



European Commission Consultation on the White Paper on Foreign Subsidies

EFAD contribution

24 September 2020

About EFAD

[EFAD](#) (European Film Agency Directors association) is the voice of national European Film Agencies, bringing together the national film and audiovisual agencies across Europe. The 35 EFAD members are government or government-associated public bodies, in charge of national funding for the audiovisual sector and with the responsibility to advise or regulate on all aspects of audiovisual policies.

Main messages

EFAD supports the European Commission's White Paper's proposal to introduce a scrutiny instrument with the obligation to notify foreign subsidies and the possibility to apply sanctions. As EFAD is an association of European members which all subsidise their audiovisual sectors to support cultural diversity, all points made in this submission in regard to "foreign subsidies" only relate to subsidies from countries outside Europe.

In particular:

1. The current EU competition policy, trade policy and public procurement policy instruments do not allow for effective control of foreign public subsidies within the EU, in particular because EU state aid rules only apply to aid granted by EU Member States. The Commission's means of actions must be strengthened (more enquiries into foreign subsidies) and new instruments must be created to fill existing legal gaps in order to ensure fair competition conditions and preserve EU assets that are strategic for the promotion of EU cultural diversity.
2. Regarding the modules detailed by the White Paper:
 - a. Module 1: the proposed instrument would allow the Commission to correct the distorting effects of foreign subsidies within the internal market, which is not the case today. The proposed two-step procedure is consistent with the competition rules applied within the internal market between Member States and would complement the current instruments. EFAD is in favour of the proposed assessment criteria and list of remedial measures, although transparency obligations could also be envisaged. Moreover, for these obligations/measures to be effective, they should be almost equivalent to the State aid rules.
 - b. Module 2: this instrument could usefully complement existing national and European instruments for the control of foreign investment. EFAD is in favor of the two-step procedure and the notification obligation proposed by the White Paper.

3. EFAD also shares the Commission's view that European funding should not be granted to economic operators who have benefited from foreign subsidies that give them a competitive advantage over their competitors.

Contact

EFAD - European Film Agency Directors aisbl

Boulevard Léopold II, 44 – 1080 Brussels

Registered number : BE 0599.781.484

Transparency Register number: 430805515370-85

Email: secretariat@europeanfilmagencies.eu

Twitter : [@efads_asso](https://twitter.com/efads_asso)

Website: europeanfilmagencies.eu