

NEWS MEDIA EUROPE

To: Commissioner Gentiloni,
CC: Executive Vice-President Vestager, Executive Vice-President Dombrovskis, Vice-President Jourová,
Commissioner Gabriel and Commissioner Breton

Request for immediate zero rate VAT for news media

Brussels, 27 March 2020

Dear Commissioner,

At this time of major disruption, news media of all types have united behind the COVID-19 crisis to deliver meaningful and reliable journalism to citizens. Such content provides not only continuity to public life, but also much needed information on the ongoing pandemic.

Many media houses have responded by ensuring the continuity of news coverage, of the print and distribution supply chain, and setting up dedicated teams to work on COVID-19 to fulfill the vital information needs of citizens. All of this requires tremendous coordination efforts with authorities.

We find it encouraging that people turn to trusted, professional media for information on the latest developments. Some European outlets are registering strongly increased traffic volumes in recent weeks, and in some markets we notice an uptake in digital subscriptions.

On the other hand, the COVID-19 crisis is paralysing economic activity at large and will exert an impact on markets. That will hurt the economy as a whole and also the media sector. We already see concerning developments as key segments of the advertising market are basically crashing at an alarming rate.

In many European countries, the coming months will likely witness a dramatic fall in advertising income for news publishers. Early estimates suggest the drop may range from 30% to 80% of industry-wide revenues depending on the country. Of course, different market players will be impacted differently, and smaller publishers will be hit hardest. While the sector is stepping up its efforts to ensure the safety of journalists and to mitigate disruptions in the supply chain, News Media Europe members report that news publishers have started cost-cutting exercises, including layoffs, in an effort to stay in business.

So while news media is at the forefront of the fight against the pandemic, delivering vital information to citizens, it is also the victim of the economic damage from this crisis and it faces harmful consequences it has on the proper functioning of the sector.

It is therefore that I, on behalf of the European news media sector, ask you to allow Member States with immediate effect, and indeed encourage them, to introduce a zero-rate for value added tax for journalistic products. This will provide the sector with much needed oxygen and allow it to continue fulfilling its vital role for all of European society.

Your Sincerely,



Fernando de Yarza
President of News Media Europe