European Commission: Go-Ahead to Media Support Schemes in Denmark, France, Ireland and Poland

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The European Commission recently approved under EC Treaty state aid rules four aid schemes meant to support film making in Poland and Ireland, music recordings by new talent in France and newspaper distribution in Denmark. All four schemes were found to entail no undue distortion of competition within the Single Market.

The Danish plans sought to give publishers of certain newspaper-like publications direct grants totalling EUR 1.3 million. The aid will enable publishers to freely choose their distributors in their efforts to distribute these publications. In deciding to favour this scheme, the Commission took into account such elements as the promotion of media pluralism and the propagation of socio-political news to Danish citizens.

The French aid scheme takes the form of a tax break for music producers. It provides aid of an estimated total of EUR 10 million per year and covers part of the costs of production and promotion of albums of new talents and instrumental music. The measure is directed at albums which are considered to be cultural products. The scheme also ensures that the aid granted is confined to the necessary minimum and is mainly meant for small- and medium- sized enterprises.

The Irish and Polish schemes are intended to support cinematographic activities. In Ireland, film production companies can expect an 80% tax relief on investments of up to EUR 35 million or 80% of the production budget of a single film. As for the Polish Audiovisual Fund and the Polish Film Institute, they were established at the beginning of the year 2006. A total of EUR 25.4 million per year will be awarded by the Polish Film Institute to support film projects, film production, film distribution and dissemination, the promotion of Polish film making and the dissemination of film culture, including the production of films by Polish expatriate centres. Both the Irish and the Polish schemes have been revised before reaching a final stage. In the case of the Irish plans, the scheme amends an earlier scheme which the Commission had also approved. The Approval of the Polish aid followed an amendment to the legislation made on 5 May 2006 to reduce the scope of the territorial conditions and of the amounts included in the original legal provisions.

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Because they are based on cultural objectives and do not distort competition within the Single Market, the Commission concluded the French, Irish and Polish schemes are compatible with Article 87(3)(d) of the EC Treaty. The Danish scheme was, for its part, approved under Article 87(3)(c) which allows aid to certain economic activities, provided it does not distort or affect trade between EU Member States.

"State aid: Commission endorses media support schemes in Poland, Ireland, France and Denmark", press release of 17 May 2006, IP/06/641

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