



The Live Performance sector calls the EU and governments to provide targeted measures following the impact of Covid-19 on live events

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Pearle*-Live Performance Europe, the European federation of organisations and enterprises in the music, performing arts and live performance sector calls upon the EU and governments to take targeted measures for the sector.

Pearle* and its members stand by the goals to combat and control the Corona-virus as quickly as possible. At the outbreak, in several countries, concert halls and theatres took in their own hands their responsibility towards the public before strict measures obliged to cancel events. Public health prevails in those exceptional circumstances.

In these times, culture is not a luxury but key to our societies and a unifying and mobilising force all over Europe. More than ever culture is needed in a crisis situation.

However the closure of venues and the cancellation of concerts, performances and shows has a devastating impact on the sector as well as many related sectors : service suppliers (audio, video, sound, stage management, catering, security...), not to mention the bars, hotels, restaurants, travel companies, thrive on people visiting events and travelling to different destinations. This was clear when venues closed doors before bars and restaurants were asked to do so. The attendance in those places dropped more sharply in those situated near a cultural venue.

The live performance sector itself generates at least 44,5 billion € GDP in the EU (this is usually considered to be a conservative estimation). It employs at least 1,2 million workers. The sector is characterised by small enterprises (non-profit organisations as well as private companies) : ranging from micro-companies to large organisations such as opera houses. Besides long-term employed people, a substantial proportion of people work on short-term contracts or on a freelance basis. This is quite typical for this sector that is characterised by seasons of events and productions lasting from a few days to a few weeks.

Immediate impact on the sector and impact after the crisis

The impact covers an entire ecosystem built around a concert or performance, going from the creation and pre-production, to the production of a (season of) live event(s) to the post-production. It involves artistic staff, but also a large group of technical, supporting and other staff. Given that many expenses, i.e. promotion, photography, visuals, technical supplies (stage scenery, costumes, props..) or rental of music are incurred in advance, as are ticket sales or contracts previously signed with suppliers, artists and technicians, it is clear that in all cases there will be non-recoverable costs. The postponement of concerts and events requires a huge logistic exercise to re-organise the production and contact the audience who bought tickets.

While people are being asked to continue working as normally as possible by teleworking, this is impossible for the majority of people in the sector as they need to be able to rehearse together and make sets, stages, props, etc at their workplace.

It should be underlined that the sector was already feeling the **impact since the outbreak in China** and other Asian countries early this year as touring companies were already faced with cancelled tours in that part of the world even before the current global crisis.

In addition showcases, trade fairs and other industry meetings where people normally establish contacts to sign contracts or develop co-productions for the future are not taking place. This is the case of SXSW in Texas or Classical Next in Rotterdam.

At the same time spring is normally the period in which theatres, concert halls and other venues present their programmes for the next season starting in September and the lines are opened for audiences to buy subscriptions and tickets. However given the current situation audiences are reluctant to buy tickets for future events so revenue from ticket sales has also diminished.

The festival season begins in March, and as many of them coincide with the period that public gatherings are forbidden they will in all likelihood have to be completely cancelled this year.

All other educational and social activities involving children and youth theatres, socio-cultural organisations or educational programmes with schools are now also cancelled. This will make an impact on the often small scale organisations and projects for whom these cancellations could force them to close down as their organisations have no financial buffer.

Therefore, Pearle* and its members call upon the EU and the governments in the Member States for full support to overcome this period with the aim to avoid bankruptcies and closures in the near future. Pearle* also calls upon measures to help put the sector back on track once the crisis has ended.

Action and measures

Whilst Pearle* recognises the measures already taken by the EU, including a 37 bln € Corona response investment fund, to help sectors to deal with the economic impact, as well as measures already taken in some Member States, **further coordinated action is needed at EU and Member State level** to foresee immediate necessity as well as plans for after the crisis. This also requires specific attention for a sectoral approach as the needs are different from sector to sector.

As regards the live performance sector, Pearle* **calls upon the EU** :

- to provide **clarity regarding state aid rules**: support measures allowed under article 107(2)(b) for companies should be accessible to both public and private organisations, as the impact of Covid-19 is hitting the entire sector. At the same time the additional national support measures under article 107(3)(b) under state aid rules, which the Commission is preparing, should not downsize or reduce specific models which exist in the sector, mainly covered under article 107 (3)(d). It cannot be the intention nor the result that organisations or people working in the sector would be less well off as a result of new measures taken by governments.
- to **define the corona-crisis as “force majeure”** throughout the EU which will help live performance organisation working cross-border and that had scheduled touring activities during the crisis period.
- to provide **clear guidance on the consumer rules in relation to the reimbursement of tickets**, especially when the event is postponed to a later date. As tickets are sold to both local customers and those coming from abroad, a European clarification in this case would be beneficial for both organisers and consumers alike. It seems appropriate that in such case such as this the consumer rules specify that the movement of an event in time is not a breach of contract for which reimbursement can be claimed unless there are motivated reasons.
- for a **specific initiative in the context of the European fiscal framework flexibility**, by proposing to the Council to no longer apply article 17 of the OECD model tax convention related to artiste taxation in order to stimulate touring again when the economy can be relaunched. The right of member states to withhold taxes on artiste income in the country of performance (cross-border taxation) has been a hinderance for decades and should be abolished as quickly as possible to help the sector back on its feet.

Pearle* calls upon the Member States to work with the European Commission on the above issues to ensure the economic sustainability of the sector through a necessarily coordinated approach. A chain of responsibility and solidarity between all policy departments is crucial to ensure that a balance is maintained in the ecosystem.

More specifically, Pearle* **calls upon Member States** to take measures in the following areas

- **Labour/employment**

The backbone of the sector are the people on and off stage. As mentioned in the introduction, many people work from contract to contract (employed or self-employed). Both organisations and workers need to be able to carry through this period and have the means to pay again staff or re-employ them.

- Exemption or postponement of payment employers social security contributions
- Possibility for temporary unemployment and where relevant access to unemployment benefits without a waiting period
- A specific fund for freelancers to compensate the lost income which cannot be accessed through unemployment social benefits
- Quick access to short-term work, provision of flexible work measures and support mechanisms to provide additional benefits for short-term workers in order to realise a compensation for the loss of income incurred during the period of the closed crisis

- **Tax**

- Reduction on business tax for private entities
- Exemption on VAT or reduction of VAT rates on tickets and/or on cultural services
- Non-accrual of interest in case of late payments, especially as regards general services such as electricity, gas, water
- Suspension of the application of the right to levy withholding tax on artist income in the case of touring groups and artists in the context of double tax treaties

- **Financial**

- Concession of credit lines/grants of credits which take into account the specifics of the live performance sector
- Reduction on energy bills
- A fund to cover non-recoverable costs/losses specifically for micro- and very small organisations, in order to have the necessary financial liquidity to start up again in the form of a one-off grant
- Reduction on tariffs of authors and neighbouring rights when making recorded concerts and performances available in these times where people are bound to stay at home and want to continue to enjoy culture via digital means

- **Grants and subsidies**

- Extension of deadlines to submit reports for grants/subsidies
- Creation of special strands of support in the period 2020-2021 to make touring and co-productions possible again

- **Legal**

- Clarity on force majeure regarding cancellation of events in the context of this specific situation
- Clarity on rules regarding refunding tickets as mentioned above in the issues to be addressed at European level

- **Others**

- Economists and other expert support to be able to map the economic impact on the sector in its entirety; funding for studies to determine existing market and sub-segment systems and interdependencies in the live performance sector.
- Support for promotion and campaigns to the general public to build confidence to start buying tickets to go to concerts, performances and shows again. The fears created now for social contacts may have a longer lasting effect than one would expect; therefore, large campaigns supported or even initiated by the government will be needed to give citizens again confidence to attend live events.

Pearle* members are sectoral and employers associations, so they are well placed to provide input and advise. Pearle* urges Member states to work closely with those branch organisations to develop action plans for the sector.

To conclude, Pearle*-Live Performance Europe underlines the priority and necessity for action plans targeted to the sector all across Europe providing measures of immediate action and for the period post-Corona.

PEARLE* - Live Performance Europe, is the European employers' federation of performing arts organizations. Pearle* represents through its members associations the interests of more than 10,000 theatres, theatre production companies, bands and music ensembles, orchestras, opera houses, ballet, dance companies, festivals, concert venues, producers, promoters, agents, comedy, variété, circus, storytelling and others within the performing arts and music sector across Europe. [Members](#) are national federations, European networks in the live performance, non-European federations and individual enterprises.

The Live Performance sector is the biggest employer of the cultural industries with over 1,2 million employees.