



UNION INTERNATIONALE DES CINÉMAS  
INTERNATIONAL UNION OF CINEMAS

## EU FINANCIAL INITIATIVES

As of 17 April 2020

Please find below a range of EU financial initiatives that could be relevant to cinemas. A detailed document covering each of these initiatives – including their approval process by the European Parliament and the Council - and their relevance is available upon request.

### **CORONAVIRUS RESPONSE INVESTMENT INITIATIVE (I & II)**

In order to quickly address the fallout of the coronavirus outbreak, the European Commission has proposed to set up a €37 billion Corona Response Investment Initiative directed towards healthcare systems, small and medium enterprises (SMEs) – but not limited to -, labour markets and other vulnerable parts of the economy. The proposal entails relinquishing this year's refund obligations related to unspent pre-financing from the European structural and investment funds currently held by Member States. More information [here](#).

### **TEMPORARY FRAMEWORK FOR STATE AID MEASURES TO SUPPORT THE ECONOMY IN THE CURRENT COVID-19 OUTBREAK:**

To further mitigate the economic shock and save businesses, the European Commission has green-lighted the most flexible State Aid rules to date, allowing Member States to provide direct support for hard hit companies and small firms as, without support, they may run the risk of ceasing operations. The aim of these measures is to ensure that businesses retain the means to keep operating, or temporarily freezing their activities, without implicating their long-term growth prospects. More information [here](#).

### **SUPPORT MITIGATING UNEMPLOYMENT RISKS IN EMERGENCY (SURE) INITIATIVE:**

The European Commission launched a new measure designed to protect jobs and workers affected by the coronavirus outbreak - the temporary Support mitigating Unemployment Risks in Emergency (SURE) initiative. It will provide financial assistance of up to €100 billion in total to Member States in the form of loans granted on favourable terms. These loans will help Member States to cover the costs of national short-time work schemes - public programmes that allow firms to reduce working hours while providing income support. More information [here](#).

### **PROTECTING SMALL AND MEDIUM-SIZED BUSINESSES:**

The Commission announced that an estimated €8 billion will be made available in April to provide immediate financial relief to small and medium-sized businesses across the EU. The Commission has unlocked €1 billion from the European Fund for Strategic Investments to serve as guarantees to the European Investment Fund in incentivising local banks and other lenders to provide liquidity to at least 100,000 European small and medium enterprises. More information [here](#), [here](#) and [here](#).



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### **GENERAL ESCAPE CLAUSE:**

The European Commission has, for the first time ever, activated the general escape clause of the Stability and Growth Pact as part of its strategy to quickly and forcefully respond to the coronavirus outbreak in a timely and coordinated manner. This enables national governments to better support their national economies as budgetary rules have been significantly relaxed – more information [here](#).

### **EUROPEAN INVESTMENT BANK (EIB) GROUP PLAN:**

The EIB Group has proposed a plan to mobilise up to €40 billion of financing. This will go towards bridging loans, credit holidays and other measures designed to alleviate liquidity and working capital constraints for SMEs and mid-caps. The EIB Group, including the European Investment Fund (EIF) (which specialises in support for SMEs) will work through financial intermediaries in the Member States and in partnership with national promotional banks. More information [here](#).

### **EUROPEAN GUARANTEE FUND:**

European Finance Ministers approved the establishment of a European Guarantee Fund of €25 billion that will support up to €200 billion of financing for companies, with a special focus on SMEs. The €25 billion guarantee fund will be funded by EU Member States pro rata to their shareholding in the EIB and/or other institutions. Thanks to the guarantee, the EIB Group will be able to provide existing products to local banks and other financial intermediaries, who are in close contact with businesses in all Member States and can unlock financing to the real economy, without risking financial instability. More information [here](#).

### **CREATIVE EUROPE MEDIA PROGRAMME:**

Special measures for cinemas have been outlined, with an additional €5 million for cinemas that are "the most affected by the lock down." The idea of "vouchers" has been mentioned and it is our understanding that this support will be channeled through the Europa Cinemas network - more information to follow.