

TOOLBOX: FEP recommendations for measures to support the book sector in view of the COVID-19 crisis

EU level

The EU should first and foremost recognise the importance of encouraging specific support measures for the cultural and creative sectors (including explicitly publishers and booksellers)¹, in view both of their potential and their vulnerabilities, and call for a coordinated approach. Within its possibilities, it should also:

- Simplify and accelerate the procedures for **approval of projects** providing broad support to the publishing sector under all relevant funding programmes and launch **new targeted calls**, including for topics such as supporting the investment of publishers in **accessibility for people with disabilities**, facilitating the creation of a **rights data infrastructure**
- Fully finance the **Creative Europe** programme as requested by the European Parliament and within it a specific **budget line dedicated to books**; fund projects that provide significant structural support to the CCI, including support for **book fairs**
- Upgrade the **Financial Guarantee** dedicated to the creative sectors so as to cover the urgent liquidity needs of enterprises in the publishing value chain
- Ensure that any EU money earmarked to help address the crisis includes **funds dedicated to the cultural sectors**, including the book sector
- Allocate significant funds for innovation in book publishing and the other CCI under **Horizon Europe** and incentivise Member States to use the **structural and cohesion funds** to finance cultural projects including in the book sector
- Ensure that Member States are allowed to take **all necessary measures** to support their economies, especially those that are likely to benefit the book sector, for example in the framework of **state aid legislation**, and recommend to the **Members States to take explicit measures** targeting publishers (and booksellers) – see Annex 1
- Consider books as **essential products** requiring specific policies during this period, for instance in terms of competition policies or rules for the opening of bookshops

¹ FEP has listed here a number of measures that will be indispensable for publishing houses to recover from the dramatic drop in sales during the COVID-19 crisis. It goes without saying that publishers also support measures in favour of authors, who are equally hit by the crisis. The book chain is an ecosystem and all parts of this ecosystem need support at this extremely difficult moment.

Annex 1 - National level: sector-specific measures

Publishers (and booksellers) should be able to benefit from all the relevant general measures (such as those listed further below in Annex 2). Measures at national level must also be taken to target explicitly the cultural and creative sectors, taking into account their specificities. Several measures can support publishers (and booksellers): either general measures adapted to the specificities of the book sector, or measures that target the book sector explicitly. Recommended measures of both kinds include:

General measures adapted to the book sector

- Recognise both the **special role of the book sector** during the crisis (its potential to help the economy and society, for example looking at the benefits of reading) and its **dramatic situation and vulnerability**, and prioritise support for it accordingly in the framework of the general measures
- Adopt **sector-specific measures** for the publishers (and booksellers), and **earmark emergency funds** to this end
- Allocate adequate **funding to EU programmes** supporting the book sector
- **Support financially** the entire book value chain to help it cope with the immediate effect of the crisis
- Empower the **specific sector institutions** (such as national book centres) to channel and/or complement support instruments and funds
- Provide **simplified access to all available measures**, prioritising the most vulnerable categories
- Provide **support based on economic impacts**, independently from mandatory closure of shops and activities
- Offer **grants** to cover ongoing operating costs, **loans** for business premises, commercial rents or leasing rates
- Give bookshops **non-refundable grants to pay off rent** during the emergency; allow publishers to benefit from **business rates relief**; suspend or waive payment of rent when bookstores are in real estates owned by the state or by local authorities
- **Avoid claims for reimbursement of funding** if events or projects cannot be implemented, and/or extend projects duration
- Provide subsidies for small and medium-sized enterprises **without upper employment thresholds**
- Offer maximum state-backed **loan guarantees**, possibly up to **100% default guarantees**
- Allow employers to reduce full-time staff to **part-time working hours**, as an alternative to furloughing employees altogether
- Extend a number of selected measures (for example, interest-free loans) for **at least 2 years**, in order to align them with publishers' income cycles
- Monitor and provide information on **book sector supply chains**
- Carry out **sector studies** on the impact of the crisis

- Launch **dialogues** with the cultural and creative sectors to understand their needs; create dedicated **task forces**

Measures specific to the book sector

- **Concentrate, strengthen, speed up and make more flexible** all existing aid and support tools for the book sector
- **Postpone repayment** of loans, grants and other aids specific to publishers (and booksellers)
- Offer **rebates on corporate tax** for new work and investment by publishers and for modernisation of establishments by bookshops and distributors
- **Facilitate application process and accelerate distribution** of already established grants to publishers (and booksellers)
- Step up public investments to **support book, ebook and journal purchasing plans** via bookshops for **institutions**, particularly public **libraries**, school libraries, university libraries and research institutions, also through facilitated **public procurement**
- Support the **publication of new titles** for 2020 and 2021
- Increase funds for educational institutions for **purchasing digital learning materials** and transitioning to home learning environments, and for the **physical resources** that are better suited to households without adequate access to devices or internet connectivity
- Promote **book purchasing through special schemes**, including providing **tax relief** for families buying books, or **vouchers to buy books** for particular categories of citizens
- Step up **reading promotion campaigns** favouring book purchasing via local booksellers
- Apply **0 VAT to book sales** for one year
- Provide **special credit to bookshops to pay publishers**
- Support **export activities** (sales of books and rights, participation in book fairs) for at least **2 years** after the crisis
- **Reimburse costs for participation** in international **book fairs** and other events cancelled
- **Avoid reclaiming grants and subsidies** paid to for **book fairs** and other literary events cancelled
- **Create compensation funds** for organisers of **events** cancelled or that need to be cancelled, including authors' fees
- Widen the scope of use of the part of the **sums collected by CMOs** in the context of private copying and other exceptions and legal licences and devoted to the funding of cultural actions as well as non-distributable sums from compulsory collective management, so that they can also be devoted to **crisis support**; accelerate payments by public authorities of dues to CMOs; increase **licensing** for the use of books by public entities
- **Reduce the cost of delivery of books**, via preferential post tariffs or other means

Annex 2 - National level: general measures

Member States have adopted a wide array of measures to counter the economic and social impact of the crisis. All of these measures can be beneficial to the cultural and creative industries as well. Coordination, benchmarking and the sharing of best practices are recommended. General measures fall into a number of main categories:

- Small business relief, liquidity support or other financial support (incl. non-refundable)
- Company tax relief
- VAT relief
- Income support for employees and for freelance workers
- Unemployment relief for employees and for freelance workers
- Allowance of and support for partial/temporary unemployment, redundancy funds, furloughing
- Employer social security payment holiday
- Loan repayment holiday
- Mortgage payment holiday
- Interest-free loans
- State-backed loan guarantees
- Suspension/delay of tax returns and/or VAT returns