

Ministry of Trade, Industry and Fisheries
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Norway

**Subject: Temporary prolongation of the production grant scheme
for news and current affairs media**

1 Summary

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the notification of the temporary prolongation of the production grant scheme for news and current affairs media, it considers that the scheme constitutes state aid within the meaning of Article 61(1) of the EEA Agreement and decides not to raise objections¹ to the scheme, as it is compatible with the functioning of the EEA Agreement, pursuant to Article 61(3)(c) of the EEA Agreement. ESA has based its decision on the following considerations.

2 Procedure

- (2) The Norwegian authorities notified a temporary prolongation of the production grant scheme for news and current affairs media by letter of 23 January 2020.² The notification falls under the simplified notification procedure for certain alterations to existing aid.³

3 Description of the notified scheme

3.1 Background

- (3) By Decision No [112/14/COL](#), ESA approved a production grant scheme for news and current affairs media in Norway. ESA approved the scheme for 6 years (from 12 March 2014 to 12 March 2020). The scheme was amended by Decision No [126/16/COL](#) of 15 June 2016.
- (4) The scheme enables certain news media to be eligible for production grants. Different grant levels apply depending on the size and the competitive position of news media in their respective markets.
- (5) In its 2014 decision, ESA considered that plurality in the media market is an objective of common interest that can justify the granting of state aid. Therefore, ESA concluded that the scheme was compatible with the functioning of the EEA Agreement.
- (6) Following a report from the Media Pluralism Committee, published in March 2017,⁴ the Norwegian Government proposed to make adjustments to the scheme to ensure that a larger part of the aid is awarded to smaller local media. However, the Norwegian authorities do not consider it feasible to notify these adjustments to

¹ Reference is made to Article 4(3) of the Part II of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice.

² Documents No 1109957 and 1109959.

³ Article 4 of ESA Decision No [195/04/COL](#) *implementing provisions* (amended several times, the latest, 4.7.2017).

⁴ [NOU 2017: 7](#).

the scheme before the current scheme lapses in March 2020. Therefore, the Norwegian authorities decided to notify a temporary prolongation of the current scheme.

3.2 Notified scheme

- (7) The notified scheme is a temporary prolongation of the current production grant scheme until the end of the current year.
- (8) The notified scheme is identical to the current scheme and contains no alterations, except for duration. Therefore, reference is made to ESA's Decisions concerning the current scheme for a more detailed description.⁵

3.3 Budget and duration

- (9) The notified scheme will extend the duration of the current scheme from 12 March 2020 until 31 December 2020. The budget for the year 2020 is NOK 358 million.⁶

4 Presence of state aid

- (10) Article 61(1) of the EEA Agreement reads as follows:

“Save otherwise provided in this Agreement, any aid granted by EC Member States, EFTA States or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Contracting Parties, be incompatible with the functioning of this Agreement”

- (11) The qualification of a measure as aid within the meaning of this provision therefore requires the following cumulative conditions to be met: (i) the measure must be granted by the state or through State resources; (ii) it must confer an advantage on an undertaking; (iii) favour certain undertakings (selectivity); and (iv) threaten to distort competition and affect trade.
- (12) ESA has already concluded that the current production grant scheme for news and current affairs media constitutes state aid.⁷ The notified scheme is an prolongation of that scheme. Therefore, the notified scheme constitutes state aid within the meaning of Article 61(1) of the EEA Agreement.

5 Procedural requirements

- (13) Pursuant to Article 1(3) of Part I of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice (“Protocol 3”): “The EFTA Surveillance Authority shall be informed, in sufficient time to enable it to submit its comments, of any plans to grant or alter aid. The State concerned shall not put its proposed measures into effect until the procedure has resulted in a final decision.”
- (14) By submitting a notification of the prolongation and awaiting ESA's approval before letting it enter into force, the Norwegian authorities have complied with their obligations under Article 1(3) of Part I of Protocol 3.

⁵ See ESA's Decisions No 112/14/COL and 126/16/COL.

⁶ See [Prop. 1 S \(2019-2020\)](#), p. 120.

⁷ See ESA's Decisions No 112/14/COL and 126/16/COL.

6 Compatibility

- (15) By the decisions referred to in paragraph (3) of this Decision, ESA concluded that the production grant scheme currently in place is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(c). The notified scheme is a temporary prolongation of the current existing scheme.
- (16) A goal of the media policy in Norway is to ensure a pluralistic media landscape that provides the population access to a diverse and open public discourse, news and information. An important prerequisite to obtain this objective is the production of content reflecting the Norwegian language, culture, identity and society. The production grant scheme contributes to maintaining diversity of newspaper publications throughout Norway and stimulates local newspaper competition.
- (17) A large number of media outlets in Norway rely on the production grant scheme. Consequently, it is according to the Norwegian authorities vital that the production grant scheme is fully in place for the duration of 2020, or until the Norwegian authorities finalise a new scheme. Such a prolongation secures predictability and legal certainty for the current beneficiaries. ESA moreover considers that the reasons underpinning its decisions referred to in paragraph (3) of this Decision will continue to apply during the envisaged temporary prolongation period.
- (18) Therefore, ESA considers it justified to approve the notified prolongation of the production grant scheme.

7 Conclusion

- (19) On the basis of the foregoing assessment, ESA considers that the temporary prolongation of the production grant scheme for news and current affairs media involves state aid within the meaning of Article 61(1) of the EEA Agreement. Since no doubts are raised, this aid is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(c). ESA has no objections to the continuation of the scheme.

For ESA, acting under Delegation Decision No [068/17/COL](#),

Yours faithfully,

Bente Angell-Hansen
President
Responsible College Member

Carsten Zatschler
Countersigning as Director,
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This document has been electronically authenticated by Bente Angell-Hansen, Carsten Zatschler.