

Creative Technologies International Scan #5

A Foresight Lab Report prepared by Olsberg·SPI

February 2026

Joshua Dedman, Emma Openshaw Peter Cobb, Leon Forde & Vicki Williams

The CoSTAR Foresight Lab

Driven by the UK's leading Creative Industries experts, the CoSTAR Foresight Lab is researching the adoption, use and impact of new, emergent and convergent technologies in gaming, TV, film, performance and digital entertainment.

Our findings will inform research, development and innovation across the Creative Industries, including the R&D taking place through the convergent screen technologies and performance in real time (CoSTAR) programme, the UK R&D network for creative technology.

CoSTAR is a £75.6 million national R&D network of laboratories that are developing new technology to maintain the UK's world-leading position in gaming, TV, film, performance, and digital entertainment. Delivered by the UKRI Arts and Humanities Research Council, the programme is supporting new innovations and experiences that will enrich the UK's creative industries, economy, and culture. The network comprises the National Lab, the Realtime Lab, the Live Lab, the Screen Lab and the Foresight Lab. CoSTAR is funded through UK Research and Innovation's Infrastructure Fund, which supports the facilities, equipment and resources that are essential for researchers, businesses, and innovators to do groundbreaking work. You can find out more by visiting www.costarnetwork.co.uk.

Foresight Lab partners and contributors

Core Partners:

Prof Jonny Freeman; Jac Sanscartier; Cimeon Elteron-Kay (Goldsmiths, University of London)
Prof Frauke Zeller; Prof Melissa Terras MBE; Dr Suzanne R Black; Gavin Inglis (University of Edinburgh)
Prof Graham Hitchen; Dr Ekaterina Tarnovskaya; Dr Vicki Williams (Loughborough University)
Rishi Coupland; Keir Powell-Lewis; John Sandow; Brian Tarran; David Johnston (BFI)

Delivery Partners:

Florence Mansfield (Arup)
Prof Hasan Bakhshi MBE; Dr Tom Cahill-Jones; Prof Giorgio Fazio; Dr Sarah Najm (Creative Industries Policy and Evidence Centre)
Brendan Miles (Data Thistle)
Chiara Badiali; Natalie Highwood; Alison Tickell (Julie's Bicycle)
Noemi Ponzoni; Anna Stewart; Lewis Turner-Brown; Jodie Pearton; Arina Mnatsakanyan (i2 media research)
Leon Forde; Marta Moretto; Joshua Dedman; Emma Openshaw; Peter Cobb; Kiera Obi; Lili Ruzsiczky (Olsberg-SPI)
Patrick Bradley (Station12)

The Foresight Board:

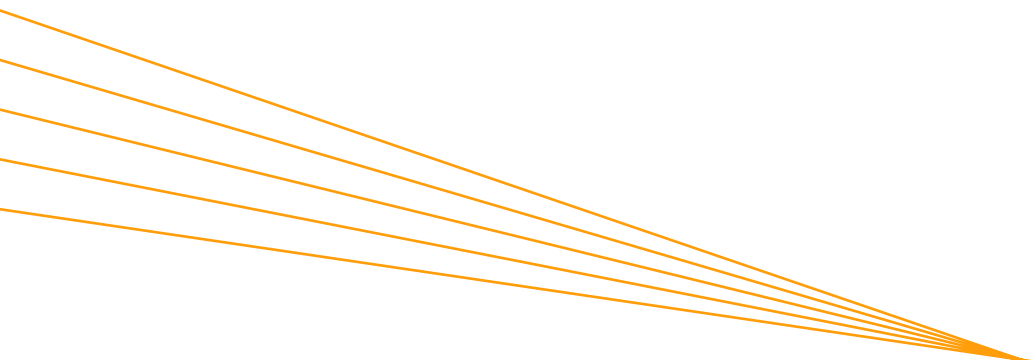
Prof Dave Bull; Prof Darren Cosker; Sarah Ellis; Steve Jelley; Gaby Jenks; Prof Greg Maguire; Prof Alex McDowell; Prof Sylvia Pan; Dr Romana Ramzan; Bill Thompson; Dr Lincoln Wallen; Nell Whitley; Deborah Williams OBE

The Lab is administrated by Petra Lindnerova; Daniel McCarthy; André Sigrist de Toldeo Piza.

A series of five parallel orange lines of varying lengths, starting from the left edge of the page and extending towards the right, creating a sense of movement and design at the bottom of the document.

Contents

1. Introduction	1
2. Policy and Regulation	5
3. Advanced Media Production in the Screen Sector and Creative Industries	16



1. Introduction

This International Scan is the fifth in a series of publications designed to present and unpack global developments of advanced technologies in and for the Creative Industries.

1.1. This Report

This report is a compilation of key trends and updates from markets outside of the UK, with analysis of the global opportunities and challenges on the horizon. It covers developments between October and December 2025, and tracks intelligence related to advanced technologies in and for the Creative Industries. The evidence collected for this edition of the International Scan covers the following areas:

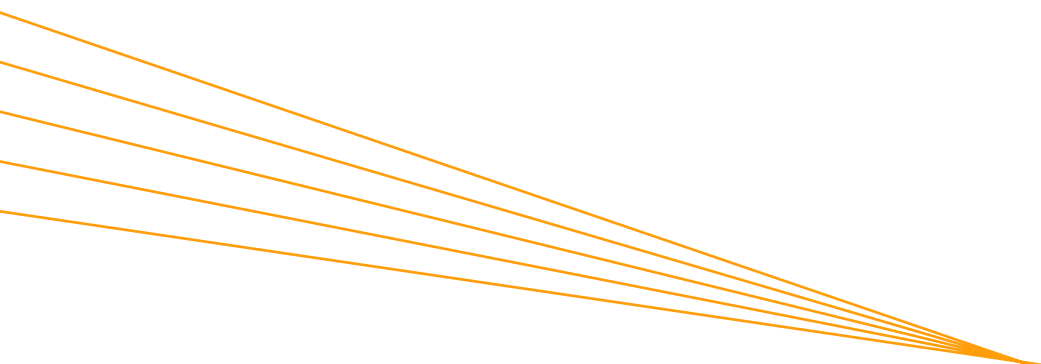
- Policy and regulatory developments
- Corporate mergers, acquisition deals and investments
- Workforce and skills
- Facilities and infrastructure
- Technological advancements and adoption
- Environmental sustainability.

And across these regions:

- Global
- Asia and Pacific Region (APAC)
- Latin America (LATAM)
- Europe, Middle East, and Africa (EMEA)
- US & Canada.

The first section of the International Scan analyses key findings in global advanced media production policy and regulation. This includes legislative findings, lobbying initiatives and government funded research across the Screen Sector (film and television, video games), immersive and technology-enabled live entertainment, virtual production (VP), post-production, visual effects (VFX), artificial intelligence (AI), virtual reality (VR), augmented reality (AR), and extended reality (XR). It is supported by a full list of global news stories that informed the analysis.

The second section expands the focus to the Screen Sector and wider Creative Industries, with analysis covering workforce, skills, infrastructure, technological adoption and wider corporate activity. This second section is also supported by a full list of global news stories that exemplify and have informed the analysis.



1.2. Overarching Findings

Between October and December 2025, international activity across advanced media production in the Creative Industries increasingly reflected a move from experimentation towards implementation. Policymakers, established industry actors and investors increasingly prioritised regulatory alignment, infrastructure development and more formalised business models, signalling a maturing approach to adoption. In the United States, the regulatory landscape for AI became more fragmented over the quarter with state governments continuing to enact detailed safeguards even as the federal administration sought to pre-empt state regulation through an executive order and proposed federal legislation. The state of New York introduced disclosure rules for synthetic performers and expanded postmortem publicity rights, and California passed legislation tightening restrictions on deepfake pornography and clarifying liability for generative tools. At the same time, a US federal executive order urged agencies to challenge such state initiatives, creating significant uncertainty for producers who are unsure what standards to follow.

Globally, a growing number of jurisdictions introduced or advanced formal transparency requirements for AI-generated content: South Korea established that it will require labelling of AI-generated advertising, India proposed rules mandating metadata in synthetically generated content, and Kazakhstan and Vietnam set out comprehensive laws requiring clear marking of synthetic media. These measures reflect a growing consensus that disclosure and provenance will become standard compliance obligations shaping clearer expectations for audiences and rightsholders. The shift is accompanied by a greater emphasis on enforceability in copyright and rights governance: policymakers in Europe launched consultations on machine-readable opt-out protocols for text and data mining¹, the Motion Picture Association criticised OpenAI for inadequate safeguards, and courts in China began clarifying the need for human creative input to substantiate copyright in AI generated works. Taken together, these developments indicate that the debate is moving beyond broad principles towards detailed operational practice.

AI is increasingly underpinning core business strategies rather than predominantly experimental initiatives. Streaming platforms and technology firms unveiled features such as Amazon's Alexa+ scene-level search on Fire TV for Prime Video, using generative AI to locate specific moments in films and television series, positioning AI as a point of differentiation in consumer-facing services. Reports of Netflix's recent acquisition of Warner Bros Discovery (WBD) highlighted the strategic value of WBD's content library for AI training, reinforcing the importance of proprietary data. At the same time, legal exposure and reputational risk intensified. US courts ordered OpenAI to disclose internal communications in copyright lawsuits, while the online promotion of a synthetic actor provoked backlash from unions and performers concerned about consent and job displacement. Independent producers praised AI's potential to democratise high quality production but noted growing buyer scrutiny around disclosure and rights. These developments illustrate that while AI is moving to the centre of creative companies' operations, it brings obligations for transparency, documentation and stakeholder engagement.

¹ The automated, computational process of analysing massive amounts of digital text and data to discover hidden patterns, trends, relationships, and new knowledge

Governments continued to restructure screen incentives to capture more high value post-production and virtual production (VP) segments. Ireland's tax credit introduced a substantial uplift for visual effects, New Zealand opened its rebate to projects that conduct only post-production and visual effects work, and the Canary Islands placed post, digital, and visual effects (PDV) and VP at the heart of its audiovisual strategy. Alongside these fiscal measures, public bodies advanced standards and training to mainstream advanced media. India brought augmented, virtual and extended reality devices under mandatory safety certification, Louisiana's Entertainment Development Fund invested in VP and VFX training through Tulane University and South Australia launched a digital games fund.

In parallel, the online content landscape continued to diversify. Microdramas² moved from experimental format to a high-opportunity, structured business strategy. Studios such as Disney and Fox Entertainment announced investments and partnerships to produce hundreds of microdrama episodes, while industry leaders at the CRISP Seoul Conference projected multi-billion-dollar revenues from microdramas. This emerging space sits between social video and conventional series, creating new pathways for talent and intellectual property testing and intensifying the competition for viewer attention through high frequency, algorithm driven storytelling.

The growing emphasis on sustainability has been seen across both policy and practice, particularly in Europe and North America. New EU initiatives have identified the creative sector as a key driver of green transformation, prompting skills programmes, which equip professionals with the knowledge to embed sustainability on set and in studios. This momentum is backed by guidance from organisations such as the nonprofit energy solutions organisation the Rocky Mountain Institute (RMI), which issued a roadmap for transitioning productions to clean mobile power, and by tangible investment into infrastructure, exemplified by Bungalow Projects and New York City Economic Development Corporation's (NYCEDC) plans for all-electric studios in Brooklyn, New York. Together, these developments indicate that decarbonisation and Environmental, Social, and Governance (ESG) considerations are becoming integral to commissioning, with clean power and sustainable infrastructure emerging as competitive differentiators for production facilities.

Virtual production matured from innovation to mainstream production capability. Across Europe, new facilities opened in Spain, Croatia and Portugal, along with significant private sector activity in the Netherlands, Germany and the US. These developments signalled a shift from showcase stages to operational capacity and broadcasters and sports networks are adopting multi-camera workflows for live and near-live outputs.

The Middle East and North Africa (MENA) accelerated its advanced media production buildout, with Qatar attracting major post-production and VFX studio Company 3 and cofinancing an Arabic language slate with Sony, while Saudi Arabia opened new production studios, anchored a landmark US\$900 million (~£673 million) investment in generative video company Luma AI and supported one of the largest acquisitions in videogame history. These moves reflect a strategy to develop end-to-end creative ecosystems and influence upstream technology development rather than merely hosting film and/or television productions.

2 Microdrama refers to a mobile-first, short-form scripted fiction format, typically delivered in serialised episodes of approximately one to three minutes designed to sustain repeat viewing on vertical video and social platforms

Immersive and extended-reality content is consolidating around more commercial distribution models and premium intellectual-property extensions, spanning both digital and live formats. Platforms are prioritising cross-device access via web browsers and Android-based ecosystems, reducing reliance on dedicated headsets. Confidence in high-production-value VR as an audience-engagement tool is reflected in the decision to develop immersive adaptations of established, mainstream franchises such as *The Boys* (2019-present) and legacy IP including *Teenage Mutant Ninja Turtles*. By contrast, Meta is scaling back investment in metaverse-focused initiatives in favour of AI and wearable technologies, signalling a reassessment of large-scale immersive platform investment. Alongside these digital developments, immersive theatre continues to gain renewed momentum as a complementary live-format extension, with recent examples emerging across locations including South Korea, New York and Toronto. These newer productions are extending established immersive practices, supporting original interactive theatrical IP and appealing to audiences seeking participatory cultural experiences beyond screen-based platforms.

Q4 2025 underscored increasing evidence of tangible implementation across policy, technology and production, building on earlier periods of largely visionary discussion within the global Creative Industries. Policymakers continued to codify rights and responsibilities in AI, regulators embedded transparency into everyday workflows, and governments increased investment into incentives for post-production, VP and interactive media. The private sector embraced new formats such as microdrama, scaled VP infrastructure, accelerated global investment into creative hubs and upstream technology, and began integrating AI at the core of consumer and production experiences while grappling with legal and ethical ramifications. These developments extended beyond screen-based sectors, with live cultural formats including immersive theatre, experiential exhibitions and location-based entertainment applying advanced media production to create participatory intellectual property and new modes of audience engagement. As a result, the Creative Industries enters 2026 facing a more complex yet more mature landscape, where innovation and regulation are increasingly intertwined and where opportunities are distributed across a wider range of regions and formats.

Suggested Citation

When citing this report, please use the following citation:

- Dedman, J, Openshaw, E, Cobb, P, Forde, L. and Williams, V. (2026) "Creative Technologies International Scan #5". CoSTAR Foresight Lab. DOI [10.5281/zenodo.18458414](https://doi.org/10.5281/zenodo.18458414)

2. Policy and Regulation

Please see section 2.2 for all referenced stories

2.1 Key findings

1. US AI policy is diverging as states apply media-specific safeguards, while federal measures prioritise pre-emption and lighter regulation

In the US, state governments are developing detailed laws on disclosure, consent and performer rights in AI-enabled production. Federal proposals, by contrast, favour lighter regulation. This divergence creates uncertainty about which standards will ultimately apply. Larger media organisations are better positioned to navigate this uncertainty, given their legal and compliance resources. Smaller agencies and vendors, by contrast, may be exposed to greater compliance risk if the rules change during a project. Key examples include:

- New York enacted The Screen Actors Guild–American Federation of Television and Radio Artists (SAG-AFTRA) backed rules introducing disclosure for synthetic performers in advertising and strengthening postmortem publicity rights³
- California Governor Gavin Newsom signed a package of AI bills affecting the media industries, introducing new transparency requirements, tightening restrictions on deepfake pornography, and limiting the use of AI autonomy as a legal defence⁴
- A US federal executive order directs agencies to challenge state AI laws and encourages Congressional pre-emption, with potential funding implications for states that continue to regulate⁵
- The International Alliance of Theatrical Stage Employees (IATSE) warned that limiting individual state action undermines worker protections.⁶

3 Governor Hochul Signs Legislation to Protect Consumers and Boost AI Transparency in the Film Industry. New York State, 11th December 2025. Accessible at: <https://www.governor.ny.gov/news/governor-hochul-signs-legislation-protect-consumers-and-boost-ai-transparency-film-industry>

4 California Governor Newsom Signs Several AI Bills but Vetoes Three. Perkins Cole, 6th November 2025. Accessible at: <https://perkinscoie.com/insights/update/california-governor-newsom-signs-several-ai-bills-vetoes-three#:~:text=Key%20Takeaways,AI%2Drelated%20defenses%20to%20liability.>

5 Trump orders crackdown on state AI regulation. Here's why California is hardest hit. The Markup, 11th December 2025. Accessible at: <https://themarkup.org/artificial-intelligence/2025/12/11/trump-orders-crackdown-on-state-ai-regulation-heres-why-california-is-hardest-hit#:~:text=President%20Trump%20signed%20an%20executive,a%20law%20preempting%20such%20regulations>

6 IATSE Alarmed by Trump Executive Order Attempting to Limit State AI Protections in Absence of Federal Law. IATSE, 12th December 2025. Accessible at: <https://iatse.net/iatse-alarmed-by-trump-executive-order-attempting-to-limit-state-ai-protections-in-absence-of-federal-law/#:~:text=WASHINGTON%2C%20D,laws%20deemed%20to%20be%20unfavorable>

2. Transparency in AI generated media is becoming a standard requirement

Regulators worldwide are treating AI generated content as a consumer protection issue, requiring clear labelling and provenance in advertising and media distribution. This shift makes transparency a routine operational requirement with implications for digital asset labelling, metadata retention across production and post-production workflows, and the verification of authenticity claims. Taken together, these requirements will affect a wide range of screen and non-screen sectors, spanning audiovisual production, advertising, digital platforms, software and tools, news and publishing, e-commerce, public communications and education, as AI transparency becomes a routine operational and compliance requirement rather than an exceptional measure. For the Creative Industries, the key impact is a move away from one-off or reactive measures towards AI compliance, with verification requirements increasingly formalised in production workflows, contracts and platform rules. The adoption of these requirements across both established and emerging markets points to an emerging global consensus on AI transparency. Key examples include:

- South Korea will require disclosure when online advertisements are created or modified using AI, expected from early 2026⁷
- India proposed amendments requiring intermediaries to label and embed metadata in publicly distributed AI-generated audiovisual content, with additional obligations for major platforms⁸
- Kazakhstan's AI law mandates clear labelling of AI-generated images, video, audio and text to address deepfakes and disinformation⁹
- Vietnam proposed an EU-style AI framework with risk-based oversight and new transparency and IP requirements affecting generative AI used in the Creative Industries and general digital content.¹⁰

7 *Consumer Protection vs. Innovation Incentives: Paradox of Korean AI-led Ad Ecosystem*. Korea Tech Today, 12th December 2025. Accessible at: <https://www.pbs.org/newshour/world/south-korea-to-require-advertisers-to-label-ai-generated-ads>

8 *Proposed Amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 in relation to synthetically generated information*. MeitY, 22nd October 2025. Accessible at: <https://www.meity.gov.in/static/uploads/2025/10/8e40cdd134cd92dd783a37556428c370.pdf>

9 *Kazakh President signs law on AI*. Kazinform International News Agency, 17th November 2025. Accessible at: <https://qazinform.com/news/kazakh-president-signs-law-on-ai-b18946>

10 *First-ever Law on Artificial Intelligence approved*. Ministry of Science and Technology, 15th December 2025. Accessible at: <https://english.mst.gov.vn/first-ever-law-on-artificial-intelligence-approved-197251215231241888.htm>

3. Rights management for generative AI is moving to enforceable practice

The debate over copyright and AI is shifting from broad principles to specific, enforceable mechanisms. Policymakers are favouring practical measures such as opt-out regimes for rightsholders, platform-level controls over model training and deployment, and clearer allocation of liability along the AI value chain. In this context, data-intensive creative sectors such as the Screen Sector, publishing and news media, music and audio, VFX, advertising, and cultural heritage rely on large, rights-sensitive datasets that are repeatedly reused across production, distribution and AI-enabled workflows, making enforceable generative-AI rights management a core operational requirement. Because jurisdictions differ on authorship, ownership and the protectability of AI generated content, organisations will need tailored strategies for licensing and enforcement in different markets. Key examples include:

- The European Commission launched a consultation on machine-readable opt-out protocols for text and data mining used in AI training, with standards to be published and updated over time¹¹
- The Motion Picture Association criticised OpenAI following the release of Sora 2, arguing that responsibility for preventing infringement rests with the model provider and that existing copyright law applies¹²
- A 2025 ruling by the Beijing Internet Court clarifies that creators seeking copyright protection for AI-generated images in mainland China must substantiate their claims with contemporaneous evidence of human creative input.¹³

11 *Commission launches consultation on protocols for reserving rights from text and data mining under the AI Act and the GPAI Code of Practice*. European Commission, 1st December 2025. Accessible at: <https://digital-strategy.ec.europa.eu/en/consultations/commission-launches-consultation-protocols-reserving-rights-text-and-data-mining-under-ai-act-and#:~:text=Commission%20launches%20consultation%20on%20protocols,the%20GPAI%20Code%20of%20Practice>

12 *MPA Issues Statement on OpenAI's Recent Release of Sora 2*. MPA, 6th October 2025. Accessible at: <https://www.motionpictures.org/press/mpa-issues-statement-on-openais-recent-release-of-sora-2/>

13 *China: Documentation of creative processes is crucial to claim copyright in AI-generated works*. Linklaters, 2nd October 2025. Accessible at: <https://techinsights.linklaters.com/post/102lo55/china-documentation-of-creative-processes-is-crucial-to-claim-copyright-in-ai-generated-works>

4. Screen incentives increasingly target post production, VFX and virtual production

As highlighted in the last Creative Technologies International Scan¹⁴, jurisdictions are continuing to enhance production incentives to attract post-production, VFX, games and immersive content. Eligibility is being widened to include post-production, digital and visual effects (PDV), and targeted uplifts are being introduced, reflecting recognition that PDV services are significant economic drivers with policymakers aiming to capture the growing contribution of PDV to employment, skills and capacity. Key examples include:

- Ireland introduced a 40% VFX tax credit uplift within Section 481 for productions spending at least €1 million (~£875,000) on qualifying VFX work¹⁵
- New Zealand expanded its rebate uplift to include PDV-only projects from January 2026, allowing access without filming in-country¹⁶
- Spain's Canary Islands is positioning PDV and VFX as core pillars of its audiovisual strategy, supported by a 50% rebate and investment in LED volume infrastructure.¹⁷

14 *Creative Technologies International Scan #4*. CoSTAR Foresight Lab Report, November 2025. Accessible at: <https://a.storyblok.com/f/313404/x/43404cab7e/creative-technologies-international-scan-4.pdf>

15 *Budget 2026: Fís Éireann (Screen Ireland) Welcomes 40% Rate for Visual Effects (VFX) Production and Improvements to Digital Games Tax Credit*. Screen Ireland, 7th October 2025. Accessible at: <https://www.screenireland.ie/news/budget-2026-fis-eireann-screen-ireland-welcomes-40-rate-for-visual-effects-vfx-production-and-improvements-to-digital-games-tax-credit>

16 *Updated Criteria for Changes to International Rebate*. NZFC, 19th December 2025. Accessible at: <https://www.nzfilm.co.nz/news/updated-criteria-for-changes-to-international-rebate>

17 *Canary Islands Build Its Own VFX Frontier Blending Tech, Talent and Tax Incentives*. Variety, 10th October 2025. Accessible at: https://variety.com/2025/film/global/canary-islands-build-vfx-tech-talent-tax-incentives-1236545781/?utm_campaign=veo-3-1-brings-new-features&utm_medium=referral&utm_source=www.vp-land.com

5. Advanced media production is moving into the policy mainstream through coordinated investment and standards-setting

Public authorities are investing in immersive media, video games and virtual production by funding skills programmes, facilities and content development. At the same time, they are introducing formal safety and compliance requirements. This two-pronged approach promotes innovation while embedding safeguards for responsible use. Key examples include:

- India has introduced safety regulations requiring AR, VR, and XR devices to meet official standards before they can be sold. Companies must now obtain government safety approval for headsets and other immersive technologies, placing them under the same regulatory framework as other consumer electronics.¹⁸
- Canada launched new funding for interactive and immersive media, including Indigenous-led projects and CA\$7 million (~£4 million) for prototyping interactive digital media¹⁹
- Louisiana's Entertainment Development Fund awarded US\$700,000 (~£522,000) to Tulane University to expand virtual production and VFX training using Unreal Engine and upgrade facilities for local industry access²⁰
- The South Australian Film Corporation has launched a new Digital Games Fund offering grants of up to AU\$100,000 (~£49,410) to support local game developers moving from prototype to final release²¹
- Taiwan Creative Content Agency announced its positioning of immersive media and AI-assisted production as key growth sectors, leveraging Taiwan's strengths in semiconductors, VR/AR and technology-driven content²²
- South Korea's Democratic Party has signalled reforms to strengthen gaming and esports, noting games represent 63% of South Korea's K-content exports, reinforcing games as a central pillar of digital cultural and economic exports.²³

18 *Govt brings AR, VR, and XR devices under mandatory safety certification regime*. Storyboard18, 7th November 2025. Accessible at: <https://www.storyboard18.com/digital/meity-updates-safety-standards-for-electronic-goods-adds-er-ar-vr-devices-under-compulsory-certification-83858.htm>

19 *Interactive and Immersive Program, in partnership with the CMF*. Indigenous Screen office, 27th October 2025. Accessible at: <https://iso-bea.ca/funding-opportunities/interactive-immersive-program-2025-26/> and CMF allocates nearly \$7M for the prototyping of 31 interactive digital media projects. CMF, 3rd December 2025. Accessible at: <https://cmf-fmc.ca/news/cmf-allocates-nearly-7m-for-the-prototyping-of-31-interactive-digital-media-projects/#:~:text=CMF%C2%A0allocates%C2%A0nearly%20%247M%20for%20the%20prototyping,31%20interactive%20digital%20media%20projects>

20 *New Digital Media Practices Grant Expands School of Liberal Arts Storytelling Possibilities and Innovation*. Tulane University, 19th December 2025. Accessible at: <https://liberalarts.tulane.edu/newsletter/digital-media-practices-createlouisiana-grant#:~:text=learned%20skills%20and%20resources%20on,Fund%20will%20expand%20those%20possibilities>

21 *South Australia's video game sector levels up with new \$100,000 Digital Games Fund grants and the return of SAGE: SA Game Exhibition*. South Australia Film Cooperation, 23rd October 2025. Accessible at: <https://www.safilm.com.au/latest-news/south-australias-video-game-sector-levels-up-with-new-digital-games-fund/>

22 *TAICCA CEO Erica Wang on TCCF Mission, Funding Strategies & Taiwan's Expanding Role in Tech-Driven Content*. Deadline, 7th November 2025. Accessible at: <https://deadline.com/2025/11/taicca-erica-wang-tccf-funding-ai-tech-taiwan-1236608764/>

23 *South Korea considers reforms to boost esports sector*. Sigma, 18th November 2025. Accessible at: <https://sigma.world/news/south-korea-plans-esports-policy-overhaul/>

2.2 Reference Stories

2.2.1. US AI policy is diverging as states apply media-specific safeguards, while federal measures prioritise pre-emption and lighter regulation

US – CALIFORNIA PASSES AI LAWS AFFECTING FILM AND TELEVISION, WHILE VETOING DIGITAL REPLICA MEASURES: California Governor Gavin Newsom has signed several AI bills with implications for the media industries, including new transparency requirements for generative AI, restrictions on deepfake pornography, and limits on companies claiming AI autonomy as a legal defence. The measures strengthen disclosure and liability frameworks relevant to film, television and online content distribution, while reinforcing protections against non-consensual synthetic imagery. However, the Governor vetoed proposed legislation on digital replica disclosures, signalling caution around warning-based approaches to the misuse of performers' likenesses. ([Perkins Coie](#), 6th November 2025)

US – FEDERAL EXECUTIVE ORDER MOVES TO PRE-EMPT STATE ARTIFICIAL INTELLIGENCE REGULATION, IMPACTING CALIFORNIA MOST: President Donald Trump has signed an executive order directing federal agencies to challenge state-level artificial intelligence laws and urging Congress to pass legislation pre-empting such regulation. The order is expected to affect California most heavily, as the state has enacted more AI laws than any other US state since 2016 and hosts major AI companies. It also signals that states continuing to regulate AI could face restrictions on federal funding, including Broadband Equity, Access, and Deployment grants, with up to US\$1.8 billion (~£1.4 billion) in California funding potentially at risk. The move has prompted criticism from California lawmakers and creative sector unions, who argue it weakens safeguards against discrimination and job displacement linked to artificial intelligence. ([The Markup](#), 11th December 2025)

US – IATSE RAISES CONCERNS OVER EXECUTIVE ORDER LIMITING STATE ARTIFICIAL INTELLIGENCE PROTECTIONS: The International Alliance of Theatrical Stage Employees (IATSE) has criticised President Donald Trump's executive order directing federal agencies to challenge state AI laws and potentially withhold federal funding from states maintaining such protections. IATSE argues that, in the absence of federal legislation, restricting state-level action risks undermining worker safeguards, copyright protections and economic livelihoods across the entertainment sector. IATSE points to recent state measures in Colorado, Florida and New York as evidence of ongoing bipartisan efforts to address artificial intelligence risks and has urged policymakers to develop a comprehensive national framework rather than pre-empting state regulation. ([IATSE](#), 12th December 2025)

US – NEW YORK STATE ENACTS AI SAFEGUARDS FOR PERFORMERS THROUGH SAG-AFTRA-BACKED LEGISLATION: New York Governor Kathy Hochul has signed two SAG-AFTRA supported bills regulating the use of AI-generated 'synthetic performers.' The first requires advertisers to conspicuously disclose when a synthetic performer is used in advertising, while the second updates the state's postmortem right of publicity to prohibit the creation of digital replicas of deceased performers without estate consent. The legislation applies to performers who were resident in New York at the time of death and explicitly addresses AI-enabled deepfakes, while carving out exemptions for fictional and non-fictional entertainment, news programming, satire and docudrama to address free-speech considerations. Advertisements for film and television programmes are also exempt from the disclosure requirement. SAG-AFTRA has positioned the measures as a model for national policy, alongside its continued advocacy for federal legislation under the proposed No Fakes Act. ([Governor NY](#), 11th December 2025)

2.2.2. Transparency in AI generated media is becoming a standard requirement

INDIA – PROPOSED DIGITAL MEDIA RULE AMENDMENTS TARGET DEEPFAKES AND AI-GENERATED CONTENT IN INDIA: India's Ministry of Electronics and Information Technology has proposed amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 to address the misuse of synthetically generated information, including deepfakes. The proposals would require social media intermediaries to label and embed metadata in publicly distributed AI-generated audio-visual content, strengthening traceability and transparency across digital media platforms. Significant social media intermediaries would face additional obligations to obtain user declarations and deploy technical measures to verify synthetic content. The amendments aim to protect users and creators while increasing accountability for platforms hosting AI generated media. ([MeitY](#), 22nd October 2025)

KAZAKHSTAN – KAZAKHSTAN ADOPTS CENTRAL ASIA'S FIRST ARTIFICIAL INTELLIGENCE LAW WITH SYNTHETIC MEDIA RULES: Kazakhstan has enacted Central Asia's first comprehensive AI law, establishing transparency, data protection and user rights across public and commercial use. The legislation mandates clear labelling of AI-generated images, video, audio and text, directly addressing deepfakes and disinformation affecting digital media and creative content. It also bans manipulative and non-consensual practices and lays the groundwork for a national artificial intelligence platform to support local model development. The law positions Kazakhstan as an early regional regulator of artificial intelligence impacting media production and distribution. ([Kazinform](#), 17th November 2025)

SOUTH KOREA – MANDATORY LABELLING OF AI-GENERATED ADVERTISING TARGETS SYNTHETIC MEDIA MISUSE: South Korea will require advertisers and platforms to disclose when online advertisements are created or modified using AI, with the rules expected to take effect in early 2026. The policy responds to a rise in deepfake advertising using synthetic likenesses of public figures, with particular implications for media, advertising and content production sectors. While aimed at strengthening consumer protection and transparency, the measures raise concerns about compliance burdens for smaller agencies and independent creators relying on AI tools. The reforms position South Korea as an early regional regulator of AI-generated media in advertising, balancing innovation with safeguards against deception. ([KoreaTechToday](#), 12th December 2025)

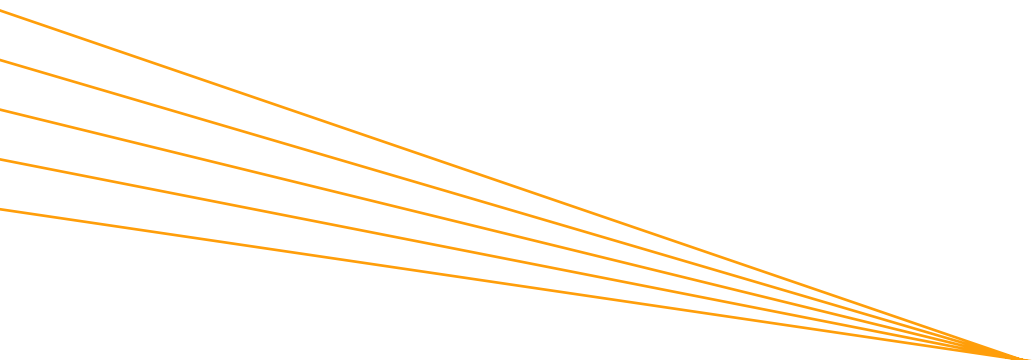
VIETNAM – DRAFT ARTIFICIAL INTELLIGENCE LAW PROPOSES EU-STYLE OVERSIGHT WITH IMPLICATIONS FOR MEDIA AND CREATIVE SECTORS: Vietnam has unveiled a draft artificial intelligence law inspired by the EU AI Act, introducing a four-tier risk framework and stricter oversight of high-risk and general-purpose AI systems. The proposal includes enhanced transparency and intellectual property obligations for powerful models, with relevance for generative AI used in film, television and digital content creation. A new National AI Commission and development fund would support innovation while enforcing compliance through fines and suspensions for unsafe use. The phased regime is set to begin in January 2026, with full compliance for high-risk systems by mid-2027. ([Digital Watch Observatory](#), 16th October 2025)

2.2.3. Rights management for generative AI is moving to enforceable practice

EU – COMMISSION CONSULTS ON COPYRIGHT OPT-OUT PROTOCOLS FOR AI TRAINING UNDER THE AI ACT: The European Commission has launched a consultation on machine-readable protocols allowing rightsholders to reserve rights from text and data mining used to train general-purpose artificial intelligence models. The process supports implementation of the AI Act and the General-Purpose AI Code of Practice, with direct implications for film, television, publishing and other creative sectors whose works are used in AI training. The Commission, working with the EU Intellectual Property Office, will identify widely adopted opt-out standards that AI providers must respect. The consultation runs until 23rd January 2026, with agreed protocols to be published and regularly updated. ([European Commission](#), 1st December 2025)

CHINA – BEIJING COURT SET EVIDENTIARY BAR FOR COPYRIGHT CLAIMS IN AI-GENERATED WORKS: A 2025 ruling by the Beijing Internet Court clarifies that creators seeking copyright protection for AI-generated images in mainland China must substantiate their claims with contemporaneous evidence of human creative input. Applying the originality standard under the PRC Copyright Law, the court held that claimants bear the burden of proving creative decision-making through documented prompts, generation logs and records of selection or modification. Post-hoc reconstructions of the creative process were rejected as insufficient. The decision builds on earlier AI-related jurisprudence, including a 2024 ruling by the Guangzhou Internet Court, and signals a maturing judicial approach that treats AI as a tool requiring demonstrable human authorship. For creators and businesses, the judgment underscores the need for robust documentation and traceability when using generative AI, while encouraging platform providers to preserve generation metadata to support downstream rights claims. ([Linklaters](#), 2nd October 2025)

US – MOTION PICTURE ASSOCIATION CRITICISES OPENAI OVER COPYRIGHT INFRINGEMENT LINKED TO SORA 2: The Motion Picture Association (MPA) has raised concerns following OpenAI's release of Sora 2, citing a proliferation of videos infringing films, television programmes and characters owned by its member studios. The MPA argues that responsibility for preventing copyright infringement rests with OpenAI, not rightsholders, and has called for immediate remedial action. While OpenAI has indicated it will introduce greater rightsholder controls, the MPA stressed that existing copyright law already applies to generative video services. The statement highlights growing tension between generative artificial intelligence tools and rights enforcement in film and television. ([MPA](#), 6th October 2025)

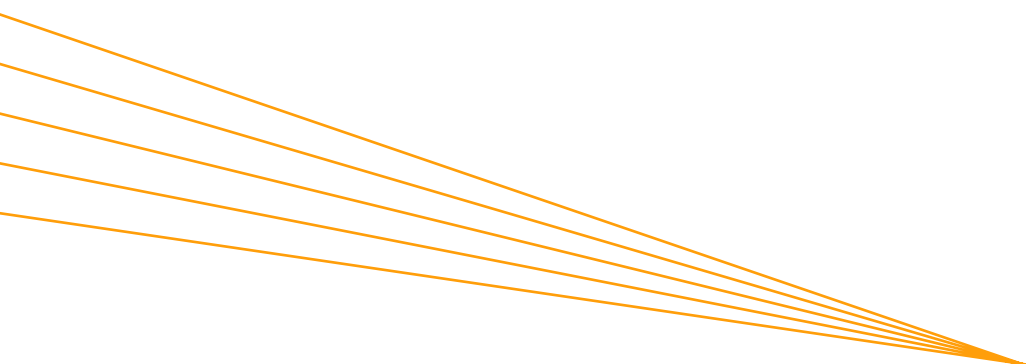


2.2.4. Screen incentives increasingly target post production, VFX and virtual production

IRELAND – GOVERNMENT INCREASES VFX TAX RELIEF TO BOOST POST-PRODUCTION AND HIGH-END TELEVISION: Ireland has introduced a 40% VFX tax relief as an uplift to the Section 481 incentive, announced in the October 2025 budget. The enhanced rate applies to productions spending at least €1 million (~£875,500) on qualifying visual effects work in Ireland, up from the standard 32% relief. The move strengthens Ireland's competitiveness in visual effects and post-production for international film and high-end television projects. ([Screen Ireland](#), 7th October 2025)

NEW ZEALAND – SCREEN REBATE EXTENDED TO POST-PRODUCTION, DIGITAL AND VFX-ONLY PROJECTS: New Zealand has expanded eligibility for the 5% uplift within its International Screen Production Rebate to include post-production, digital and visual effects (PDV)-only projects from January 2026. The change recognises New Zealand's specialist PDV capabilities and allows projects without principal photography in the country to access enhanced incentives. By lowering thresholds and explicitly covering PDV work, the reforms strengthen New Zealand's competitiveness in high-value post-production and advanced screen services. ([NZFC](#), 19th December 2025)

SPAIN – CANARY ISLANDS POSITION PDV AND VFX AS CORE PILLARS OF AUDIOVISUAL STRATEGY: The Canary Islands are rapidly establishing themselves as a European PDV hub, supported by a 50% audiovisual tax rebate and favourable corporate tax conditions under the Canary Islands Special Zone. Public investment in high-end digital infrastructure, including large-scale LED volume stages, is enabling productions to complete pre-production, VFX and post-production entirely in-territory. A growing cluster of VFX studios and applied research spinouts is strengthening full-pipeline PDV capacity, shifting the region from location-based service work to advanced screen production. The strategy reflects a deliberate move to anchor long-term value in post-production and virtual production rather than principal photography alone. ([Variety](#), 10th October 2025)



2.2.5. Advanced media production is moving into the policy mainstream through coordinated investment and standards-setting

AUSTRALIA – SOUTH AUSTRALIA LAUNCHES DIGITAL GAMES FUND TO SCALE LOCAL STUDIOS: The South Australian Film Corporation has launched a new Digital Games Fund offering grants of up to AU\$100,000 (~£49,410) to support local game developers moving from prototype to final release. The scheme is designed to strengthen South Australia's games ecosystem, help studios grow original IP, and raise the state's profile in global games markets. The fund complements the existing SA Video Game Development Rebate, which returns 10% of eligible spend on projects with at least AU\$250,000 (~£123,524) spent locally. Applications are now open to eligible South Australia-based studios and creators. ([South Australia Film Corporation](#), 23rd October 2025)

CANADA – CANADA MEDIA FUND INVESTS IN INTERACTIVE MEDIA PROTOTYPES ACROSS GAMES AND IMMERSIVE CONTENT: The Canada Media Fund has allocated CA\$7 million (~£3.8 million) to support the prototyping of 31 interactive digital media projects, primarily video games alongside a small number of immersive experiences. The funded slate spans five provinces and supports early-stage experimentation and testing of interactive and immersive formats with audiovisual content. The investment reinforces Canada's focus on innovation in games and interactive media as part of its wider Screen Sector strategy. ([Canada Media Fund](#), 3rd December 2025)

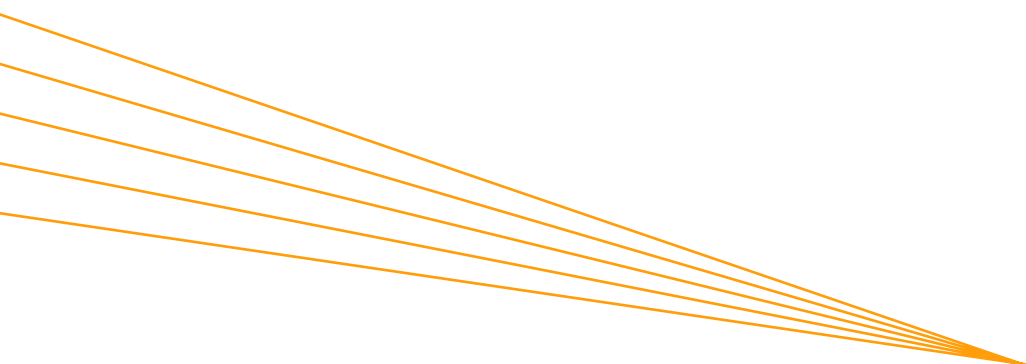
CANADA – INDIGENOUS SCREEN OFFICE AND CANADA MEDIA FUND LAUNCH INTERACTIVE AND IMMERSIVE FUNDING PROGRAMME: The Indigenous Screen Office, in partnership with the Canada Media Fund, has opened a dedicated funding programme supporting Indigenous-led interactive and immersive media projects, including video games, virtual reality, augmented reality and mixed reality works with audiovisual content. The scheme offers up to CA\$50,000 (~£27,000) for development and CA\$100,000 (~£54,000) for production, with eligible projects able to access additional top-up funding from the Canada Media Fund. The programme prioritises Indigenous creative control, experimentation with immersive technologies and responsible use of artificial intelligence in screen-based storytelling. Applications closed on 2nd December 2025. ([Indigenous Screen Office](#), 27th October 2025)

INDIA – GOVERNMENT BRINGS AR, VR AND XR DEVICES UNDER MANDATORY SAFETY CERTIFICATION: India's Ministry of Electronics and Information Technology has amended its compulsory registration regime to bring extended reality devices (including augmented reality, virtual reality and mixed reality hardware) under Bureau of Indian Standards safety certification for manufacture, import and sale. The change updates requirements to align with the IS/IEC 62368 safety standard covering audio-visual and information and communication technology equipment, extending regulatory oversight to immersive media hardware used across entertainment and creative production. This means companies now have to get government safety approval for headsets and similar immersive technology, bringing them under the same kind of regulation as other consumer electronics. ([Storyboard18](#), 7th November 2025)

SOUTH KOREA – GOVERNING DEMOCRATIC PARTY SIGNALS LEGISLATIVE REFORMS TO STRENGTHEN SOUTH KOREAN ESPORTS AND GAMING INDUSTRY: Senior figures from the Democratic Party of Korea have reiterated commitments to reform the country's gaming and esports policy framework, positioning the sector as a core pillar of South Korea's digital economy. Speaking at G-STAR 2025 in Busan, Jung Chung-rae highlighted plans to revise the Game Industry Act and address regulatory and tax barriers, while industry stakeholders raised concerns over competitiveness and policy uncertainty. Gaming currently accounts for 63% of South Korea's K-content exports, exceeding the combined value of K-pop, television drama and film, reinforcing calls for clearer regulation and targeted incentives to sustain global leadership. ([Sigma News](#), 18th November 2025)

TAIWAN – TAICCA SHARPENS INVESTMENT-LED STRATEGY TO SCALE CONTENT AND TECH CAPABILITIES: Taiwan Creative Content Agency (TAICCA) is using its flagship Taiwan Creative Content Fest to industrialise Taiwan's Creative Industries, consolidate fragmented studios and deepen international partnerships. Backed by a second US\$323 million (~£241.4 million) tranche from Taiwan's National Development Fund, TAICCA is prioritising co-investment funds, equity-based financing and market-led projects with clear recoupment strategies. CEO Erica Wang Min-hui positions immersive media and AI-assisted production as key growth frontiers, leveraging Taiwan's strengths in semiconductors, VR/AR and technology-driven content. The approach signals a shift from cultural subsidy towards scalable, investment-focused content policy aligned with regional and global markets. ([Deadline](#), 7th November 2025)

US – LOUISIANA ENTERTAINMENT DEVELOPMENT FUND BACKS DIGITAL MEDIA AND FILM TRAINING AT TULANE UNIVERSITY: Tulane University's Digital Media Practices programme has received a US\$700,000 (~£522,000) grant from the Louisiana Entertainment Development Fund to upgrade cinema technology and expand industry-level film training. The investment will modernise production and post-production facilities, support virtual production and visual effects training using Unreal Engine, and strengthen links with Louisiana's independent film community. Equipment funded through the programme will also be made available to local filmmakers at no cost via the #CreateLouisiana initiative, reinforcing workforce development in the state's Screen Sector. ([Tulane University](#), 18th December 2025)



3. Advanced Media Production in the Screen Sector and Creative Industries

Please see section 3.2 for all referenced stories

3.1 Key findings

1. Microdrama is shifting from a format trend to a structured content strategy with clear investment, deal activity and commissioning logic

Microdrama²⁴ is no longer just a creator-led phenomenon on vertical video platforms; it is rapidly emerging as a viable commercial category, with traditional media groups exploring partnerships with vertical video platforms and investing in production models designed specifically for mobile-first viewing. The significance for the wider Creative Industries is twofold. First, it creates a new content development and commissioning lane that sits across social video and scripted series, with different cost structures, talent pathways and IP testing potential. Second, it capitalises on the algorithm-driven audience base, which presents a large and underexploited opportunity for traditional storytelling to be adapted to this new structure. Key examples include:

- Hollywood studios Disney and Fox are investing in short-form content development to capture young audiences, signalling growing interest from established studios in content designed for TikTok/Instagram-style platforms²⁵
- Fox Entertainment's partnership with vertical video company Holywater underscores microdrama as a format of growing strategic importance, with strong investment potential driven by its appeal to younger audiences and its capacity to scale globally²⁶
- Korean industry leaders at the CRISP Seoul Conference cited microdramas as the next wave of creative innovation; a significant sign of this format moving beyond the status of a format trend²⁷
- Indian companies, including Sharegpt, Amazon's MX Player, Zee Entertainment and several VC-funded apps, are investing significantly in vertical video content creation, having been inspired by microdrama's rapid uptick in China.²⁸

24 Microdrama refers to a mobile-first, short-form scripted fiction format, typically delivered in serialised episodes of approximately one to three minutes designed to sustain repeat viewing on vertical video and social platforms

25 *Hollywood's romance with micro dramas is heating up. Will it last?* Los Angeles Times. 26th October 2025. Accessible at: <https://www.latimes.com/entertainment-arts/business/story/2025-10-26/how-microdramas-are-changing-the-way-hollywood-and-the-job-market>

26 *Fox Entertainment Invests in Ukrainian App Start-Up Holywater, Will Produce 200-Plus Vertical Video Series Including Microdramas Under Deal.* Variety. 9th October 2025. Accessible at: <https://variety.com/2025/digital/news/fox-entertainment-vertical-video-series-holywater-investment-microdramas-1236544534/>

27 *Microdrama Industry Eyes \$26 Billion Future at Crisp's Seoul Conference: 'Every Frame Is Intentional, Every Moment Carries Intention'.* Variety. 18th November 2025. Accessible at: <https://variety.com/2025/tv/news/microdrama-26-billion-future-crisp-seoul-conference-1236584525/>

28 *CNBC's Inside India newsletter: Micro-dramas make a leap from China to India, fuelling a new content race.* CNBC. 20th November 2025. Accessible at: <https://www.cnbc.com/2025/11/20/cnbcs-inside-india-newsletter-micro-dramas-make-a-leap-from-china-to-india-fueling-a-new-content-race.html>

2. Immersive Theatre emerges as a driver of new theatrical IP and audience growth

Immersive Theatre has emerged as a distinct sub-sector within the wider immersive experiences landscape, reshaping how stories are presented and how audiences engage with live performance. By integrating interactive and participatory elements, immersive productions are enabling new forms of theatrical expression while supporting the development of original creative IP. The format has also been effective in attracting audiences seeking alternative cultural and live entertainment experiences.

- New York has seen immersive theatre increasingly cited as a distinct category in its own right, alongside other immersive experiences, with regular programming of new, original theatrical IP²⁹
- South Korea saw immersive theatre gain measurable commercial traction in 2025, with productions such as *Sleep No More* ranking among the top ten musicals nationally by ticket sales in Q3 2025³⁰
- Toronto has seen growing institutional recognition of immersive theatre through targeted skills development, including training programmes focused on the technological and production competencies required for immersive practice, such as those launched by Bygone Theatre.³¹

29 *18 Extraordinary Experiences Open Now & Coming Soon: October 2025*. World Experiences Organization Limited. October 2025. Accessible at: <https://worldxo.org/18-extraordinary-experiences-open-now-coming-soon-october-2025/>

30 *Immersive Theater Takes Hold in Korea, Blurring the Line Between Stage and Audience*. The Korea Bizwire, 3rd November 2025 Accessible at: <http://koreabizwire.com/immersive-theater-takes-hold-in-korea-blurring-the-line-between-stage-and-audience/336653>

31 *Bygone Theatre Now Accepting Applications for One-Of-A-Kind Program*. Bygone Theatre. 16th September 2025. Accessible at: <https://bygonetheatre.wordpress.com/2025/09/16/new-immersive-theatre-design-program-to-launch-in-october-2025/>

3. Sustainability prioritised for the Creative Industries, with the film and television sector looking to sustainable infrastructure initiatives and clean power

Environmental, Social, and Governance (ESG) requirements are becoming more pertinent for studios and streamers commissioning projects, predominantly in the US and Europe, where there are wider socio-political objectives for national policy and infrastructure developments. In many regions, such as Canada, the UK and Europe, the Creative Industries have been identified as a priority area for the implementation of sustainable practices. The film and television sectors are focusing on infrastructure and clean energy, as those are the main sources of energy usage for productions. Key examples include:

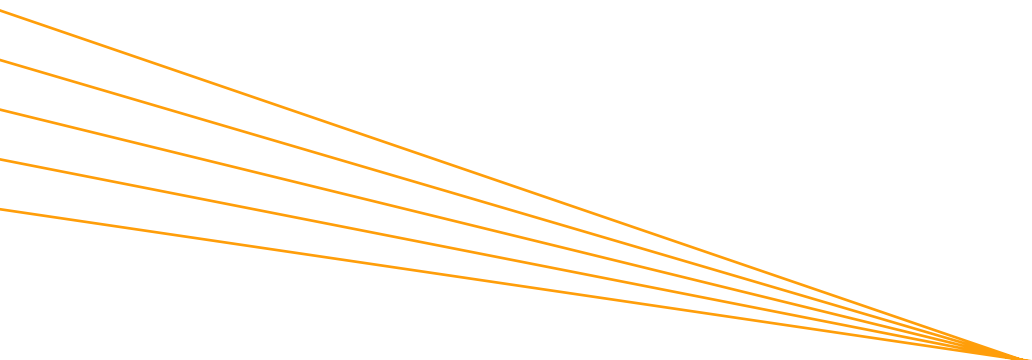
- The European Commission's new report identifies the creative arts as a high-priority sector to drive the shift towards sustainable practices³²
- TorinoFilmLab has launched their Green LATAM Lab, designed for Latin American film professionals to build skills for a more sustainable film industry³³
- RMI published a new roadmap for key stakeholders in the film and television industry who are championing the transition to clean mobile power and larger decarbonisation targets³⁴
- Bungalow Projects partnered with NYCEDC on two new all-electric studios in Brooklyn, highlighting the move towards infrastructure developments being designed to cater to sustainability requirements, increasing the value of the offering of the studio space.³⁵

32 *New report on culture and sustainability in Europe is out.* European Commission. 15th December 2025. Accessible at: <https://culture.ec.europa.eu/news/new-report-on-culture-and-sustainability-in-europe-is-out>

33 *Cinema: TorinoFilmLab, where training becomes a green lab.* Lifegate. 25th November 2025. Accessible at: <https://www.lifegate.com/torino-film-lab>

34 *Charting the Path to Clean-Powered Productions.* RMI. 9th December 2025. Accessible at: <https://rmi.org/charting-the-path-to-clean-powered-productions/>

35 *NYCEDC and Bungalow Projects Announce the Closing of Transactions Totaling \$552 Million for Two State-of-the-Art Film Studios in Red Hook and Bushwick.* NYCEDC. 8th October 2025. Accessible at: <https://edc.nyc/press-release/nycedc-bungalow-projects-advance-two-new-all-electric-film-studios-brooklyn>

A series of five parallel orange lines of varying lengths, all originating from the left edge of the page and fanning out towards the right, ending near the bottom right corner.

4. Virtual production is becoming a more mainstream production capability as infrastructure scales across Europe and multi-camera workflows prove viable for live output

Studios worldwide are investing in VP, which is no longer limited to a small number of high-budget studios. Europe is developing a wider network of LED stages, including regional hubs that can serve domestic and international projects, reducing reliance on a handful of high-end facilities. VP is proving effective in live and near-live contexts, broadening its application beyond scripted film and television. Producers and broadcasters are beginning to view VP as a more practical choice, rather than something reserved for premium productions, although wider adoption will increase competition among facilities to offer reliable camera tracking, seamless integration and predictable costs. Key examples include:

- Croatia opened its first VP facility in Zagreb in November 2025, signalling broader European capacity build-out³⁶
- Lisbon's first dedicated VP studio, EMAY, opens, positioning VP as part of its wider competitiveness agenda in innovative production³⁷
- Readyset Studios rebuilt Amsterdam's flagship Apple Store using VP and VFX for Netflix's thriller *iHostage* (2025), showing VP's ability to deliver complex real-world environments efficiently and convincingly in a real-time pipeline³⁸
- Sony and German broadcaster SWR piloted live multi-camera VP, using tracked cameras and testing broadcast-grade implementation without post³⁹
- Fox Sports launched a large-scale multi-camera LED volume designed for live production with multiple concurrent render engines, signalling VP's move into scalable daily output⁴⁰
- Brainstorm released free configurable virtual sets for users, lowering the barrier to broadcast-grade VP for smaller teams⁴¹

36 Croatia to open first virtual production facility in November 2025. TVB, 29th September 2025. Accessible at: <https://www.tvbeurope.com/virtual-production/croatia-to-open-first-virtual-production-facility-in-november-2025>

37 First Virtual Production Studio Opens in Lisbon. AICEP, 4th November 2025. Accessible at: <https://portugalglobal.pt/en/news/2025/november/first-virtual-production-studio-opens-in-lisbon/>

38 Inside Netflix's *iHostage*: How ReadySet Studios Rebuilt Amsterdam's Flagship Apple Store With Virtual Production and VFX. Stage Runner, 18th November 2025. Accessible at: <https://stagerunner.net/inside-netflixs-ihostage-how-readyset-studios-rebuilt-amsterdams-flagship-apple-store-with-virtual-production-and-vfx/>

39 Sony Europe and SWR collaborate to test live multi-camera virtual production. TVB 13th October 2025. Accessible at: <https://www.tvbeurope.com/virtual-production/sony-europe-and-swr-collaborate-to-test-live-multi-camera-virtual-production>

40 The virtual production infrastructure behind Fox Sports' Stage B. NCS, 3rd October 2025. Accessible at: <https://www.newscaststudio.com/2025/10/03/fox-sports-stage-b-virtual-production-nfl-kickoff-the-herd/>

41 Brainstorm Expands Access to Virtual Production With Free Customizable Set Collection. Virtual Production World, 27th November 2025. Accessible at: <https://www.virtualproduction.world/brainstorm-expands-access-to-virtual-production-with-free-customizable-set-collection/>

5. MENA is accelerating infrastructure growth and investment in advanced media production

Countries in the Middle East and North Africa (MENA) are investing heavily in studios, post-production services and related technologies. They are seeking to attract international partners, expand post-production capacity and position themselves as both production destinations and sources of capital for wider advanced media ventures. As end-to-end production capabilities expand, the region is positioned to become more than location-only markets. Sovereign investments in AI and advanced media companies also signal an ambition to influence future production economics. Key examples include:

- Qatar announced multiple Screen Sector developments, including a proposed partnership with Sony for Arabic content⁴² and Company 3 launching operations in Qatar, strengthening regional post-production capacity⁴³
- Playmaker Studios launched in Saudi Arabia, reflecting continued build-out of domestic production capacity⁴⁴
- A Telfazl1 music licensing partnership with MDLBEAST signals strengthening regional collaboration across the creative ecosystem⁴⁵
- Saudi Arabia's PIF-backed AI firm Humain anchored a reported US\$900 million (~£673 million) round in Luma AI, giving the company access to large-scale Saudi data centres, significantly expanding its computing capacity for generative video development⁴⁶
- The acquisition of Electronic Arts, backed by Saudi Arabia's Public Investment Fund (PIF), was one of the largest transactions in the gaming industry's history and highlights Saudi Arabia's growing investment interest in interactive entertainment.⁴⁷

42 *Sony and Qatar's Film Committee Forge Pact to Co-Finance Arabic Film Slate as Rebate Is Unveiled*. Variety, 22nd November 2025. Accessible at: <https://variety.com/2025/film/global/sony-qatar-film-committee-co-finance-arabic-slate-rebate-1236589130/>

43 *'Wicked: For Good' Post-Production Studio Company 3 Set to Launch Middle East Hub in Qatar*. Variety, 22nd November 2025. Accessible at: <https://variety.com/2025/film/global/wicked-for-good-post-production-company-3-qatar-1236589230/>

44 *PlayMaker Studios Officially Launches at Saudi Arabia, Welcomes First Production*. Stage Runner, 6th December 2025. Accessible at: <https://stagerunner.net/playmaker-studios-officially-launches-at-saudi-arabia-welcomes-first-production/>

45 *Saudi Arabia's Groundbreaking Telfazl1 Studio Forges Music Licensing Partnership With Mdlbeast*. Variety, 22nd November 2025. Accessible at: <https://variety.com/2025/film/global/saudi-arabia-telfazl1-music-licensing-partnership-mdlbeast-1236603033/>

46 *Saudi Arabia Leads Effort to Pour \$900 Million Into Hollywood AI Firm, Giving Kingdom a Foothold In Future of Entertainment*. The Hollywood Reporter, 19th November 2025. Accessible at: <https://www.hollywoodreporter.com/business/business-news/saudi-arabia-investment-ai-luma-donald-trump-1236431180/>

47 *'Battlefield' maker Electronic Arts to go private in record-setting \$55 billion LBO*. Reuters, 29th September 2025. Accessible at: <https://www.reuters.com/business/media-telecom/electronic-arts-go-private-55-billion-deal-with-pif-silver-lake-2025-09-29/>

6. AI integration is becoming central to Creative Industries business strategy, with heightened legal and reputational risk

AI is increasingly viewed as a strategic asset for enhancing audience engagement and managing content libraries. At the same time, litigation over training data and rising public criticism of synthetic performers mean that AI use is becoming a well-established due diligence issue. Companies will need clear policies, detailed records of AI involvement and robust contractual provisions with talent and suppliers. Creative Industry leaders will need to balance the commercial opportunities of AI with the potential for legal exposure and backlash over consent and job displacement. Key examples include:

- Amazon launched Alexa+ scene-level search on Fire TV for Prime Video, using generative AI to locate specific moments based on natural language prompts, signalling AI as a point of differentiation in consumer products⁴⁸
- Reporting on Netflix's proposed acquisition of Warner Bros. Discovery (WBD) framed WBD's library as a strategic AI input, highlighting content ownership as a potential advantage for generative and interactive products⁴⁹
- A US court ordered OpenAI to disclose internal communications linked to the deletion of pirated-book datasets, increasing legal and financial exposure in copyright litigation⁵⁰
- South Korea released its first AI-incorporated feature film, reflecting rising experimentation with AI to expand visual scale and reduce cost, alongside debate over long-term creative impacts⁵¹
- Adobe's Firefly Foundry is set to introduce proprietary generative AI models that will work specifically to complement creative workflows⁵²

48 *Jump right to the movie scene you describe with the launch of Fire TV's new Alexa+ feature.* Amazon, 3rd December 2025. Accessible at: <https://www.aboutamazon.com/news/devices/fire-tv-alexa-plus-jump-to-the-scene>

49 *Warner Bros.' Hidden Appeal to Netflix: AI Supercharger.* The Hollywood Reporter, 5th December 2025. Accessible at: <https://www.hollywoodreporter.com/business/business-news/netflix-warner-bros-acquisition-ai-1236443199/>

50 *OpenAI Loses Key Discovery Battle as It Cedes Ground to Authors in AI Lawsuits.* The Hollywood Reporter, 26th November 2025. Accessible at: <https://www.hollywoodreporter.com/business/business-news/openai-loses-key-discovery-battle-why-deleted-library-of-pirated-books-1236436363/>

51 *South Korea debuts first AI feature film 'Run to the West.'* The Korea Herald, 13th October 2025. Accessible at: <https://www.koreaherald.com/article/10592453>

52 *Adobe Firefly Foundry Delivers Proprietary and On-Brand Generative AI Models for Businesses.* Adobe, 28th October 2025. Accessible at: <https://news.adobe.com/news/2025/10/adobe-max-2025-firefly-foundry>

7. Practical distribution and premium IP become priorities in XR development

The extended reality (XR) market is entering a more commercially focused phase of development. Developers and platforms are focusing on tools, partnerships and cross-device access that support real production and distribution, rather than large-scale platform-led “metaverse” concepts. High-profile IP is increasingly used to support higher-budget virtual reality projects, providing a clearer commercial rationale. As major platforms refine their investment priorities, growth is expected to be driven mainly by mid-scale projects and services, alongside occasional larger releases linked to established franchises or exclusive content. Key examples include:

- HTC reported one million monthly active users on its Viverse immersive social platform within a year, supported by WebXR browser access as well as VR headsets, signalling early traction for cross-device virtual worlds⁵³
- XREAL and Google unveiled Project Aura XR glasses for the Android XR ecosystem, with developer tools available and kits expected in 2026, signalling a coordinated push to scale spatial computing via Android⁵⁴
- Google expanded Android XR tooling and announced new Galaxy XR features, reinforcing a broader ecosystem approach to consumer and enterprise XR⁵⁵
- Major television and entertainment IP is expanding into high-end VR, including Teenage Mutant Ninja Turtles (1984–present)⁵⁶ and The Boys (2019–present)⁵⁷, with releases timed around franchise momentum and platform strategies
- UploadVR’s Winter 2025 Showcase featured 50+ VR/MR announcements across major platforms, indicating a sustained pipeline and a more diversified content mix⁵⁸
- VRARA hosted a guided immersive tour of a virtual Black Rock City recreation, highlighting XR as a vehicle for large-scale cultural participation and worldbuilding beyond traditional entertainment⁵⁹
- Meta reportedly considered cutting up to 30% of metaverse spend in 2026 while reallocating towards AI and wearables, signalling shifting platform investment priorities that creators and studios will need to track closely⁶⁰

53 HTC ‘VIVERSE’ Immersive Social Platform Hits 1 Million Monthly-active Users. Road To VR, 9th December 2025. Accessible at: <https://www.roadtovr.com/htc-viverse-immersive-social-platform-1-million-mau/>

54 First Look: Project Aura — The Next Step in XR for Android XR and Gemini. Xreal, 8th December 2025. Accessible at: <https://www.xreal.com/blog/aura-25-tas-release-en>

55 The Android Show: New features for Galaxy XR and a look at future devices. Google, 8th December 2025. Accessible at: <https://blog.google/products/android/android-show-xr-edition-updates/>

56 Teenage Mutant Ninja Turtles: Empire City Could Be the Ultimate TMNT Game. Games Hub, 10th December 2025. Accessible at: <https://www.gameshub.com/news/article/teenage-mutant-ninja-turtles-empire-city-2847264/>

57 First Official The Boys Video Game Is a VR Exclusive for Meta Quest 3 and PlayStation VR2. IGN, 10th December 2025. Accessible at: <https://www.ign.com/articles/first-official-the-boys-video-game-is-a-vr-exclusive-for-meta-quest-3-and-playstation-vr2>

58 Everything Announced At The UploadVR Showcase - Winter 2025. Upload VR, 5th December 2025. Accessible at: <https://www.uploadvr.com/everything-announced-at-the-uploadvr-showcase-winter-2025/>

59 VRARA Prepares to Host an Immersive Guided Tour Through BurnerSphere, the Virtual Reimagining of Black Rock City. Virtual Production World, 1st December 2025. Accessible at: <https://www.virtualproduction.world/vrara-prepares-to-host-an-immersive-guided-tour-through-burnersphere-the-virtual-reimagining-of-black-rock-city>

60 Meta could ax up to one-third of its ‘metaverse’ budget next year. The Verge, 4th December 2025. Accessible at: <https://www.theverge.com/news/838186/meta-metaverse-budget-cuts-2026>

3.2 Reference Stories

3.2.1. Microdrama is shifting from a format trend to a structured content strategy with clear investment, deal activity and commissioning logic

GLOBAL – MICRODRAMA INDUSTRY EYES US\$26 BILLION (~£19.4 BILLION) FUTURE AT CRISP'S SEOUL CONFERENCE: At the CRISP Seoul Conference, that took place on the 17th of November in Seoul, industry leaders projected that microdramas could represent a US\$26 billion (~£19.4 billion) future for entertainment. The event highlighted how short-form, vertical video storytelling is rapidly gaining traction as audiences increasingly consume content on mobile devices. Executives and creators emphasised that microdramas – short, high-quality narratives designed for platforms like TikTok and Instagram, are more than a trend. This view is reinforced by recent investments from major studios and technology companies, which signal growing confidence in the format. Together, these developments point to microdramas becoming a lasting part of digital entertainment and how it is created and consumed. ([Variety](#), 18th November 2025)

INDIA – MICRO-DRAMAS MAKE A LEAP FROM CHINA TO INDIA, FUELING A NEW CONTENT RACE: Ultra-short, fast-paced serialised videos are becoming one of the fastest-growing segments in India's digital entertainment market, with the industry projected to reach US\$1 billion (~£744 million) by 2030. Inspired by China's booming microdrama sector, Indian platforms, production houses and tech-backed startups are racing to build large libraries of bite-sized content aimed at smartphone-first audiences. Companies like ShareChat, Amazon's MX Player, Zee Entertainment and several VC-funded apps are investing heavily as millions of users shift from television to mobile viewing. While early Indian micro-dramas often adapted Chinese plots, rising competition and investment are pushing creators toward more original content. Most platforms currently rely on subscriptions, though experts expect advertising to become essential as user bases grow. With low production costs and a vast talent pool, industry observers anticipate a major surge in microdrama output over the next few years. ([CNBA](#), 20th November 2025)

UKRAINE – FOX ENTERTAINMENT INVESTS IN UKRAINIAN APP START-UP HOLYWATER, WILL PRODUCE 200-PLUS VERTICAL VIDEO SERIES INCLUDING MICRODRAMAS UNDER DEAL: Fox Entertainment has partnered with Holywater to invest in vertical video microdramas. By backing Holywater's creative approach, Fox is experimenting with bite-sized narratives and aiming to capture younger viewers who prefer quick, immersive experiences. The move highlights Fox's broader strategy to diversify beyond traditional television, positioning itself at the forefront of digital-first storytelling and exploring how vertical video can evolve into a legitimate medium for scripted entertainment. ([Variety](#), 9th October 2025)

US – HOLLYWOOD'S MAJOR STUDIOS, INCLUDING DISNEY AND FOX, ARE INVESTING IN MICRODRAMAS: Microdramas are rapidly expanding in Hollywood as major studios like Disney and Fox invest in the format to capture younger audiences accustomed to TikTok-style viewing. The genre, which first boomed in China, is now generating hundreds of low-budget productions in Los Angeles, creating work for actors, writers and crew members during a difficult period for the entertainment industry. However, many of these projects operate outside union contracts, raising labour concerns as some workers use pseudonyms to avoid penalties. Despite tensions, the format is becoming a rare source of steady employment, and companies such as ReelShort and DramaShorts are scaling up aggressively, relying on data-driven storytelling and high-volume output to keep viewers engaged and paying. ([LA Times](#), 26th October 2025)

3.2.2. Immersive Theatre emerges as a driver of new theatrical IP and audience growth

CANADA – BYGONE THEATRE IN TORONTO LAUNCHED INTENSIVE SKILLS PROGRAMME FOR IMMERSIVE THEATRE IN OCTOBER 2025: The programme expanded Immersive Theatre training by focusing on the development of technical and creative skills required to produce audience-centred, technology-driven performance. It combined workshops with a cohort-based model to teach tools such as projection mapping, coding and 3D design, while providing mentorship, studio access and hands-on experience with immersive installation work. The initiative was designed to support artists from varied backgrounds, offering structured training, industry connections and financial support options to enable participants to acquire practical skills for creating immersive theatrical environments. ([Bygone Theatre](#), 16th September 2025)

SOUTH KOREA – IMMERSIVE THEATRE STRENGTHENED ITS MARKET PRESENCE IN SEOUL IN 2025: Immersive Theatre formats in South Korea increasingly positioned audiences as active participants, with productions staged across cinemas, theatres and multi-room venues. Commercial traction was evidenced by *Sleep No More*, a multi-floor, wordless adaptation of *Macbeth*, which ranked among the top ten musicals nationwide by ticket sales in Q3 2025, according to the Korea Performing Arts Box Office Information System. Additional productions, including immersive musicals and literary adaptations staged at major cultural centres in Seoul, highlighted growing institutional uptake of the format. While the genre's appeal lay in its physical immersion and audience agency, commentators cited higher production costs, staffing needs and space requirements as ongoing constraints on scalability and long-term profitability. ([The Korea Bizwire](#), 3rd November 2025)

US – IMMERSIVE THEATRE CONTINUES TO GROW IN NEW YORK: Immersive Theatre is becoming a recurring part of New York's cultural programming, with new works appearing regularly across the city. Examples from the end of 2025 included *Room 204*, which stages an intimate, site-specific performance for small audiences inside a Greenwich Village hotel room, and *asses.masses*, an extended, game-inspired theatrical experience shaped by audience participation. These productions illustrate how immersive theatrical formats are increasingly integrated into New York's event landscape, appearing alongside other experiential offerings and contributing to a broader trend of interactive, narrative-driven entertainment. ([World Experience Organization Limited](#), October 2025)

3.2.3. Sustainability prioritised for the Creative Industries, with the film and television sector looking to sustainable infrastructure initiatives and clean power

EUROPE – NEW REPORT ON CULTURE AND SUSTAINABILITY IN EUROPE: The European Commission has released a new report, *Creative shifts: empowering culture for sustainable living*, which highlights how Europe's cultural and creative sectors can play a key role in advancing environmental sustainability. The report showcases existing "greening" practices across the arts, from energy-saving measures to circular production methods and sustainable mobility, while noting the sector's diverse challenges. It recommends better use of data, scaling successful initiatives, stronger policy support and improved knowledge-sharing to help cultural organisations reduce their environmental impact and contribute more effectively to Europe's broader climate goals. ([European Commission](#), 15th December 2025)

EUROPE – PARTICIPANTS ANNOUNCED FOR GREEN SKILLS FOR CINEMA AND AUDIOVISUAL PRODUCTION PROJECT:

The 12 participants of the Green Skills for Cinema and Audiovisual Production project, co-financed by the European Union under the Erasmus+ Programme – Action KA2 VET Area, have been announced. The programme, which is due to start in January 2026, is a European training initiative designed to equip sustainability managers with the skills needed to support environmentally responsible film and audiovisual productions. It combines online lessons with in-person workshops held in Italy, Greece, and Spain, offering participants practical experience with tools such as sustainability guidelines, carbon calculators, and certification processes. The training focuses on understanding production workflows, identifying where sustainability measures can be integrated, and developing best practices that can be shared across the industry. The project is delivered through a partnership of film commissions and cultural institutions committed to helping the sector reduce its environmental impact and modernise production methods. ([Veneto Film Commission](#), 15th December 2025)

GLOBAL – DECARBONISATION ROADMAP FOR FILM AND TELEVISION SECTOR PUBLISHED:

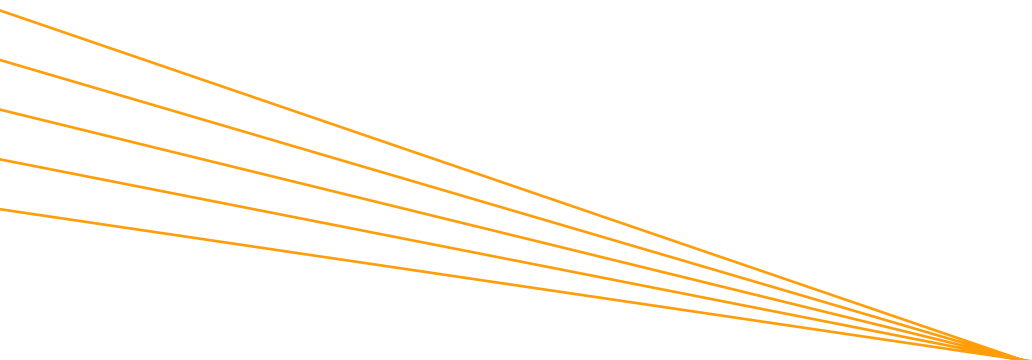
A roadmap has been published as part of the Clean Mobile Power Initiative – which was launched in 2023 by Netflix and The Walt Disney Company, with support from RMI and Third Derivative. The focus is on the shift for film and television productions away from diesel generators and toward clean mobile power solutions such as batteries, solar systems, and emerging hydrogen technologies. The roadmap explains the environmental, operational and creative advantages of these alternatives green technologies, highlights case studies from major studios adopting them, and describes how different industry stakeholders, from studios to equipment suppliers and on-set crews, can accelerate the transition. It also positions clean mobile power as both a practical improvement for production workflows and a necessary step toward long-term decarbonisation in the entertainment sector. ([RMI](#), 9th December 2025)

LATIN AMERICA – TORINOFILMLAB LAUNCHES GREEN LATAM LAB TO EMBED SUSTAINABILITY IN PRODUCTION:

TorinoFilmLab is expanding its sustainability agenda to Latin America through the Green Latam Lab, which launched in December 2025. The programme brings together 12 Latin American film professionals to work on three projects in pre-production, developing practical and production-ready sustainability strategies. It reflects TorinoFilmLab's shift from awareness-raising to hands-on implementation, integrating environmental planning directly into early-stage film development. ([Lifegate](#), 25th November 2025)

US – NYCEDC AND BUNGALOW PROJECTS ANNOUNCE THE CLOSING OF TRANSACTIONS TOTALING US\$552 MILLION (~£413 MILLION) FOR TWO STATE-OF-THE-ART FILM STUDIOS IN RED HOOK AND BUSHWICK:

New York City is advancing its film and television industry with the announcement of two new all-electric studios in Brooklyn, developed by Bungalow Projects in partnership with NYCEDC. These purpose-built facilities will be the first of their kind in the city, designed to operate entirely without fossil fuels while offering state-of-the-art soundstages and production spaces. The initiative reflects New York's commitment to sustainability and innovation, aligning with broader climate goals while strengthening the city's role as a global hub for media production. By combining green infrastructure with creative industry growth, the studios are expected to generate local jobs, attract major productions, and set a new standard for environmentally responsible filmmaking in urban environments. ([NYCEDC](#), 8th October 2025)



3.2.4. Virtual production is becoming a more mainstream production capability as infrastructure scales across Europe and multi-camera workflows prove viable for live output

CROATIA – CROATIA TO OPEN FIRST VIRTUAL PRODUCTION FACILITY IN NOVEMBER 2025: Croatia opened its first VP facility in Zagreb in November 2025, establishing a landmark moment for the nation's film and broadcast industry. Operated by Antitalent, the studio is equipped with 400 Ruby 2.6 LED panels from Roe Visual and the Megapixel Helios LED processing platform, delivering advanced capabilities for cinematic and broadcast projects. Supported by the NextGenerationEU recovery and resilience plan, the facility meets international standards and has positioned Zagreb as a new hub for immersive storytelling, attracting large-scale film, commercial, and television productions to the region. ([TVB Europe](#), 30th September 2025)

GERMANY – SONY AND SWR PILOT LIVE MULTI-CAMERA VIRTUAL PRODUCTION FOR BROADCAST USE: Sony Europe has partnered with German public broadcaster SWR to test a live multi-camera VP workflow using three tracked cameras, marking a first for live broadcast implementation. The three-month project assesses multiple production use cases, signalling growing interest among public broadcasters in VP as a tool for efficiency, flexibility and new creative formats. ([TVB Europe](#), 13th October 2025)

GLOBAL – BRAINSTORM RELEASES FREE CONFIGURABLE VIRTUAL SETS TO BROADEN ACCESS TO VIRTUAL PRODUCTION: Brainstorm has launched a free collection of fully customisable virtual sets for existing Brainstorm clients and software users, aiming to lower barriers to entry for broadcast-grade virtual production. The ready-made environments are designed for rapid deployment across news, sports, entertainment and corporate communications, reducing reliance on bespoke set design and long modelling timelines. Integrated directly into Brainstorm's real-time graphics ecosystem, the initiative reflects a wider industry shift towards democratised VP tools, enabling smaller broadcasters and in-house studios to achieve high-end visual results without additional capital expenditure. ([Virtual Production World](#), 27th November 2025)

NETHERLANDS – READYSET STUDIOS REBUILT AMSTERDAM'S FLAGSHIP APPLE STORE WITH VIRTUAL PRODUCTION AND VFX: Netflix's thriller iHostage (2025) showcases the cutting-edge capabilities of ReadySet Studios, which virtually rebuilt Amsterdam's flagship Apple Store using advanced VP and VFX. Instead of relying on traditional location shoots, the team recreated the iconic store in meticulous detail within a controlled studio environment, blending physical sets with digital extensions to achieve realism and flexibility. This approach not only allowed for greater creative control and safety but also demonstrated how VP can streamline complex shoots, reduce costs, and open new possibilities for storytelling. The project highlights the growing role of immersive technologies in modern filmmaking, positioning ReadySet Studios as a leader in Europe's VP landscape ([StageRunner](#), 18th November 2025)

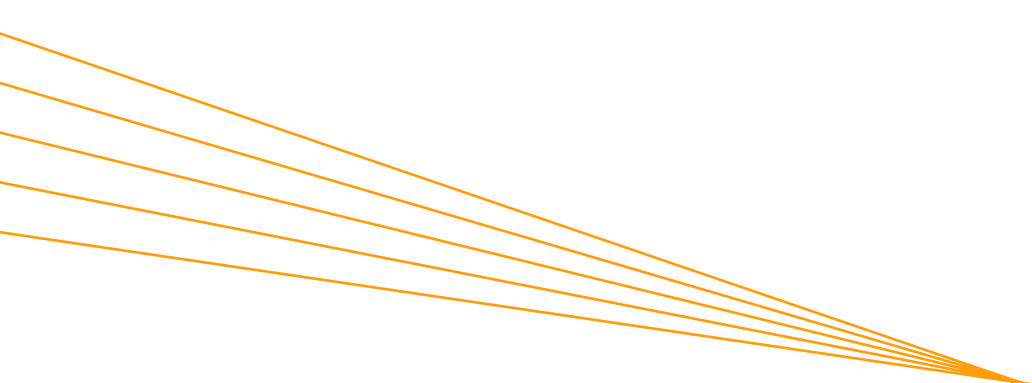
PORTUGAL – FIRST VIRTUAL PRODUCTION STUDIO OPENS IN LISBON: Empresa de Meios Audiovisuais (EMAV) has opened Lisbon's first dedicated VP studio, marking a milestone for Portugal's audiovisual infrastructure. Developed with system integrator VANTeC, the facility features a 25×5 m Alfalite Modularpix Pro 1.9 ORIM VP XR LED wall and an 8×5 m Modularpix Pro 3.9 HB VP XR LED ceiling, powered by Pixotope and TrackMen camera tracking. EMAV reports significantly reduced production timelines and improved creative control, positioning the studio as a new hub for VP in the Portuguese market. ([AICEP](#), 4th November 2025)

SOUTH KOREA – LG POWERS LARGE-SCALE VIRTUAL PRODUCTION STAGE AT STUDIOCUBE: LG Electronics has deployed its dedicated virtual production LED solution at Studio V, a new volume stage within StudioCube in Daejeon, South Korea's largest public filming facility. The installation features a J-shaped LED wall up to 8 metres high and 60 metres wide, with a 7,680Hz refresh rate, 99.07% DCI-P3 colour coverage and modular panels weighing 5.9 kilograms, designed to meet broadcast-grade camera requirements. The project, supported by the Korea Creative Content Agency, underscores national investment in next-generation production infrastructure to scale K-content output and reduce costs and emissions through VP workflows. ([LG Newsroom](#), 9th December 2025)

SPAIN – CORUÑA IMMERSIVE STUDIO EXPANDS AS GALICIA POSITIONS ITSELF AS A MAJOR AUDIOVISUAL HUB: Coruña Immersive Studio (CEI), operated by Pedralonga Estudios, is expanding with two new soundstages of 2,500 sqm and 2,000 sqm as part of a broader audiovisual campus in Pedralonga, Galicia. Backed by the Deputación da Coruña and Spain's Next Generation EU funding, the facility will bring total production space to 5,500 sqm, including offices, dressing rooms and technical areas. The existing infrastructure includes a 750 sqm VP stage with a 28 x 6 m LED wall at 1.9 pixel pitch, positioning CEI as a cornerstone of Galicia's ambition to become one of Spain's largest film and television production centres. ([Screen Daily](#), 26th September 2025)

US – FOX SPORTS BUILDS LARGE-SCALE MULTI-CAMERA VIRTUAL PRODUCTION STAGE FOR LIVE BROADCASTING: Fox Sports has unveiled Stage B, described as the world's largest live multi-camera LED volume, designed to overcome longstanding editorial and technical constraints in live virtual production. The facility integrates 32 concurrent render engines, GhostFrame synchronisation and a fully LED-based environment spanning more than 48 million pixels, enabling real-time perspective-accurate visuals across up to four cameras simultaneously. The infrastructure supports daily studio programmes and major live events, including preparations for the 2026 FIFA World Cup, signalling deeper investment in scalable, automation-enabled VP for live sports broadcasting. ([NewscastStudio](#), 3rd October 2025)

US – TRILOGY STUDIOS OPENS MULTI-STAGE VIRTUAL PRODUCTION FACILITY IN DALLAS: Trilogy Studios has opened a new virtual-production facility in Dallas in partnership with Optic8. The facility comprises three dedicated stages: a large main LED volume for film and television, a specialist car-process stage, and a smaller stage designed for commercials and music videos. The installation is powered by Brompton Technology Tessera SX40 processors and Absen LED panels, with the main stage alone featuring 3,633 sq ft of PR2.5 panels for the backdrop and 3,260 sq ft for the ceiling. The Dallas launch forms part of a wider rollout, with Trilogy and Optic8 also collaborating on virtual-production facilities in Nashville and Atlanta, signalling continued expansion of LED-volume infrastructure across the southern US. ([American Cinematographer](#), 9th December 2025)



3.2.5. MENA is accelerating infrastructure growth and investment in advanced media production

QATAR – LOS ANGELES POST-PRODUCTION STUDIO, COMPANY 3, SET TO LAUNCH MIDDLE EAST HUB IN QATAR: Company 3 is partnering with Media City Qatar to establish a new post-production and VFX studio in Doha, marking a significant step in Qatar's push to become a creative hub for film and television. The initiative is supported by Qatar's Film Committee and tied to the newly launched Qatar Screen Production Incentive, which offers up to 50% cash rebates on qualifying costs, with added bonuses for hiring local talent and promoting Qatari culture. Company 3, known for work on projects like *Wicked: For Good* (2025) and *Stranger Things: Season 5* (2025), also helped design the rebate programme to ensure it applies even to productions not filmed in Qatar. The Doha facility is expected to be completed within six months, reflecting Qatar's broader ambition to attract global creators and strengthen its film industry infrastructure ([Variety](#), 22nd November 2025)

QATAR – SONY AND QATAR'S FILM COMMITTEE FORGE PACT TO CO-FINANCE ARABIC FILM SLATE AS REBATE IS UNVEILED: Sony Pictures International Productions has partnered with the Qatar Film Committee to co-finance a slate of Arabic-language films, strengthening Qatar's ambition to become a regional hub for cinema. The collaboration is supported by the newly launched Qatar Screen Production Incentive, which offers up to 50% cash rebates on qualifying production and post-production costs. The program includes bonuses for hiring local talent and promoting Qatari culture and applies even to projects not filmed in Qatar. This marks Sony's first major Arabic-language slate deal, reflecting growing international interest in Qatar's film industry and its efforts to attract global studios while supporting regional storytelling. ([Variety](#), 22nd November 2025)

SAUDI ARABIA – PLAYMAKER STUDIOS OFFICIALLY LAUNCHES AT SAUDI ARABIA, WELCOMES FIRST PRODUCTION: Playmaker Studios has officially launched in Saudi Arabia. The new facility welcomed its first production, signalling the start of what is said to be a vibrant hub for film and television projects. Equipped with modern infrastructure and designed to meet international standards, Playmaker Studios aims to attract both local and global productions, fostering collaboration and creativity. Its opening aligns with Saudi Arabia's broader cultural and economic vision to diversify industries and position itself as a competitive player in the global media landscape. By offering state-of-the-art resources and opportunities for talent development, the studio is set to play a crucial role in shaping the future of storytelling in the region while contributing to the growth of the creative economy. ([StageRunner](#), 6th December 2025)

SAUDI ARABIA – SAUDI ARABIA'S TELFAZ11 STUDIO FORGES MUSIC LICENSING PARTNERSHIP WITH MDLBEAST: Saudi Arabia's leading creative studio Telfaz11 has entered into a landmark music licensing partnership with MDLBEAST, the region's premier music entertainment company. Announced in 2025, the collaboration grants Telfaz11 access to MDLBEAST's extensive catalogue of regional and international tracks, enabling the studio to integrate licensed music into its film, television, and digital productions. The deal strengthens Saudi Arabia's growing creative ecosystem by bridging film and music industries, while also expanding opportunities for local artists to reach global audiences through high-profile projects. ([Variety](#), 8th December 2025)

SAUDI ARABIA / US – SAUDI PUBLIC INVESTMENT FUND ANCHORS US\$900 MILLION (~£673 MILLION) INVESTMENT IN HOLLYWOOD-FOCUSED AI STUDIO: Saudi Arabia is leading a US\$900 million (~£673 million) funding round in Luma AI, a US-based generative video company developing AI models for film and entertainment, through its PIF-backed AI firm Humain. The deal gives Luma access to large-scale Saudi data centres and includes plans for a Riyadh office, significantly expanding its computing capacity for video and "world model" development. The investment strengthens Saudi Arabia's strategic foothold in advanced media technologies while raising fresh concerns among creatives about the impact of large-scale AI funding on jobs and rights in the Screen Sector. ([The Hollywood Reporter](#), 19th November 2025)

SAUDI ARABIA/US – ‘BATTLEFIELD’ MAKER ELECTRONIC ARTS ACQUIRED FOR US\$55 BILLION (~£41.1 BILLION): Electronic Arts has been acquired and taken private in a landmark US\$55 billion deal (~£41.1 billion), marking one of the largest transactions in the video game industry’s history. The deal, backed by Saudi Arabia’s Public Investment Fund (PIF) and US private equity firm Silver Lake, was finalised in September 2025. The acquisition ends EA’s decades-long run as a publicly traded company, positioning it under private ownership to pursue new strategic opportunities without the constraints of public markets. ([Reuters](#), 29th September 2025)

3.2.6. AI integration is becoming central to Creative Industries business strategy, with heightened legal and reputational risk

GLOBAL – ADOBE FIREFLY FOUNDRY DELIVERS PROPRIETARY AND ON-BRAND GENERATIVE AI MODELS FOR BUSINESSES: Adobe has launched Firefly Foundry at Adobe MAX 2025, introducing proprietary generative AI models that are transforming creative skillsets across industries. The platform allows businesses to build customised AI models trained on their own branded content – across images, video, audio, vector, and 3D assets, while working directly with Adobe experts. The objective of this development is to shift the focus of creative teams from repetitive asset production to guiding and refining AI outputs, elevating the importance of skills such as AI literacy, prompt engineering, ethical deployment, and creative curation. ([Adobe](#), 28th October 2025)

GLOBAL – AMAZON LAUNCHES ALEXA+ AI SCENE-LEVEL SEARCH FOR PRIME VIDEO ON FIRE TV: Amazon has introduced a new Alexa+ feature on Fire TV that allows users to jump directly to specific movie scenes on Prime Video using natural language descriptions. Powered by generative AI and built on Amazon Bedrock, the functionality interprets characters, quotes and actions to locate exact moments across thousands of indexed films, with plans to expand to television content. The update forms part of Amazon’s broader strategy to embed AI-driven discovery and navigation tools across its entertainment ecosystem, enhancing content accessibility and personalisation for Prime members. ([Amazon News](#), 3rd December 2025)

GLOBAL – FILM INDUSTRY BACKLASH GROWS AGAINST VIRAL AI ACTOR TILLY NORWOOD: Tilly Norwood, an AI-generated performer created by Xicoia, has prompted widespread criticism from actors and unions after being promoted as a potential studio-ready screen talent. Industry figures including SAG-AFTRA and performers such as Emily Blunt have condemned the concept, citing concerns over job displacement, consent and the use of human likenesses in AI-generated composites. The controversy highlights intensifying tensions around synthetic performers as studios and technology companies test the commercial viability of AI actors amid unresolved ethical and labour questions. ([The Guardian](#), 30th September 2025)

GLOBAL – MATTHEW MCCONAUGHEY, MICHAEL CAINE PARTNER WITH ELEVENLABS AS AI VOICES ENTER THE SPOTLIGHT: Hollywood icons Matthew McConaughey and Michael Caine have partnered with ElevenLabs, bringing their voices into the spotlight of AI innovation. The collaboration highlights how synthetic voice technology is moving from experimental novelty to mainstream entertainment, offering new possibilities for storytelling, dubbing, and interactive media. ElevenLabs, known for its advanced voice cloning and generative audio tools, is positioning itself at the forefront of this shift by working with globally recognised talent. This milestone reflects both the opportunities and challenges of integrating AI into the entertainment industry, signalling a new chapter in how audiences may experience familiar voices across platforms. ([StageRunner](#), 14th November 2025)

NEW ZEALAND – MICROSOFT LAUNCHES NEW DIGITAL SKILLS PROGRAMME FOR WEST AUCKLAND'S CREATIVE SECTOR: Microsoft has announced a new digital skills programme in West Auckland aimed at empowering the local creative sector. The initiative, developed in partnership with community organisations, focuses on equipping artists, designers, and creative entrepreneurs with essential digital tools and training for today's technology-driven economy. By providing workshops, mentorship, and access to resources, the programme seeks to bridge the digital divide and open new opportunities for creative professionals to expand their reach, grow their businesses, and engage with global audiences. It also highlights Microsoft's broader commitment to supporting inclusive growth and fostering innovation in local communities across Asia-Pacific. ([Microsoft](#), 29th October 2025)

SOUTH KOREA – FIRST AI-INCORPORATED FEATURE FILM DEBUTS IN KOREAN CINEMAS: *Run to the West* (2025) has premiered as South Korea's first feature-length film to make extensive use of artificial intelligence, marking a significant milestone for the country's film industry. Released by CJ CGV, the 60-minute fantasy film integrates AI-generated characters and environments alongside live-action performances to accelerate production and expand visual scale. The project reflects growing experimentation with AI as a creative and efficiency tool in Korean cinema, while prompting debate over the technology's long-term role relative to human-led filmmaking. ([The Korea Herald](#), 13th October 2025)

US – INDEPENDENT FILMMAKERS DEBATE ARTIFICIAL INTELLIGENCE AS COST-SAVING TOOL AND LEGAL RISK: Independent producers speaking to *The Hollywood Reporter* describe artificial intelligence as both a potential equaliser and a source of profound disruption, with tools such as OpenAI's Sora 2 enabling high-end visuals at a fraction of traditional costs. Producers argue that AI could reduce the budget of an animated feature from around US\$80 million (~£60 million) to under US\$10 million (~£7.5 million), making previously unviable projects financeable in the independent sector. At the same time, concerns around copyright, training data and disclosure requirements are intensifying, with buyers increasingly demanding clarity on whether and how AI has been used in production. ([The Hollywood Reporter](#), 13th November 2025)

US – OPENAI COMPELLED TO DISCLOSE INTERNAL COMMUNICATIONS IN AI COPYRIGHT LAWSUITS: A US federal court has ordered OpenAI to hand over internal employee communications relating to the deletion of large datasets of pirated books, strengthening the position of authors and publishers pursuing copyright claims. The ruling found that much of the material is not protected by legal privilege and could support allegations of "willful" infringement, which carry statutory damages of up to US\$150,000 (~£112,116) per work. The decision materially increases OpenAI's potential financial exposure and underscores growing legal risk around the use and handling of copyrighted material in artificial intelligence training. ([The Hollywood Reporter](#), 26th November 2025)

US – WARNER BROS. LIBRARY EMERGES AS STRATEGIC AI ASSET IN NETFLIX ACQUISITION: Analysis of Netflix's proposed acquisition of Warner Bros. highlights the studio's extensive content library as a critical input for AI training and user-generated content tools. Ownership of decades of film and television IP would significantly strengthen Netflix's capacity to develop generative and interactive products, complementing its existing data and machine-learning capabilities. The US\$82 billion (~£61.3 billion) deal would reposition Netflix relative to rivals such as Disney, which are also moving to integrate artificial intelligence into franchise exploitation while retaining control over proprietary training data. ([The Hollywood Reporter](#), 5th December 2025)

3.2.7. Practical distribution and premium IP become priorities in XR development

GLOBAL – GOOGLE EXPANDS ANDROID XR ECOSYSTEM WITH NEW GALAXY XR FEATURES AND UPCOMING DEVICES: Google has announced new software updates for the Samsung Galaxy XR headset, including PC Connect for Windows streaming, a stabilised travel mode, and “Likeness”, a real-time expressive digital avatar for video calls. The company confirmed wider developer access through Android XR SDK Developer Preview 3, signalling a push to scale consumer and enterprise XR through diversified hardware and tighter AI integration. ([Google](#), 8th December 2025)

GLOBAL – THE VR/AR ASSOCIATION (VRARA) TO HOST GUIDED IMMERSIVE TOUR OF VIRTUAL BLACK ROCK CITY RECREATION: VRARA hosted a two-day immersive event in December showcasing BurnerSphere, a large-scale virtual reimagining of Burning Man’s Black Rock City, accessible via virtual reality headsets or PC and Mac through Steam. The initiative highlights growing interest in extended reality as a platform for large-scale cultural worldbuilding, remote participation and new forms of experiential storytelling beyond entertainment. ([Virtual Production World](#), 1st December 2025)

GLOBAL – UPLOADVR SHOWCASE WINTER 2025 SIGNALS STRONG PIPELINE OF VIRTUAL AND MIXED REALITY CONTENT: The UploadVR Showcase – Winter 2025 featured more than 50 virtual reality and mixed reality announcements, spanning new releases, early access launches and updates across Meta Quest, SteamVR and PlayStation VR2. The line-up highlighted continued momentum in co-operative shooters, horror, fitness, rhythm and mixed reality experiences, with multiple titles scheduled for release between December 2025 and Q1 2026. The breadth of announcements underlines sustained developer activity and platform investment, reinforcing virtual reality’s shift towards a more diverse, mid-scale and service-oriented content ecosystem. ([UploadVR](#), 5th December 2025)

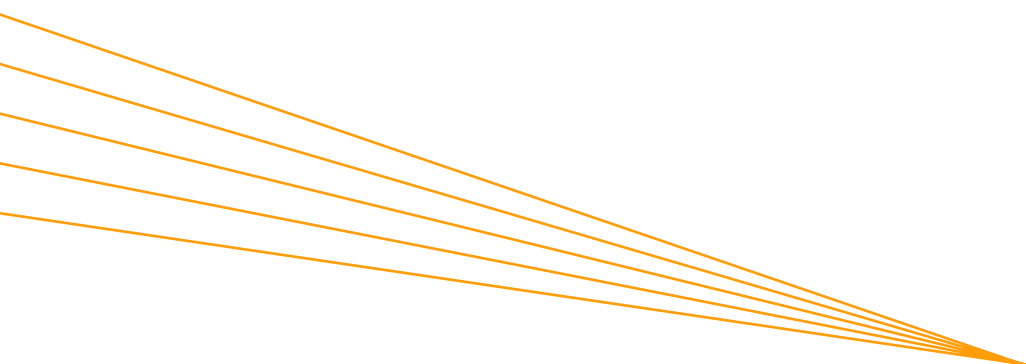
GLOBAL – XREAL AND GOOGLE UNVEIL PROJECT AURA WIRED XR GLASSES FOR ANDROID XR ECOSYSTEM: XREAL has revealed Project Aura, a new generation of wired extended reality glasses developed in partnership with Google and designed for the Android XR ecosystem. The device combines XREAL’s proprietary X1S spatial computing chip and optical see-through display with Google’s Android XR platform and Gemini artificial intelligence capabilities, targeting both consumer and enterprise use cases. Developer tools are available immediately, with developer kits expected in 2026 ahead of a planned commercial launch the same year, signalling a coordinated push to scale Android-based spatial computing beyond early adopters. ([XREAL](#), 8th December 2025)

TAIWAN – HTC REPORTS ONE MILLION MONTHLY ACTIVE USERS ON VIVERSE IMMERSIVE SOCIAL PLATFORM: HTC has announced that its Viverse immersive social platform has reached one million monthly active users less than a year after launch, marking an early adoption milestone for the company’s user-generated virtual worlds strategy. Viverse is accessible via standard web browsers as well as virtual reality headsets through WebXR, broadening reach beyond dedicated hardware and supporting cross-device participation. The user milestone was announced alongside a global student hackathon showcasing immersive storytelling, games and social experiences, reinforcing HTC’s focus on creator engagement and web-based immersive distribution. ([HTC](#), 9th December 2025)

US – META CONSIDERS CUTTING UP TO 30% OF METAVERSE SPEND AMID SHIFT TOWARDS ARTIFICIAL INTELLIGENCE: Meta is considering reducing its metaverse-related budget by up to 30% in 2026, a move that would affect teams working on Quest virtual reality headsets and the Horizon Worlds platform, according to reporting by Bloomberg. The potential cuts come as Chief Executive Mark Zuckerberg reallocates investment towards artificial intelligence, including AI glasses and wearables, following sustained losses at Reality Labs of more than US\$70 billion (~£52.3 billion) since 2021. While the reductions have not been finalised, Meta has indicated it is actively shifting resources away from metaverse initiatives towards areas showing stronger momentum in AI-driven hardware and software. ([The Verge](#), 4th December 2025)

US – OFFICIAL THE BOYS VIRTUAL REALITY GAME ANNOUNCED AS PLATFORM EXCLUSIVE FOR META QUEST 3 AND PLAYSTATION VR2: The Boys: Trigger Warning has been unveiled as the first official video game adaptation of the television series, launching exclusively on Meta Quest 3 and PlayStation VR2 in spring 2026. The release aligns with the final season of The Boys (2019-present), underscoring a coordinated strategy to extend premium television IP into high-end immersive formats. ([IGN](#), 10th December 2025)

US – VIRTUAL REALITY ADAPTATION OF TEENAGE MUTANT NINJA TURTLES SET FOR 2026 RELEASE: Teenage Mutant Ninja Turtles: Empire City has been announced as the franchise's first fully realised virtual reality title, scheduled for release in 2026 across Meta Quest, Pico and Steam VR platforms. Developed by Cortopia Studios and published by Beyond Frames Entertainment, the game places players in first-person roles as the four Turtles, combining action, stealth and co-operative gameplay within a stylised New York City setting. The title signals a strategic expansion of established entertainment IP into immersive formats, reflecting continued investment in high-production-value virtual reality content tied to globally recognised franchises. ([GamesHub](#), 10th December 2025)



CoSTAR Foresight Lab
Goldsmiths, University of London
New Cross
London SE14 6NW

costarforesightlab@gold.ac.uk

costarnetwork.co.uk/labs/foresightlab