

STATUS QUO 'NOT AN OPTION' ON COPYRIGHT LEVIES

PRESS RELEASE

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DIGITALEUROPE welcomes European Ministers' recognition of need for reform, and restates need for action.

Brussels, 30 May 2013 - Europe's Internal Market Commissioner yesterday agreed with European Competitiveness Ministers that Europe's outdated copyright levies system needs reform, recognising that the status quo "is not an option". But, despite encouraging indications that levies might be included in the Communication on General Reform of Copyright in 2014, Ministers did not set out a concrete course of action.

Ministers were attending the Competitiveness Council and considering a report by former Commissioner Antonio Vitorino on copyright levies in Europe. The report called for change, recognising that the current arrangement is 'a source of friction' with internal market principles.

The current system has helped create a 'digital gap' between Europe and other trading blocs. Per capita spend on digital music is over four times greater in Japan and the USA because they do not have a levy system¹. The system also fails in its goal to provide fair compensation to artists and to protect the rights of consumers.

The meeting of Ministers was characterised by a clear shift towards the need for reform, a progressive position that was reflected in the European Parliament at a meeting of the Legal Affairs Committee yesterday morning.

John Higgins, Director General of DIGITALEUROPE, said: "I am encouraged by the fact that the Internal Market Commissioner and Europe's Competitiveness Ministers have recognised the failings of the current arrangements. However, what we really need is firm action to reform a system that harms consumers, fails artists and badly damages the European digital market."

Independent reports have suggested that a genuine digital single market in Europe would deliver an extra 500 billion Euros, or 4% of GDP by 2020.²

Mr Higgins added: "We call on the European Commission to develop a roadmap for action without delay."

Mr Vitorino was asked to write his report by Internal Market and Services Commissioner Michel Barnier.

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¹Oxera, "Is there a case for copyright levies? An economic impact analysis", April 2011.

²European Policy Centre, The Digital Single Market 2.0, Hans Martens and Fabian Zuleeg, 27 February 2012.