

UK creative industries

Copyright is critical for the UK's world-leading content sector

- The UK's creative industries are a £124 billion economic powerhouse, and a major net exporter bringing British content to global audiences
- Copyright protection is core to this success, enabling control over production, distribution and monetisation to sustain this thriving creative ecosystem
- AI poses unprecedented challenges through mass scraping of copyrighted content without authorisation or compensation, and creating substitution effects that threaten established business models—making the government's copyright consultation a critical moment for balancing innovation with creator protection

This report was produced with advice and expert insight from Wiggin, experts in media, tech and IP law.

Claire Enders, CBE

claire.enders@endersanalysis.com

Niamh Burns

niamh.burns@endersanalysis.com

Claire Holubowskyj

claire.holubowskyj@endersanalysis.com

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The UK creative industries' success story is built on copyright protections

Copyright serves as the fundamental economic backbone of the UK's world-leading creative industries, providing creators and rightholders with the exclusive legal framework needed to monetise their intellectual property, recoup substantial upfront investments and incentivise the future creation of high-quality content. The economic impact extends far beyond individual transactions, as copyright protection underpins the UK's position as a global creative hub. Strong copyright frameworks attract international investment, encourage innovation in digital distribution models, and provide the legal certainty needed for long-term business planning and partnership agreements.

The UK has more reason than most to preserve this crucial framework. UK creative industries contributed £124 billion in GVA to the UK economy in 2023, making up 5.2% of total UK GVA. Advertising and marketing generated £23.2 billion in GVA in 2024, and is the second largest subsector of the creative industries (after IT, software and computer services). It is followed by film, TV, radio and photography, which generated £20.3 billion. The UK creative industries are a net exporter, with digital distribution continuing to grow the reach of UK creative industries, bringing British content to a global audience. This success is built on copyright's ability to provide creators and rightholders with control over the distribution of their works, and multiple revenue streams from licensing across markets and platforms.

The advent of the internet, whilst presenting opportunities, also created significant challenges for rightholders, requiring them to fight back against unauthorised copying and distribution of their content. The challenges brought by new AI products now heighten these dynamics. While AI could present new licensing revenue streams and help power new media and creative products, there has been mass scraping of copyrighted content to train AI models, often without permission being sought from or compensation being paid to rightholders. Unlike the established value exchange with search engines—where platforms direct traffic back to creators' sites—AI systems can generate responses that substitute for original content rather than directing users toward it. Rightholders have legitimate concerns about substitution effects and the associated economic harms.

AI could be beneficial for the UK economy, and the government is right to support tech investment, but this cannot come at the expense of one of the country's most important industries—not least because AI companies have relied on the output of that industry to create their products, and will continue to need to do so. The challenge lies in ensuring that AI development supports rather than undermines the creative ecosystem that produces the high-quality content on which these systems depend.

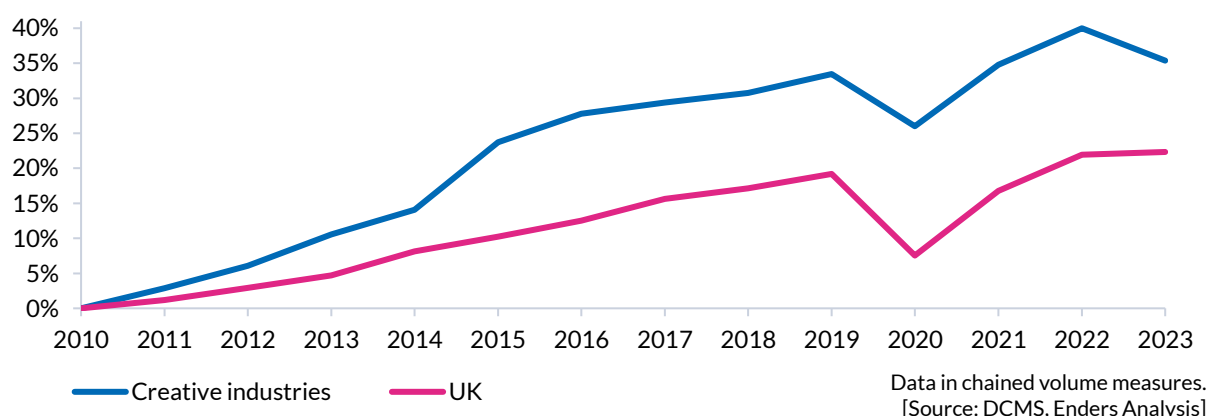
The UK government is consulting on a change to copyright law that would introduce an exception for text and data mining (TDM) for training AI models (see [AI and copyright: UK launches consultation on AI training exception \[2024-140\]](#)). At stake is a world-leading content sector. Can the UK learn from the experience of the EU and improve on it? This requires at least transparency about how AI systems use copyrighted material, and clear frameworks for licensing and fair compensation. All the media and creative industries are asking for is to maintain appropriate control, which does not strike us as an unreasonable ask while this disruptive technology wave passes through. The timing is right: we are far enough into the development of generative AI to have an idea of its trajectory and risks, but early enough that acting now will make it easier to deal with what comes in the next two years.

The benefits go both ways: any regulatory framework must ensure creators can participate in and benefit from the AI economy. Sustainable AI development requires the ongoing creation of high-quality content, which in turn depends on maintaining viable business models for creative professionals and companies across the UK's cultural sectors. Any route forward must ensure that copyright can continue to be the currency of the creative sector.

A world-leading creative economy

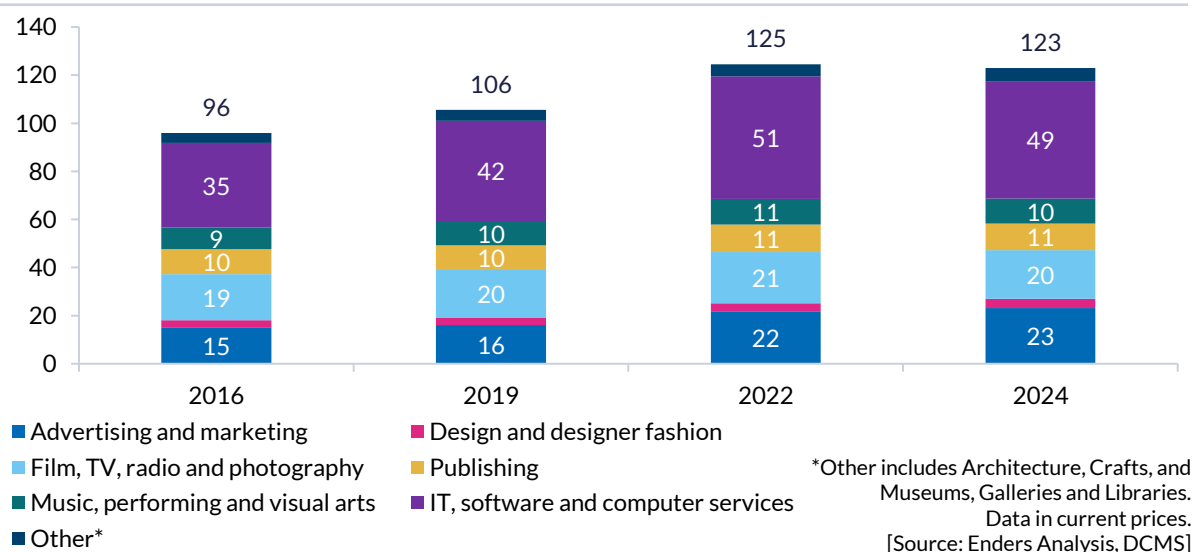
The UK's creative industries represent one of the nation's most significant economic success stories, with their continued growth and global competitiveness fundamentally dependent on the intellectual property frameworks that underpin creative work. Understanding the scale and importance of this sector illuminates why current debates over AI and copyright law carry such high stakes for the UK economy. The UK creative industries, one of eight growth areas prioritised under the government's industrial strategy, contributed £124 billion in GVA to the UK economy in 2023, 5.2% of total UK GVA. Boosted by the global reach and influence of the English language, the UK creative industries also possess an important trade position as a net exporter, with the strength of UK IP and brands key to maintaining the UK's global soft power ranking of third, behind only the USA and China.¹

Figure 1: Change in GVA compared to 2010 (%)



The creative industries experienced particularly strong growth from 2010-16, growing over twice as fast as the economy more generally—the GVA of the creative industries remains 35% higher than 2010 despite growth slowing since the Brexit vote in 2016 (Figure 1). Although the pandemic introduced some lumpiness as the production and distribution of creative goods and services, as well as exports, ground to a halt, the long-term trend is clear: the rise of digital distribution continues to expand the opportunities for the creative industries to grow their reach and bring British content to a global audience.

Figure 2: GVA of UK Creative Industries subsectors (£bn)

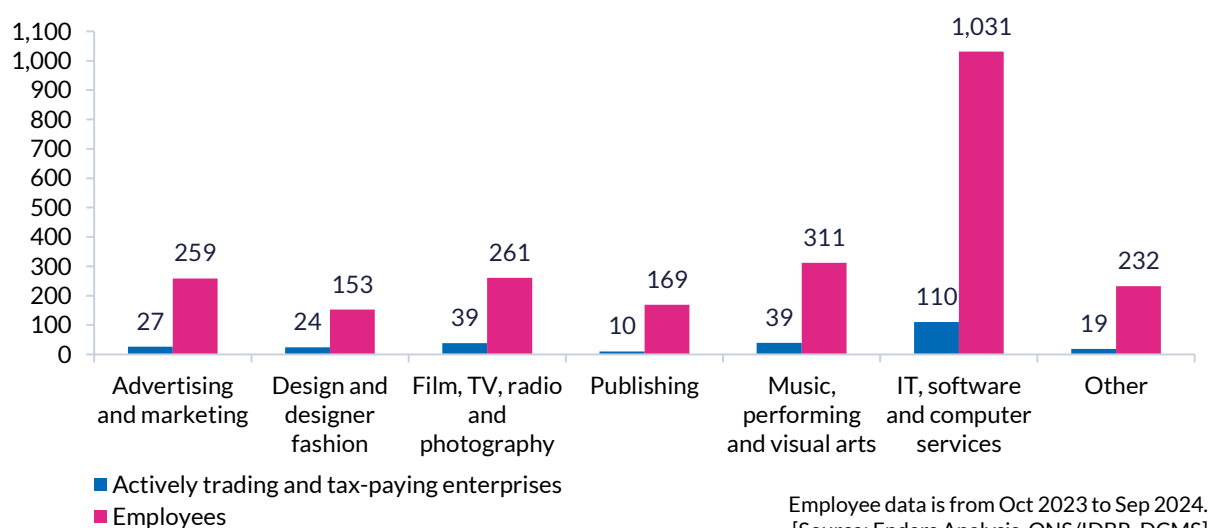


¹ Brand Finance, [Global Soft Power Index 2025: The shifting balance of global Soft Power](#), 20 February 2025.

The second and third largest subsectors of the creative industries (after IT, software and computer services) are advertising and marketing, which generated £23.2 billion in GVA in 2024, and film, TV, radio and photography, which generated £20.3 billion (Figure 2), which produce IP and cultural moments that transcend borders and generate broader positive impacts beyond the originating product.

Spillover benefits from the creative industries contribute to greater innovations taking place in other sectors, in the form of supply chain connections and skills transfers.² Advertising, in particular, generates a broader halo through not only £18 billion in exports annually, but also by adding £109 billion in indirect GVA across the UK economy more broadly. Within the UK, the creative industries play an outsized role in the UK workforce, sustaining 2.4 million jobs (Figure 3), 7.1% of the UK total, and boosting the domestic economy indirectly through localising above-median salaries and consumer spending within the UK.

Figure 3: Employees and enterprises by creative industries subsector, 2024 (000s)



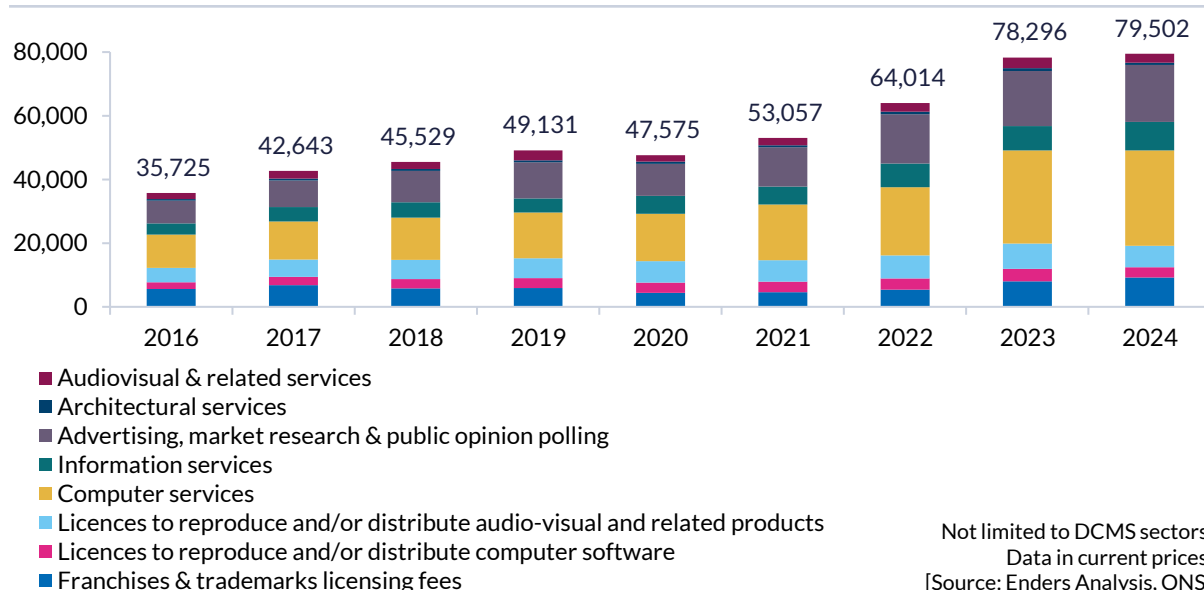
The UK is particularly strong in exports of creative services. The DCMS valued exports of services in 2021 (the last year of data available) at £45.6 billion, or 14.6% of UK total services exports, while exports of goods reached £9.1 billion (2.7% of the UK total).³ The UN Conference of Trade and Development considers the UK the third largest creative services exporter globally, exporting 6.3% of the world's exports of creative services, behind only the United States and Ireland (the latter is boosted by multinationals, particularly in computer services). Exports in service sectors dominated by the creative industries and IP have performed particularly well, growing 123% since 2016 (Figure 4). In addition, the UK is the ninth largest exporter of creative goods, largely in music, jewellery, and books/publishing.

There is clear and rising demand overseas for exports of vibrant British content: Britbox International, which specialises in supplying scripted British content to overseas fans, has grown its subscribers by more than 300% between 2020-2024, surpassing 3.75 million subscribers to reach an enterprise value of c.£500 million. Streaming music services are another vital channel for widening the reach of British culture beyond what can be achieved through physical formats, with the BPI recently reporting that exports of British recorded music grew by 7.6% year-on-year to a record high of £775 million.

² Frontier Economics co-commissioned by the DCMS and the Creative Industries Policy & Evidence Centre, [Creative spillovers: do the creative industries benefit firms in the wider economy?](#), June 2023.

³ House of Lords Library, [Contribution of the arts to society and the economy](#), 26 January 2024.

Figure 4: UK exports, selected service types (£m)



Sustaining the depth and influence of the UK's creative industries domestically and overseas is critical. In addition to the launch of a new Soft Power Council, the UK Government is focusing on the growth potential of the creative industries across the UK, and in January announced a £60 million package of support that targets creative businesses, including start-up video games studios and grassroots music venues, to boost British music, games and film exports. A crucial piece of this puzzle is maintaining protection of IP, which underpins and defines the industry.

Copyright is the economic backbone of the UK's creative industries

Copyright is the currency of the creative industries—it enables the financing, production, exploitation and protection of content. This provides benefits not only to rightholders but also to society as a whole by encouraging the production of a wide variety of creative, scientific and educational content. The copyright system empowers creators, providing the legal framework needed to monetise their intellectual property. By providing a limited period during which rightholders have exclusive rights over their content (subject to balanced exceptions in the public interest), it ensures economic incentive for this creativity, and for the necessary investment in the risky business of creativity.

Without robust copyright protection, TV and film studios, press publishers, record labels, publishing houses, and game developers would struggle to justify the significant financial risks inherent in backing new creative projects—from blockbuster films requiring millions in development and production costs to emerging artists needing years of development support. Rights of all types are cleared, bought, sold and licensed to enable productions of all kinds of content to move forward. Rights can be sold up front to provide funding before production even begins.

Copyright protection enables businesses to license content across markets and distributors, thereby enabling widespread dissemination of those creative works. This creates diverse revenue streams that sustain both individual creators and the broader ecosystem of creative professionals, from technicians and marketers, to distributors and retailers. All of this enables a return on investment, and the creation of more content.

Copyright enforcement in the UK remains largely a private matter, with creators and rightholders bearing the responsibility and costs of pursuing legal action through the courts system when their works are infringed. The burden of enforcing copyright in this way has grown significantly in the internet age.

The internet intensified the challenges for protecting copyright

The internet, like many new technologies before it—though perhaps never on the same sheer scale—presented the creative sector with opportunities, but also an incredible challenge. The internet enabled the instantaneous reproduction and making available of creative content over digital networks across the world at the press of a button. With rapid advances in digital compression and bandwidth, cloud computing technologies and the building of content delivery networks, the on-demand paradigm became a reality.

A particular challenge for rightholders posed by the internet was the concurrent explosion of pirate services online, supported by a broad movement of activists calling for the end of copyright as an anachronism which they claimed held back progress—as well as the rise of powerful new intermediaries who profited from increased traffic and the collection of user data. This digital disruption forced creative industries to develop new licensing frameworks, pursue innovative distribution strategies, and grapple with complex jurisdictional issues as content crossed international borders instantaneously through online platforms. It also required new and innovative approaches to the enforcement of copyright and related rights.

Over time rightholders have been able to reassert a degree of control over the narrative. Piracy has been limited (but not eradicated) in some content sectors, where rightholders have developed enforcement strategies in tandem with reasserting control and monetisation of distribution of their content on online platforms. However, it is still on the rise in certain areas, for example in the live sports sector (see [Video piracy: Big tech is clearly unwilling to address the problem \[2025-054\]](#)). The latest developments in AI present an unprecedented challenge, heightening those that already exist, and with even more potential for disintermediation if the principles of copyright are not upheld.

The new AI challenge, and spotlight on a shifting search model

The explosion of general-purpose AI systems (including large language models—LLMs—powering products like ChatGPT, and ever-improving image and video generation models) takes the content sector from having to deal with a massive flood of one-to-one copies being distributed over the internet, to an explosion of millions of derivative works. AI systems train on endless mountains of data, including text, images and video, mostly scraped from the internet—from both legal and illegal sources. Much of that data is protected by copyright, but in many cases, it was used without the permission of rightholders (from individuals to big content companies)—or even their knowledge. Cutting-edge models are increasingly multi-modal by default, and image and video generation will proliferate as costs come down to offer them to the general public.

Creative rightholders are having to deal with mass scraping of their content online. Many AI developers are treating works as ‘publicly available’ if they aren’t behind a paywall, while others ignore paywalls altogether. Costs of protection from this scraping are rising for many online publishers. The established norms of the internet—using robots.txt to indicate you do not wish your content to be scraped—are failing to protect content in this new paradigm.

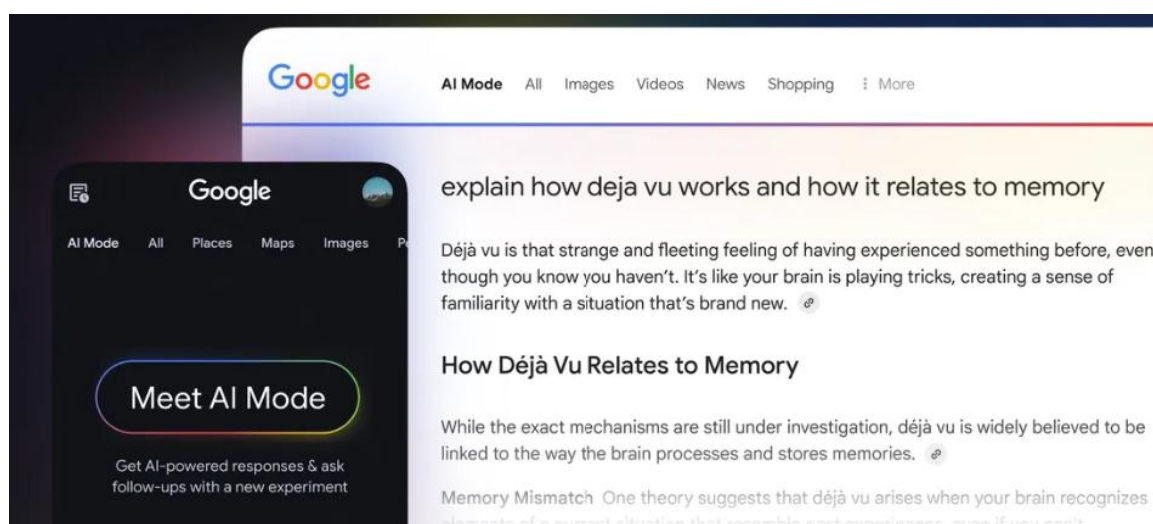
For the creative sector, there is a potential to license content to AI systems and potentially use AI as a tool to assist in the creation of new content and services—much in the way that the content sector has always

deployed technology to power creativity. A licensing market is emerging for content creators feeding AI models, but this is patchy and far from universally accepted by AI providers. One issue is that we are only in the early phases of AI product deployment: it can be difficult to agree on licensing terms when it is unclear what the commercial context in which the AI product might be deployed is. And rightholders are concerned about the potential for the derivative works generated by AI models to compete with the very works that were used to create the models that generated them. This could cause serious disruption to the vital creative industries that enabled these models to come into being. Rightholders have legitimate concerns about substitution effects and the associated economic harms.

A clear case where business models could be under threat is traditional link-based search. Search is founded on a value exchange between Google (by far the most important provider) and all kinds of online publishers and content creators. The search engine provides valuable traffic referrals to content creators' websites, driving audiences to original sources where creators can monetise through advertising, subscriptions, or direct sales. In return, search engines are permitted to index, cache, and display snippets of copyrighted content, creating a symbiotic relationship where both parties should (at least where the digital advertising market operates fairly) benefit from increased visibility and user engagement. This model has generally worked because users are directed back to the original source, supporting the creator's business model rather than replacing it.

Unlike search engines that act as gateways to original content, AI systems can generate responses that fulfil user needs without requiring them to visit the creator's platform, potentially undermining the traffic-driven value exchange that has underpinned much of the internet economy. Google's latest announcements around 'AI Mode' more firmly embed chatbot features into search. These capabilities are only improving as massive investments in AI chip capacity and enhanced model efficiency deliver more useful and trustworthy results to users, reducing the need to 'double check' by following a traditional link. Online publishers are concerned about their inability to control whether their content is used in this way without affecting their prominence in search results.

Figure 5: Google expands AI Mode



[Source: Google]

The government's consultation on AI and copyright must not undermine rightholders' ability to control and monetise their content

In December 2024, the UK government launched a wide-ranging consultation on AI and copyright, which included proposals for a new text and data mining (TDM) exception permitting data mining on copyright works for commercial purposes (including for training AI models), but with rightholders able to 'reserve their rights'—in other words 'opt out' of scraping. The government's consultation document sought to straddle a line between acknowledging the importance of the UK's creative industries, whilst concurrently realising an ambition to attract AI investment, as laid out in the AI Opportunities Action Plan it commissioned. As the consultation document puts it: *"The creative industries drive our economy, including TV and film, advertising, the performing arts, music, publishing, and video games. They contribute £124.8 billion GVA to our economy annually, they employ many thousands of people, they help define our national identity and they fly the flag for our values across the globe. They are intrinsic to our success as a nation and the intellectual property they create is essential to our economic strength."*

Under current UK copyright law, there is no doubt that, in the absence of relevant licences, much of the process of training a commercial AI model would involve copyright-infringing acts, if that training takes place in the UK. The collation of training datasets and the process of training generative AI models implicates the reproduction right—i.e., it involves copying. The process typically involves the web scraping of massive amounts of online content and the creation of locally stored copies of vast numbers (millions or more) of copyrighted works. LLMs require huge datasets—and the quality of the content is important. Currently, the only TDM exception under UK law is limited to non-commercial research (computational analysis), and it applies only where there is lawful access.

The government's consultation recognises this legal status, but still references the idea that the current law is unclear: *"Currently, uncertainty about how copyright law applies to AI is holding back both sectors from reaching their full potential"*. This suggestion has seen it come under fire from the creative industries, as has its proposal of a 'preferred outcome' that would introduce the broader commercial TDM outlined above. The government hopes to attract tech investment with this change—encouraging AI developers to train models in the UK.

A change in the UK's copyright framework could impact the economic basis on which the creative industries operate

A change in the UK's copyright framework could impact the economic basis on which the creative industries operate. A blunt copyright exception without safeguards would risk damaging a hugely important industry, and prevent a flourishing AI licensing market from developing. At the same time, rightholders may already struggle to enforce their existing rights, which is why they are pushing for other interventions, such as transparency requirements for AI scrapers. Any workable 'rights reservation' system—the detail of which is not thought through in the government proposals—would equally require transparency from AI developers over when and how they access copyrighted content, so as not to encourage a scraping free-for-all and to ensure that rights reservations are fully respected and adhered to.

The UK government has an opportunity to learn from the difficulties in implementing the equivalent TDM copyright exception in the EU, which was introduced in a 2019 Directive just before the most recent wave of AI development—and so lacked consultation on these kinds of issues specifically. Rightholders in the EU have struggled to enforce their rights even with the opt-out secured in law due to a lack of transparency. While the EU's AI Act has copyright-related provisions designed to create the practical infrastructure for transparency and compliance to support opt-out, licensing and enforcement, the practical implementation of that framework is delayed. The UK government now has the advantage of a much clearer view of how AI technology is developing, the behaviour of major AI companies, and the potential pitfalls to avoid in legislation.

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We outline some crucial considerations for a UK regime:

- AI companies often provide little visibility over which content they are scraping, how frequently, or for what specific purposes, while bundling multiple uses together under broad permissions. This is especially so in the face of increasing commercialisation of AI models and services and the competitive landscape between the major tech players. Web scraping traffic has increased dramatically, placing strain on rightholders' infrastructure without corresponding transparency about its commercial application
 - The cadence of new model training to release has increased, meaning licensing for training new models is a live issue, not a lost cause
 - Research exemptions may be exploited to gather data that ultimately serves commercial purposes
 - AI systems may be built in part on pirated or reproduced content
- The current robots.txt standard is too blunt an instrument, offering only binary opt-in/opt-out choices rather than allowing rightholders to specify different permissions for different uses, types of AI training, or commercial applications. It also depends entirely on voluntary compliance with no enforcement mechanism
- As part of its ongoing investigation into Google search under new digital markets powers, the CMA will be looking into the bundling of scrapers to power products like AI Overviews with other search features. At present there is a clear power imbalance where a rightholder lacks the ability to opt out of some AI products without opting out of core search features
- New legislation may be needed to secure some of the infrastructure that would be needed to facilitate a thriving licensing market (like transparency requirements, standardised opt-out mechanisms, and mandatory disclosure of training data sources)
- How will the copyright system keep up with technological developments? AI agents that can browse the web and interact with content on behalf of users present new challenges for content protection, as they may access and utilise copyrighted material dynamically rather than through traditional training processes or through integration with search, for example. This may require adaptive legal or regulatory frameworks
- What requirements will apply for models trained in different jurisdictions? Cross-border enforcement and licensing arrangements remain complex, particularly as the potential application of 'fair use' defences in US courts may affect licensing norms in practice

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