



## EUROPEAN COMMISSION

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**PUBLIC VERSION**

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**Subject: State Aid SA.43878 – Spain  
Aid for cultural periodicals**

Sir,

- (1) I am pleased to inform you that the European Commission has assessed the measure "aid for publishing periodicals" (hereafter "the measure") and decided not to raise objections as the State aid contained therein is compatible with Article 107(3)(d) of the Treaty on the Functioning of the European Union (hereafter 'TFEU'). The measure is approved until 31 December 2020.

**1. PROCEDURE: NOTIFICATION, CORRESPONDENCE, DEADLINE ETC.**

- (2) On 14 December 2015, Spain notified to the Commission, pursuant to Article 108(3) TFEU, an aid scheme consisting of direct grants for publication of cultural magazines in Spanish (Castilian), Basque, Catalan, Galician or Valencian languages.
- (3) The notified scheme is a prolongation of a scheme approved by the Commission on 31 May 2012<sup>1</sup>.

**2. DETAILED DESCRIPTION OF THE MEASURE/AID, INCLUDING:**

- (4) The scheme "subvenciones para la edicion de revistas culturales" has the objective to promote the publication of periodicals which have an outstanding cultural significance but a limited commercial potential.

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<sup>1</sup> Case SA.34138, Aid for publishing cultural magazines (Ayuda a la publicación de revistas culturales).

Excmo. Sr. D. José Manuel García-Margallo y Marfil  
Ministro de Asuntos Exteriores y de Cooperación  
Plaza de la Provincia 1  
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- (5) Eligible for aid are cultural magazines in Spanish (Castilian), Basque, Catalan, Galician or Valencian languages that enrich the Spanish bibliographic heritage. Like in the scheme approved in 2012, the measure supports the publications of outstanding cultural significance. Both paper and electronic publications are supported. The eligible publications need to have a periodic character, a set price, a minimum print of 1 500 copies and a maximum print of 15 000 copies (or have at least 1500 subscribers in case of electronic publications). The publishing enterprises have to have a permanent establishment in Spain at the time the aid is paid out.
- (6) Excluded from the aid measure are: cultural bulletins, entertainment guides, yearbooks, catalogues; publications distributed for free; works edited with less than 48 pages; works edited or co-edited by or on behalf of public sector bodies; works containing more than 30% of advertisement; works dedicated to professionals within a particular cultural sector, describing mostly materials and technical means used for the realization of the creation or of the cultural object; works having mostly local content or referring to one Autonomous Community; publications which are distributed as supplements/inserts of the magazine, special issues or sold together with another publication; publications which do not remain active at the time of the application for subsidy; works which are only edition projects at the time of submission of the application for subsidy; publications having ISBN number as those are not considered to have a periodic character.
- (7) The legal basis of the aid is Orden CUL/2912/2010, de 10 de noviembre, por la que se establecen las bases reguladoras de la concesión.
- (8) The overall budget is EUR 4.65 million, which reduces the annual budget, compared to the previous scheme, to EUR 0.93 million. It is financed from the budget of the Ministry of Culture, Education and Sports (Ministerio de Educación, Cultura y Deporte).
- (9) The maximum aid intensity is 50% of the total cost of publication of the magazine (i.e. costs of production<sup>2</sup>, distribution and marketing<sup>3</sup>). The subsidies awarded under this measure can be cumulated with any other type of aid granted by any other entity, provided that the cumulative aid intensity does not exceed 100% of the magazines' costs of production. In order to prevent overcompensation, the beneficiary has to declare in the application all subsidies granted for the same purpose.
- (10) The Ministry of Culture, Education and Sports is responsible for managing the applications made under this measure. Like under the previous scheme, an Evaluation Committee chaired by the Director General of Cultural Policy and Industries and the Book decides on the applications. The selection takes place on

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<sup>2</sup> Production costs are defined as comprising, among others, costs of design and layout, translation, prepress, printing, handling, administration, personnel (management, editorial staff, translation, documentation and photography), rental and equipment.

<sup>3</sup> Distribution and marketing costs are defined as comprising, among others, expenses of warehousing, shipping (mail and courier), promotion, communication and personnel dedicated to these tasks as well as expenses related to professional association fees when they perform tasks related to the distribution and/or marketing. Expressly excluded are financial expenses, legal or financial advice, notary and registration costs, expert expenses and costs of bank guarantees.

the basis of pre-determined cultural criteria (such as quality of the content, the sociocultural influence; the quality of the design and formal structure; the history of the magazine and its age, the periodicity in which it is published and the number of pages). Moreover, the applicant must justify the necessity of the aid to publish the cultural magazine with the proposed characteristics.

- (11) The aid measure is notified for the period from 1 January 2016 to 31 December 2020. Spain committed not to grant aid before its approval by the Commission.

### **3. ASSESSMENT OF THE MEASURE/AID, INCLUDING:**

#### **3.1. State Aid within the meaning of Article 107(1) TFEU**

- (12) Pursuant to Article 107(1) TFEU, any aid granted by a Member State which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, insofar as it affects trade between Member States, be incompatible with the internal market.
- (13) The measure is a subsidy granted by the Ministry of Culture, Education and Sports from the State budget. Therefore, it is granted through State resources. The measure gives an advantage to some publishers of magazines since it covers a cost that they would have to bear on their own under normal market conditions. Therefore the aid is capable of affecting competition in markets which are open to competition and trade. The aid measure thus also affects or may affect intra-EU trade of publishing products. Therefore the notified measure constitutes State aid within the meaning of Article 107(1) TFEU.

#### **3.2. Compatibility**

- (14) The Commission assessed the compatibility of the aid under the derogations provided for in Article 107(3) TFEU. By favouring the publication of cultural magazines of significant cultural importance, the aid has a cultural objective. Therefore the cultural derogation under Article 107(3)(d) TFEU is applicable, according to which aid to promote culture may be compatible with the internal market where such aid does not affect trading conditions and competition in the Community to an extent that is contrary to the common interest<sup>4</sup>.
- (15) Apart from the reduction of the annual budget, the conditions for granting the aid have not been altered in the notified prolongation project. Therefore, the compatibility assessment set out in paragraphs 20 to 30 of the Commission decision of 31 May 2012, regarding the appropriateness of the measure, the proportionality and the limited distortion of competition and trade remains valid.
- (16) For these reasons, the Commission considers that the distortion of competition created by the aid does not adversely affect intra-Community trade and competition to an extent contrary to the common interest. Therefore, the aid under review is considered compatible with Article 107(3)(d) TFEU.

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<sup>4</sup> The Commission had already at earlier occasions approved aid to cultural publications under that provision, in the previous decision on aid to cultural magazines mentioned in paragraph (3) of this letter and in Decisions of 19.07.2006 on the promotion of the publishing industry in Slovenia (Case N 1/2006) and of 21.12.2005 on aid in favour of a weekly literature magazine in Slovakia (Case N 542/2005).

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article Article 107(3)(d) of the Treaty on the Functioning of the European Union

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request should be sent electronically to the following address:

European Commission,  
Directorate-General Competition  
State Aid Greffe  
B-1049 Brussels  
[Stateaidgreffe@ec.europa.eu](mailto:Stateaidgreffe@ec.europa.eu)

Yours faithfully  
For the Commission

Margrethe VESTAGER  
Member of the Commission