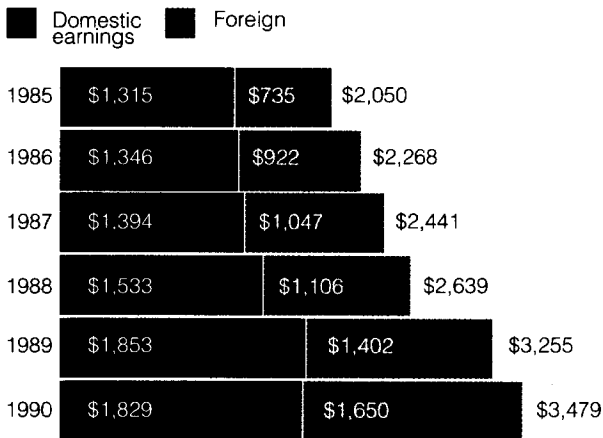


THE EXPORT OF AMERICAN CULTURE

For a recent AEI conference (see p. 72) economist Stephen Siwek documented the robust export of U.S. popular culture. The growth of foreign earnings of major U.S. studios is substantially outpacing the growth of domestic earnings, and the penetration of American films into major European markets is at, or near, an all-time high.

Earnings of major U.S. studios from foreign and domestic movie theater film rentals

(Millions of 1990 dollars)



In 1990, Japan was the largest market for U.S. films followed by Germany, France, Canada, and the United Kingdom/Ireland.

Note: The percentage of total U.S. studio earnings from movie theater film rentals in foreign markets rose from 36% in 1985 to 47% in 1990.

Source: Murphy, A.D. "The 15 Major Export Markets for American films in 1991," *Daily Variety*, June 10, 1991.

U.S. films in the top five by country

Western Europe

Austria	4
Denmark	4
Finland	4
France	4
Germany	4
Greece	5
Iceland	4
Ireland	5
Italy	5
Netherlands	5
Norway	5
Sweden	4
Switzerland	5
Hong Kong	1
Total for Western Europe	58/65

Eastern Europe

Bulgaria	3
Hungary	5
Poland	0
Yugoslavia	4
Total for Eastern Europe	12/20

Latin America

Argentina	4
Bolivia	5
Brazil	5
Chile	4
Mexico	4
Puerto Rico	5
Total for Latin America	27/30

Asia and South Africa

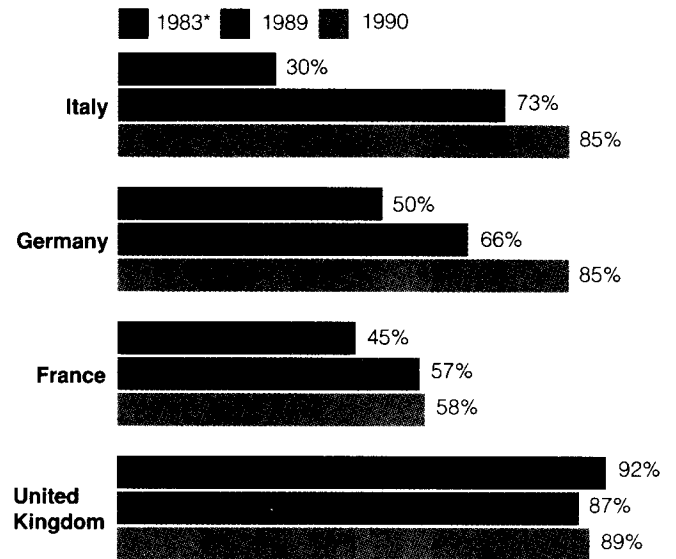
Australia	5
Iran	0
Hong Kong	1
Japan	5
Malaysia	2
Pakistan	0
South Africa	4
Total for Asia and South Africa	17/35

Total U.S. films in the top five by country 114/150
Percentage of U.S. films in top five 76%

Note: 1989 data.

Source: Peter Cowie, Ed., *Variety International Film Guide*, 1991, Entertainment Data, Inc., 1990.

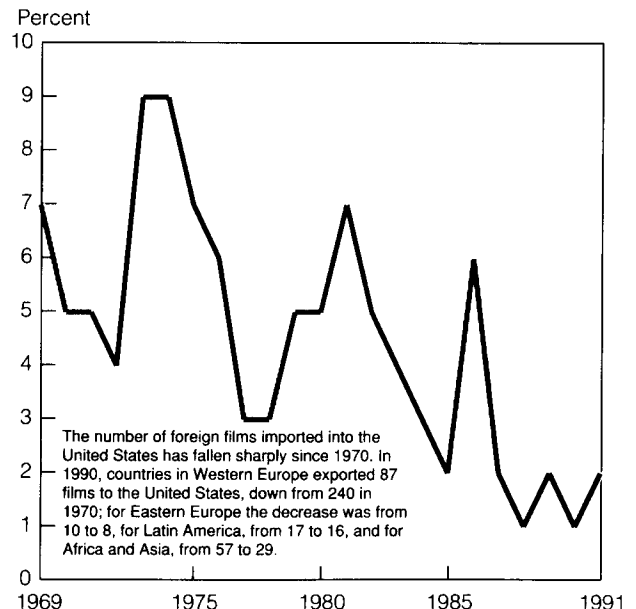
U.S. share of movie theater box office in European markets



Note: * = Attendance shares.

Source: *Variety* and other industry sources.

Imported films' share of U.S. movie theater box office



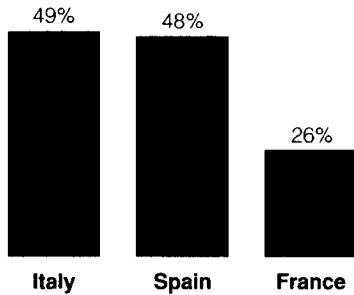
Note: 1991 figure is through September 1991.

Source: *Variety*.

Movies, Television, Videos, and Magazines

U.S. programming is extremely popular worldwide. In recent years, the sharpest increases in entertainment revenue have come from nontheatrical sources. Since VCR ownership in many countries is low compared to the United States, our film industry stands to make lasting gains from video rentals as VCR ownership abroad builds.

U.S. film and television series as a percentage of "top 50" entertainment programming



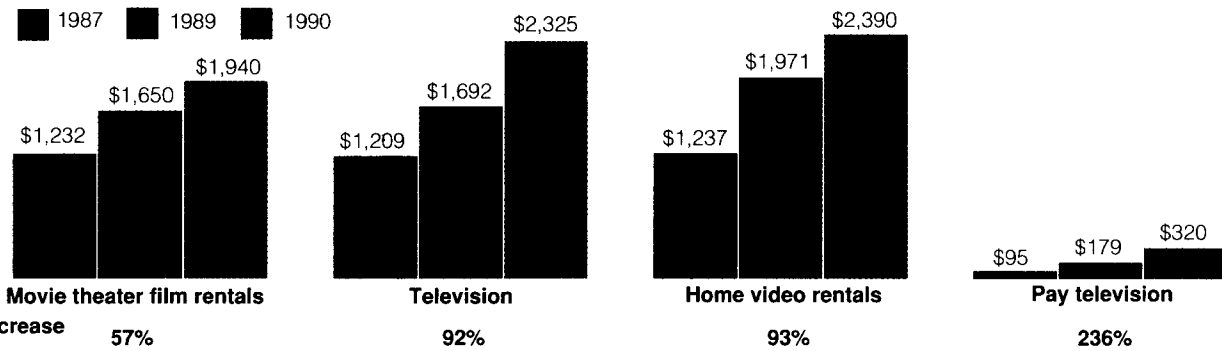
Note: Entertainment programming excludes news and sports programming. October 1991 data.
Source: International Rating Services (NYC).

European countries where stations have aired popular U.S. programs

	"Cheers"	"Golden Girls"	"L.A. Law"	"Roseanne"
Belgium	#	#	#	#
Britain	#	#	#	#
Denmark	#	#	#	#
Finland	#	#	#	#
France	#	#	#	#
Greece	#	#	#	#
Iceland	#	#	#	#
Ireland	#	#	#	#
Italy	#	#	#	#
Netherlands	#	#	#	#
Norway	#	#	#	#
Portugal	#	#	#	#
Spain	#	#	#	#
Sweden	#	#	#	#
Switzerland	#	#	#	#
Yugoslavia	#	#	#	#

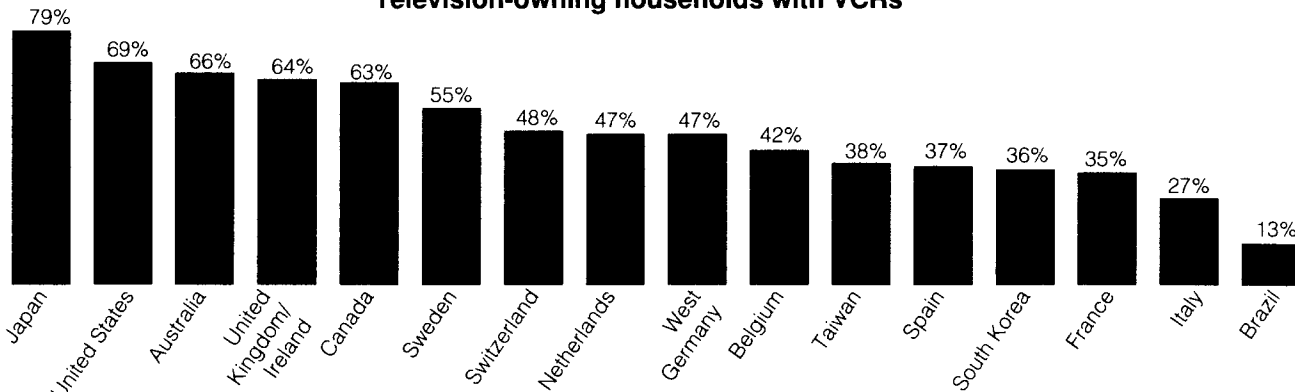
Source: 20th Century Fox, Paramount, and Walt Disney Co. as cited in the *New York Times*, July 31, 1989.

Combined revenues of major U.S. studios and independent producers abroad
(Millions of 1990 dollars)



Source: Motion Picture Association of America.

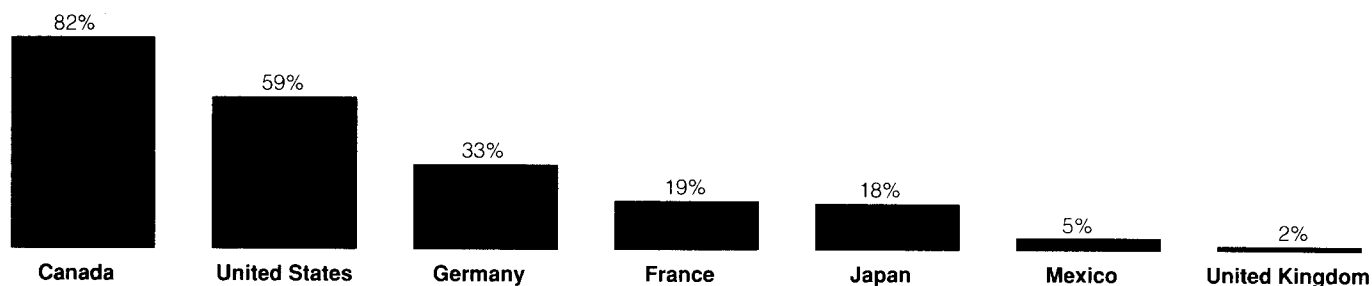
Television-owning households with VCRs



Note: 1990 data.
Source: Motion Picture Association of America.

From its inception in 1980, CNN has risen to become a dominant force in global television news despite low cable penetration in most foreign markets. U.S. print media reach large audiences worldwide. With over 40 editions, *Reader's Digest* is truly a global publication.

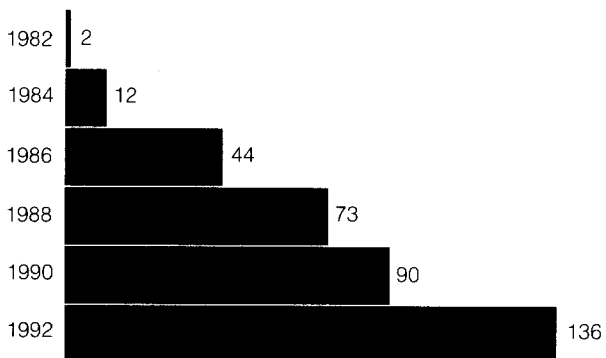
Households with television that have basic cable



Note: Countries without any basic cable include: Australia, Brazil, Czechoslovakia, Hong Kong, Italy, New Zealand, Portugal, the former Soviet Union, and Spain.
Source: *Electronic Media*, May 13, 1991.

CNN's international audience

Countries and territories with access to CNN



Countries and territories with access to CNN in 1992

Europe	33
Africa	27
Caribbean	22
Asia and the Pacific	22
Latin America	19
Middle East	11
North America	2

Note: Cable News Network.

Distribution of selected U.S.-owned print media

International circulation

<i>Reader's Digest</i>	28,050,000
<i>Time International</i>	1,510,000
<i>Newsweek</i>	442,000
<i>Fortune</i>	158,927
<i>BusinessWeek</i>	140,713
<i>Wall Street Journal</i> (Asian and European editions)	86,178

Reader's Digest publishes more than 40 editions. The European edition reaches more than 6.6 million readers, the Asian edition, 1.7 million, the Canadian, 1.6 million, and the Latin American, 1.3 million.

Note: *Reader's Digest* figure represents average circulation for January 1991; *Time International* figure reflects 1992 circulation of Asian, Canadian, Latin American, South Pacific, and Atlantic editions; *Newsweek* figure reflects average paid circulation for 1990; *Fortune* and *BusinessWeek* figures reflect single-copy subscriptions and sales of one 1990 issue of each periodical; *Wall Street Journal* figure represents average circulation from January-June 1990.

Source: The Reader's Digest Association, Inc.; *Time International*; *Newsweek* 1991 Rates Data, No. 63; Magazine Publisher's Statement; *Fortune*, New York, NY, average paid circulation for six months ended December 31, 1990; Magazine Publisher's Statement; *BusinessWeek*, New York, NY, average paid circulation for six months ended December 31, 1990; circulation statement for January-June, 1990; *Wall Street Journal*, Audit Bureau of Circulation.

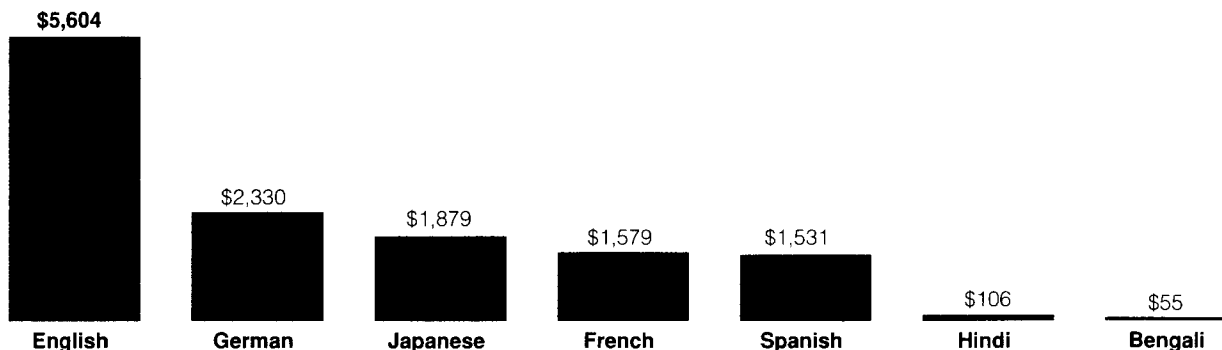
Why are exports of American popular culture booming? The size and income of the English-speaking market helps to explain this phenomenon, at least with respect to films and television. Measured by total income, the English language market is the largest in the world.

The English* language market measured by total income

Country	Population (Thousands)	Income per capita (U.S.\$)	Total income (Millions U.S.\$)
Australia	16,646	\$ 14,458	\$240,668
Bahamas	251	7,598	1,907
Barbados	260	5,330	1,386
Belize	180	1,250	225
Canada	26,527	13,000	344,851
Fiji	772	1,680	1,297
Grenada	84	1,400	118
Guyana	765	317	243
Ireland	3,557	6,200	22,053
Jamaica	2,513	1,160	2,915
Liberia	2,644	410	1,084
Malta	373	4,750	1,772
New Zealand	3,397	11,040	37,503
St. Vincent and Grenadines	106	1,070	113
Solomon Islands	314	420	132
South Africa	39,550	1,890	74,750
Trinidad and Tobago	1,270	3,731	4,738
United Kingdom	57,121	13,329	761,366
United States	249,600	16,444	4,104,222
Zimbabwe	10,205	275	2,806
Average population	20,807		
Average income per capita		\$5,288	
Total population	416,135		
Total income (millions U.S.\$)			\$5,604,349

The English language market compared to others

	Income per capita (U.S.\$)	Total income (Billions U.S.\$)
English	\$13,805	\$5,604
German	19,750	2,330
Japanese	15,030	1,879
French	13,046	1,579
Spanish	4,490	1,531
Hindi	300	106
Bengali	300	55



Note: 1988 data. *Omits nations where English is uncommon despite its official status. Value of the German market is based on the income level achieved in former West Germany; the Spanish market is based on income level achieved in Spain; Hindi and Bengali markets are valued at the per capita income level achieved in India.

Source: U.S. Department of State, U.S. Bureau of the Census, International Monetary Fund, and the *United Nations Statistical Yearbook*.