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## STRIKE A LINE

### Why the WGA is prepared to stop

The looming Writer's Guild of America strike comes 15 years after their last full stop. Back in 2008, when writers put their pens down for 100 days, the losses were calculated at \$2.1 billion, according to [The Hollywood Reporter](#).

If the Alliance of Motion Picture and Television Producers (AMPTP) doesn't comply with some of the points the WGA is holding up, the three-year contract will not be renewed, and the strike will start on May 2nd. Nevertheless, it is still possible that a last-minute deal happens, just like in 2017 (read about it on [Los Angeles Times](#)).

### More is Less

What is behind the brewing strike? First, in the past ten years (and since the streaming era started) writers have been working more time for less money. Feeling devalued while streaming companies and studios have maintained their high profit margins, actually spending more in content over the past years, screenwriters took a strong stand by casting 98% of their votes to authorize the beginning of the walk out, as reported by [Time](#) magazine.

### Mini-rooms

To avoid paying writer's rooms, the companies have been creating mini-rooms, in which fewer scriptwriters develop, in fewer weeks and for less money, TV series outlines. The [WGA](#) claims that this 'tactic' has been used to separate writing from production, and showrunners can no longer count on a writer's room for the full season of their series.

### No backend compensation

Another important point the WGA wants to negotiate is the profit shares in the streaming era. Up until a decade ago, writers were paid residual on international, VHS and DVD sales; as well as spin offs, prequels, sequels and so on. In the streaming model, the surplus is usually shared on a fixed fee or a flat residual, cutting the TV shows creators from larger profits.

### TV Production Stalling

On top of it all, other unions are set to renew their contracts. [Variety](#) reports that both the DGA and SAG-AFTRA are set to renegotiate agreements in the upcoming months, which can bring TV production even below the lowest point of the past five years (and almost 25% down from 2022 first quarter).



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## Stocking Up

So far, producers and studios, represented by the AMPTP, are not willing to reach a common ground. Instead, they got prepared by rushing production so they can keep feeding their streamer's catalogs even if the walk out goes on for a while. Increase of production of non-scripted contents is also scheduled.

The studios claim to be facing drastic cuts. Disney let go 7,000 employees, Warner also fired thousands. Plus, as we all know, several media companies are cutting costs. According to [Forbes](#), Netflix's first quarter of 2023 is below the forecast of \$2.2 million.

## Solidarity

Both [UK and Canadian writers'](#) guilds stand in solidarity with the US and won't be taking any assignments from Hollywood if the strike happens. But the non-affiliated writers from both countries, as well as those from other nations, might cross the picket lines.

## Conclusion

If the AMPTP doesn't comply with the main WGA demands, we will need to buckle up for a reality show season, late shows improvisation, slower release of original fiction and delayed or cancelled new seasons.

It could be the perfect storm, with AI taking over for many talented, vital and creative people. That is why it is so important to support the WGA, especially now that they have started to regulate AI production ([check out our last newsletter](#)).

In any case, we at Malin Entertainment fully support the writer's rights and the WGA, while hoping the AMPTP is able to reach common ground and keep the industry afloat.

Laura

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