

## MINISTERS FACE A BIG DECISION ON THE EUROPEAN 'DIGITAL GAP'

### *Press Release*

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### DIGITALEUROPE urges Council and Commission to implement Antonio Vitorino's report on copyright levies

Brussels, 28 May, 2013 - On 29 May in Brussels Europe's Competitiveness Ministers will meet to discuss the future of the European creative sector, and whether they will allow a 'digital gap' to continue to grow between Europe and other trading blocs. The current copyright levy system has created a situation where per capita spend on digital music is over four times greater in those markets that do not have a levy system such as in Japan and the USA<sup>1</sup>.

The Ministers will be addressed by former Commissioner Antonio Vitorino, who will explain to them that the present copyright levy system in Europe is deeply flawed and a major "source of friction" with the Single Market. The existence of these levies – which are applied at different rates to different products in some but not all Member States – is badly damaging the European digital single market. An independent report has shown that the benefits of a genuine digital single market in Europe would amount to 500 billion euro, or 4% of GDP by 2020<sup>2</sup>.

"Ministers face a clear choice. Do they want a real digital single market that would contribute 500 billion euro to Europe's balance sheet by 2020, or do they want to fall further and further behind at a time when Europe is already struggling to pay its bills?" said John Higgins, Director General of DIGITALEUROPE.

The Competitiveness Council follows the delivery of a mediation report on private copying and reprography levies on 31 January 2013. The report has been commissioned to Mr Antonio Vitorino by Commissioner for the Internal Market and Services, Michel Barnier. DIGITALEUROPE believes EU Member States should urgently take action to implement the recommendations put forward in this report in order to encourage growth in Europe.

Furthermore, DIGITALEUROPE calls on the Council of the European Union to formally ask the European Commission to present a roadmap for action. The European Commission should build on the momentum created by Mr Vitorino's report and work together with Member States and all stakeholders to develop effective solutions for implementing all of Mr Vitorino's recommendations without delay, on a path towards fairer compensation solutions fit for the digital era.

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For further information and additional comments, please contact:

Joe Kimble at APCO Worldwide, [jkimble@apcoworldwide.com](mailto:jkimble@apcoworldwide.com), +32 2 645 98 29, +32 473 502 599

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

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