

Mr Petr Fiala
Prime Minister

Úřad vlády České republiky
nábřeží Edvarda Beneše 128/4
118 01 Praha 1 - Malá Strana
Czech Republic

Brussels, May 26th, 2023

Dear Prime Minister,

I am addressing you as a representative of the European Publishers Council, which is a European association bringing together the largest corporate companies in the field of publishing press publications in the countries of the European Union.

On behalf of this organization, I would like to express my fundamental disagreement with the proposal of the government of the Czech Republic to increase the VAT rate for the sale of newspapers to 21% and for the sale of magazines to 12% from the current 10 %. Especially if it is simultaneously accompanied by a reduction in the rate for the sale of books to a zero rate.

In EU countries, the rate of sales of newspapers and magazines and in a majority of cases of books is the same. There is no discernible dividing line between newspapers and magazines. Due to the expansion of paid digital print publications, this boundary is becoming increasingly blurred. In this respect, the development is therefore going in the opposite direction than what the Czech government is considering.

As representatives of key European publishing companies, we feel from our own experience the ever-worsening conditions for publishing print publications. I must point out the sudden increase in the prices of paper, energy and other inputs. Publishers have to face competition in the media market from global digital platforms as well as competition from public broadcasters. At the European level and in individual countries, we still encounter legislation that is not entirely satisfactory or efforts to increase regulation of advertising and in other areas, which limits our companies.

In most countries, publishers can at least take advantage of stable and low VAT rates for print sales. That is why we also welcomed when the rate for printing was reduced to 10% in the Czech Republic, which, together with the possibility of unifying the VAT rate for the sale of printed and digital content, was one of the last successes of publishers in the tax field in EU. The increase in the VAT rate clearly goes against the all-European trend of taxing print publications as little as possible.

An increase in the VAT rate will clearly harm the publisher of the press as well as its readers and, in the long run, the entire society. Among other things, it will lead to a further increase in the price of printing, a decrease in its sales and thus a limitation in the accessibility of quality, trustworthy and professionally processed information. This will expand the space for disinformation to spread. These are certainly consequences which the government of the Czech Republic does not want.

We therefore urge you to reject the proposal to increase the VAT rate for print publications. If the government of the Czech Republic has decided to reform the VAT rates, we consider the only acceptable solution corresponding to the social importance of the press and the situation of its publishers to reclassify newspapers and magazines to a zero VAT rate, as in the case of books.

Yours sincerely,

Angela Mills-Wade
Chief Executive Director
European Publishers Council