



## **BROADCASTERS AND ADVERTISERS: GREEK TAX ON TV ADVERTISING “INAPPROPRIATE AND DISCRIMINATORY RESPONSE TO CRISIS”**

**Brussels, 8 June 2010** – At its Annual General Meeting held in Brussels today, CEOs of the Association of Commercial Television in Europe (ACT – [www.acte.be](http://www.acte.be)) called on the Greek government urgently to rethink its decision to impose a 20% tax on television advertising, and on the European Commission to examine the compatibility of these measures with European law. In the light of the recently adopted EU 2020 Agenda, such measures are even more counterproductive, as they will put a further strain on the television industry and reduce the likelihood of a fast recovery of the TV market after last year’s crisis. In this context it should be stressed that the creative content industry contributes 6,9% or approximately €860 billion to total European GDP and employs 6,5% of the total workforce in Europe, representing approximately 14 million workers. This statement is also endorsed by the World Federation of Advertisers (WFA – [www.wfanet.org](http://www.wfanet.org)).

**Speaking after the meeting, Ross Biggam, Director General ACT, said:** “Everyone understands that the Greek government has a pressing need to reorganise public finances. But imposing a tax on the revenues of commercial broadcasters will be counter-productive and quite possibly contrary to European law. Greece will be the only country in Europe to have such a tax, and this may well persuade international advertisers to spend their budget elsewhere, as well as dissuading any international broadcasting groups from further investment into the Greek market”.

Commercial broadcasters believe that rather than an approach of “burden-sharing”, the new Greek tax puts all the burden on one section of the media, thereby raising important issues of discrimination. It appears to be applied only on television advertising, and not on advertising spend on competing media. The tax also has a lesser impact on publicly-funded broadcasting, which is financed directly by a levy on consumer’s electricity bills. This levy also generates 70-75% of the total advertising revenues in Greece.

**Christoph Mainusch, CEO Alpha Media Group, stressed:** “The tax clearly is a discrimination of television against other media. If this additional tax is imposed, the Greek TV market faces an overall taxation of 64, 5% given that we already have a 23% tax on VAT and an additional tax of 21, 5% for the advertising business to be paid into the journalist pension funds. Adding the additional 20% would result in a burden on revenues, which is unique in Europe”.

**When commenting on the suggested tax, Spilios Charamis, Director General Antenna Group & Vice-President of the ACT, said:** “Above all, the tax will be counter-productive. Like any business, Greek commercial broadcasters will have to adjust to this unexpected increase in their cost base. There are already indications that investment in original Greek and European programming will be cut in favour of cheaper imported content, which would impact on consumer choice and employment in the Greek

and European television sector. For all these reasons, the new tax is a mistake and we call on the Greek government to look for more equitable and less damaging methods of raising revenues”.

**Commenting on the developments in Greece, Stephan Loerke, Managing Director WFA, said:** “Advertisers have expressed significant concern at the proposal of the Greek government to levy additional taxes on TV advertising. This is likely to undermine, rather than leverage, the ability of advertising to act as a catalyst for economic growth”.

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**About the ACT:**

The Association of Commercial Television in Europe (ACT) represents the interests of the commercial broadcasting sector in Europe. Formed in 1989, the ACT has thirty member companies active in 34 European countries. Our members operate several hundred free-to-air and pay-tv channels and distribute many more channels and new services. The ACT members encompass several business models: free-to-air broadcasters and pay-TV players, digital platform operators and multimedia groups. [www.acte.be](http://www.acte.be)

**About the WFA:**

The World Federation of Advertisers (WFA) is the only global organization representing the common interests of marketers. Through its network of 58 national advertiser associations on five continents and over 60 of the world’s biggest marketers, WFA represents around 90% of global marketing communications, almost US\$ 700 billion annually. WFA champions responsible and effective marketing communications. [www.wfanet.org](http://www.wfanet.org)

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