

The EBU logo consists of the letters 'EBU' in a bold, white, sans-serif font. To the right of the letters is a vertical blue bar with a white circle in the center, resembling a stylized eye or a broadcast symbol. The background of the entire page is a vibrant red with abstract, overlapping geometric shapes in shades of orange and brown, creating a sense of depth and movement.

**EBU**

OPERATING EUROVISION AND EURORADIO

PUBLIC: This document is intended for public distribution

# LICENCE FEE AND HOUSEHOLD CHARGES 2021

## PUBLIC VERSION

MEDIA INTELLIGENCE SERVICE

NOVEMBER 2021

# ABOUT THIS REPORT

This public report provides the main findings and a selection of charts and maps from the latest edition of the EBU's Media Intelligence Service Licence Fee Report, published in November 2021.

It aims to provide a unique international perspective on licence fees – including recent reforms, amounts charged and collection procedures. The issue is crucial for European public service media (PSM) as the licence fee remains the lifeblood of these organizations. Furthermore, having an international benchmark is especially important at this time because many licence fee systems are facing intense scrutiny or are being adjusted to the changing media landscape.

## DATA SOURCES

This report mainly uses data provided by PSM organizations that are Members of the European Broadcasting Union (EBU). The information was collected in the financial section of the 2021 Media Intelligence Survey.

When necessary, additional information was obtained and/or cross-checked with official sources such as licence-fee collection agencies and regulatory authorities.

Economic and demographic data from the IMF (population, GDP, inflation and PPP conversion rates), Eurostat (households) and Bloomberg (exchange rates) were also used in the report.

## COUNTRY SAMPLE

The EBU is a professional alliance of 115 member organizations spread across 56 countries. This particular report focuses on the licence fee and similar forms of contributions paid by households to fund PSM. As at 1 January 2021, 25 markets in the EBU area charged a licence fee.

When data refer to complete years or when exchange rates are needed, 2020 is used as the reference year. In cases where 2021 is already comparable, we provide the latest available data.

Of the 25 EBU countries with a licence fee in 2021, there were seven for which only partial data were collected – Albania, Algeria, Bosnia-Herzegovina, Egypt, Jordan, Morocco and Tunisia. This explains why statistics do not refer to the same number of countries in all sections.

## UK NO LONGER INCLUDED IN EU AVERAGES

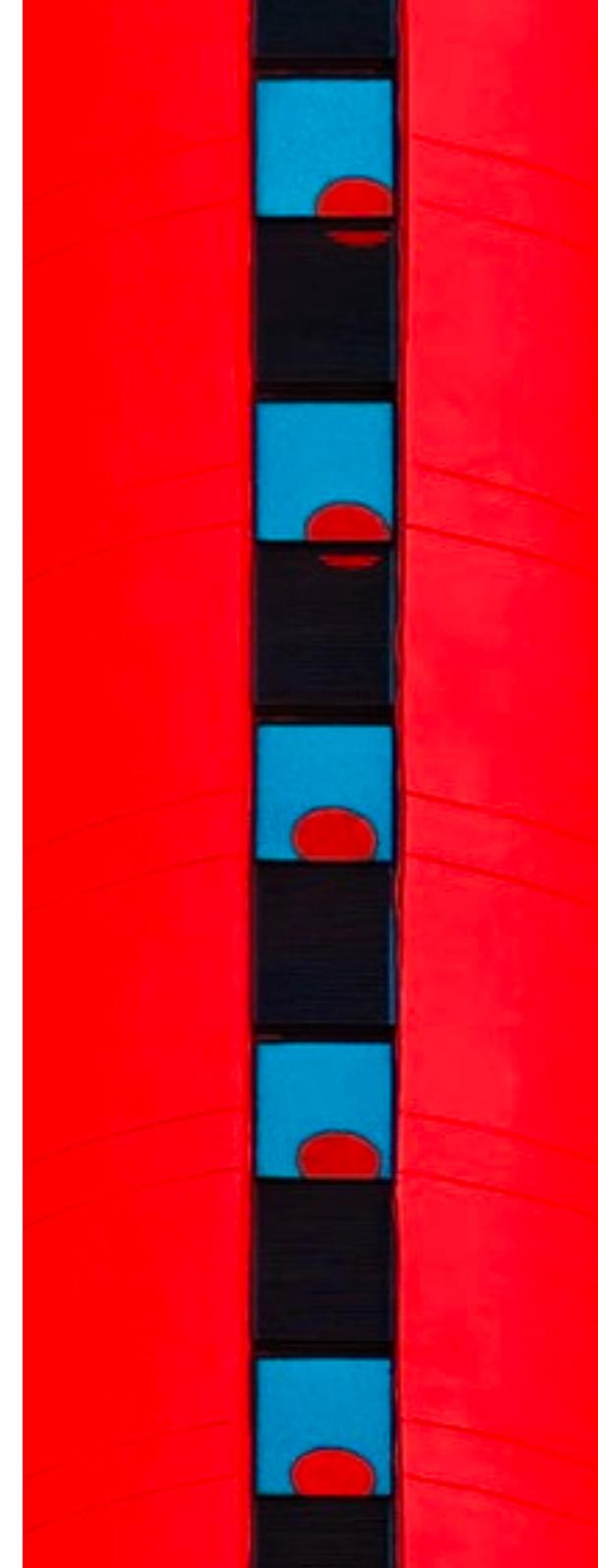
The report covers 2020, when the UK was in the post-Brexit transition period and 2021, after the transition period ended. Therefore, the EU averages used in the report no longer include the UK and consequently cover 27 countries.



Please note that the full report – for EBU Members only – is available on the webpage of the Media Intelligence Service: [www.ebu.ch/mis](http://www.ebu.ch/mis)

# CONTENTS

	Page
<b>KEY FINDINGS</b>	<b>4</b>
<b>1</b> HOW IMPORTANT IS LICENCE FEE FOR PSM?	5
<b>2</b> WHERE IS THE LICENCE FEE COLLECTED?	6
<b>3</b> HOW MUCH IS THE LICENCE FEE?	7
<b>4</b> WHO BENEFITS?	9
<b>5</b> WHAT LINK WITH PSM PERFORMANCE?	11
<b>6</b> WHO COLLECTS?	12
<b>7</b> WHAT SCOPE FOR THE COLLECTION?	13



# KEY FINDINGS

## THE CORNERSTONE OF PSM FUNDING

### LICENCE FEE STILL WIDESPREAD IN THE EBU AREA



- 25 EBU countries (44%) still have a licence fee in 2021.
- The fee remains by far the main source of PSM funding, providing EUR 21.4 billion, or 60% of the PSM funding mix across the whole EBU area.
- Adequate fees correlate with strongly performing PSM.

### ITS EXISTENCE IS QUESTIONED IN MANY MARKETS



- The fee has recently been transformed or dropped in several European countries.
- Its future is currently at stake in several more. The three most frequent options are: transforming the fee into a household charge (Germany and Switzerland), replacing it with a specific fund ringfenced outside the state budget, financed by a PSM special tax (Finland and Sweden), or simply replacing it with transfers from the state budget (North Macedonia, Norway and Romania).

### IT IS AFFORDABLE FOR CITIZENS LIVING IN THE EBU AREA



- The fee costs EUR 0.30 per day per household on average (EUR 109 per year): that is far cheaper than most European pay-tv subscriptions.
- The licence fee amounts to only 0.4% of GDP per capita on average, representing a limited outlay for European households.
- The fee has stagnated in recent years, in the EBU area: it increased by 0.8% on average from 2016 to 2020, and decreased by a massive 4.6% in real terms (i.e. adjusted for inflation).
- As at the end of 2020, the fee has been frozen for more than five years in eleven EBU countries.

### INCREASING PRESSURE TO TOP-SLICE



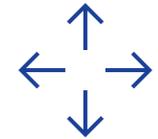
- There is increased pressure to top-slice the fee (i.e. when part of the licence fee is siphoned off to fund non-PSM organizations). In 2020, PSM received on average 89.5% of the fee income.
- Increased top-slicing undermines the fee's legitimacy and acceptance thereof by the public. This factor can be particularly damaging for PSM.

### A GREAT ARRAY OF LICENCE FEE MODELS



- There are many methods for organizing collection - the most widespread collection agencies are electricity suppliers (12 countries) and PSM themselves (7 countries). Other possibilities witnessed are tax authorities, postal agencies or private companies.

### FLEXIBLE FRAMEWORK AND SCOPE



- The fee is adaptable to new realities: 68% of countries no longer limit the fee to ownership of traditional devices but also link it to connected devices.
- Businesses are included in 91% of the cases.
- Second homes are subject to the fee in 40% of cases.
- Numerous exemptions are in place to correct the regressive nature of the fee: on average 11.5% of the households pay a reduced rate or are exempted altogether.

HOW IMPORTANT IS LICENCE FEE FOR PSM?

## LICENCE FEE REMAIN THE MAIN SOURCE OF PSM FUNDING

Despite recent abolitions in Nordic countries, licence fees and household charges remain a frequent source of PSM funding in western and southern Europe, and, overall, the main source of PSM funding with 60% of the entire PSM funding mix in 2020 in the EBU area.

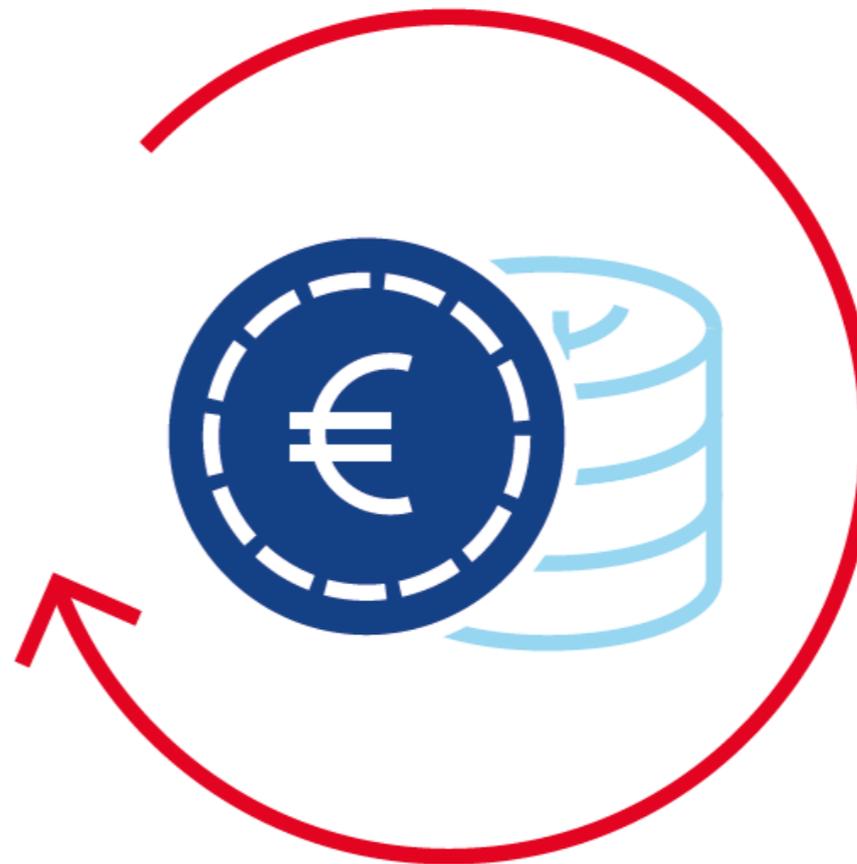
PSM EARNED

EUR

21.42

BILLION

FROM LICENCE FEE  
IN THE EBU AREA  
IN 2020





HOW MUCH IS THE LICENCE FEE?  
**LICENCE FEE IS AFFORDABLE**

THE FEE COSTS  
ON AVERAGE  
ONLY

EUR  
**0.30**

PER DAY AND  
PER HOUSEHOLD  
IN THE EBU AREA



# HOW MUCH IS THE LICENCE FEE?

## EUR 109 PER YEAR ON AVERAGE IN THE EBU AREA

In 2020, households in EBU countries with a licence fee paid an average of EUR 109 (and a higher EUR 125 in EU countries). This was EUR 0.30 per day per household in the EBU area (EUR 0.34 in the EU).

The average fee across the EBU area dropped from EUR 137 to EUR 109 in the course of just two years. This trend reflects the recent abolitions of the fee happening in Sweden and Norway, as well as the phase-out of the fee in Denmark.

### BENCHMARKING FEES: A DIFFICULT EXERCISE

Chart 1 displays annual licence fees in the 21 EBU countries collecting a fixed licence fee in 2019. Owing to the following factors, an international benchmark of licence fees must however be defined very carefully:

**VAT** - Whether VAT is charged or not creates a methodological caveat for licence fees, since the 2019 VAT rates ranged from 0% to 25% from country to country (see p. 30 for more details on VAT).

**Top-slicing: PSM do not always receive full fee** - In several countries the total amount collected is shared between various beneficiaries. The fee may therefore be set at a higher level than in comparable countries where it exclusively funds the activities of the PSM (see p. 37-42 for more details on top-slicing).

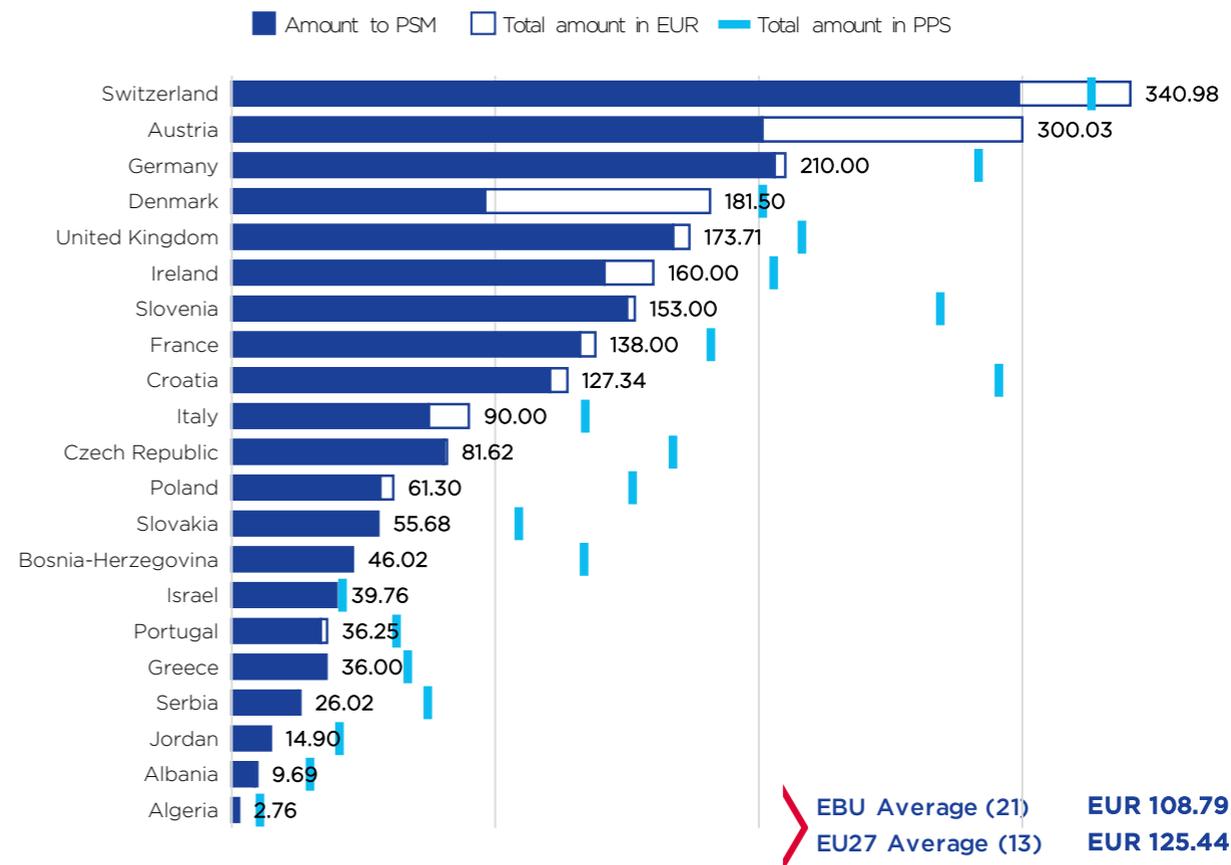
**PSM rely on the fee to differing extents** - In several markets, PSM do not rely heavily on licence fee income as they have other significant sources of revenue in their funding mix, typically state grants or advertising.

**National specificities and scope of remit** - A striking case is that of Switzerland, where the licence fee converted to EUR remains the highest of all EBU countries: under its public service remit, SRG SSR provides broadcasting services in the four national languages. Such a pluralistic policy results in significant additional costs compared to other markets of a similar size.

**Exchange-rate volatility** - The benchmarking exercise also involves converting the fees from national currencies to euros. Exchange-rate volatility may have strong implications for data comparability and may affect the results in euros, such as in the case of Switzerland and the UK with the major fluctuations in the CHF/EUR and the GBP/EUR exchange rates in the last few years.

CHART 1.  
ANNUAL LICENCE FEE

(EUR, PPS, 1 January 2020)



Note: 2019 top slicing for Greece, 2018 top slicing for Albania.

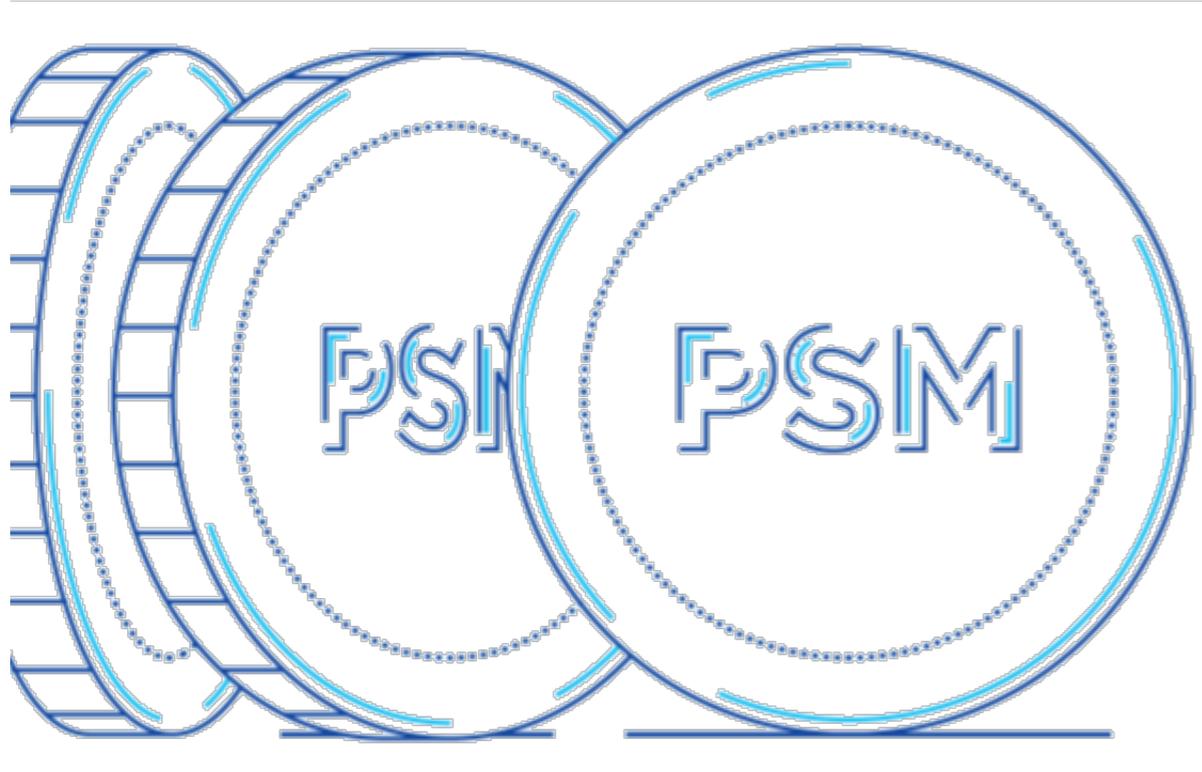
Does not include countries where fee is a proportional amount - Turkey, Egypt, Morocco and Tunisia.

Note: amounts to PSM include collection costs when it is organized by PSM themselves.

Note: 2020 data, last year for which yearly euro exchange rates and top slicing were available.

WHO BENEFITS?

## LICENCE FEE SHOULD MAINLY FUND PSM



PSM RECEIVED  
ON AVERAGE

**89.5%**

OF THE FEE INCOME  
IN THE EBU AREA

## WHO BENEFITS?

# A LONG LIST OF BENEFICIARIES FROM TOP-SLICING

**When the licence fee is not allocated in full to PSM, it is normally used for related audiovisual activities. In several cases, however, the fee is also transferred to non-media institutions, putting the public's acceptance of the fee at risk.**

Redistribution, or top-slicing, of the licence fee is one of the recurrent issues brought to the public debate by those challenging PSM access to the revenues generated.

Who are the various stakeholders also benefiting from the fee in the EBU area?

### Regulatory authority

One of the most common uses of the portion of the licence fee not allocated to PSM is to pay for the broadcasting regulatory authority.

In 2020, in at least four countries (Croatia, Germany, Ireland and Switzerland), the regulators were funded from the licence fee, from minimal amounts (0.3% in Switzerland) to the 6.6% for the Irish authority.

In the case of Ireland, this transfer has a specific purpose, the Sound and Vision scheme, which funds independent television and radio programmes on a series of topics that are later distributed by eligible broadcasters (not only PSM) under certain conditions specified by law. In this sense, part of the money used under this scheme indirectly helps to fund programming at the two Irish PSM.

### Other broadcasters

The licence fee also funds public service programming in Denmark: 15.1% of the amount collected in 2020 went towards public service programming on the regional network of TV2 (commercially funded but publicly owned).

In Switzerland, the licence fee is used to subsidize local and regional television and radio stations (5.9% of the total amount in 2020), most of which are privately owned. The share of the fee allotted to local and regional broadcasters has increased in Switzerland from 4.8% in 2018 to 5.9% from 2019, when the country replaced the traditional fee by the modernized household charge. The fee also pays for the Swiss audience measurement system with 0.2% of the amount collected.

Local channels in the UK also benefited in the past from a small amount of income derived from the fee (0.1% of the total amount in 2017). This was to support the launch of local TV channels in the UK. However, this scheme did not prove very successful and was phased out.

### Cinema activities

Another purpose of top-slicing is to pay for cinema and other audiovisual activities in general. In 2020, this was seen in France (2.3% allotted to the audiovisual archives, INA), Slovenia (2.0% to the Slovenian Film Centre) and Croatia (1.8% to the Croatian Audiovisual Centre).

### Government departments

Government departments were also allotted variably significant proportions of the fee in 2020. The amounts transferred to the state were quite substantial in several markets, ranging from 5.3% for the ministry of culture in Denmark, 17.0% (incl. 4% VAT) for the ministry of economic affairs and finance in Italy and a breathtaking 23.4% in Austria (shared between the federal states, the ministry of finance and the ministry of art and culture, and not including a 6.9% share for VAT).

### Top-slicing and public acceptance

Top-slicing of the fee may prove to be highly problematic for PSM, undermining their financial resources and ability to remain relevant and to innovate.

On the other hand, the sharing of the licence fee income between various media stakeholders might help in creating alliances and building the case for preserving the fee and this particular funding model.

However, top-slicing sometimes also benefits activities which are far removed from those originally intended for the licence fee. Such a phenomenon clearly undermines the legitimacy of the fee and its public acceptance, and this kind of top-slicing should be avoided.

### Top-slicing in a context of crisis

Regular calls from commercial media groups to benefit from licence fee income were brought to the public debate in recent years in several EBU countries, such as Germany, Ireland and Albania, for example.

Further calls were repeated and amplified in the COVID-19 crisis context and further calls to amplify top-slicing are expected as a consequence of the forthcoming recession in Europe.

## WHAT LINK WITH PSM PERFORMANCE?

# ADEQUATE FUNDING IS KEY TO PSM PERFORMANCE

The higher the licence fee, the larger the PSM market share in their domestic markets. This clearly speaks in favour of guaranteeing sustainable, stable levels of funding for PSM organizations.

Licence fee amounts are closely correlated with annual PSM radio and TV market shares.

The correlation should not be considered as showing an exclusive, one-to-one link between public funding and performance, as PSM may only receive a limited share of the total licence fee, and they may also receive supplementary funding.

### Interpreting the correlations

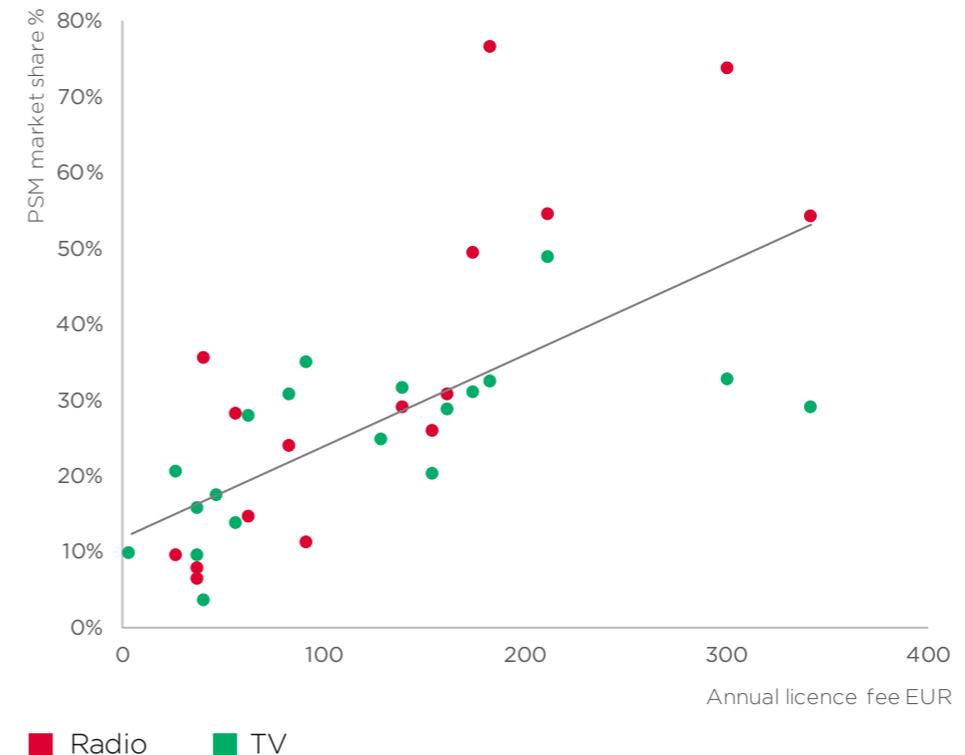
The fact that the level of the licence fee correlates with PSM performance raises several questions.

Are well-funded institutions more inclined to develop appealing, innovative programming, allowing them to perform better on their market?

Or, on the contrary, are the best-positioned organizations on the markets also better armed to negotiate with the political sphere for an appropriate licence fee?

Finally, are the more popular PSM organizations rallying massive public support, explaining the higher public acceptance of the licence fee and the opportunity to charge more?

CHART 2.  
ANNUAL LICENCE FEE VS. PSM TV AND RADIO MARKET SHARE  
(EUR, %, 2020)



Note: trend line in Chart 2 stands for both correlations with TV and radio shares.  
Note: Algeria TV share, Israel TV share and UK radio share 2019, Israel radio share 2018.

# WHO COLLECTS?

## WIDE VARIETY OF COLLECTION METHODS

There are almost as many collection methods as countries charging a licence fee in the EBU area. Five main types of collection agents were active in 2021: the PSM itself, electricity suppliers, postal operators, tax authority and specific private companies.

**Electricity suppliers:** they are the most widespread type of collection agency, collecting the licence fee in 12 of the 25 EBU countries with a fee: Albania, Algeria, Egypt, Bosnia-Herzegovina (under a July 2017 agreement switching from telecom operators to electricity companies), Greece, Jordan, Italy (since 2016), Morocco, Portugal, Serbia, Tunisia and Turkey. As illustrated by Map 2, all the countries with a fee collected by electricity providers are southern European and northern African countries.

**PSM:** in seven EBU countries, collection is directly or indirectly enforced by the PSM itself:

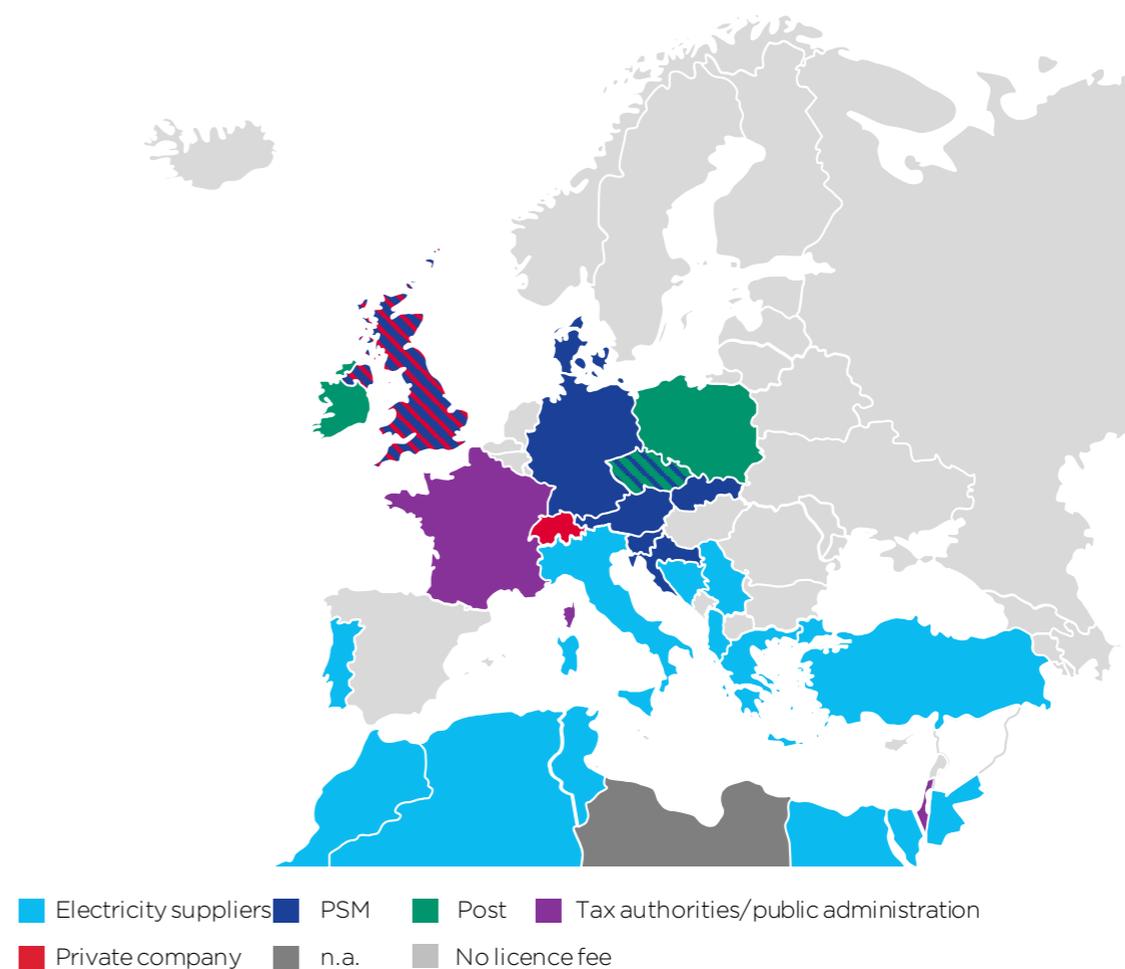
- In four cases (Croatia, Denmark, Slovakia and Slovenia), the collection is directly organized by the PSM.
- In two other cases, PSM have set up a licence fee collection subsidiary. This happens in Austria with the GIS Gebühren Info Service GmbH and in Germany with ARD ZDF Deutschlandradio Beitragsservice.
- Finally, the work involved in collecting the fee might be so burdensome that the PSM decides to outsource it, while maintaining ultimate responsibility. In the UK, the BBC Licence Fee Unit has delegated licence fee collection to private companies. The latest BBC TV licensing contract was signed in 2011, for a period of eight years, with the private company Capita Business Services. The partnership was expanded in 2016 for two additional years, extending the contract to June 2022.

**Post offices:** they are responsible or co-responsible for the collection in three countries: the Czech Republic (partially in conjunction with the PSM), Ireland and Poland.

**Tax authorities/public administration:** in France, the licence fee has been collected by tax authorities since 2005, when the fee was coupled with the housing tax. In Israel, the “additional sum for IPBC” is coupled with the motor vehicle fee, collected yearly by the ministry of transport.

**Private companies:** in Switzerland, the fee is collected by a private company. The current company is Serafe AG, a subsidiary of the Secon AG group. It was chosen thanks to a public tender covering the period 2019-2025. Serafe replaced the company Billag, which had long been collecting the fee. Billag was a wholly owned subsidiary of Swisscom, the 51% state-owned Swiss telecommunications operator.

MAP 2.  
TYPE OF COLLECTION BODY  
(September 2021)



Note: in the Czech Republic, collection is organized jointly by the PSM and the post office. In the UK, collection is organized jointly by the PSM and private companies.

## WHAT SCOPE FOR THE COLLECTION?

# FEE COVERS ALL CONNECTED DEVICES IN 68% OF COUNTRIES

There is a growing trend to include connected devices in the licence fee. In 2021, 17 EBU countries (68%) no longer limited the scope of their licence to traditional TV sets.

### No geographical trend

Map 3 shows that there is no geographical trend for the inclusion of connected devices within the scope of the fee.

The group of countries where the fee is no longer based on any specific reception device is very diverse. It includes Germany and Switzerland thanks to their household charge, but also several North African countries plus Turkey, Portugal and Serbia, where the fee is collected together with electricity bills and has long been disconnected from any notion of device ownership.

### Recent reforms expand scope of the fee

The licence fee has been reformed in many countries over the last few years to expand its scope and include all reception devices. Recent examples are not only the 2013 German and 2019 Swiss cases, but also the 2016 renegotiation of the licence fee settlement in the UK with the inclusion of the BBC iPlayer.

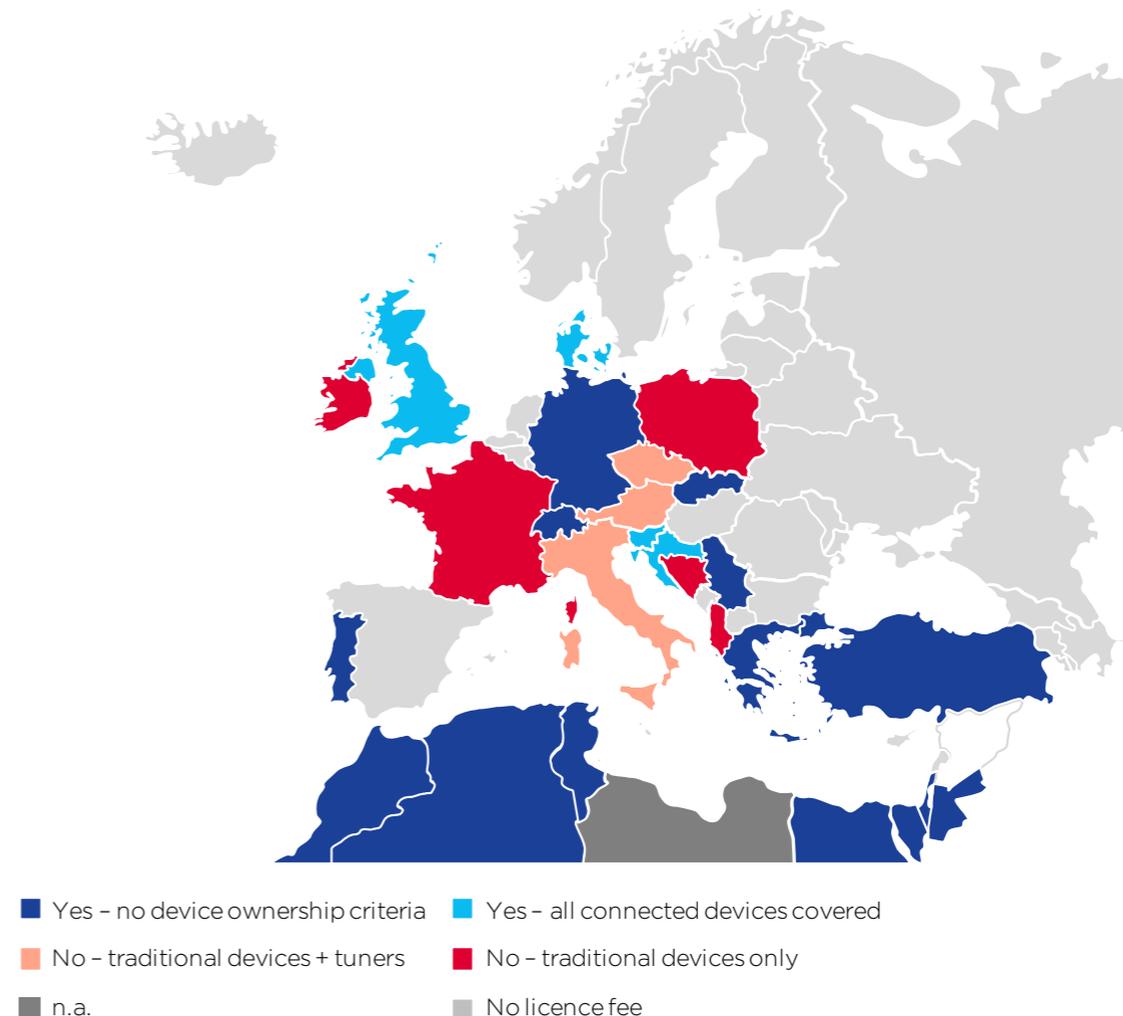
### Fewer countries have a strict definition of radio and TV sets

Over two-thirds of European countries with a fee have moved away from the traditional criteria of radio/TV reception-devices ownership (68%). The number of countries relying on the most traditional definition of radio and TV sets is therefore decreasing year after year.

In 2021, only five countries were still operating on the basis of this restricted definition: Albania, Bosnia-Herzegovina, France, Ireland and Poland. In three additional markets, Austria, Czech Republic and Italy, the fee was also covering devices including a tuner, which remains a rather restricted definition of a reception device.

Before it was dropped in 2019 and 2020, the Swedish and Norwegian fees were both based on rather traditional definition of reception devices. It is worth noting that one of the main motivations for abolishing the fee in the Nordic countries was the need to adapt to new consumption patterns and the growing number of households not owning any TV set.

MAP 3.  
LICENCE FEE COVERS ALL CONNECTED DEVICES  
(September 2021)





# WHAT SCOPE FOR THE COLLECTION?

## BUSINESSES CONTRIBUTE IN 91% OF COUNTRIES

Only in Albania and Denmark are privately owned businesses exempt from the licence fee. In all other countries (90.9% of the total), they are liable. The payment system for privately owned businesses is less uniform than for households; hardly any countries operate the same system.

### Fixed fees

Fixed fees may be set per company, per business premises or per receiving device. In the first instance, companies pay the same as a household, i.e. the price of just one licence per company. This is the case for Austria and the UK, for most businesses.

Meanwhile, in Greece, Ireland, Morocco and Portugal, the fee is paid according to the number of premises (sites).

Finally, in three other cases, the fee depends on the number of devices, with each one requiring a licence. This is the procedure in Croatia, the Czech Republic and Poland.

### Variable fees

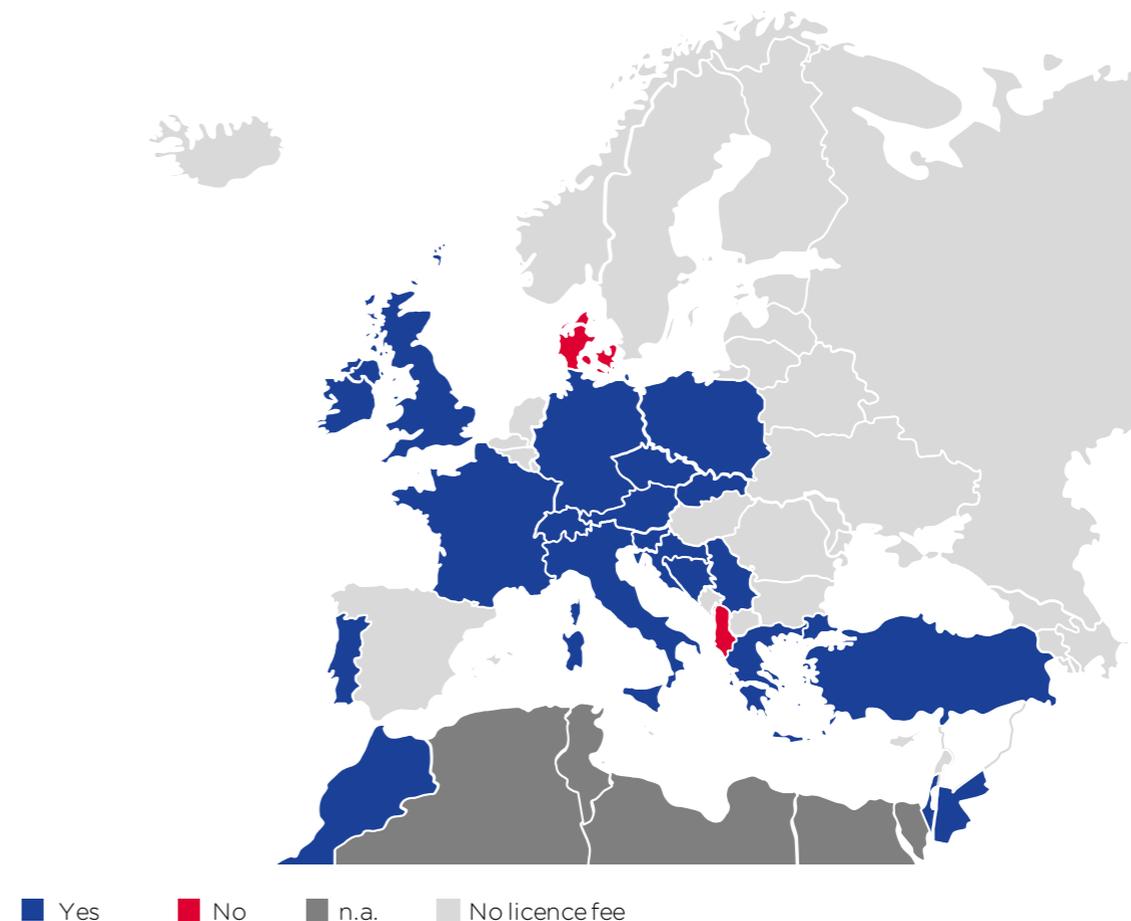
The unit price of the fee might also vary, depending on the size or the type of company.

The first option is to base the unit price on the number of receivers. This happens, for instance, in France, where the fee is based on the number of TV sets. Another possibility is to link the unit price with the number of employees as is the case in Slovakia and Germany, where companies pay from one-third of a licence (up to eight employees) to the equivalent of 180 licence fees (for companies with more than 20 000 employees). In Switzerland, the system changed in 2019 and was adapted again in 2021. From 2021, Swiss companies pay a variable fee, depending on their turnover - fees varies from CHF 160 to CHF 49 925, and companies with annual turnover <500 000 CHF are exempted.

Another way to distinguish between companies is through the nature of their business. In France, there is a specific regime for businesses selling alcoholic drinks. Hotels also benefit from specific regulations in the UK and Slovenia, where the first fee covers a certain number of TV sets and a reduced fee applies for every additional one. In Italy, the fee also depends on the type of activity - hotels, bars and restaurants, retail premises, etc.

The final distinction applied in some countries is the public or private use of the receiving device. In Slovenia, a higher fee is charged for receivers intended for public use.

MAP 5.  
LICENCE FEE FOR BUSINESSES  
(September 2021)



# WHAT SHOULD YOU READ NEXT?

2021 updated edition will be available in December



## FUNDING OF PUBLIC SERVICE MEDIA

Take a look at a study that offers an accurate and comprehensive picture of the financial situation of our Members, providing valuable data and arguments for their advocacy activities.

Stay tuned for the Funding of PSM 2021 report in December!

Download the full public version of the report [here](#).

Take a look at our funding [infographic](#) as well.

Visit [www.ebu.ch/mis](http://www.ebu.ch/mis) for more Media Intelligence publications.

# MEDIA INTELLIGENCE SERVICE

This report is published by the European Broadcasting Union's Media Intelligence Service (MIS).

MIS provides Member broadcasting organizations with the latest market data, research and analysis needed to plan their future strategies and stay ahead of the game.

Our experts cover a broad range of topics, including TV and radio trends, new media developments, market structure and concentration, funding and public policy issues.

[mis@ebu.ch](mailto:mis@ebu.ch)

## PUBLICATION

Produced by:  
Dr. Florence Hartmann  
[hartmann@ebu.ch](mailto:hartmann@ebu.ch)

November 2021

## DISTRIBUTION / CONFIDENTIALITY

**This publication is intended for public distribution. The information may be freely quoted if the source is clearly stated.**

For detailed guidelines about how you may use this document and the data contained in it, please refer to our EBU-MIS [Data Use Policy](https://www.ebu.ch/mis) (available at [www.ebu.ch/mis](https://www.ebu.ch/mis)).

### DISCLAIMER:

Please note that the EBU is not liable for any errors or inaccuracies in data provided by third parties

Photo credits: Unsplash Oleksii Drozdov on cover, p 3, p7, p14, p20, p23, p31, p37, p43, p 47, p51, p53, p58, p62, p67

This publication is available to download at [www.ebu.ch/mis](https://www.ebu.ch/mis)

