

Will political courage and forward thinking prevail during debates on television advertising?

Brussels, 26 September 2006 – One week ahead of five parliamentary votes on the advertising provisions of the draft directive on “audiovisual media services”, egta is particularly concerned by the path of debates in the European Parliament and by many proposals that are gaining momentum among members of this institution.

“It seems to be forgotten that there is a large consensus among experts and decision-makers that television advertising provisions need to be modernised in view of the tremendous technological and economic changes in the industry”; highlights Michel Grégoire, Secretary General of egta. In fact, advertising debates in the European Parliament have taken another direction.

Among the policy options now discussed in the European Parliament are **three additional EU-wide bans on television advertising**: a global ban on children advertising and two watershed bans on advertising for alcoholic beverages and advertising for food products with a high in fat, salt or sugar content. According to egta’s data, these measures would cost sales houses and broadcasters roughly 15% of their advertising revenues.

In addition, the **few improvements to the advertising provisions initially proposed by the European Commission are now called into question**. Very-detailed and stringent rules which both create long advertising breaks and prevent the development of more creative advertising formats could be re-introduced. At the same time, overly rigid rules on product placement are being discussed. Better and creative means of advertising which are demanded by viewers and important for broadcasters to maintain their revenue streams would then be ruled out.

In this context, egta is particularly worried that if sales houses’ abilities to collect advertising revenues are too limited, European **viewers will be the first to be penalised**. *“If we fail in modernising advertising rules or if new bans are put in place, free-to-air television will not have the resources to offer the wide variety of programmes and the original content that viewers are expecting. Only citizens subscribing to pay-services could have access to good audiovisual content.”* said Michel Grégoire.

Egta calls on decision-makers to **carefully assess financial impacts of their decisions** bearing in mind that it is tomorrow’s digital audiovisual landscape which is at stake and not television as we have known it for the last 50 years. With audience fragmentation, enhanced competition between audiovisual delivery platforms and greater viewer control, television advertising bans will remain mostly ineffective and overly detailed rules will prove counter-productive.

“A sensible and balanced regulatory framework on advertising is still at reach. It will require both courage and forward thinking from regulators not to blame advertising for highly complex societal problems and not lose sight of the tremendous changes in the industry which render necessary this reform” concludes Michel Grégoire.

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.**