# Trump’s proposed film tariffs threaten UK’s booming creative sector



The announcement of proposed tariffs on foreign-produced films by President Donald Trump has sent ripples of concern through the UK film industry, which has flourished in recent years as a significant hub for international production. Trump’s claim that “Hollywood is being destroyed” underlines a broader narrative aimed at revitalising American cinema, yet the implications for the UK's creative sector are profound and potentially devastating.

Britain benefits significantly from its film infrastructure, with large studios like Leavesden and Pinewood nurturing blockbuster films, including recent Marvel stagings. These facilities have expanded dramatically since 2019, doubling their available stage space to cater to a booming demand for filming locations. However, with Trump's threat of imposing a staggering 100% tariff on foreign films, industry leaders warn that the UK sector could face "a knock-out blow." Prominent figures, including Brian Cox from the hit TV series "Succession," have labelled the tariffs as an “absolute disaster” for British filmmaking.

The rationale behind Trump’s proposal lies in a perceived loss of American film production, which, according to some reports, dropped by 28% from 2021 to 2024. However, the globalisation of cinema complicates this issue. As film-making relies increasingly on international locations and talent, determining a film's nationality becomes convoluted. Moreover, the U.S. currently enjoys a striking $15.3 billion trade surplus in film and TV, underscoring the risks associated with such isolationist policies. Retaliatory tariffs from other nations could easily undermine the very American studios they aim to protect.

As industry analysts have noted, the potential consequences extend far beyond the realm of Hollywood. If the tariffs are enacted, there are fears that production costs would spike not just for foreign films, but also for U.S. studios that frequently rely on international partnerships. Such an environment would place immense strain on the nearly 200,000 workers in the UK’s film and television sector. The risk of freelancers—who form the backbone of the creative community—losing their livelihoods is high. As one chief executive predicted, this would leave many jobless.

In the broader context, the film sector represents a vital part of the UK's cultural identity and soft power. With more than £1.36 billion generated annually, and over 195,000 jobs at stake, voices from the industry are calling for urgent action. Philippa Childs, head of the creative industries union Bectu, emphasised that the film industry is a matter of essential national economic interest. The fear is that smaller, independent films—critical for the diversity of storytelling—may never get made if large productions dry up.

In response to the looming threat, UK industry leaders have been urged to devise strategies to bolster homegrown production capabilities and ensure that British storytelling remains vibrant. The recent introduction of tax reliefs, including the Independent Film Tax Credit providing financial incentives for modestly budgeted productions, signifies a proactive approach to fortify the sector against external shocks. The Government's commitment to the creative industries is steadfast, with cultural exports vital to the national economy.

While Trump’s administration seeks to position the U.S. film industry competitively, the reality is that the Hollywood ecosystem depends heavily on global partnerships. A retreat from global cooperation could lead to reduced film production overall, a scenario that flies in the face of Trump’s intentions. As concerns about market stability mount, both sides of the Atlantic grapple with the complex interplay between protectionism and the realities of a worldwide entertainment landscape.

Ultimately, the uncertainty surrounding these tariffs draws stark attention to the fragility of international film collaborations and raises the question of whether unilateral action can truly rejuvenate an industry so intricately woven with global threads. To preserve their interests, the British film sector must not only adapt but also advocate vigorously for a framework that champions creative collaboration over isolationism.

As this situation unfolds, the hope is for a swift resolution that acknowledges the interdependence of the global film industry, allowing it to continue thriving while incorporating protective measures that support both American and British filmmaking ambitions.

### Reference Map

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Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.theguardian.com/commentisfree/2025/may/09/the-guardian-view-on-the-impact-of-trumps-film-tariffs-a-disaster-movie-waiting-to-happen> - Please view link - unable to able to access data
2. <https://www.ft.com/content/9aefdcfd-37ed-44d0-8ca6-c70cad71d6e6> - President Donald Trump's proposal to impose a 100% tariff on foreign-produced films aims to revitalize the American film industry, which has seen a 28% drop in production spending from 2021 to 2024. However, the globalized nature of movie-making—relying on international locations, talent, and financing—makes such protectionist measures problematic. Enforcing tariffs presents complex logistical challenges, such as determining applicable content thresholds and taxing streamed content. Furthermore, the U.S. currently enjoys a $15.3 billion trade surplus in film and TV, and global markets contribute over 70% of Hollywood's box office revenue, meaning retaliatory tariffs could backfire economically.
3. <https://www.ft.com/content/dcd6adeb-988a-4c86-b689-9ec2d8cf3946> - President Donald Trump's proposal to impose a 100% tariff on foreign-made films has sparked widespread concern within the global film industry. Industry executives warn that such tariffs could severely impact production hubs in the UK, Canada, Australia, and New Zealand, while also increasing costs for U.S. studios and cinema chains. The proposed tariffs aim to counter foreign incentives attracting U.S. filmmakers overseas, but experts question their feasibility, especially in an era where global streaming platforms dominate content distribution. Shares in Netflix dropped amid investor caution, and analysts predict a freeze in production until policy details are clarified. Critics argue the measures threaten services-led economies and long-standing cooperative film production relationships. Though Trump claims the industry has abandoned the U.S. due to local incompetence, data shows the U.S. film and television sector continues to run a significant trade surplus. Tax incentives abroad have increasingly drawn productions away from California, despite state efforts to retain the industry. Industry groups and unions are divided, with some supporting policy changes to bolster U.S. competitiveness. However, the administration has yet to provide clear implementation guidelines, leaving the sector in a state of uncertainty.
4. <https://www.reuters.com/business/media-telecom/trump-announces-100-tariff-movies-produced-outside-us-2025-05-04/> - On May 5, 2025, U.S. President Donald Trump announced a 100% tariff on all foreign-made films entering the U.S., citing a "very fast death" of the domestic movie industry due to attractive foreign tax incentives. Trump labeled the competition as a national security threat tied to propaganda. The Commerce Department, led by Secretary Howard Lutnick, was tasked with implementing the tariffs, though details remain unclear—especially regarding streaming and the tariff’s calculation basis. This move impacts major studios like Disney, Netflix, and Universal, which frequently film abroad in countries like Canada and the UK. Hollywood executives and global film institutions expressed concern, including the British media union Bectu, warning of job losses and threats to recovering industries post-COVID. Foreign governments including Australia, New Zealand, and the UK have pledged to defend their film sectors. Critics argue the tariffs may reduce overall film production rather than increase domestic output. The policy is part of Trump's broader protectionist trade agenda and follows his appointment of Hollywood figures like Jon Voight and Mel Gibson to revitalize the industry. Analysts warn retaliation could severely damage the U.S. film industry.
5. <https://www.locationhq.co.uk/blog/the-potential-impact-of-trumps-tariffs-on-the-british-film-industry/> - The U.S. film industry has increasingly outsourced production to countries like Canada, Mexico, the UK, and Australia due to their attractive tax incentives, lower costs, and sometimes fewer regulatory burdens. The UK has benefited from US investment in major productions. However, if Trump were to impose tariffs on British film imports, U.S. investors and U.S. studios might reconsider these collaborations. Governments must learn that businesses need affordable labor, low regulation, and reasonable tax rates to thrive. The film industry is not immune to these power struggles. Hollywood has long relied on China as a massive market, tailoring blockbuster films to pass Chinese censorship rules and appeal to Chinese audiences. However, if trade tensions escalate, the Chinese government could retaliate by limiting the number of U.S. films allowed in their cinemas, even further reducing investments in the UK and U.S. film industries. This could lead to a shift in global film financing and distribution dynamics.
6. <https://www.filmtake.com/production/uks-new-film-tax-credit-attracts-us-producers-igniting-optimism/> - The introduction of the UK’s Independent Film Tax Credit (IFTC) is being celebrated as a significant milestone for the local film market. The IFTC will enable eligible films with budgets under £15 million to opt-in for the enhanced Audio-Visual Expenditure Credit (AVEC). This credit, offered at 53% on qualifying expenditures, effectively provides around 40% in financial relief. The 40% tax credit is available to independent producers as well as studios and streamers that choose to produce more modestly budgeted features under £15 million. However, despite the enthusiasm, questions remain about the practical implementation of the new credits. Producers are still concerned about securing financing and managing escalating production costs, which pose significant challenges.
7. <https://www.gbct.org/post/major-boost-to-the-uk-film-industry-announced-by-the-dcms> - Independent film productions costing up to £15 million will benefit from an increased tax relief of 53%. This move will empower UK filmmakers to create more independent films and co-produce with other countries. The creative industries are a key part of the economy, generating £125 billion a year, and form a central part of the Government’s mission to grow the economy. The UK film sector is already worth £1.36 billion and employs more than 195,000 people, with the potential to grow further thanks to these reliefs.