

NEWS MEDIA EUROPE

Webinar “State aid for the media in Europe”

May 2022

State aid for the media in Europe

- 1) Evolving context**
- 2) Attitudes, perceptions and public opinion**
- 3) Support mechanisms**
- 4) Overview of major trends last 5 years**
- 5) Case studies**

Evolving context

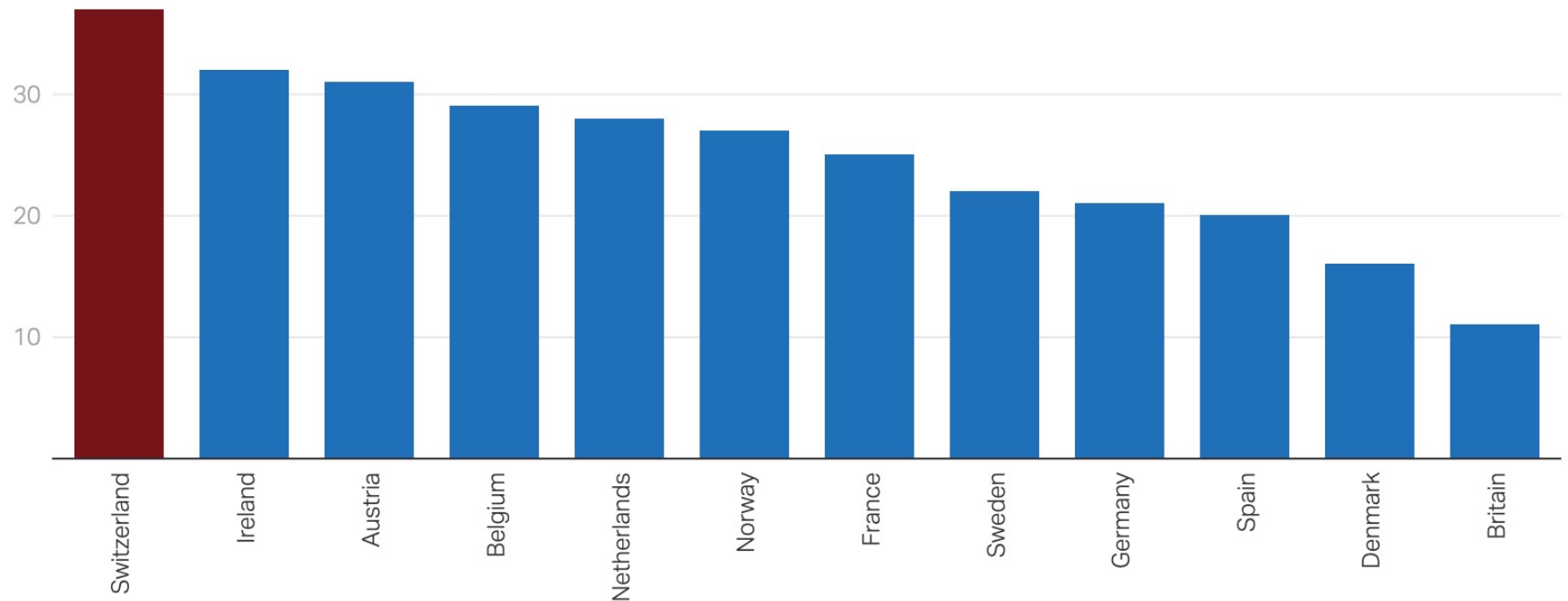
- Historical roots:
 - Colonial governments
 - French revolution
 - Scandinavian democracy building
 - 1960s newspaper mortality
 - The fall of authoritarian regimes in 20th Century
- New dynamics:
 - The new economics of news
 - Growing threats to media freedom
 - Platform neutrality
 - Pandemic

Attitudes, perceptions and public opinion

- 2021 [survey](#) by the University of Zurich
- No clear correlation between use of state aid and support for such measures

Acceptance of direct financial support for commercial media

% of respondents who support state subsidies of private media companies that are facing financial difficulties.



Source: [FöG research institute](#) • [Get the data](#)

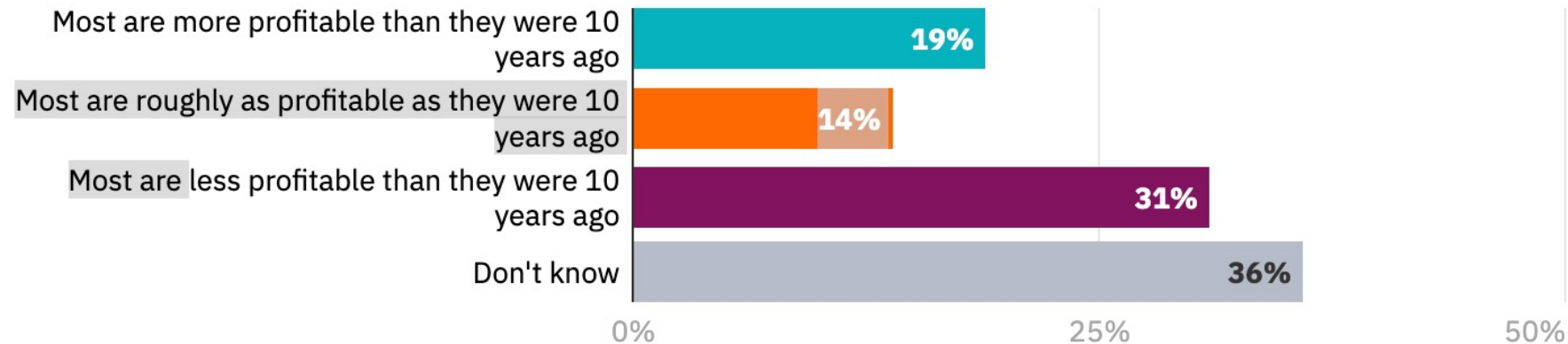
SWI [swissinfo.ch](#)

Attitudes, perceptions and public opinion

- 2021 [survey](#) by the Oxford Reuters Institute
- Low understanding of business model of news – unexplored opportunity?

Proportion that thinks commercial news media have become more profitable in the last decade

33 markets



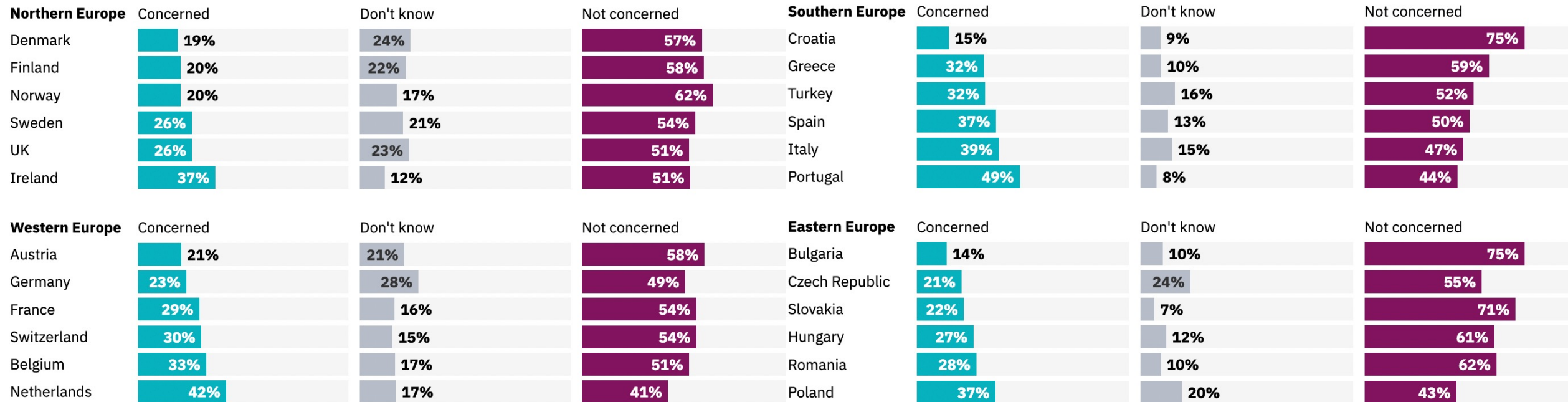
Financing2_2021. To the best of your knowledge, which of the following best describes the financial state of commercial news organisations in your country? *Base: Total sample in 33 markets: 66,120.*

Attitudes, perceptions and public opinion

- 2021 [survey](#) by the Oxford Reuters Institute

Proportion concerned about the financial state of news organisations

Selected markets



Support mechanisms

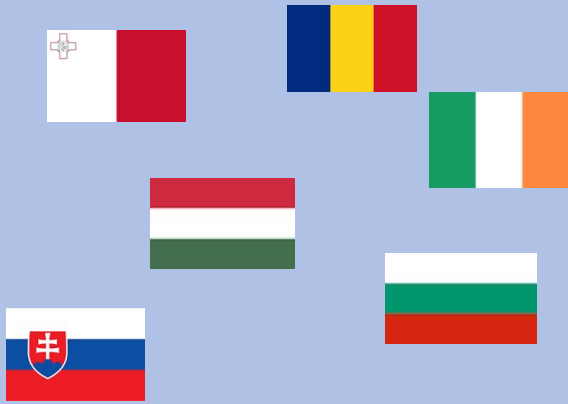
- **Direct subsidies**
 - Editorial, innovation, training, distribution, cultural, minority language support
- **Indirect subsidies**
 - Tax breaks, reduced postal rates, state advertising
- **VAT rates**
 - Reduced, super-reduced, zero-rating
- **COVID-19 support measures**
 - State advertising, distribution support, public health campaigns, one-off support

Support mechanisms (excl. VAT policies)

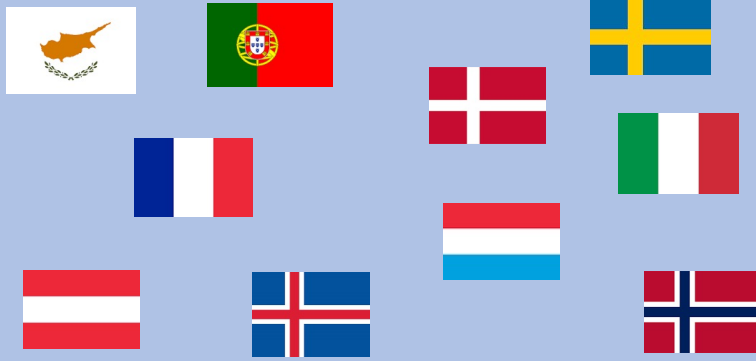
Indirect support
measures



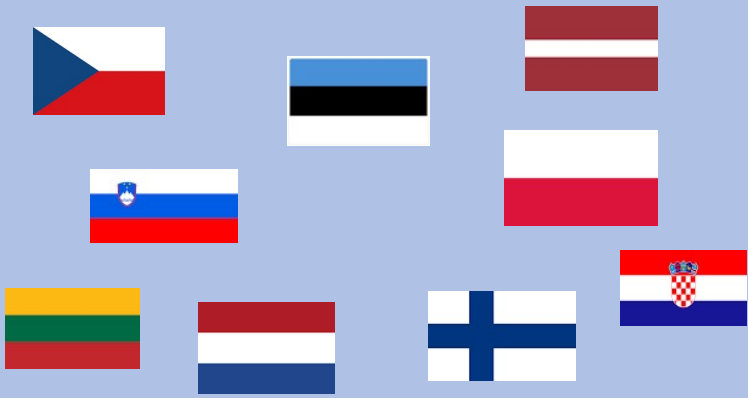
No measures



Generalised direct
support



Targeted direct
support



Overview of major trends last 5 years

- **Study sample includes EU MS + Iceland, Norway, Switzerland, United Kingdom**
- **Reforms of state aid measures across 10 of 31 countries**
 - Incentives to digitisation, platform neutrality, innovation, new state aid regimes, media freedom
- **Lowered VAT rates on digital content across 25 of 31 countries**
 - Reduced, super-reduced
 - zero-rating expected to be available soon
- **COVID-19 media sector support schemes across 23 of 31 countries**
 - Advertising campaigns, direct funding, distribution support

Case studies: platform neutrality in Luxembourg, Sweden and France

- **Sweden reform 2019**
 - New fund extended to new distribution platforms (eg. radio, online, tv, etc.) based on journalists employed
 - Disbursed funds increase by close to 20% in 2021 - reform in 2022
- **Luxembourg reform 2021**
 - Support originally for print publications extended to other distribution platforms (eg. mainly online) based on journalists employed
 - Additional support for innovation introduced
- **France reform 2019**
 - Significant support geared towards printed press
 - Concerns continue after reform as less than 10% subsidies for online media

Case studies: neutrality of the state in Iceland and Switzerland

- **Iceland reform 2021**
 - Proposed reform rejected in 2019
 - Pandemic rescue measures for the media
 - Towards permanent subsidies
- **Switzerland vote 2022**
 - Continued market difficulties
 - Regional differences
 - Referendum and outcomes

Case studies: small markets in Ireland, Latvia and Finland

- **Ireland debate 2020**
 - Continued market difficulties
 - Commission on the Future of Media
 - No concrete initiative
- **Latvia reform 2017**
 - Continued market difficulties
 - New Media Support Fund "Mediju Atbalsta Fonds"
 - Geopolitical context
- **Finland debate 2021**
 - Government report on public policy support options
 - No concrete initiative

Case studies: supporting digitisation in Austria, Italy and UK

- **Austria reform in 2021**

- “Medien-Digitalisierungsförderung” – 1) modernisation of distribution channels by improving access to content 2) creation and renewal of digital infrastructure and 3) creation and provision of digital content.

- **Italy reform in 2017**

- Publishers with online edition become eligible for additional funding
- Partial reimbursements for costs incurred in the area of distribution of digital content (eg. employee and/or contracted supplier related costs)

- **United Kingdom innovation fund in 2019**

- “Future News Pilot Fund” with Nesta until 2020 for projects - but discontinued

Value Added Tax (VAT) on publications

- **Review of the EU VAT Directive 2019**
 - Allows MS to apply reduced rates to digital publications
- **30 of 31 countries surveyed now apply reduced rate to print news**
 - BG applies a standard rate
- **28 of 31 countries surveyed now apply reduced rates to online news**
 - BG, CY and HU apply a standard rate
- **(Another) Review of the EU VAT Directive 2022**
 - Zero-rates on the table
 - Adoption expected this year

Case studies: supporting the media in times of crisis (COVID-19)

- **Compensating for lost advertising revenues**
 - DK, NO
- **State advertising (public health campaigns)**
 - BE, HE, PT, RO, UK
- **Supporting print distribution costs**
 - CH, EE, LT
- **Strengthening of existing subsidies**
 - FR, IS, LV, SE
- **One-off support**
 - AT, CY, DE, LU, MT



THANK YOU

Feedback and questions?

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