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An Taoiseach Micheál Martin,
An Tánaiste Leo Varadkar,
Minister Catherine Martin

An Taoiseach, An Tánaiste and Minister Martin

We are conscious that the Government is currently preparing the 'July Stimulus Package' and that – in preparation for that – the Government is seeking to understand the impact that Covid-19 has had on specific sectors.

Without being alarmist, it is fair to say that the impact on Magazine Publishers has been cataclysmic. In the UK, there have been numerous closures, some of them high profile, including for example Q Magazine, which ceased publication after 34 years.

Before detailing the nature of the impact of Covid-19 in Ireland on magazine publishers, a couple of things are important to note. The publishers of Irish Magazines and their digital products and social channels may be best known for their flagship titles, but they are also major event organisers and creative content producers. Their overall contribution to the economy is very significant.

Many of these publishers have been successfully trading for decades. They have viable businesses and strong brands, however as small businesses they do not have the resources to sustain such a dramatic shift in revenues even on a short-medium term basis.

Before submitting this memo, Magazines Ireland conducted a survey of members. The following key facts emerged:

Labour costs key

58% of publishers costs are directly linked to employees wages.

Every member's business has been dramatically affected by COVID-19

Over 90% of members have seen their advertising sales decline by **over 50%**, with some suffering a much higher drop

Every member has had to cancel events.

Over 90% of members estimate that over half their annual event revenue has been lost or is at risk

Return to normal

Periodical Publishers' Association of Ireland Limited. Trading as Magazines Ireland. Company Number 359468.

Directors: Rebecca Markey, Duan Stokes, John Mullins, Gerard Daly, Ciaran Casey, Philip McGaley, Richard Power, Catherine Lee and Barry McIlheney.

Almost all members believe it will be over 6 months from today's date before the market starts to return to normal, and even then it will be a gradual process; and almost 50% believe it that this will only happen in the summer of 2021

Government support

Of those who felt that they were in a position to quantify it: Over 60% believed that, without government support, they would need to cut up to 50% of their staff; 25% felt they may need to cut more than half.

Prospect of survival

Finally, more than 66% of members feel that without additional government support, they cannot be confident of survival as a result of the impact of the COVID-19 pandemic.

Any objective view of the magazine publishing sector is that there is a grave risk that many of the companies will not be able to continue, unless a very strongly supportive regime is put in place. There is nothing alarmist in this statement. It is a simple statement of an inescapable truth.

To help remedy this temporary but apocalyptic scenario we would propose the immediate implementation of the following.

Magazine Publishers be eligible for the **Temporary Wage Subsidy until June 2021**.

A '**Small Business**' marketing voucher which can be spent with magazines. - This can be funded 50/50 by Magazines and government supports - where the marketing would cost €2,000 the magazine will absorb €1,000 of the costs and the government voucher will pay the other 50%.

Restart Grants - additional funding for restart allowing companies to continue their ongoing digital transition investments.

These proposals are by no means exhaustive but they will bring significant support to the sector in this time of crisis

We are of course available to discuss implementation of any of these proposals.

Ciaran Casey, Rebecca Markey, John Mullins & Duan Stokes on behalf of the board of Magazines Ireland.

