

Netflix and Brexit

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At the Centre, we often focus on quite dry aspects of the Single Market, how any change is likely to affect supply chains in sectors such as automotive, aerospace and many others. However, Brexit will also have an impact on a host of areas that will have a much more prosaic effect on our everyday lives. One issue that we have not discussed in detail is the question of services we use through the EU's Digital Single Market, such as the internet and mobile data roaming whilst abroad.

There has been a great deal of talk in the media about the UK leaving the Single Market as a result of Brexit. Along with issues thrown up for businesses which trade physical goods with the EU and questions over passporting rights for those offering services in the Single Market, leaving the European Economic Area will also mean that we leave the EU's Digital Single Market. Many of us are looking forward to a holiday with family in a warmer country this summer! For younger readers who perhaps want to keep friends up to date via Facebook or Instagram, the absence of data roaming charges to use the internet and access these platforms is quickly becoming taken for granted.

The EU's Digital Single Market initiatives will allow access to paid-for subscriptions for UK residents wherever they might be in the EU (and EEA). This will continue to apply until at least 29th March 2019 when Brexit fully comes into effect. So at the moment you can still watch Now TV and listen to Spotify and Apple Music whilst lying by the pool in Torremolinos. The EU has however issued guidance for broadcasters and video streaming services, to state that after Brexit 'persons residing in the UK will no longer benefit from their digital content subscriptions when travelling to the EU'. At this stage, this is only guidance and the UK government has stated that no decisions have been made, so this could change. Nevertheless, it is likely that UK residents will feel a material impact from leaving the Digital Single Market (and the Audiovisual Media Services Directive ceasing to apply) in the future.

Television is another thing altogether. At present this is regulated by the Audiovisual Media Services Directive of 2010. Prior to this was the TV Without Frontiers Directive passed in 1989 and last amended in 2007. Post-Brexit we will default to the European Convention on Transfrontier TV, also passed in 1989, when the UK only had four TV channels. Nothing like the mass of choices we have available today through Freeview, Sky, Virgin and on demand services.

Not only could this have a big impact at home, it could also hit British broadcasters who want to make their content available abroad. The UK is one of the largest beneficiaries of the rights conferred by these Directives, perhaps in part due to the popularity of English language broadcasts. At the moment we have something known as the Country of Origin principle, whereby UK television companies who are licensed by Ofcom can broadcast into any EU member state, but under current plans after Brexit this will no longer be the case.



Theresa May has said that because we are leaving the Single Market, including the Digital Single Market, we should instead explore other creative options with an open mind to allow for transfrontier broadcasting. There is no good economic reason not to allow continued transfrontier broadcasting, but political considerations may dictate otherwise. In the same way, we would not expect to continue to receive the benefits of a club membership were we to rescind our membership of that club (and stop paying the fees!) That's the situation we're looking at with Brexit.

This one topic is an excellent example of how deeply the UK is now intertwined with the rest of Europe and therefore the potential wide-ranging consequences of Brexit. The impact of Britain's impending exit from the European Union will nevertheless reach much further than this. Being a part of the EU grants us rights to free movement, so there will naturally be consequences for anyone wishing to study or work elsewhere within the EU. Our manufacturing industry can easily purchase tools and equipment to be delivered the next day and we have certain rights granted by being a part of the EU such as the Working Time Directive. In addition, membership of European agencies affects a broad range of industries including chemicals, aerospace, pharmaceuticals and many others. More generally, in the absence of membership of the Single Market, new arrangements will need to be put in place regarding cross-border haulage.