

EQUITY

**Competition and Markets Authority:  
Inquiry on the Paramount/Warner Bros. Discovery merger**

**April 2026**

## About

Equity is the largest creative industries trade union with 50,000 members united in the fight for fair terms and conditions across the performing arts and entertainment. Our members are actors, singers, dancers, designers, directors, models, stage managers, stunt performers, circus performers, puppeteers, comedians, voice artists, supporting artists and variety performers. They work on stage, on TV and film sets, on the catwalk, in film studios, in recording studios, in night clubs and in circus tents.

## Contact

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## Response

1. Equity welcomes this opportunity to provide evidence to the Competition and Markets Authority (CMA). We are concerned that the proposed merger between Paramount and Warner Bros. Discovery would cause irreparable harm to our members' working lives as well as the UK screen industries more broadly.
2. First, by combining two major commissioning studios into one, there would be fewer productions and therefore fewer employment opportunities for the UK's creative workforce.
3. Second, a further concentration of power would exert downward pressure on our members' earnings. Monopsony theories of labour markets maintain that firms in concentrated labour markets reduce labour use in order to decrease wages. In a recent study, the CMA's Microeconomics Unit found that "[f]or comparable workers working in comparable firms, a move from a market with many employers (in the least concentrated 10% of labour markets) to a highly concentrated labour market with few employers (in the most concentrated 10% of labour markets) is associated with a roughly 4% decrease in a worker's wage" and that "for two comparable workers, the worker in a more concentrated labour market also tends to work fewer hours compared to her counterpart in a less concentrated market."<sup>1</sup> The study reported that for workers covered by collective bargaining agreements, the negative relationship between labour market concentration and their wages "effectively disappears."<sup>2</sup> Nevertheless, as not all Equity members are covered by collective agreements for their work, our concerns remain – particularly in light of the impact on secondary payments, discussed below.
4. Our third concern relates to the detrimental impact on secondary payments for our members. Royalty and residual payments are a key source of revenue for performing artists. This partly helps stabilise earnings in a precarious, feast-or-famine industry. Since December 2017, Equity's Distributions Team has paid out £65 million to performers.<sup>3</sup> By reducing the number of commissions, the proposed merger would result in fewer

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<sup>1</sup> CMA Microeconomics Unit, [Competition and market power in UK labour markets](#), 25 January 2024, p. 7-8.

<sup>2</sup> *Ibid.*, p. 7.

<sup>3</sup> Equity, [Distributing Secondary Payments](#), n.d.

opportunities for earning this type of income. Crucially, the merger would also establish a corporate entity that would wield control over production, distribution and streaming platforms. This would allow it to keep exploitation within its own global platforms, shrinking the scale of content that is licensed or sold into new territories, thus further reducing our members' ability to earn residual payments.

5. Fourth, Equity is worried that the proposed merger would exacerbate the UK's screen industries' vulnerability to a shrinking number of decision-makers in the US. A key challenge posed by overseas investment to UK film-making capacity is that most of the rights, profits and ongoing revenue return to the resident country of the investing company. A sizeable proportion of the UK's film and high-end television (HETV) is made by production companies that are commissioned on the basis of work-for-hire, meaning the rights in the production reside outside of the UK. This creates a vicious circle of reliance on external capital – as in the case of the UK screen industries, which are now wholly dependent on high levels of inward investment. The British Film Institute found that, while the overall expenditure on film and HETV reached record levels in 2025, inward investment delivered 85% of this financing.<sup>4</sup> This proportion generates significant exposure to shifts in global production markets or external shocks. The rapid shift towards monopoly by these US-based companies poses significant challenges to UK film-making. Their practices of acquiring and shutting down production companies, controlling significant shares of distribution, and becoming ever-more centralised sources of financing are already driving structural changes in the UK entertainment industry. Disney, for example, reduced its film output by 65% between 2009 and 2017, despite studio acquisitions worth nearly \$80bn during the same period.<sup>5</sup>
6. In sum, if the merger proceeds, the UK's creative workforce would work fewer hours, for less money, and be dangerously exposed to the vagaries of corporate decision-makers over which neither the UK industry nor government have purchase.
7. Others have expressed similar concerns.
8. The Writers Guilds of America West and East affirmed: "A combined Warner Bros. and Netflix would create a behemoth with tremendous leverage to reduce content, raise prices, suppress member compensation and worsen working conditions. Importantly, an acquisition of Warner Bros. by Paramount or another major studio would lead to the same dire consequences for our members. Either merger would eliminate a buyer of our members' work and a producer of scripted content. Lower pay for writers also means fewer writers can earn a living from their writing work."<sup>6</sup>
9. Over a thousand actors and other creatives signed a joint letter expressing their unequivocal opposition to the merger, which they said would result in:

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<sup>4</sup> BFI, [Official BFI statistics reveal £6.8 billion film and high-end TV production spend in the UK](#), 5 February 2026.

<sup>5</sup> Writers Guild of America West, [The New Gatekeepers: How Disney, Amazon, and Netflix Will Take Over Media](#), August 2023, p. 4.

<sup>6</sup> Writers Guild of America West and Writers Guild of America East for the Committee on the Judiciary Subcommittee on the Administrative State, Regulatory Reform, and Antitrust, [Hearing: Full Stream Ahead: Competition and Consumer Choice in Digital Streaming](#), US House of Representatives, 7 January 2026, p. 4.

“fewer opportunities for creators, fewer jobs across the production ecosystem, higher costs and less choice for audiences in the United States and around the world. Alarming, this merger would reduce the number of major US film studios to just four.

Our industry is already under severe strain, in large part due to prior waves of consolidation. We have witnessed a steep decline in the number of films produced and released, alongside a narrowing of the kinds of stories that are financed and distributed. Increasingly, a small number of powerful entities determine what gets made – and on what terms – leaving creators and independent businesses with fewer viable paths to sustain their work.

Media consolidation has accelerated the disappearance of the mid-budget film, the erosion of independent distribution, the collapse of the international sales market, the elimination of meaningful profit participation and the weakening of screen credit integrity.

Together, these factors threaten the sustainability of the entire creative community.”<sup>7</sup>

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<sup>7</sup> Cited in Catherine Shoard, [Mark Ruffalo and Emma Thompson among 1,000+ signatories on open letter opposing Paramount’s Warner buyout](#), *The Guardian*, 13 April 2026.