ruled out that international video-on-demand subscription services would seek to fulfil the obligation by financing Swedish-language audiovisual content produced in Sweden, for which they would also acquire exploitation rights in Finland.

Domestic film has a particularly important role in maintaining the viability of cinemas in small and medium-sized towns. The Government proposal can be expected to strengthen the financing of domestic films and thereby also the viability of domestic cinemas. The strengthening of the position of domestic film as a result of the investment obligation would be directly reflected in box office revenues of cinemas in small and medium-sized towns. The audience share of domestic films is among the highest in Europe; the share of domestic films of all cinema admissions was over one third (32%) in 2025. In total, there were 6.3 million cinema admissions. The value of box office revenues from domestic films exceeded EUR 30 million. Finland has 194 cinemas operating in nearly 140 locations, with a combined annual turnover of approximately EUR 120–150 million.

1.3.1.3 Impact on consumers

An investment obligation imposed on video-on-demand subscription service providers could lead, in particular, international service providers to increase subscription prices, with such price increases being passed on to consumers. However, a significant increase in subscription prices can be considered unlikely. At EU level, there is no evidence that video-on-demand subscription prices have increased significantly in countries where national investment obligations under Article 13(2) of the Audiovisual Media Services Directive have been implemented. One reason for price stability may be the high level of competition in audiovisual markets, as consumers also have access to a range of free services offering audiovisual content.

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[37] The Guardian, Bland, easy to follow, for fans of everything: what has the Netflix algorithm done to our films?
[38] Audiovisual services spending on original European content - 2024 edition, European Audiovisual Observatory.
[39] Étude relative à la mise en œuvre du décret SMAD, ARCOM, 2024.
[40] Kemppinen (2024).
[41] Facts & Figures 2024, The Finnish Film Foundation.
[42] Kemppinen (2024).
[43] Keinonen & Vermilä (2023).

According to studies, Europeans spend on average approximately EUR 56 per month on media content, and subscription prices are considered to significantly influence subscription decisions, alongside content offerings.[44] Accordingly, an increase in subscription prices could have an impact on the number of subscriptions, which in turn represents the most significant source of revenue for video-on-demand subscription services. At the same time, subscription price fluctuations may also be influenced by other factors, such as general increases in costs.
Similarly, it is considered unlikely that video-on-demand subscription services would withdraw from the Finnish market as a result of the implementation of a national investment obligation. It is evident that international video-on-demand subscription service providers generally oppose national obligations in EU Member States to contribute to the financing of European works and advocate for a market-based operating environment. However, to date, international video-on-demand subscription services have continued to operate in Member States where national investment obligations have been implemented. Attention should also be drawn to the fact that in some Member States, such as France and Italy, the levels of such obligations are significantly higher. During the preparation of the Government proposal, there is also no indication that international video-on-demand subscription services have withdrawn from, for example, the Belgian market, although Netflix and Disney+ have challenged the Belgian Walloon region in court, citing disproportionate national investment obligations.[45]

On the basis of statistics, domestic audiovisual works are relatively popular among the Finnish population. In 2024, half of the ten most-watched films in Finland were domestic productions.[46] In 2025, the most-watched programmes on Katsomo+, Ruutu+ and Yle Areena were likewise domestic drama and reality television series.[47] With regard to international video-on-demand subscription services, data on the most-watched content is not available. In the programming offered by international video-on-demand subscription services, the share of domestic audiovisual works has been relatively small and consists mainly of programmes that have already been shown on other services, which is likely to affect the popularity of domestic content on these platforms. The Government proposal is expected to increase the availability of domestic content also on international video-on-demand subscription services, thereby providing consumers in Finland with a more diverse range of domestic audiovisual content than is currently available.

1.3.1.4 Impact on public finances

International subscription video-on-demand service providers are expected to fulfil the financing obligation partly through direct investments and partly through an audiovisual levy, in which case the total annual yield of the obligation is estimated at a maximum of approximately EUR 8–10 million. The share of the audiovisual levy is estimated at approximately EUR 6–8 million, which would be transferred to the State as collected payments. The exact amount would be determined by the annual turnover of the companies within the scope of the obligation and the investments made by them in accordance with the obligation. The revenue is to be budgeted under budget item 11.19.09 “Other tax revenues”, or under a newly established budget item for the first time in the supplementary budget for 2028, once the payment revenue determined on the basis of turnover and investments for 2027 is known. The purpose of the revenue is to cover administrative costs incurred in implementing the legislation by the Finnish Transport and Communications Agency and the Finnish Film Foundation. An appropriation of EUR 150 000 is proposed for budget item 31.01.02 for the operational expenditure of the Finnish Transport and Communications Agency in the 2028 supplementary budget proposal, and an appropriation of EUR 150 000 is proposed for the administrative costs of the Finnish Film Foundation under budget item 29.80.50 in the 2028 supplementary budget proposal. The net revenue, after deducting these costs, estimated at EUR 5.7–7.7 million, would be budgeted under item 29.80.50 “Grants for the promotion of arts and culture” for grants awarded by the Finnish Film Foundation for the first time in the 2029 budget proposal. The annual appropriation would vary depending on the level of revenue collected.

A risk associated with the model is that the amount of revenue generated under the obligation may remain low, in which case a significant share of it would be consumed by the costs of monitoring compliance with the obligation and by the administrative costs of the body distributing public support, namely the Finnish Film Foundation. Funds allocated to domestic productions may remain lower than expected or may not be obtained at all. There is also a risk that levy revenues will not be sufficient to cover the resulting administrative costs. If this occurs, administrative costs must be covered within the spending limits of the Ministry of Transport and Communications and the Ministry of Education and Culture.

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[44] The European media industry outlook, 2025.
[45] Netflix appeals French Community's 'disproportionate' production support rules in court, Belga News Agency.
[46] Facts & Figures 2024, The Finnish Film Foundation.
[47] Finnpanel, Television Viewing in Finland 2025.

Impacts on public authorities

The new regulatory tasks would cause personnel costs for the supervisory authority, the Finnish Transport and Communications Agency, as well as other costs, such as those related to system development. The tasks are estimated to amount to approximately 1.5 person-years. Annual supervisory duties would include, inter alia, the collection, verification and assessment of data on the turnover of subscription video-on-demand service providers and their investments in audiovisual content meeting the legal requirements. Developing a data collection method based on the agency's existing systems would be required to collect this information. In addition, the tasks would include making decisions on payment obligations based on the above-mentioned data, as well as collecting and transferring payments to the State budget. The tasks would require both legal and financial expertise.

The number of companies supervised by the authority would increase, as subscription video-on-demand service providers established in other EU Member States would also fall within the scope of supervision. In addition, reporting on the implementation of the regulation under Article 13(2) of the Audiovisual Media Services Directive must be submitted to the European Commission.

The implementation of the obligation would generate additional work for the supervisory authority, the Finnish Transport and Communications Agency, estimated at approximately 1.5 person-years. According to the authority, the average cost per person-year in the Finnish Transport and Communications Agency is EUR 100 000.

The Finnish Film Foundation estimates that any additional appropriation potentially generated from the levy would create approximately 1.5 person-years of additional work for it. The tasks would consist in particular of processing applications, preparing grant decisions and carrying out supervision. According to the proposal, the costs arising from the additional work (estimated at EUR 150 000) would be covered by the collected levies.

1.3.2 Social effects

1.3.2.1 Impacts on employment in the audiovisual sector

According to a study commissioned in 2025 by the Ministry of Economic Affairs and Employment from VTT Technical Research Centre of Finland, the audiovisual sector consisted of approximately 1 300 companies, which together employed a total of 7 416 person-years in 2023. The study used data from Statistics Finland's Business Register and Income Register. The number of person-years includes both entrepreneurs and employed persons.[48] Statistics Finland classifies employees in the sector under TOL 59110 Motion picture, video and television programme production and TOL 59120 Motion picture, video and television programme post-production. According to Statistics Finland, the total number of employees in the sector in 2024 was estimated at 2 488 persons.

Filming a feature-length film typically lasts approximately 1.5–2 months, during which production employs the largest number of professionals. According to estimates by the Finnish Film Foundation, the production of a single feature film typically directly employs approximately 30 person-years and 50–100 individuals in roles of varying duration. The production team includes a director, producer, screenwriter, actors, as well as a wide range of technical and artistic personnel (such as cinematographers, sound engineers, costume designers, set designers, and make-up artists). The size of the production team varies depending on the budget and scale of the production. Work in the sector is often project-based, and employment relationships typically last from a few days to several weeks or a few months. Film productions also directly employ catering services, transport companies, accommodation providers, and equipment rental companies in the filming locations. A film project spans several years (development, shooting, and post-production), providing work for professionals in different fields at different stages. In Hollywood productions, crews may consist of thousands of people, although the international average is approximately 200–500 individuals.

On average, 20–30 feature films are produced annually in Finland, employing professionals across various fields as described above. The number of productions also varies from year to year. In the audiovisual sector, a significant proportion of the workforce moves between project-based work, unemployment, work in other sectors, studies, and grant-funded work. The Finnish Film Foundation has estimated that one million euros of its support generates, including all multiplier effects, approximately 55 full person-years of employment, and that the total annual funding it allocates to film productions corresponds to approximately 945 person-years. These estimates do not include employment in television drama productions. On the basis of the above

[48] Growth Strategy for the Creative Economy 2025–2030.

calculation, it can be estimated that an additional EUR 6–8 million in grant funding would have an impact on sectoral employment of approximately 440 person-years.

1.3.2.2 Impacts on national culture and cultural exports

Over the past century, audiovisual content offerings have increased and become significantly more international, as reflected both in the structure of European markets and in domestic viewing behaviour, as described above. The share of domestic audiovisual content on different video-on-demand subscription services varies considerably between countries. In large European countries such as France, the majority of European works included in video-on-demand subscription service catalogues are domestic productions, whereas in smaller Member States, such as Bulgaria, the share of domestic works is marginal.[49] This difference is likely due in part to, for example, the relatively strict national investment obligations imposed by larger countries such as France on local content.

Although the popularity of international video-on-demand subscription services has continued to grow, domestic operators still primarily bear responsibility for financing and commissioning Finnish audiovisual productions. This development is also reflected at the European level, where public service broadcasters and commercial television operators play a central role in financing European productions. The only exception is Spain, where international video-on-demand subscription services play an almost dominant role in financing Spanish content.[50] For domestic creators' works, there is a risk that they are not included in, or do not gain access to, the catalogues of the largest video-on-demand subscription services, which primarily consist of productions from the United States or other parts of Europe.

The Government proposal can be expected to promote the availability and visibility of domestic content across different distribution channels, including international video-on-demand subscription services. Improved availability of domestic works would in turn enhance the ability of Finns to create audiovisual content that depicts and reflects Finnish culture on their own terms and in their own languages. As a result of the Government proposal, Finnish audiovisual culture can be expected to become more diverse. In addition, the proposal may contribute to the development of citizens' cultural identity and the strengthening of social cohesion.

Increased international visibility of domestic audiovisual content on international video-on-demand subscription services, as well as an increase in international co-productions, can be expected to promote the internationalisation of the audiovisual sector and facilitate the opportunities for Finnish companies to participate in international co-productions. Increasing the recognition of Finnish creators and productions also plays an important role in promoting cultural exports, which have increasingly been advanced in recent years through, inter alia, international festivals, sales events and markets. The promotion of audiovisual exports and the sector's growth ambitions are at the core of both the Creative Economy Growth Strategy and the objectives for the creative industries set out in the Team Finland strategy.

[49] Film and TV content in TVOD, SVOD and FOD catalogues 2024 data, European Audiovisual Observatory.

[50] Audiovisual services spending on original European content - 2024 edition, European Audiovisual Observatory.