

Committee on Culture and Education
The Chair

Ms Mariya Gabriel
Mr Thierry Breton
European Commission
Rue de la Loi/ Wetstraat 200
B-1049 Brussels

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Subject: Measures to tackle the impact of the Covid-19 pandemic on the Cultural and Creative Sectors and on the Media and Press Sectors

Dear Commissioner Gabriel, dear Commissioner Breton,

Firstly, let me thank you for the information you have provided to the Committee on Culture and Education with respect to the measures you are putting in place to alleviate the impact of the Covid-19 pandemic on the cultural and media sectors.

While it is as yet impossible to quantify the magnitude of the economic impact of the Covid-19-related public health measures on the cultural and creative sector (CCS), it is clear that it will be devastating, especially for the live performance sector. Concert halls, theatres and cinemas are closed until further notice. Many festivals, conferences, book fairs, film and television production have been cancelled or postponed. Sadly, the list goes on and we have no idea how long restrictions may need to remain in place.

The media and press sectors play an especially important role in the current context, notably in providing unvarnished reporting of the situation, in ensuring the free flow of information and in acting as an antidote to fake news and disinformation. However, the sectors are being hit hard by a loss of advertising revenue with a drop of as much as 80% in some Member States. The immediate impact of the public health measures is almost certain to be followed by longer-lasting economic consequences for the sector as advertising is unlikely to pick up to pre-crisis levels for some considerable time. Moreover, the sector is already vying with large online platforms to secure revenue streams.

We welcome the Commission's swift response to the crisis through the Coronavirus Response Investment Initiative and the proposed SURE scheme. We also welcome the fact that the impact of Covid-19 on the CCS was taken up at a meeting of Culture Ministers on 8 April 2020.

However, we should be in no doubt of the severity of the crisis for the cultural and creative and media and press sectors. As such, it is crucial to take additional actions to financially support the CCS, in particular SMEs, and the media and press sectors. These actions include:

1) Ensuring that funds from the SURE scheme and from the Coronavirus Response Investment Initiative reach the CCS and the Media and Press Sectors through specific earmarking and close follow-up. While both schemes offer significant potential for the CCS and press and media sectors, it is vital to acknowledge that the sectors have specific business models and specific needs. The CCS is notably made up of many individual artists

and creators who face real hardship, but may not easily qualify for national support schemes. Moreover, a number of cultural operators may not be businesses, but have charitable status. It is vital to ensure that support schemes can also be applied to these organisations. We want to be sure that the Commission, working with Member States, ensures that these schemes deliver for the sectors. Once both schemes are fully up and running, we would like to receive regular reports outlining the extent to which they are reaching the relevant sectors.

2) Ensuring that EU financial schemes are mobilised to provide immediate access to finance and credit for the CCS. We recognise that direct funding for the CCS through EU programmes is inevitably limited, but believe that smart use of existing instruments can help to improve access to credit and bridging loans for the sector. We believe that the most effective way to deliver such support is through the already existing sector-specific Guarantee Facility under Creative Europe, but with an upgraded budget. We would, in particular, like the Commission to explore:

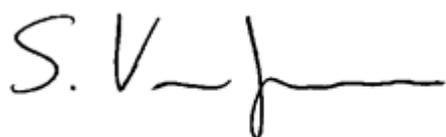
- Increase of the budget allocated for the Cultural and Creative Sectors Guarantee Facility through a substantial top-up of the 2021 Budget and/or through a transfer of funds from the European Fund for Strategic Investments (EFSI);
- Channelling of potential EFSI support to the sector;
- Channelling of potential European Investment Fund (EIF) support to the sector through an ad hoc financial instrument.

3) Examining the potential scope for an emergency EU fund to support the Media and Press sector. While we acknowledge the budgetary challenges facing the Union at the moment, we would like the Commission to explore the potential for an emergency fund to support the media and press sector, potentially drawing on funds that cannot be spent under other programmes owing to the Covid-19 pandemic.

The points mentioned above are simply some possible initiatives that we believe can help to support these sectors. We welcome any other initiatives and would be grateful if you could provide us with information on the measures planned by the Commission to respond to the consequences of the Covid-19 pandemic. Indeed, in order to enable a more detailed discussion of the measures under examination, we would like to invite you both - virtually of course - to a meeting of the CULT Committee provisionally scheduled for 15.00-17.00 on **4 May 2020**.

We understand that the effects of the Covid-19 pandemic present challenges not only for the sectors themselves, but also for the national governments and the Commission trying to support them. You can count on the support of the Committee on Culture and Education in trying to find the right responses and in ensuring that we maintain healthy and vibrant cultural and media sectors across the European Union.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Verheyen', with a long horizontal flourish extending to the right.

Sabine Verheyen