



BBC Worldwide, BBC Studios to Merge Into One Entity

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The BBC is merging its commercial arm, BBC Worldwide, with its production arm, BBC Studios into a single entity that will take the name of the latter operation.

The new BBC Studios will be led by BBC Worldwide chief Tim Davie, while BBC Studios head Mark Linsey will become the combined company's chief creative officer. BBC Studios is expected to start trading on the British stock exchange in April, and employ 3,000 people at six production bases in the U.K. while operating in 22 territories around the world.

"At a time of an increasingly competitive and global market for production and distribution, this new organizational structure will bring the BBC into line with the rest of the industry, integrating program production, sales and distribution in a single entity," Britain's public broadcaster said in a statement. "It will ensure the BBC is best placed to succeed both creatively and commercially and will better serve license-fee payers."

BBC Worldwide serves as the broadcaster's global content licensing arm, selling such series as Sherlock, Doctor Who and Blue Planet around the world. BBC Studios produces shows both for the BBC and other entities.

Like most of the world's established TV companies, the BBC is having to reevaluate its business model as deep-pocketed companies such as Amazon, Apple, Facebook and Netflix enter the space. It's also looking to more effectively compete with British TV companies, such as ITV and All3Media, that have integrated their production and distribution entities.Â

"In a fast-changing TV industry, securing the future success of the BBC is vital," said BBC Director-General Tony Hall in a statement. "Creating a single BBC Studios will bring the BBC in line with the industry, be simpler and more efficient. It will help ensure that license-fee payers in the U.K. continue to receive outstanding British programs which reflect British lives long into the future."

Unlike those up-and-coming digital players, the BBC is largely financed by British taxpayers who are required to pay about \$200 per year per household, for a total of about \$5 billion annually. The company also earns revenue distributing its programming around the world. It has pledged to cover that cost for people aged 75 and older, which amounts to about \$750 million, according to The Telegraph.

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