

High level view on the outcome of the consultation

Seventeen ERGA Members filled in the surveys aimed at regulators. The bulk of the contributions has been received between the nineteenth and twenty eighth of May. As regards the survey aimed at the industry, we observed overall that national associations and players have been encouraged either by their own European association or by their national regulators to feed the survey at national level. Accordingly, we noticed that several regulators have been playing a key role in coordinating the answers of their national and respective sectors. Only one European association, the association of European radios (AER), submitted a completed European industry survey.

At this stage and considering that the analysis is still ongoing, we are providing a high level view on the outcome of the consultation. This high level view need to be complemented and discussed further in the Action Group. The preliminary view on the outcome shows that the sector as a whole has been severely hit with very serious economic losses ranging from 25% up to 80 % depending on the players' category. Not surprisingly, those who relied principally on advertising revenues – in particular commercial TV and radio broadcasters - have been the most affected with a worsening of their situation over time: figures are worse in April than March in general. Thematic TV chains which are dedicated to live business sport experienced losses beyond 80%. Regional and local broadcasting companies are more impacted in Germany, France, Italy, Slovenia, Latvia and Belgium at least. Some of them might disappear from the market; according to the Slovenian Broadcasting Council, between 30 and 50 % of local and regional media could exit the market. In these cases, there is a spill over effect on the distribution of regional and local news. The cinema industry has been harshly impacted as a result of the lockdowns. Most impacted media do face financial liquidity issues in the short and medium term due to the sudden drop in advertising revenue. The sector considers that fiscal pressure, taxes and bank procedures applied to media increases difficulties to recover.

On the contrary, video on demand providers, vloggers and OTT streaming services benefited from an increase in their customers basis and viewership.

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With the confinement, both the film and TV production have been impacted. The same applied to moderation teams of platform operators which, as reported in France, have been forced to make greater use of automatic moderation, carrying a greater risk of errors when the context is essential to qualify the false or harmful nature or not of the content.

As regards information services, while audience of broadcasters have been improving overall with customers turning to traditional trusted information providers, these increases did not compensate the commercial losses obviously.

To address this situation, various type of grants and credit facilities have been put in place by national Governments or are currently under discussion. Here are some examples:

- Adoption of a so-called “Anti-Crisis” package in Poland which is including payment exemptions from social security contribution for micro companies during the COVID-19 crisis period
- Special funding allocated to public and commercial broadcasters to ensure an effective public information on the COVID-19 crisis in Latvia
- Exceptional financial support proposed as a basic income for the self-employed in the field of culture in Slovenia, Romania and Lithuania; one-time-only financial support allowed to every Artist or content creator in the German state of North-Rhine Westphalia
- Payment exemption as regards the distribution of TV signals for regional and local TV channels in Slovenia
- Exceptional financial support allocated to local broadcasters and door-to-door newspapers in The Netherlands
- Adoption by the State and federal sponsors in Germany of a jointly supported aid programme for the film and media Industry
- Exceptional financial support allocated by the Broadcasting Authority of Ireland to support 126 projects comprising 36 TV projects and 90 radio. Screen Ireland allocated 4,5 million in COVID-19 support measures for the Irish film and TV industry
- Reinforcement and use of an emergency fund for supporting employees in the cultural sector including those involved in the organisation of public events such as concerts or cinemas. This is the case notably in Italy, Portugal and Spain in particular where the Spanish Cultural Action (AC/E), the Academy of Filming and the Institute of Cinematography and of Visual Arts (ICAA) of the Ministry of Culture co-signed an assistance program

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which benefit of the support of Netflix as well up to an amount of one million

- Anticipated acquisition by the State in Portugal of institutional advertising up to an amount of 15 millions
- Establishment of a special fund to provide immediate assistance to enterprises hit by the crisis: in Austria, 15 million EUR have been dedicated to commercial and 2 million EUR to non-commercial broadcasters. The print sector will benefit of a special subsidy of 32 million EUR.
- Rescue plan adopted (in the French-speaking part of Belgium) to support the sector across the whole value chain for film production. This plan will help authors, operators of movie theatres, distributors and producers. Conditions for benefiting from the Tax shelter mechanisms will also be improved.

Several regulatory authorities have been putting forward a number of proposal aiming at relaxing some obligations from the regulatory framework:

- Relaxation of obligations to fulfill a prescribed proportions of in-house audiovisual and radio production in Croatia, Slovenia and Germany, given the difficulties to meet some legal programs quotas
- General lenient approach as regards compliance with some obligations, quotas in France
- In Austria, deadlines were interrupted until 1 May 2020. Commitments on media pluralism were temporarily suspended in the case of an important merger in the broadcasting area
- In Portugal, deadlines regarding notifications and compliances have been extended by three months
- The German Media Authorities in Saxony decided to extend the existing financial support of local TV-station and to support distribution costs up to 100 percent

Specific requests for more flexible regulation regarding the minimum broadcasting time and advertising arrangements have been addressed to national regulatory authorities in Germany (but we don't know if a decision has been made on these requests);

In Belgium, the sector is requesting measures to support the deployment of digital radio – the DAB+ technology (especially in Belgium).

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Also of importance to highlight that, in Ireland, the BAI waived levy payments for the independent radio sector for Quarters 1 and 2, in 2020. This has reduced the BAI's operating budget for 2020 by 20 % or 1 million EUR approximately.

Our proposed next step would be to set up a video-conference meeting in the following weeks to discuss a sharper analysis with the members of the Action Group. Of course, we would make available the collected data in advance. It would be the opportunity to identify some possible recommendations to be addressed to the European institutions.

In the context of this action group meeting, we should be assessing the risk of media players exiting the market as a consequence of this crisis and the potential impact on pluralism that could arise in case such a threat materialises.

Depending on the global picture that we get, we could also consider whether it is useful to ask the respondents to update these figures in the months of September/October to see how the situation is evolving. Based on this kind of barometer, we could judge whether further urgent actions are needed.