

Honourable Members of the Parliament,  
Madam Commissioner,  
Ladies and Gentlemen,

I would like to warmly thank you for having invited AER to address this distinguished audience.

It is indeed an honour and a pleasure for me to address you today on this very important day for media and for radio: my name is Stefan Möller, I am Vice-President of AER, the Association of European Radios, and Managing Director of RadioMedia, AER's Finnish Member. The Association of European Radios (AER) is a Europe-wide trade body representing the interests of over 4,500 private/commercial radio stations across the EU27 and in Switzerland. It is the only organization representing only radio to the EU Institutions.

I would first need to recall that European radios represented by AER can only broadcast programmes free of charge to millions of European citizens, thanks to the revenues they collect by means of advertising. The only viable business model for radio nowadays and for a foreseeable future is analogue FM broadcasting of free-to-air programmes. On-air broadcasting radio reaches massive audience on a daily basis in all EU Member States: between 60 and 85% of the EU population on average listens to radio for at least 2 or 3 hours per day.

Advertising is the prerequisite to make radio the most intimate medium currently, and the fundament to ensure its digital development. Radio listeners thereby access programming they enjoy, and useful information. In that sense, radio plays a fundamental role in today's society: it is entrusted with many public interest obligations, and it is an essential actor of cultural diversity, media pluralism, access to creativity, and social inclusion.

It is no news to you that, with the recent economic downturn, advertising investment has decreased in many EU Member States. Furthermore, important shares of advertising investments are moving from heavily regulated "traditional media" to "new media".

As a result, any constraint on radio advertising severely endangers radios' ability to pursue a viable economic activity – hindering thereby media pluralism. This is to the detriment of radio listeners across Europe, since advertising revenue is essential in making the programmes and content which listeners really enjoy and which are useful.

However, radios are more and more confronted with a spreading legislative practice at international level, in Brussels and in all European States: the inclusion of advertising restrictions. This kind of practice does not only hinder commercially-funded radios' ability to produce content, but it also is bound to miss its aim – information to the consumer, at least in the case of radio.

Indeed, the usual objective is to provide end-users with the ability to choose a product or a service, with the most detailed information possible.

Imposing information requirements in radio advertising does not appear to us as an effective way to achieving this laudable political objective. We have observed that warning messages are considered as "oppressive", and lead listeners to "tune out"

metaphorically, if not literally, in the worst case scenario. Information is perceived to be much more useful at a later stage than when advertising: through websites, in information brochures or at the point of sale – when the decision is taken to perform the purchase.

Radio is a non-visual linear medium, which concretely means that, when detailed messages are to be communicated in an advertisement, these are to be broadcast in an added time-space to the latter. This increases the amount of time, hence the price, of the considered commercial message. In addition, needless to say, it lessens the commercial impact of the advertisement. One very fresh example is an advertisement for a non-prescription drug for heartburns being broadcast these days on Finnish radio: the commercial message is 12 seconds-long and the compulsory message at the end of the advertisement is 22 seconds-long. It goes without saying, but this is an example of how adding compulsory information to advertising impacts broadcast media, and radio in particular, and constitutes a factor that can deter advertisers away from using radio.

**When it comes to advertising in general, there are already strict rules set by the EU and at national level, usefully complemented by self-regulation.**

**We therefore believe that introducing information messages in radio advertising is not the appropriate tool to enable improved consumer information, in order to allow well-informed purchase decisions. It endangers commercially-funded radios' future.**

END OF SPEECH.