ASSOCIAÇÃO PORTUGUESA DE IMPRENSA

Portuguese press publishers call on Czech government to refrain from raising VAT rates of press publications

The Portuguese Newspaper Publishers‘ Association (API), which represent the Portuguese press publishers would like to express their concern about the news that the government of the Czech Republic intends to increase the VAT rate on the sale of print from the current rate of 10% to 21% for dailies and 12% for magazines as part of measures to improve State finances.

At the same time, however, the government wants to reduce the VAT rate for the sale of books to 0 %.

The Portuguese Newspaper Publishers‘ Association in the path of other European Associations, consider this to be misguided and lacking coherence for a number of reasons, as it is inconsistent with the current trends and developments in other Member States of the European Union.

A more than two-fold increase in the VAT rate for newspapers will lead to a significant increase in their price and will clearly lead to a reduction in the availability of newspapers and magazines to the citizens of the Czech Republic.

We believe that the financial benefit of this rate increase for the State budget would be minor in the case of the sale of periodical press.

We likewise would like to point out that increasing the price of the press will inevitably impact sales negatively, meaning that ultimately the tax revenues for the State will decrease.

As acknowledged by European Commission Vice-President Jourová, legally established, legitimate press publications distributed on paper or online are one of the key trusted sources of information for citizens to counter misinfirmation and disinformation.

The fact that the Czech government would consider introducing such a measure at a critical time for European media would send a questionable signal across the EU.

Portugal at this moment apply super reduced VAT rate, and most EU Member States currently apply reduced, super reduced or zero VAT rates to newspapers and magazines because of the essential value they provide to citizens for education, cultural diversity, media pluralism, democratic participation, and country identity.

Indeed, many Members States have chosen to use the flexibility offered by the European VAT rules to grand reduced or super-reduced VAT rates to press publications, be it online or offline, newspapers or magazines both dailies or peridocals.

More, at this point in time the Portuguese government want to help the press in a time when it is facing a more than two-fold increase in printing paper prices and a further increase in production and other input prices.

In times that the misinformation is a huge problem that democracy is facing, the printed press is the one that could play an important role on fighting these issues.

Therefor we ask, should these new rates be adopted by Czech Republic, when we see that across the EU the Member States apply 0% or 5 % VAT rates to press publications in order to maintain this democratic pillar alive? We don’t think so.

We likewise consider the division between newspapers and magazines in terms of the VAT rate to be problematic, as such a separation has no equivalent in the EU countries and goes against current trends, where newspapers and magazines are increasingly intermingled in the print and digital media markets.

For the afore mentioned reasons, we strongly encourage the Czech government to support press publishers to continue their high investment in diverse and quality content that contributes to greater literacy and fosters informed opinions and greater participation in the democratic debate.

We call on the government of the Czech Republic to reconsider its plan to increase VAT rates for newspapers and magazines. If the situation in the Czech Republic requires changes in VAT rates, we consider the only appropriate solution to be to reassign newspapers and magazines to the same group as books, i.e. to a zero VAT rate.

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(Chairman)

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