

## Flexibility in advertising rules is necessary say speakers of egta conference

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**Brussels, 6 June 2006** – On May 31<sup>st</sup>, one hundred television and radio advertising professionals from all over Europe gathered with tens of Members of the European Parliament to discuss the role of advertising in the audiovisual sector and the on-going revision of the “Television Without Frontiers” directive.

The five key speakers, **European Commissioner Viviane Reding, Gerhard Zeiler, CEO of the RTL Group, Philippe Santini, President of egta & Director General of France Télévisions Publicité, and MEPs Ruth Hieronymi and Frédérique Ries**, highlighted the need to streamline the regulatory framework on advertising.

As host of this event, **Mrs Frédérique Ries** introduced the debate and immediately pinpointed what is at stake with the future directive: *“With regards advertising, the challenge really is to maintain the competitiveness of Europe’s free-to-air broadcasters and to safeguard viewers’ free access to a variety of quality programmes”*.

**European Commissioner Viviane Reding**, presented the tremendous changes in the audiovisual sector which render necessary a revision of the “television without frontiers” directive. Mrs Reding highlighted that the modernisation of advertising rules and the extension of basic qualitative standards to all forms of audiovisual services contribute to establishing a level playing field while maintaining high levels of consumer protection.

When addressing the issue of advertising for food products and obesity, Mrs Reding **praised self-regulation’s added-value** and sales houses involvement in its operations. The Commissioner notably declared: *“self-regulation could be a means of choice as it has many advantages over regulation in terms of speed and flexibility. Only if self-regulation fails, other means of actions should be engaged”*.

**Mr Gerhard Zeiler**, CEO of The RTL Group, highlighted that the heart of broadcaster’s business lies in good programmes and particularly local home-made productions, which are widely enjoyed by viewers. While stressing huge investment levels in local content, he made clear that these are only possible thanks to advertising: *“Without advertising, there would be no free of charge content in Europe.”*

In today’s new audiovisual environment characterised by digitalisation, a rapidly growing pay-TV landscape and empowered viewers, Mr Zeiler pledged for increased flexibility in advertising rules. *“Broadcasters must be able to choose when and where they can place advertising. In any case, with their ability to switch channels, viewers are the most powerful regulator.”*

The Rapporteur on the proposal, **Mrs Ruth Hieronymi**, welcomed this high-level conference to help form opinions at a good time in the revision process. While giving an overall support to the European Commission’s approach, she acknowledged the relevance of advertising concerns raised by advertising professionals and egta. **Mrs Hieronymi expressed support for flexible rules** and notably questioned the need to raise from 30 to 35 minutes the insertion rule on news and children’s programmes. Mrs Hieronymi however acknowledged *“problems in dealing with*

*product placement*” and believes “*further work is in fact needed on this issue*” to establish a clear and transparent legal framework.

**Mr Philippe Santini**, President of egta and Director General of France Télévisions Publicité, explained that television sales houses are always the mediator between advertisers’, rights owners’, broadcasters’ and viewers’ demands. He highlighted that to meet all these expectations, ***sales houses must be given the means to insert advertising better and to develop new and creative formats***”. To that end, he pledged for loosened insertion rules, the lifting of restrictions on single-spot breaks, the securing of new forms of advertising and the modernisation of the hourly limit to advertising.

In conclusion, Mr Santini reminded that “***viewers are always at the heart of broadcasters and sales houses’ decisions. Thanks to audience measurement tools, we know better than anyone else viewers, what we owe to them and our responsibilities towards them***”.

This conference was the opening session of **egta’s 32<sup>nd</sup> Annual General Meeting**, which took place from May 31<sup>st</sup> to June 2<sup>nd</sup> in Brussels at the invitation of the fourth largest television and radio sales houses in Belgium: IP/RTL, RMB, VAR and VMMA.

On the two following days, nearly 130 advertising professionals from all over Europe met to exchange opinions and ideas on their profession and were addressed by high-level speakers such as Susannah Outfin, *CEO Worldwide of Carat International*, Simon Guild, *CEO of MTV Networks Europe*, and Giovanni Fabris, *International Media Director of McDonald’s*.

## About egta

**Egta is the trade association of television and radio advertising sales houses (both independent of a channel or in-house) that commercialise the advertising space of both private and public TV/radio channels all over Europe.**

- 57 TV members
- 25 Radio members
- 26 European countries including 19 EU Member States
- Nearly 70% of the European TV advertising market
- 50% of radio advertising market in countries represented by the egta members

Egta provides a network for its members based on **relationships with more than 1000 high-level advertising executives**. Egta fulfils different functions for its members in fields of activities as diversified as regulatory issues, audience measurement, sales methods, interactivity, cross-media, etc.

Over its 32 years of existence, egta has clearly become **the reference centre for television and radio advertising in Europe**.