

CICAE • Rankestr. 31 • 10789 Berlin • Germany

Press release, 28/04/2026

Threat to Cinemas, Audiences, and the European Film Ecosystem **CICAE calls on Europe to challenge Paramount/Warner Merger**

Following intensive talks in Brussels last week, CICAE – the *International Confederation of Arthouse Cinemas* – calls on European competition authorities to challenge the proposed acquisition of *Warner Bros. Discovery* by *Paramount Skydance* – or, should approval be granted, to impose legally binding, market-tested, and enforceable remedies to protect European cinemas, audiences, and cultural diversity. The merger, if approved, risks severely reducing production output, weakening theatrical distribution, and causing irreversible harm to cinemas, audiences, and the European film ecosystem.

The stakes are high! Large-scale consolidation of this kind consistently produces the same outcome: higher prices, lower wages, reduced competition, less choice and lower quality. Based on experience – not least the 2019 case of *Disney/Fox* – there is every reason to believe that a *Paramount/Warner Bros.* merger will result in fewer films, deteriorating terms for negotiating partners, and severe competitive harms across the entire ecosystem.

A merged entity of this scale will face no structural incentive to maintain meaningful theatrical release windows. Already under pressure, these windows risk further erosion – with severe consequences for films and cinemas: lower audience numbers, lower revenues, and, for arthouse cinemas operating on narrow margins, a direct path to closure.

Warner Bros. has been a vital source of mid-budget, director-driven films – precisely the titles that sustain arthouse programming and connect audiences to diverse perspectives from around the world. It remains one of the most important distribution partners for arthouse cinemas across Europe. Beyond global titles, *Warner Bros.* finances and co-produces local-language films in several key European markets such as Germany, France, Poland or Spain – a role no other studio fills at comparable scale. The combined entity would moreover control one of the most significant film libraries in existence, including substantial European and local-language titles crucial for repertory programming. **The expected post-merger reductions will have devastating effects on national film industries, small arthouse cinemas and rural movie theatres, as well as on the audiovisual ecosystem as a whole.**

Dr. Christian Bräuer, President of CICAE, warns: *“This deal would dramatically reshape the movie industry and pose an existential threat to arthouse cinemas across Europe. If cinemas are forced to close as a result of this, European films lose yet more visibility – stories that already struggle to find an audience would disappear entirely. In neighbourhoods and rural areas, one of the last remaining collective spaces would be gone – living pillars of our democracy. Cinemas are also economic multipliers for their communities: for every euro spent in a cinema, more stays in the neighbourhood, in restaurants, in local businesses and jobs. That is what is at stake here.”*

Increased consolidation means increased market power for the remaining studios. That power will be felt in every negotiation between distributors and cinema operators. Even today, terms under which films are shown in cinemas – from exclusivity periods to scheduling and screen placement – are weighted against exhibitors. This deal risks irreversibly tipping that balance and leading to even less feasible contract terms and further constrained market conditions.

Paramount has publicly committed to a minimum of 30 theatrical releases per year and a 45-day exclusivity window. The history of media mergers is a history of promises made and broken. Without a robust, binding legal framework, CICAE remains deeply sceptical about the extent to which, if at all, these commitments will be honoured.

What CICAE demands

The position of arthouse cinemas is clear: this merger is bad for European film, bad for arthouse and independent cinema, and bad for audiences. It must not go unchallenged! Under EU merger law, a transaction of this scale and impact, in a market this concentrated, must be subject to the highest level of scrutiny. The European Commission must, therefore, conduct a rigorous review and ensure all relevant stakeholders are heard. Should approval nonetheless be granted, voluntary commitments will not suffice.

The following points are essential:

- a guaranteed **minimum number of theatrical releases** per year with defined production investment and marketing budget thresholds;
- meaningful **theatrical release windows** meeting or exceeding current European standards;
- guaranteed **theatrical access to catalogue and repertoire titles**, including European and local-language productions;
- maintained **commitments to national production**, local distribution and diverse content across European markets.

Dr. Christian Bräuer: *“We remain committed to constructive engagement throughout this process. Europe’s independent cinema ecosystem – its festivals, its arthouse theatres, its national film cultures – is not a relic. It’s a competitive advantage, and a model that the rest of the world looks to. CICAE and its members are ready to work with regulators, studios and all market participants to find solutions that allow the industry to evolve without sacrificing the diversity and independence that define European cinema, and that are an essential part of our cultural sovereignty.”*

About CICAE

The CICAE (Confédération Internationale des Cinémas d'Art et d'Essai) is a non-profit association representing over 2,400 arthouse cinemas with more than 4,400 screens in 46 countries. Founded in 1955, CICAE promotes cultural diversity in cinema and advocates for independent exhibition at national and international levels.

For further questions please contact info@cicae.org / +49 (0)30 43 97 101 54