

VOTING RECOMMENDATIONS

Draft Report 'Towards a sustainable single market for business and consumers', MEP David Cormand

July 2020

Intergraf is the trade association representing the European printing industry. We represent 21 national federations in 20 countries. The printing industry provides jobs to more than 600.000 Europeans active in 110.000 companies and generates a turnover of approximately € 79 billion. The industry throughout Europe consists mainly of small enterprises, with 90% employing fewer than 20 persons. A large majority of these printing companies are either commercial print companies, the turnover of which is largely dependent on their production of advertising material, or printers of newspapers or magazines, which are heavily dependent on advertising.

The Draft Report 'Towards a more sustainable single market for business and consumers (2020/2021(INI))' from MEP David Cormand includes provisions that would severely damage the advertising sectors and related industries like ours. The proposed measures are unbalanced, disproportionate and do not take into consideration the current legal framework governing many aspects of advertising (Directive 2005/29/EU on Unfair Commercial Practices Directive, the Data Protection Regulation EU/2016/679) and self-regulatory measures applicable in the advertising sector in Europe.

Moreover, we consider that the timing of this report and provisions on advertising is particularly inappropriate. Indeed, companies – from large retailers to small local shops or crafts - will need to use advertising even more than before in order to recover from the COVID-19-related economic crisis.

Additionally, advertising is not only used by brands to advertise their products, but it is also used by many other economic sectors, including SMEs, local shops, restaurants and services, non-profit organisations, like charities, cultural associations, political parties, sports clubs, as well as authorities.

Advertising is a legal commercial practice which supports the functioning of the internal market and promotes free competition. Advertising provides consumers with information on a variety of products and services, enables consumers to compare between offers. It promotes consumers' freedom of choice.

Our industry is particularly concerned by the effect that the Rapporteur's proposals would have on print media. Printed newspapers and magazines heavily depend on advertising revenues. Any restriction to advertising threatens the European media sector.

We also fear that the proposals would create a further competitive advantage to large non-EU online advertisers that could by-pass European legislation, thereby providing a competitive advantage to non-European products and shops.

Intergraf therefore welcomes the following amendments proposed by members of the IMCO Committee and **calls for their adoption**:

Amendment 331 (or 332, 333, 334)

Text proposed by Rapporteur

Proposed amendment

17. ~~Calls for a ban on the advertising of services or products that are disproportionately damaging to the environment or consumer health;~~

17. *deleted*

Our justification

A ban would impede the financing of the media and therefore disregard the positive contribution of advertising in raising environmental awareness of consumers. Self-regulatory measures already complement existing legislation and provide significant safeguards on environment and consumer health.

Amendment 339 (or 340,341, 342)

Text proposed by Rapporteur

Proposed amendment

18. ~~Calls for the introduction of an EU advertising tax in order to offset negative externalities resulting from increased consumption;~~

18. *deleted*

Our justification

The introduction of an EU advertising tax will disproportionately impact European media companies, in particular print media, who are already facing severe profitability issues due to a change in media consumption and who are particularly hard-hit by the coronavirus pandemic. This would also further increase the competitive advantage of large non-EU online advertisers who are already known as mastering tax avoidance systems.