

January 2023. Sector snapshot

# The audiovisual sector in Catalonia

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### ACCIÓ

Regional Government of Catalonia (Generalitat de Catalunya)



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### Execution

ACCIÓ Strategic and Competitive Intelligence Unit

Barcelona, January 2023



Overview of the audiovisual sector



The audiovisual sector in Catalonia



International and local talent in an ideal region for living and working



Opportunities in the audiovisual sector

The audiovisual sector in Catalonia

# Overview of the audiovisual sector

## Audiovisual entertainment around the world

The audiovisual industry involves the production of contents by the media in order to entertain, inform or educate.

The technological and digital revolutions have reshaped the **audiovisual sector** and it is now deep into a process of **transformation and evolution** in which the type of contents produced, the broadcasting windows, and the consumer habits of the populations have changed.

Globally, an increase is observed in the consumption of entertainment activities, mostly in digital areas. Hence, **the opportunities have increased** for on-line vendors in all categories, along with the trend for video platforms and social media to target advertising and product sales.

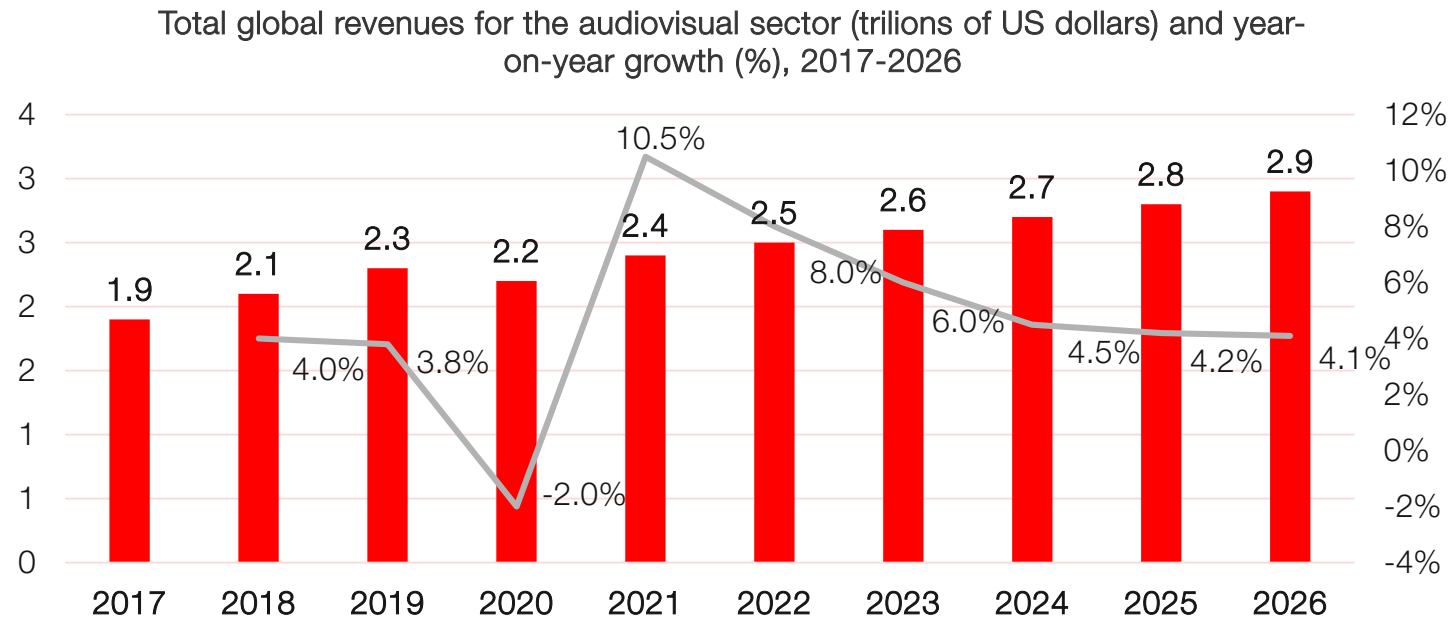


**Source:** ACCIÓ based on the report “Global entertainment media Outlook 2022-2026” by PWC



## Audiovisual entertainment around the world

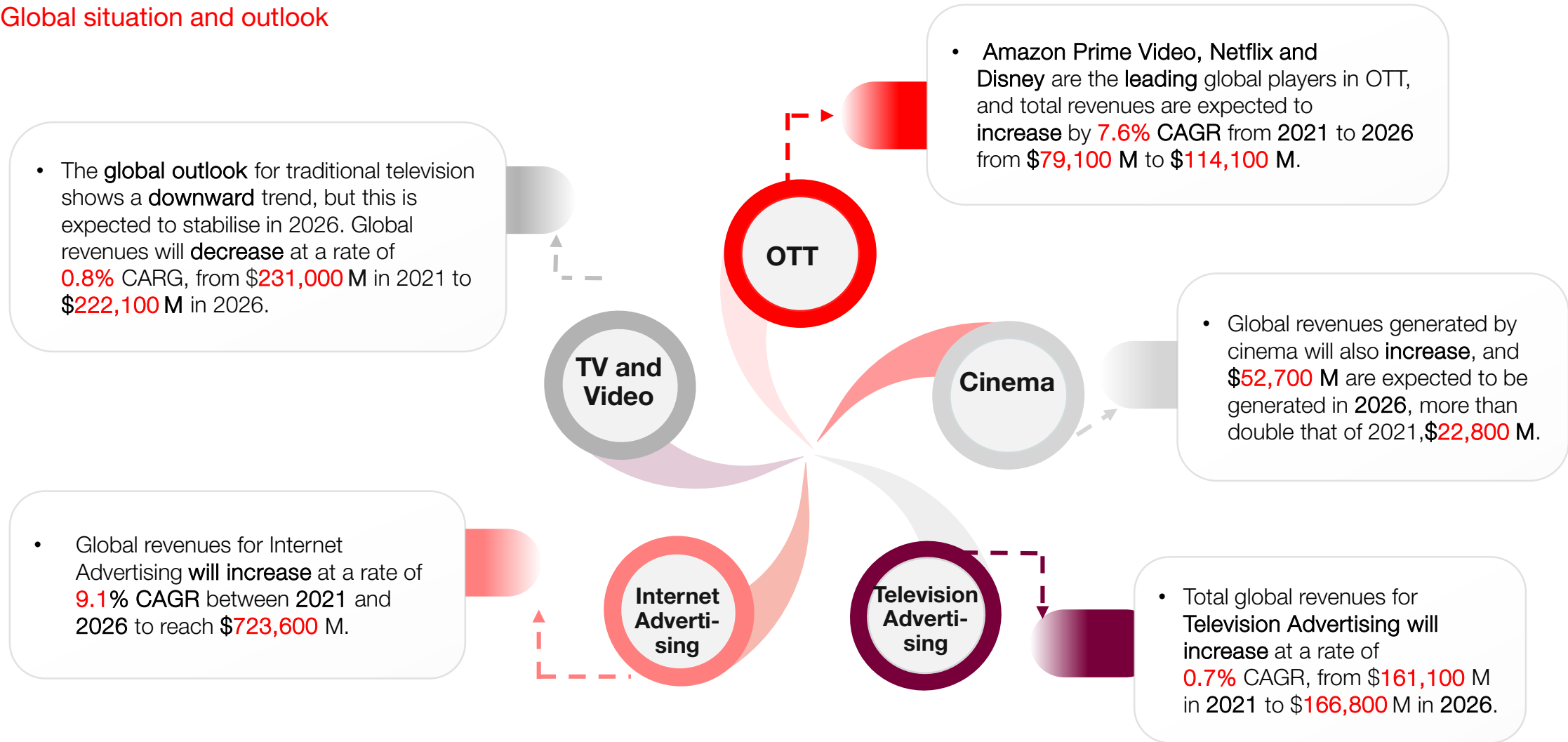
- Total **global revenues** for the audiovisual sector in **2022** stood at **2.5 trillion dollars**, **8%** up on **2021**.
- There is a clear growth trend in the global entertainment industry, with very good evolution that is expected to increase at a rate of **4.6%** (CAGR) by **2026**.



**Note:** companies ordered by turnover. Data from 2021 or from the last year available. Search based on CNAE codes: 2620, 2640, 5811, 5911, 5912, 5913, 5914, 6010, 6020, 6190, 6209, 6399, 7021, 7311, 7420, 7722

**Source:** ACCIÓ based on the report "Global entertainment media Outlook 2022-2026" by PWC; ACCIÓ based on Orbis

## Global situation and outlook



Source: ACCIÓ based on the report “Global entertainment media Outlook 2022– 2026” by PWC

The audiovisual sector in Catalonia

# The audiovisual sector in Catalonia



## The audiovisual entertainment business in Catalonia

### BUSINESS STRATEGY AND STRUCTURE

- The main companies are **audiovisual producers, production services** and **video game companies**.
- Presence of a **major group such as MediaPro** (with an active take-over policy). Only 20 companies exceed €10 M, the remainder are SMEs.
- Producers highly **focused on local television content**. The contents growing most in the global markets (high-budget fiction for the platforms) still have little weight in the sector. Significant growth potential in these markets and clients, both at home and abroad.
- **Some producers focus on content development** (fiction, TV, film, documentaries, etc.) and others focus on value-added services for the Catalan and Spanish markets.
- **Incursion of international groups into the capital of prominent companies**. Very low level of international sales.
- Particularly noteworthy are **video games with a rich ecosystem, number 1 in Spain**, small indie SMEs, few large local companies and foreign MNCs.

### DEMAND AND CLIENTS

- The **CCMA has stopped being the “traditional” driving force of the sector** over recent years due to budgetary reasons.
- **Absence of HQs of major original production platforms** concentrated in other hubs.
- **Limited demand policies** (attraction, deductions, etc.).

### ENVIRONMENT AND TALENT

- **Highly recognised creative and technical professional network**, yet with the mobility to be “head-hunted” and to work anywhere.
- **Leading talent training providers**. A lot of festivals are held, and leading trade fairs (ISE) have recently been attracted.
- The **specialist recording infrastructure could be improved on** in terms of both quantity and quality in comparison with other European hubs.
- **ITC and relevant technology ecosystem** (BcnTechCity, MWC, etc.) with a strong potential for interaction with the audiovisual sector.

*Source: ACCIÓ based on the report by the DGI “The audiovisual sector in Catalonia 2020”*

Turnover from the Catalan audiovisual sector increased by over 5% compared to the previous year

3,695 companies

↑ 2.4% in relation to 2021

€7,077 M turnover

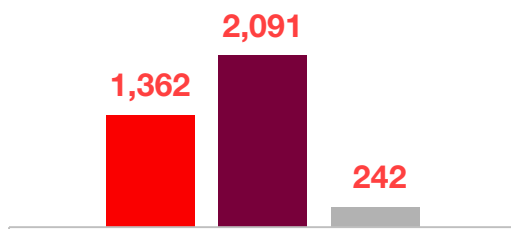
↑ 5.6% in relation to 2020

32,578 jobs

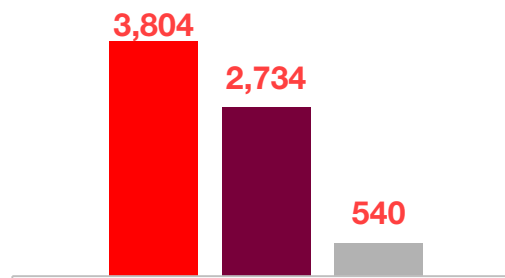
↑ 5.1% in relation to 2020

The audiovisual entertainment business is the first in turnover but only accounts for 37% of companies.

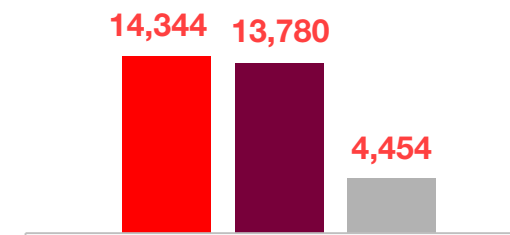
Number of companies



Aggregate turnover (€M)



Number of employees



Audiovisual entertainment



Corporate communication, advertising and events



Media

- Feature films, TV films, prime time series, TV series, documentaries, television entertainment, etc.
- Video games.

- Ads, digital marketing, branded content, corporate videos, websites, etc.
- MICE: real-time organisation of events

- News

**Note:** all companies active in 2022 that meet the following criteria were considered: active company, data available from at least the past five years, and registered offices or relevant activity in Catalonia

## Key data for the audiovisual sector in Catalonia

### 3,695 companies



- **99.6%** of the companies are small or medium-sized enterprises (with a turnover of less than €50M).
- **41.8%** of the companies were established less than 10 years ago.
- **15.5%** of the companies are exporters, and **7.2%** are regular exporters.
- **3.9%** of the companies are branches of foreign companies.

### Turnover: €7,077 M



- Accounting for **2.9%** of total GDP in Catalonia
- The turnover of the major companies (**0.5%** of all companies) accounts for **54.5%** of the total turnover for the sector.

### Regional distribution



- **87.2% of companies are located in the Barcelona area.**
- **87.8%** of total turnover and **91.1%** of the total number of people employed in the sector are from companies from the province of Barcelona.
- El Barcelonès, el Vallès Occidental, el Baix Llobregat, el Maresme and el Vallès Oriental are the districts where most companies related with the audiovisual sector are located.

### 32,578 people employed



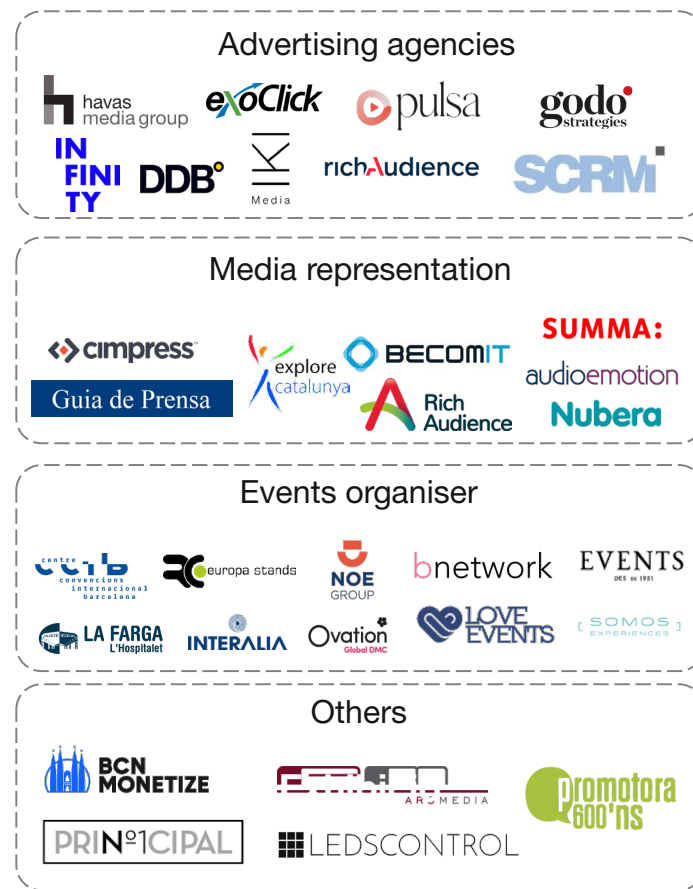
- **15.2%** work in young companies (10 years old or less).
- **94.1%** work in micro-companies or small companies (fewer than 50 employees).

## Audiovisual companies in Catalonia

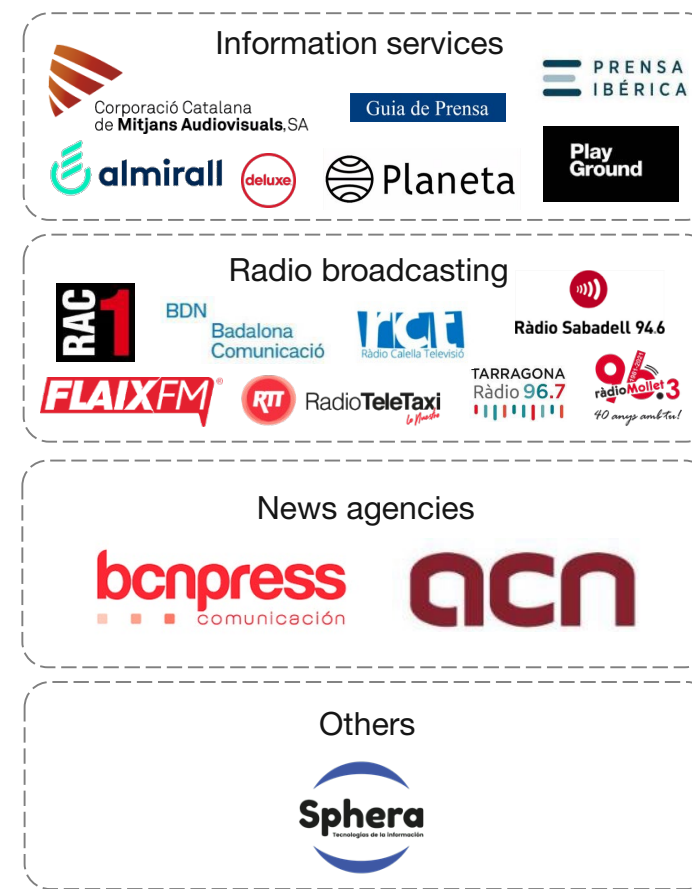
### Audiovisual entertainment



### Corporate communication, advertising and events companies



### Media companies



**Note:** an example of companies by turnover; this is a partial representation given to illustrate the value chain suppliers of the audiovisual sector in Catalonia, although other companies may exist that are not included in the study

Source: ACCIÓ

## Audiovisual entertainment and corporate communication, advertising and events ecosystem ecosystem

### Public authorities



### Associations



### Training

#### Universities



#### Unregulate training



#### Audiovisual company incubators



## Foreign investment projects in the audiovisual sector (2018-2022)

From 2018 to November 2022

**84 projects from creative industries in Catalonia** were recorded (↑ 52.7% 2013-2017). These projects involve a total **capital** investment of **€566.2 M** (↑ 18.2% 2013-2017), which is an average investment of €6.4 M per project. During the period, a total of **4,976 jobs** were created (↑ 99.6% 2013-2017).

Up to November 2022, a total of **21** projects have come to fruition, which is a year-on-year increase of **23.5%** compared with the same period of 2021.

**The United States, the United Kingdom and France** are the top countries in terms of number of projects and capital invested.

The top 15 countries providing investment



Top companies in Catalonia in terms of capital invested



**Note:** main countries making or receiving investments in creative industries in the rest of the world

**Source:** ACCIÓ based on fDi Markets, January 2013 – November 2022



## Catalonia, leading destination for the FDI of creative industries

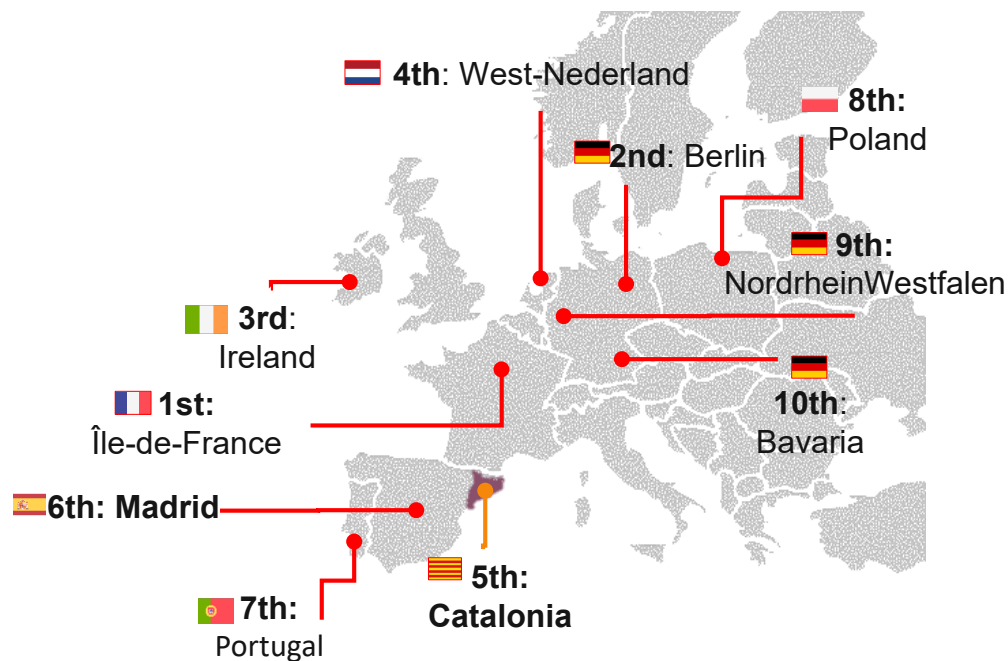
- Catalonia is the **5th region in the European Union** in terms of the number of projects by creative industries, **3rd in job creation**, and **3rd in capital investment**.

- **6.1%** of projects to the European Union.
- **8.4%** of jobs created.
- **5.4%** of capital invested.

- Between 2018 and 2022, **Catalonia was the top destination for FDI in creative industries in Spain**.

- **42.2%** of FDI projects
- **40.4%** of jobs created.
- **45.7%** of investment.

FDI from creative industries in the regions of the European Union by number of projects



**Note:** main countries making or receiving investments in creative industries in the rest of the world

**Source:** ACCIÓ based on fDi Markets, January 2018 – November 2022

## Acquisitions of companies from the audiovisual sector (2018-2022)

Sub-sector	Total M&A		International investments		Local investments	
	Investments	Millions of euros	Investments	Millions of euros	Investments	Millions of euros
Audiovisual entertainment	34	2,093	7	2,050	27	43
Corporate communication, advertising and events	28	17	4	12	24	5
Media	4	-	-	-	4	-

66 Catalan companies have been taken over for a total of 2,110 million euros\*.

The main countries of origin of the international acquisitions are the United States, China and France.

### Audiovisual entertainment



### Corporate communication, advertising and events



### Media



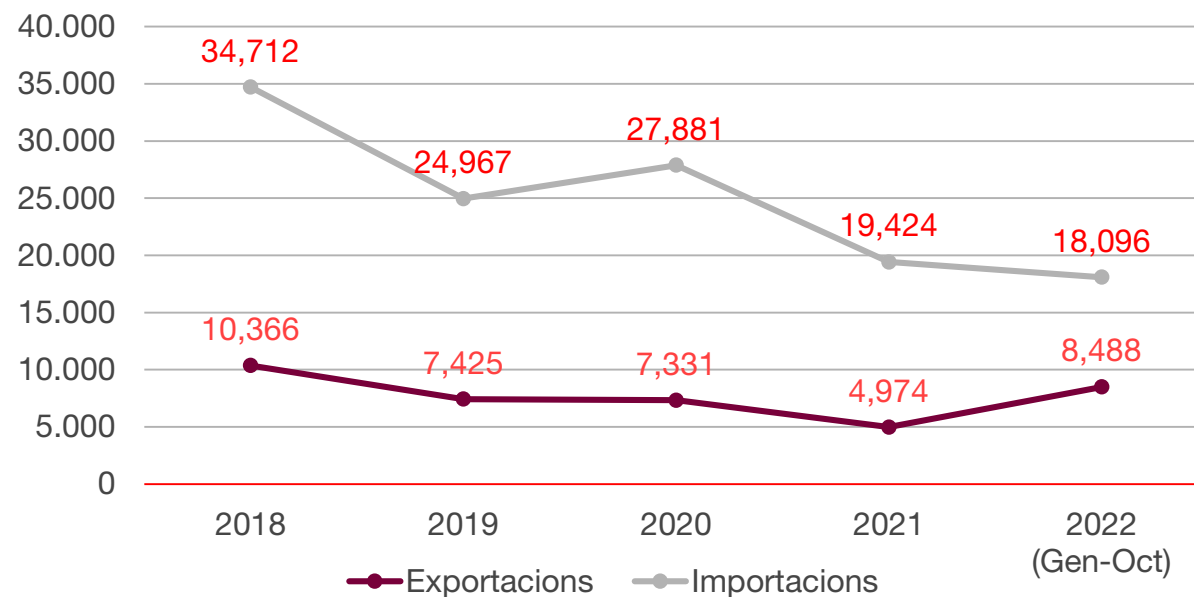
**Note\*:** investment data from 15 of the 66 mergers and acquisitions is available

**Source:** ACCIÓ based on Orbis Crossborders for the projects related with the Audiovisual sector between 2018 and 2022, classified by sub-sector

## Foreign trade of the audiovisual sector in Catalonia

- Catalonia is the second autonomous region in Spain in terms of export volume in the audiovisual sector in 2022.
- Catalonia is the region with most regular exporters of audiovisual products. In 2021, regular exporters accounted for 36.3% of the total number of regular exporting companies of audiovisual products in Spain. In 2022, it accounts for 34.1%.
- During the period from January to October, Catalan exports grew by 108% in comparison with 2021, exceeding exports from January to October 2018 by 1%. Imports decreased by 40% in comparison with 2018.
- Film, video and television programme, sound recording and music publishing activities was the group most highly exported in Catalonia during the 2018 – 2022 period (71%).
- Portugal, Italy, Romania, France and Sweden were the top destinations of Catalan audiovisual exports during the period.
- Germany, the Netherlands, the United States, Ireland and the United Kingdom are the top countries of origin of Catalan audiovisual imports.

**Evolution of exports and imports in Catalonia  
over the past 10 years  
(Millions of euros)**



**38,584** million in Exports 18 – 22  
11% of the total for Spain

**125,080** million in Imports 18 – 22  
12% of the total for Spain

## The main startup hub in the European Union

Over 2,000 startups are located in Catalonia

**2nd** favourite EU hub for setting up a startup.

Startup Heatmap Europe, 2022

**5th** startup hub in the EU.

StartupBlink, 2021

**198** audiovisual startups in 2022, **51%** more than in 2018.



## Startups related with the audiovisual sector

### Digital content and the media



### Adtech



### Video games



## Top-class facilities make Catalonia a powerful audiovisual ecosystem in Europe

### Top facilities of the audiovisual industry in Catalonia:

- ✓ **Parc Audiovisual de Catalunya** in Terrassa: 22,000 m<sup>2</sup> and two 1,500 m<sup>2</sup> sets.
- ✓ **Neàpolis** in Vilanova i la Geltrú.
- ✓ **Roca Umbert Centre** in Granollers.
- ✓ **Tecnocampus** in Mataró, among others.

### Future audiovisual hub in Catalonia (Audiovisual Cluster of Catalonia):

- ✓ **Catalunya Media City** in Sant Adrià.



Barcelona is to host the ISE, the largest audiovisual and systems trade fair in the world, for the third time in a row in 2023.

After 16 years in Amsterdam, the time has come to find a new home: Barcelona.



800 exhibitors

60,000 visitors



- *Integrated Systems Europe* (ISE) is coming to Fira de Barcelona in 2023. This trade fair has a solid background and is a benchmark in the audiovisual sector for professionals, yet it strives to grow further to be on a par with the significance and social relevance of the Mobile World Congress in the city.
- The ISE is to be held at the Gran Via de la Fira de Barcelona trade exhibition site and will take up five halls and 52,000 square metres, 30% more than in 2022, with 120 countries represented. An influx is expected of 60,000 visitors and over 800 exhibiting companies, among manufacturers and distributors. This is an impact of between 450 and 500 million euros a year for the city up to 2026, without considering the days of the trade fair.

Abgen  
LANG

Blackmagicdesign  
LG

BARCO  
logitech

CHKISTIE  
Panasonic

CRESTRON  
SAMSUNG

Google  
SHURE

KNX  
SONY

The Department of Business and Employment and **ACCIÓ** are encouraging the participation of 23 Catalan companies with a stand at the ISE in 2023.

ADTEL  
Global Room  
Marvut

PUIG  
herta  
aiwa

amate audio  
iDISC  
NRDmultimedia

AUDIO TECNOLOGÍAS™  
in>velon  
OKO

blit.  
Digital LED  
OMNIOS

BLACKFISH  
KUMUX  
SeeSound  
IMAGEN Y SONIDO PROFESIONAL

ebantic  
laviniia;  
TMM.GROUP

eurecal  
Centre Tecnològic de Catalunya  
LEDSCONTROL



The audiovisual sector in Catalonia

International and local talent in  
an ideal region for living and  
working

## Barcelona, a multicultural city that promotes creativity

Catalonia is a centre of excellence in design, with a solid and financially sustainable model. Barcelona is a trendsetter in fashion, design, architecture, video games, and music.

3rd

Barcelona is the **3rd best city in Europe and 9th in the world.**  
*World Best Cities (Resonance Consulting, 2020)*

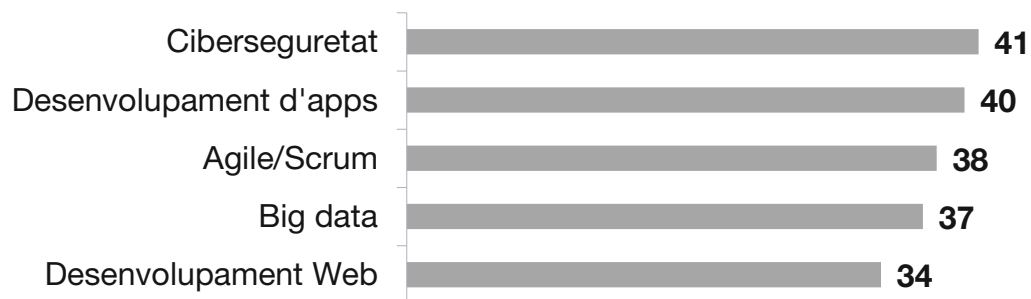
7th

Catalonia is the **7th EU region in terms of digital human resources.**  
*Digital Economy and Society Index (DESI, 2021)*

10th

Barcelona is considered to be the **10th most attractive city among digital experts.**  
*Decoding global talent (Boston Consulting Group, 2021)*

Digital specialties attracting foreign digital talent to  
Barcelona (%)



### Brands linked to Barcelona



### Some of the key players promoting creativity in Barcelona



- The cities expediting most talent to **Barcelona** are **London (11%)** and **Madrid (10%)**, followed by Buenos Aires (3%), Sao Paulo (2%) and Valencia (2%).
- Catalonia provides an extensive offering of audiovisual studies as a wide range of audiovisual university master's degrees. **10** universities with an offer of **25** undergraduate degrees and **18** master's degrees.

Source: ACCIÓ, based on the report Digital Talent Overview 2022 by Barcelona Digital Talent

## Major international companies choose Barcelona for the availability of talent

### International and local talent in an ideal place to live and work

“Why should a company come to Barcelona? You need strong talent to create a top quality AAA video game, and this can be found right here in Barcelona”.

**Javier Capel**, studio manager at Ubisoft Barcelona



### Barcelona as a destination



“Barcelona is the most important destination for major international companies seeking to create tech and digital hubs.”

**Miquel Martí**, CEO of Tech Barcelona

### Barcelona, a priority in Europe



“We looked at the exhibition centres, the hotels, the talent and the business ecosystem of cities all around Europe, and we chose Barcelona.” Its appeal and reputation precede it, as do notable elements such as the port, the infrastructures, support for the sector and investments in the city.

**Mike Blackman**, executive director of the ISE



Source: ACCIÓ

**CataloniaConnects**



The audiovisual sector in Catalonia

# Opportunities in the audiovisual sector



## Business opportunities for Catalan companies in the audiovisual sector

### Business development

- **Growing consumer trend towards OTT** (over the top), platforms, etc.
- Raising and implementation of **specialist private funds**.



### Specialist Talent

- **Retaining** creative talent. **Retaining and developing** the talent base: technicians, editors, etc.
- Attracting new technological, creative and commercial talent.



### Process optimisation

- **Optimising production costs** through technology.
- **Impact of the metaverse and Digital Twins on the sector** and their cross-cutting application in different sectors.
- Developing technologically advanced **sets** and infrastructure.
- **Increasing investment in R&D** to include new technologies at all levels in the sector: Big Data, AI, cybersecurity, etc.



### Product Development

- **Attracting and generating ideas** and optimising the selection processes.
- Promoting specialisation, developing an individual hallmark. Creating different companies according to content.
- **Developing innovative products** linked to audiovisual hardware: integrated systems.
- Creating **internationalisable** local products, especially series on platforms.
- Managing **intellectual property** and **use rights**.



### Sustainability

- Developing more **sustainable** products.
- Including **sustainability** (social and environmental) within the **strategy of the sector**.



### International business development

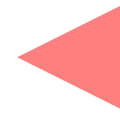
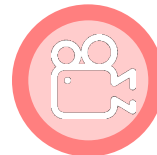
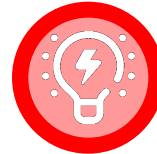
- International development of the individual IP.
- Promoting participation in international R&D projects.



## Relevant technological challenges: applications to the entire value chain

### Creativity and development

- **Use of big data and artificial intelligence** to:
  - ✓ Identify successful scripts.
  - ✓ Define optimum duration of a series (in episodes per series and minutes per episode).
  - ✓ Predict the success of a film or series.
  - ✓ Identify the potential target of a film or series.
- **Use of voice and sound to create new products** (e.g., podcasts).

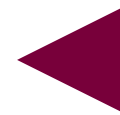


### Production and post-production

- **Reduction of costs through virtual reality** to simulate locations, actors, etc.
- **New recording capabilities thanks to hardware** (including the use of drones) **and software**.
- **3D reconstruction** based on multi-view images.
- **Sets with screens**.
- **Restoration of images** using automatic segmentation techniques.
- Recording, production and **post-production of audio** (voice, music, etc.) **in 3D**.

### Distribution

- **Use of big data and AI** to:
  - ✓ Recommend user-adapted content.
  - ✓ Personalise trailers and covers.
- Use of **blockchain** in security and control.
- **Recognition of patterns** and logos in video and television.



### Airplay and user experience

- **Immersive experiences** for the viewer through **augmented and virtual reality as the metaverse**.
- Application of **5G** with an impact on **streaming** and real-time viewing.
- **Drones** for immersive, first-hand experiences.
- Music and voice in **3D**.
- **Immersive airplay systems** for 3D audio.



## Virtual and augmented reality in Catalonia

- **Virtual Reality (VR)** is a technology that represents a completely new artificial reality, isolating the viewer from the real world with new computer programming technologies such as virtual reality helmets. **Augmented Reality (AR)** is a technology that uses images with codes or symbols, called markers, that allow a virtual image to be projected onto a real object or surface on mobile devices.

VR and AR are technologies that intervene in very diverse fields and have different applications:



- **Entertainment:** The video game industry is increasing the number of developers who choose to adapt their products to virtual and augmented reality. Whether playing video games, watching a movie, going to the theater or meeting friends, this technology will change the way you do it.



- **Education:** VR/AR can be a great addition to study methods in schools and at home. It will make education more dynamic and enriching, facilitating learning difficulties.



- **Commerce:** Technologies have the potential to change the consumer buying behavior (VR can make completely virtual establishments and AR can show more information about products in person).



- **Training:** Using virtual reality you can train and learn skills that in real life carry a high risk (such as surgery, firefighters, military).

Catalan company Eodyne Systems creates a virtual reality device to reduce the recovery time of patients in ICU

More than 70 Catalan companies are dedicated to virtual and/or augmented reality. Two out of every three are startups.

## Metaverse

- **What is it?:** it is an immersive digital space where users can interact with each other. Through the metaverse, a boundary will be created that combines virtual and real environments where everyday activities can be conducted.
- **Use of the metaverse:**
  - **Work:** a digital workplace where people can meet as if they were doing so physically (meetings, presentations, etc.).
  - **Play:** playing video games, attending a concert or an event, interacting with friends, and feeling like you are really there are all possibilities that could change the entire entertainment industry.
  - **Shop:** even though online shopping is already possible, the metaverse opens up a whole world of new possibilities to make the experience more real (trying on clothing virtually or interacting with the salesperson as you would in a real shop).
- Companies such as **Meta, Microsoft, Google, Apple, Epic, Nike and BMW, among others**, are already working on the development of apps and tools to form part of the new virtual universe.

**In 2022, Catalonia took a step towards the future with the creation of its own metaverse, CatVers, to become the leading virtual space for the Catalan society.**

The metaverse promoted by the Regional Government of Catalonia and Barcelona Chamber of Commerce through the Blockchain Centre of Catalonia (CBCat) expects to host different activities such as art galleries and larger events such as festivals during the first half of 2022. It also aims to open a university campus with regulated courses in CBCat.

This is a major step towards the revolution 4.0 with the application of disruptive technologies, and shows the desire and capability of Catalonia to also play a ground-breaking role in this transformation.

### Institutions, universities and foundations of the CatVers



Source: ACCIÓ

## Sustainability in the audiovisual sector

There is a need in the audiovisual sector to promote sustainability in its value chain. The context generated by the sustainable development goals (SDG) are leading to international demand for sustainable production, fostering the launch of different initiatives.

### Initiatives in Catalonia



The Catalan Institute of Cultural Companies (ICEC) has its own Sustainability plan over a 2022-2024 time frame. The current environmental, social and economic emergency requires alternatives visions, new approaches, and changes of paradigm. It is here that the ICEC environmental sustainability plan is listed as a Plan C\*.



Through the Barcelona Film Commission, the Barcelona Institute of Culture (ICUB) has defined a set of sustainability measures that must be considered during filming. These measures are included in the good practice guide for audiovisual production.

### Nationwide initiatives

The Spanish Association of Advertising Producers (APCP) has produced a good practice guide. APCP Green Shooting Guide.



In 2021, the Spanish film academy launched a green seal for audiovisual sustainability. It is developed with the support of Creast, a tech company providing sustainability services for the entertainment industry.

Nationwide, there are other initiatives involving guides and rules to promote good sustainability practices in the sector:

- Madrid Film Office, Madrid City Council, in line with the Sustainable development goals.
- Promálaga and Málaga Film Office: Guide to sustainable filming and the ten commands of sustainable filming.
- Tenerife Film Commission: Rules of good practice for sustainable audiovisual productions.
- Asturias Paraíso Natural Film Commission : Green filming rules.

**Source:** ICEC; Barcelona Institute of Culture; Spanish Association of Advertising Producers (APCP); Madrid film office; ACCIÓ

# Thank you

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**More information about the sector, news and opportunities:**  
<https://catalonia.com/key-industries-technologies/videogames-digital-media/audiovisual>

