

User Rights and Sectoral Impacts

Walter G. Park
American University,
Department of Economics

10th April 2017

MICRO DATA

- Thomson Eikon/Datastream
 - Public & Private Companies
 - Multiple Industries
 - Multiple Countries
 - Time Series
- Sample Results for
 - Select Industries and Countries
 - Market Concentration, Competition, Rates of Return, R&D Intensity

Selected Industries

Copyright/Information Industries

Motion Picture and Video Industries

Newspaper, Periodical, Books, etc.

Radio and Television Broadcasting

Satellite Telecommunications

Software Publishers

Sound Recording Industries

Cable and Other Subscription Programming

Data Processing, Hosting, and Related

Wired Telecommunications Carriers

Wireless Telecommunications Carriers

Other Telecommunications

Other Information Services

Complementary Industries

IT Services & Consulting

Integrated Telecommunications Services

Online Services

Software Services & Consulting

Wireless Telecommunications Services

Selected Countries: 1990 - 2016

U.S.A.	Netherlands	France
U.K.	Korea	Japan
Germany	Spain	Brazil
Canada	Australia	

Issues:

1) Nature of Markets

- *How concentrated are markets? How competitive?*
- *What has been the impact of copyright regulations, as well as user rights/openness?*

2) Firm Performance

- *Have changes in copyright regimes and market competition harmed/improved “profitability”?*
- *What are the impacts on the R&D incentives of complementary industries affected?*

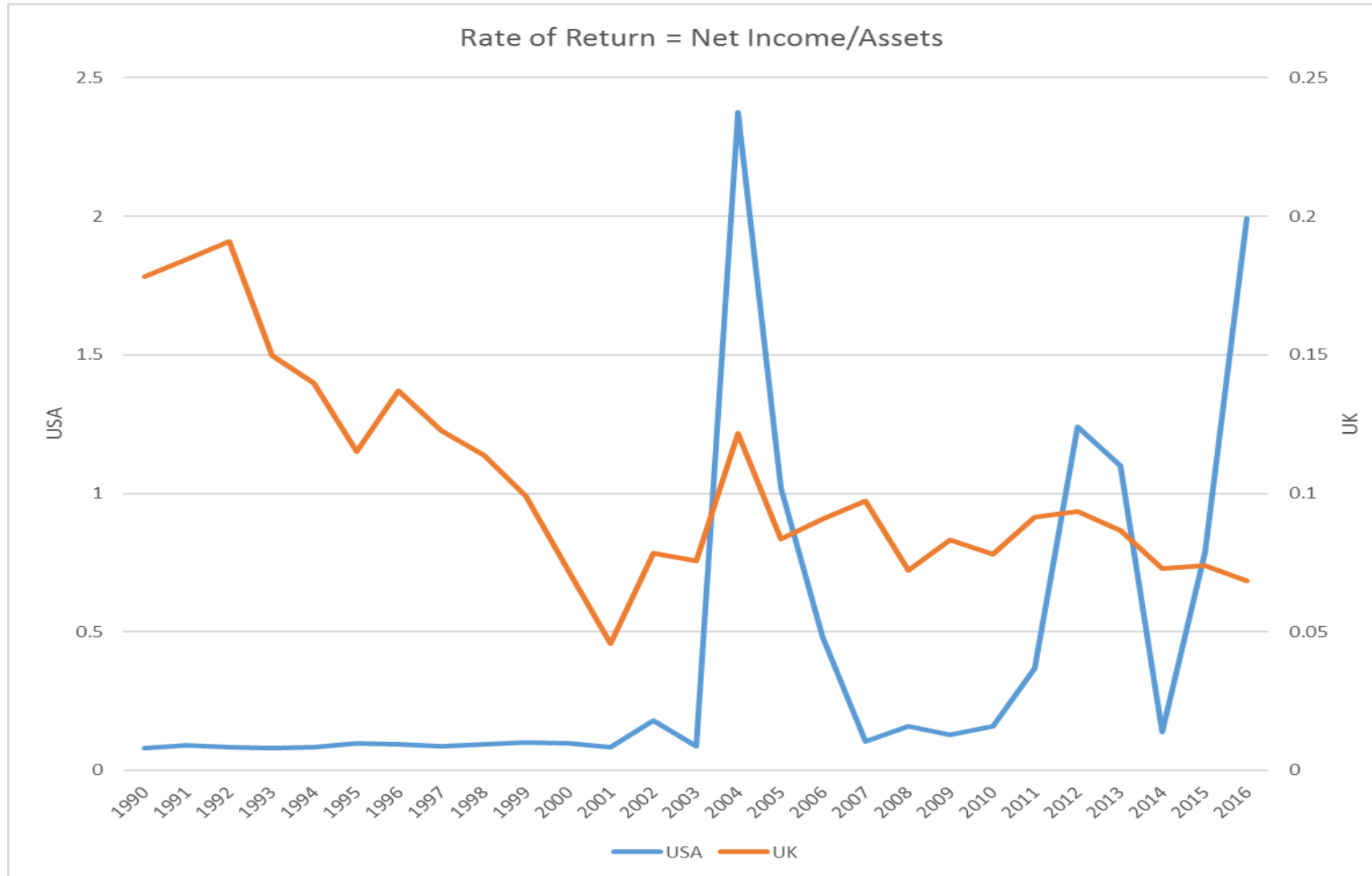
Market Concentration -- Copyright Sector

$$HHI = \sum_{i=1}^N s_i^2$$

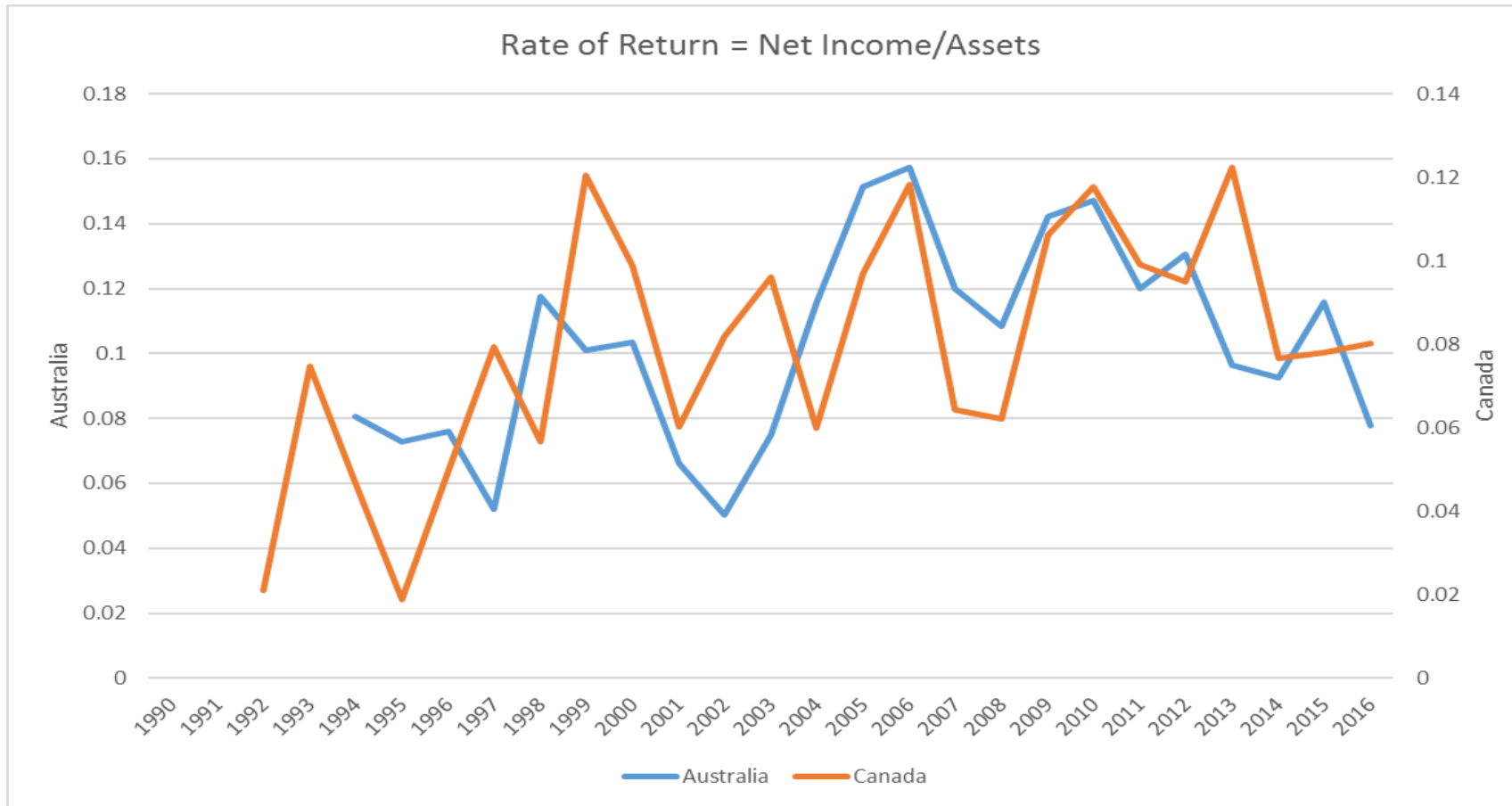
year	USA	UK	Germany	Canada	Netherlands	Korea	Taiwan	Australia
1990	0.138	0.467						
1995	0.089	0.302	0.453	0.899	0.310			0.500
2000	0.056	0.208	0.294	0.229	0.287	0.476	0.498	0.449
2005	0.036	0.180	0.285	0.115	0.276	0.413	0.434	0.425
2010	0.038	0.188	0.265	0.070	0.183	0.337	0.329	0.414
2016	0.026	0.176	0.234	0.057	0.130	0.247	0.378	0.332

HHI ~ Herfindahl-Hirschman Index

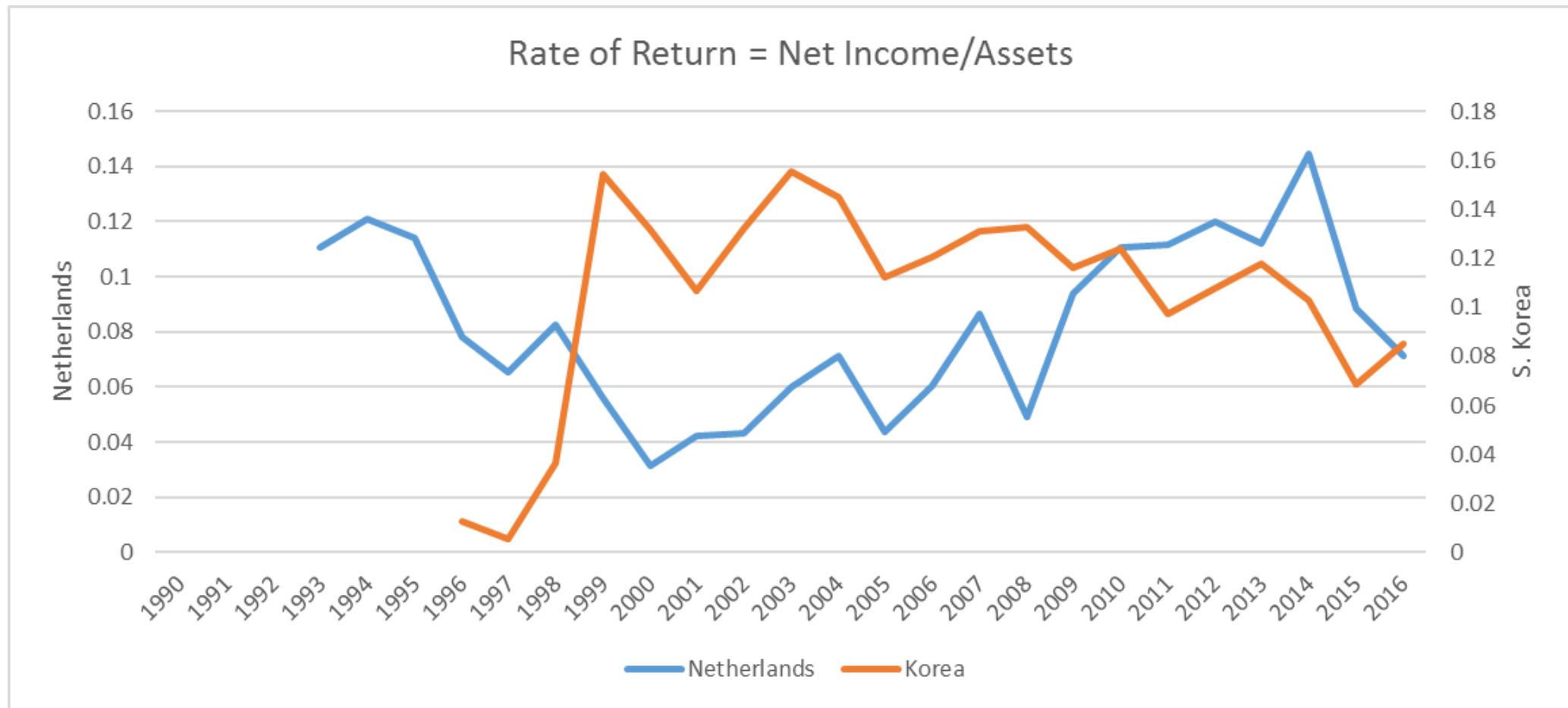
Market Performance – Copyright Sector



Market Performance – Copyright Sector



Market Performance – Copyright Sector



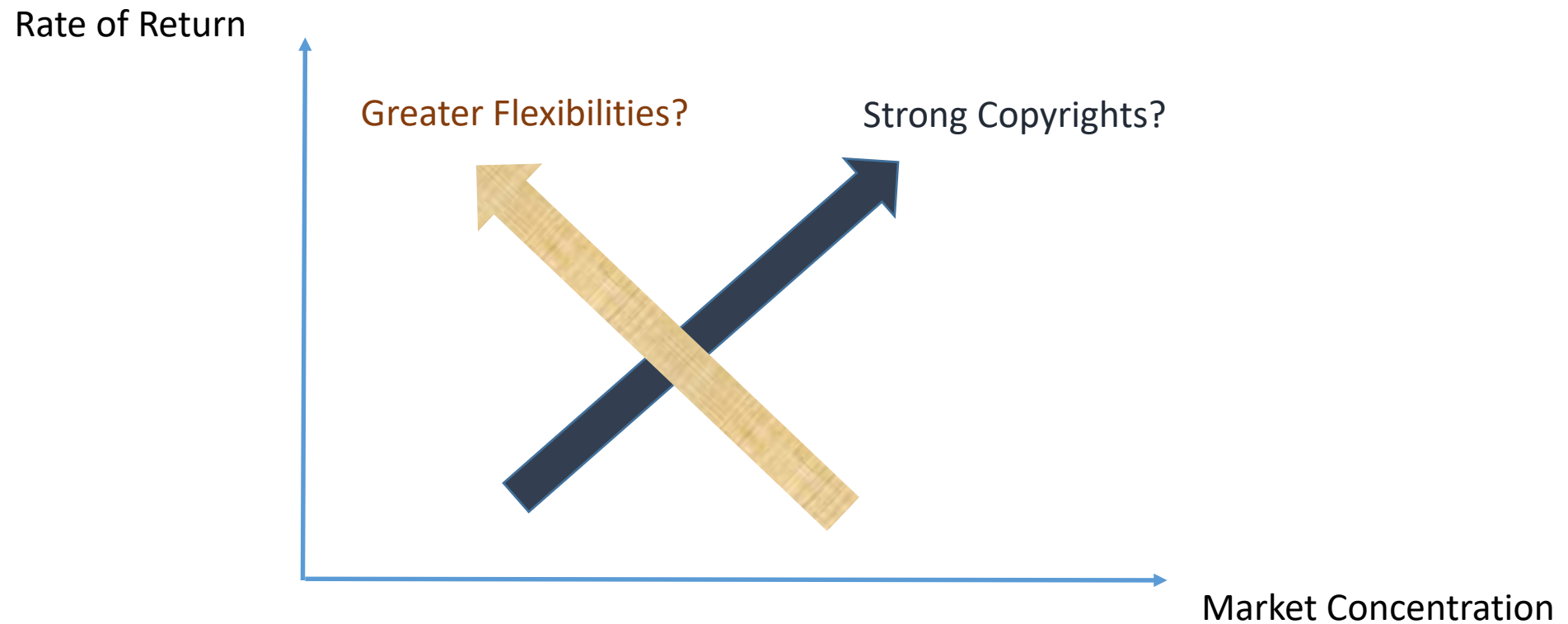
R&D Intensity in the Complementary Industries

- R&D/Sales Ratio

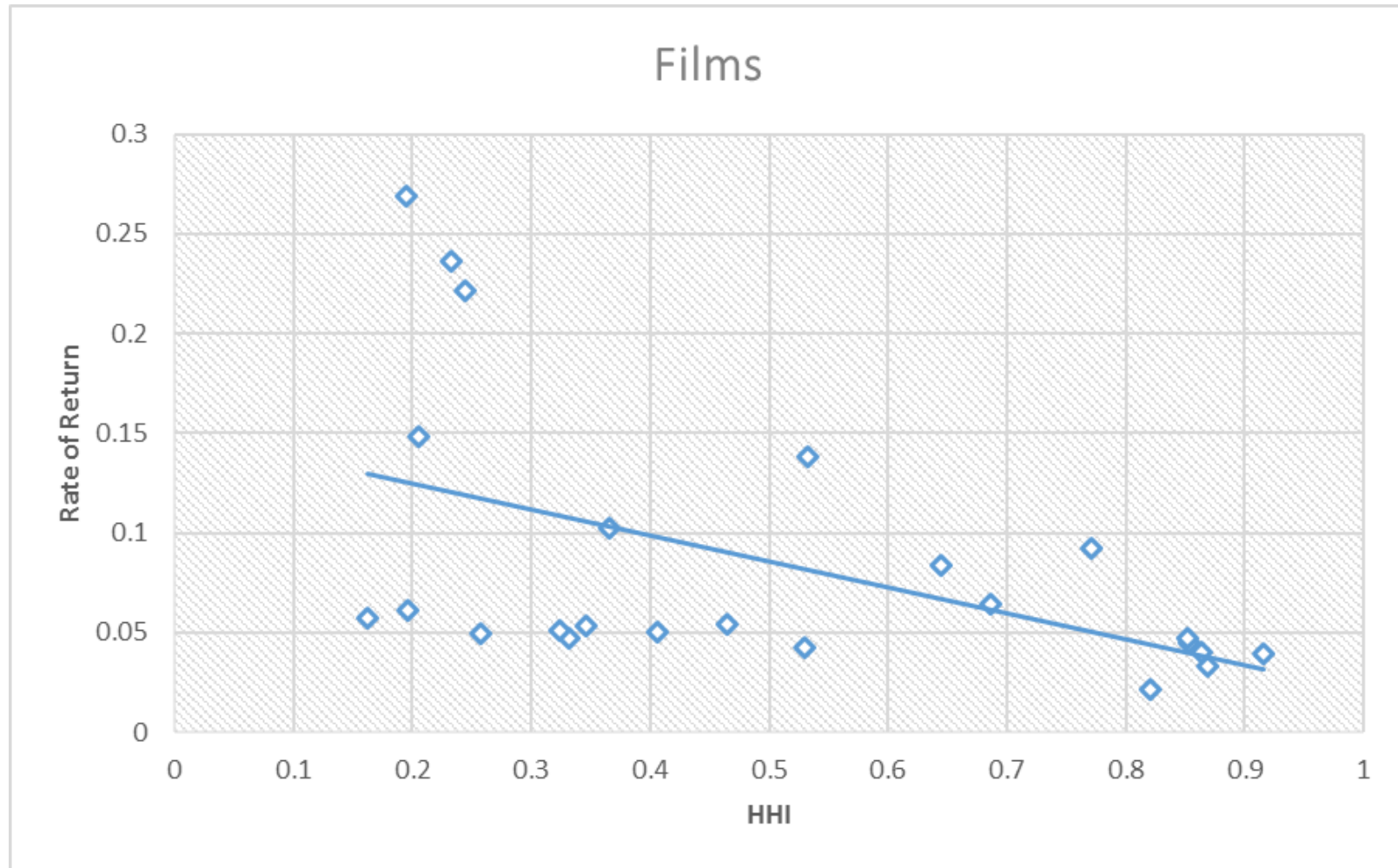
year	US	UK	Germany	Netherlands	Korea	Canada	Japan	Brazil
1990-1995	6.08				0.09		5.49	
1996-2000	8.67	10.82	21.03		1.51	2.99	2.90	4.30
2001-2005	9.28	15.32	19.95	2.95	2.53	8.38	2.47	4.47
2006-2010	7.44	4.25	14.48	2.13	3.16	7.76	2.28	3.97
2011-2016	7.73	8.62	14.83	3.27	5.80	12.46	2.59	2.38

Hypotheses

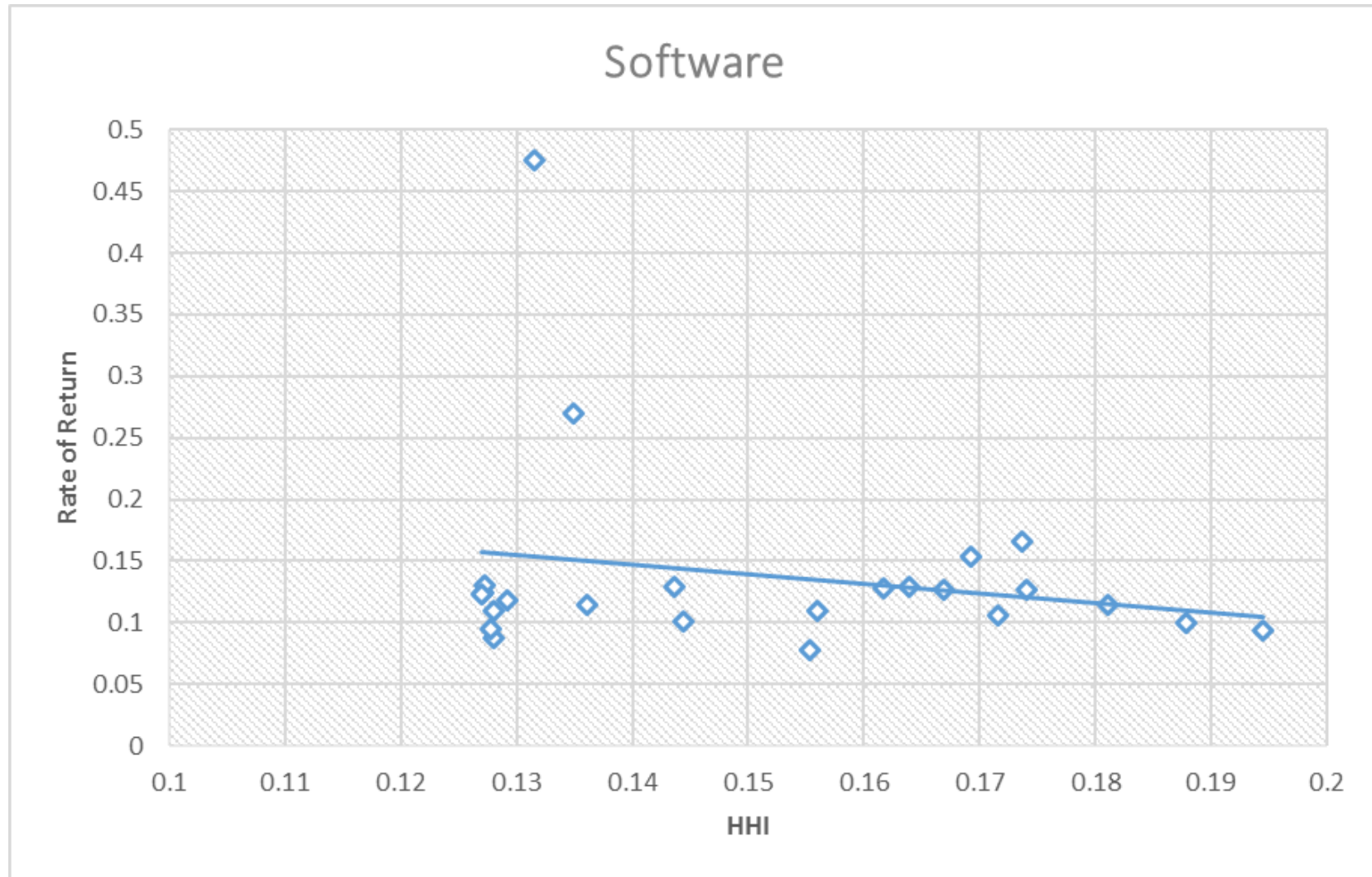
- What might we expect?



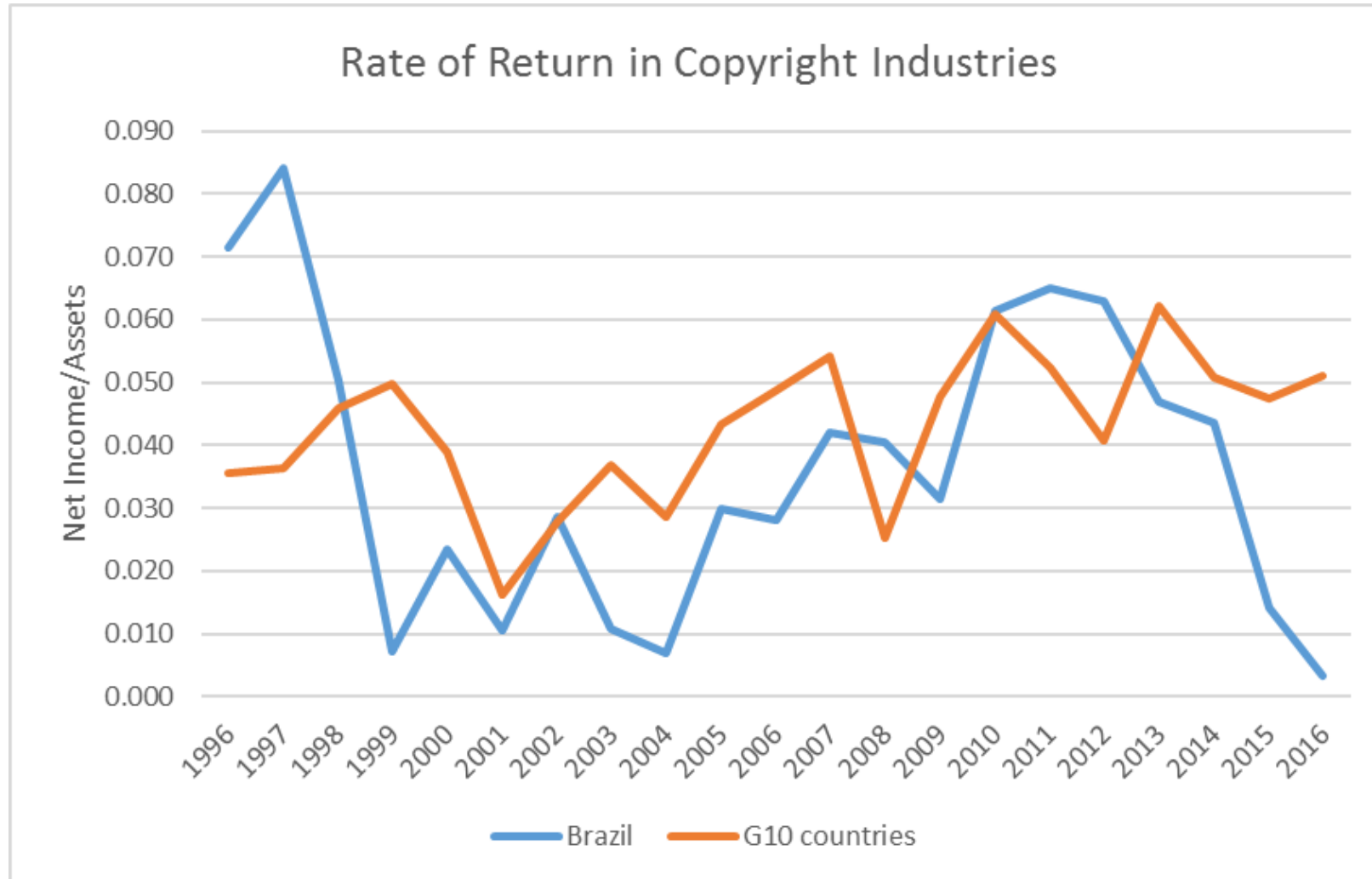
... Look at the U.S.



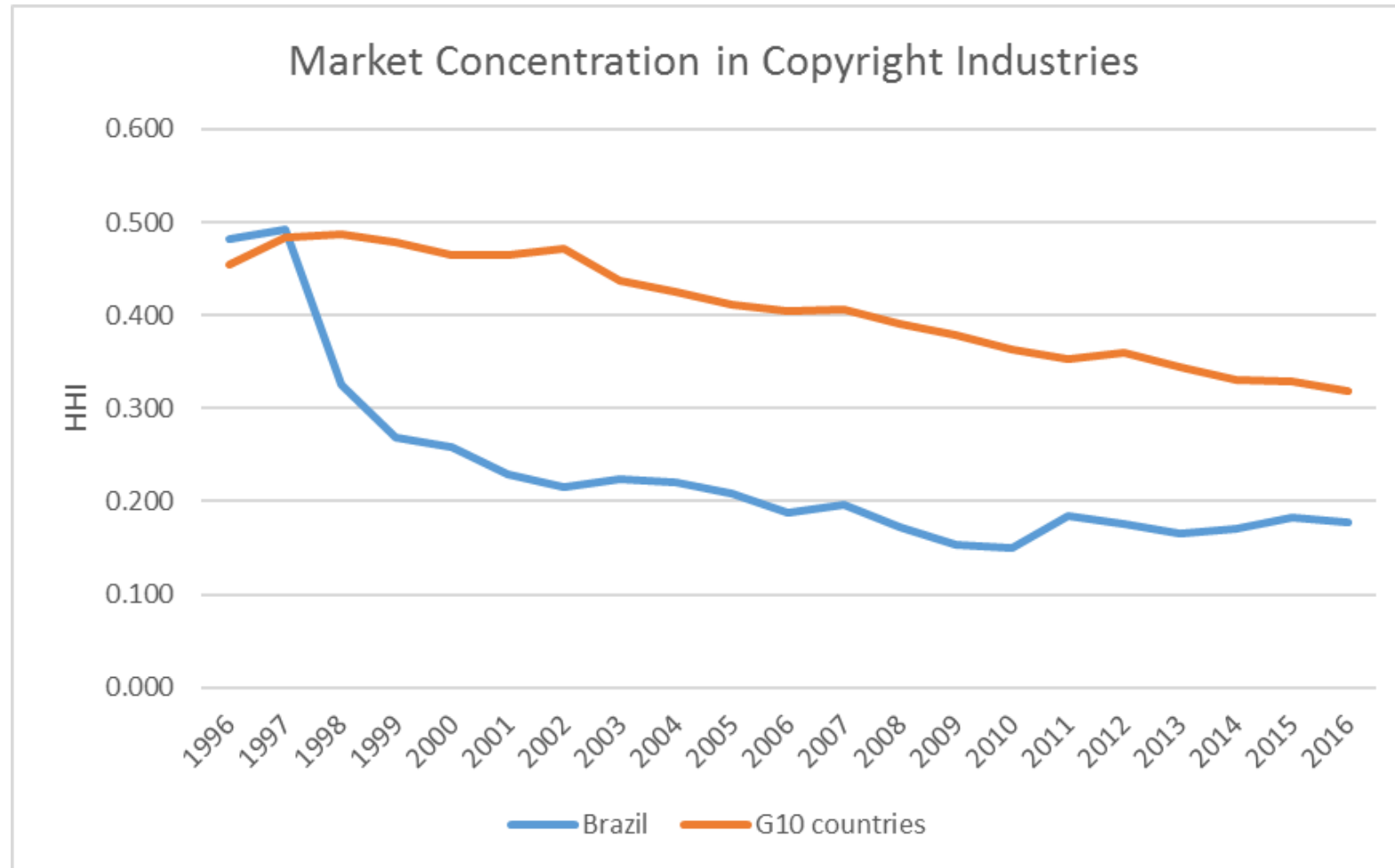
... Look at the U.S.



Brazil vs. G-10

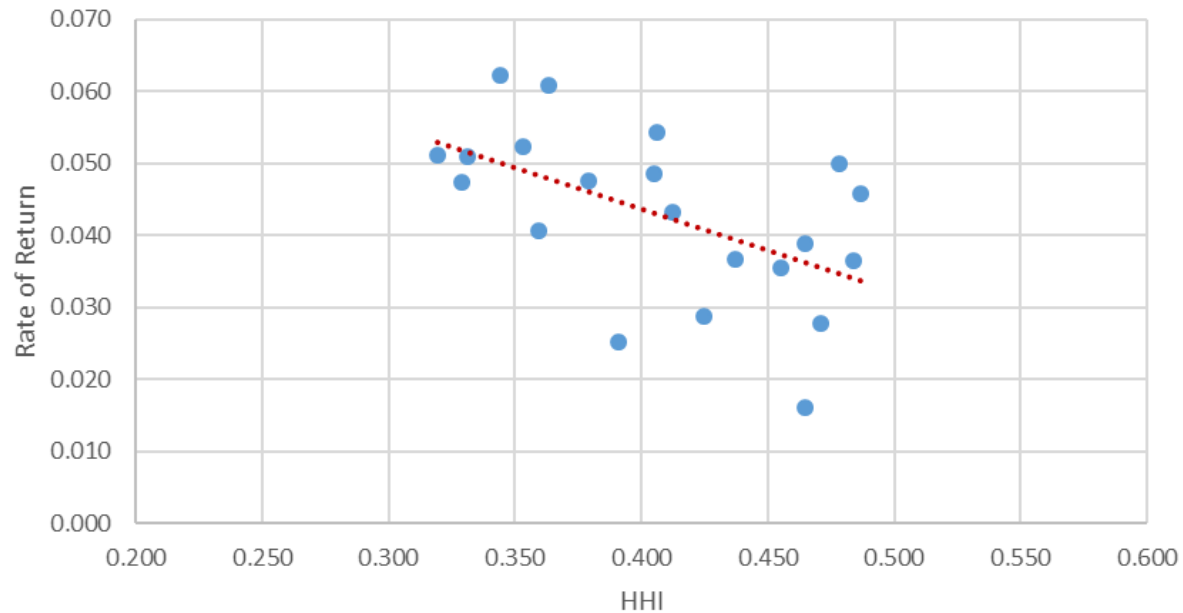


Brazil vs. G-10

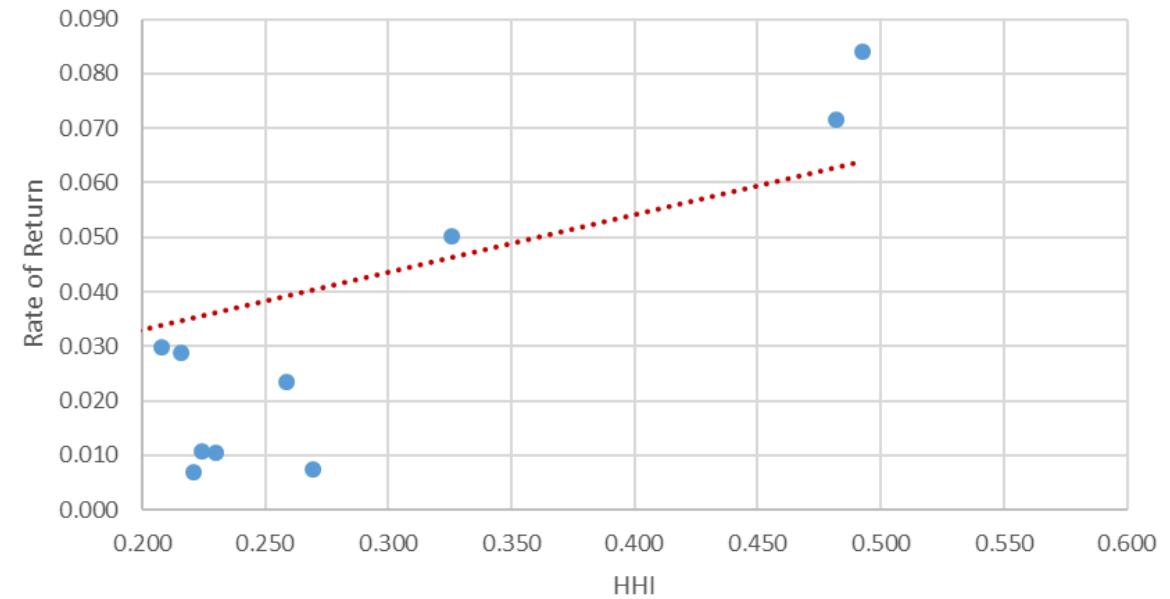


Copyright Market Structure, Conduct, and Performance

Concentration and Profitability, G10

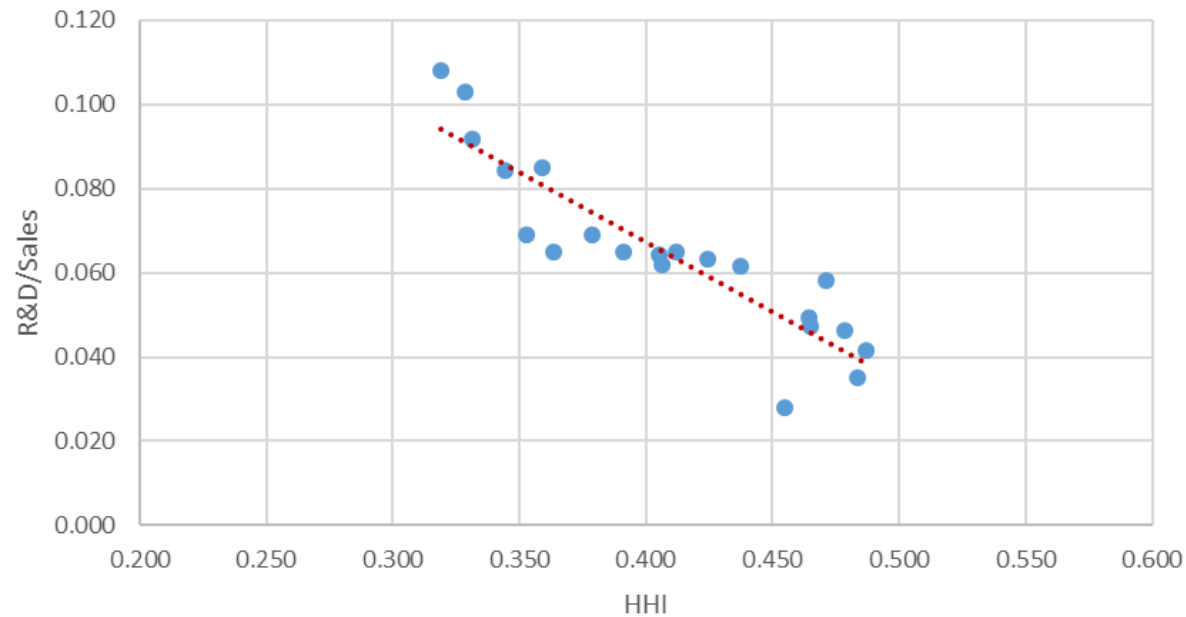


Concentration and Profitability, Brazil

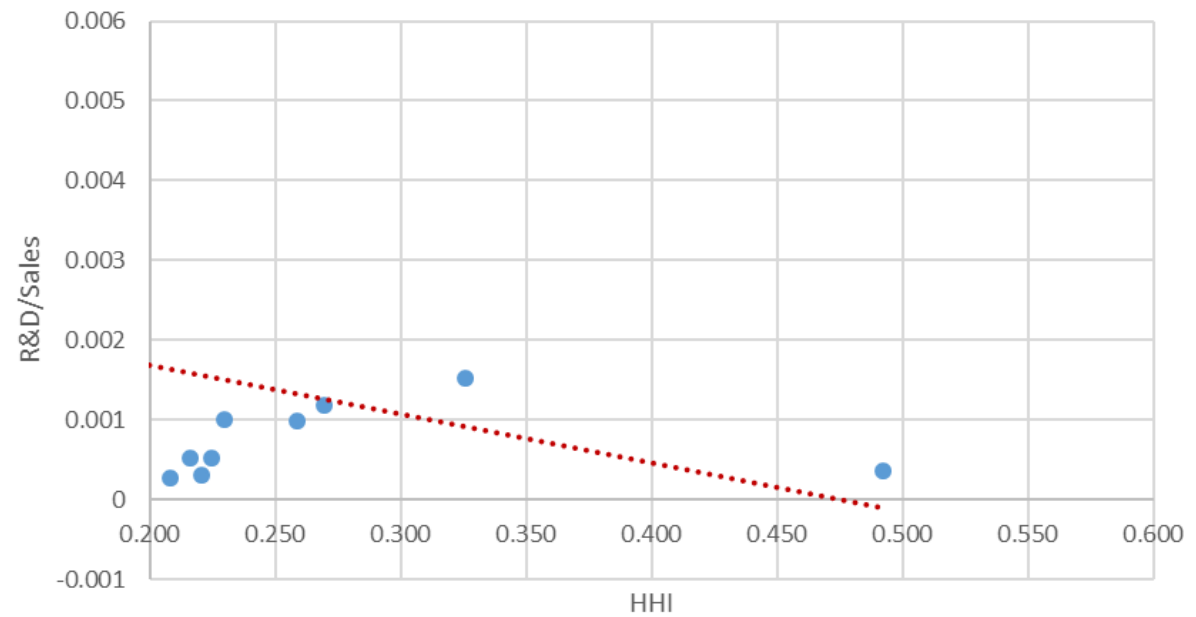


Copyright Market Structure and R&D Intensity

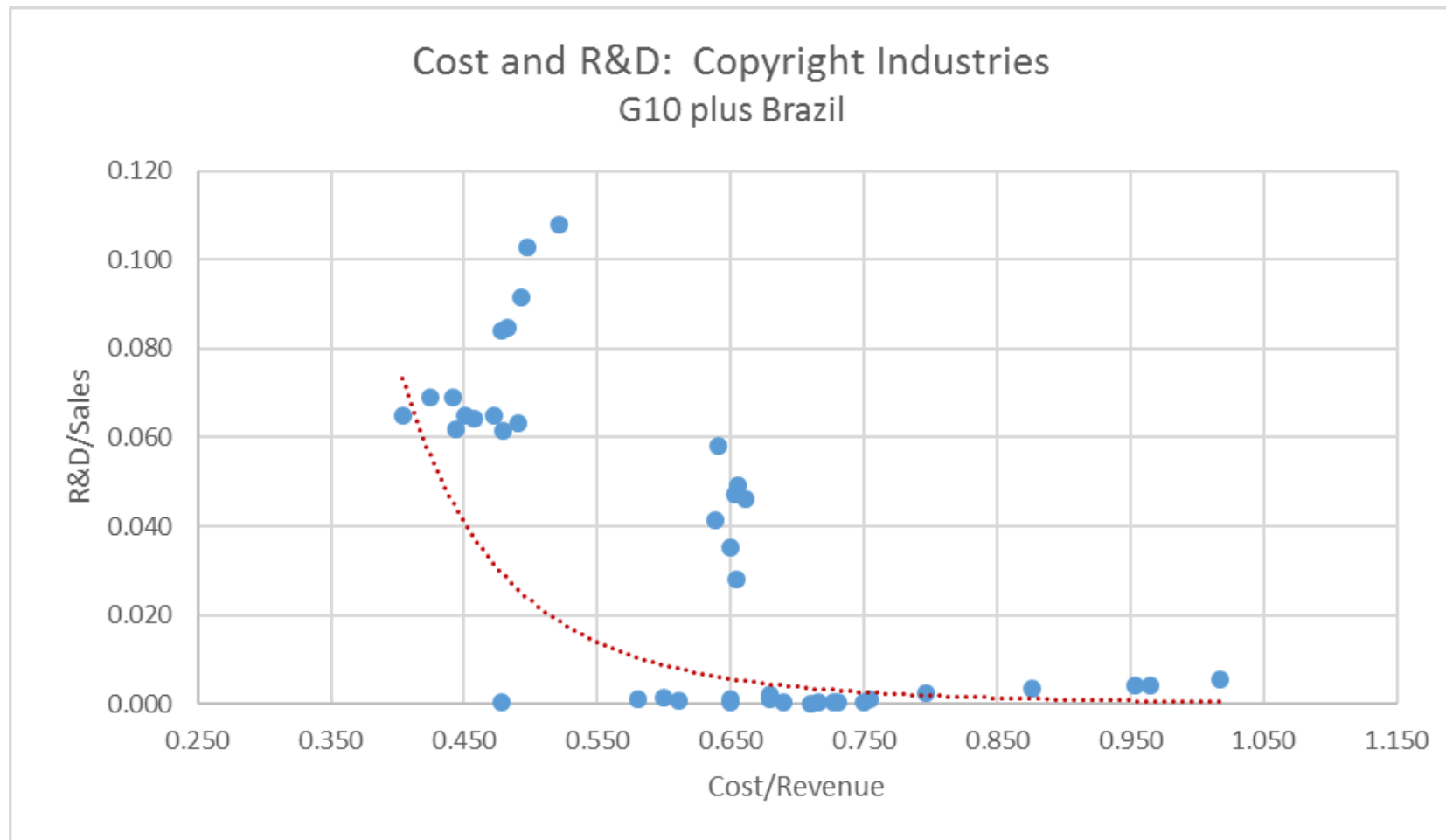
Concentration and R&D Intensity, G10



Concentration and R&D Intensity, Brazil



Cost Factors and R&D Intensity



Copyright Burdens?

