

## **PRESS RELEASE**

# European digital media industry calls on EU to align VAT for eBooks and printed books

VAT discrimination on eBooks costs publishers and consumers €1.8 billion

Brussels, 4 December 2014 – Ahead of the meeting of EU Finance Ministers on the 9<sup>th</sup> of December, EDiMA\* is calling on the EU to support digital reading, education and culture, and align VAT rates for eBooks with those currently applied to printed books.

According to Stephen Collins, EDiMA President: “Reading and literacy are vital to our economy and our cultural life. To promote reading and culture, policy-makers have understandably supported printed books by applying lower VAT. Yet digital reading inexplicably incurs higher rates of VAT. We should encourage reading in all formats equally. A book is a book, irrespective of how it is enjoyed. To choose not to align VAT would abandon a historic commitment to reading and culture.”

Today, eBooks are subject to standard VAT rates in 26 out of 28 Member States, while most equivalent printed books benefit from a reduced VAT rate. This discrimination is a barrier to growth and cross-border trade, and inconsistent with efforts to promote the benefits of the digital economy to citizens.

Research by Deloitte - “The Cultural and Economic Value of eBooks” - notes that among several factors impacting the growth of eBooks, affordability for consumers is highly significant. The factor most likely to impact on affordability is the difference in VAT applied to eBooks compared to physical books. Changes in VAT rules, due to be implemented in 2015, are likely to be to the detriment of the book segment, of reading, culture and of the European economy as a whole. According to the research, a cumulative price increase or decrease of 15% could lead to an impact on economic value of as much as €1.8 billion (€1 billion in consumer welfare and €0.8 billion in economic value to publishers and authors) over the period 2013-2017.

For more information, contact:  
+32 2 626 1990  
[info@europeandigitalmedia.org](mailto:info@europeandigitalmedia.org)

Ends

-----

\* EDiMA is the European trade association representing online platforms. It is an alliance of new media and Internet companies whose members include Allegro Group, Amazon EU, Apple, eBay, Expedia, facebook, Google, LinkedIn, Microsoft, Nokia, Yahoo! Europe. EDiMA's members provide Internet and new media platforms offering European consumers a wide range of online services, including e-content, media, e-commerce, communications and information/search services.