

China's Drama Industry: 95% AI-Generated, Budgets Collapse

MANAGEMENT SUMMARY & CORE TAKEAWAY

China's ultra-short-drama industry shows in real time what AI automation does to an entire sector: within a short period, the AI share of new series surged to as high as 95% in one quarter, production budgets fell sharply, and five-person studios now deliver in a week what much larger crews once needed months to produce.

CONTEXT & EXECUTIVE RELEVANCE

In China, what many industries still fear has already happened: the complete restructuring of a content industry through generative AI. According to the Chinese Network Audiovisual Association, 95% of all newly produced ultra-short dramas were AI-generated in the first quarter of 2026 — 128,000 series in three months. In the second quarter, total production grew to 239,000 dramas, of which 153,000 (64%) were AI-generated. Meanwhile, Sixth Tone, CNN, and the BBC Chinese Service all report the same pattern: traditional production budgets have fallen sharply.

What's notable is the shift between the two quarters: the AI share fell from 95% to 64%, yet the absolute number of AI-generated dramas grew from roughly 122,000 to 153,000. The overall market nearly doubled — from 128,000 to 239,000 series. This isn't a retreat of AI; it's market expansion. More productions are simply being made overall, and a growing share remains hybrid or fully traditional.

CORE ACTION ITEMS

- 01 Prompt engineering and creative direction replace large camera, lighting, and post-production teams
- 02 Story and concept development remains human; execution becomes machine-driven
- 03 Quality control and editorial curation become the core competency, not production itself

SWISS COMPLIANCE & ARCHITECTURE GUIDELINES

- ☑ Full compliance with revised Swiss Data Protection Act (revDSG).
- ☑ Zero vendor lock-in on closed proprietary models.
- ☑ Seamless integration into Abacus, Bexio and M365 ecosystems.

Non-Binding Process Analysis

Let us review in 20 minutes where AI agents create immediate measurable efficiency in your workflows.

ki-outsourcing.ch