

V THE DIGITALIZATION PROCESS

By April 4, 2012 Serbia should have switched to the digital broadcasting of television signal, State Secretary for the Digital Agenda Jasna Matic said. She told the Beta news agency that Serbia enjoyed great support from the EU in that process, in the form of consulting, provided by a consortium run by the BBC, as well as through a 10-million Euro grant for the purchase of equipment for digital television broadcasting. Matic said it would be good to make a plan in the meantime concerning the allocation of analog frequencies, which would be released after the digital switchover.

We remind that the deadline for the digital switchover in Europe is June 17, 2015, according to the GE06 Agreement, signed by Serbia in 2006 in Geneva. However, in its Digital Switchover Strategy, taking into consideration the recommendation of the European Commission, COM (2005) 204, through which EU member states were suggested to suspend analog broadcasting and switch over completely to digital television by early 2012, striving to avoid a major delay behind its neighbors that are already EU members, Serbia has scheduled its terrestrial digital switchover for April 4, 2012. Unfortunately, despite EU support mentioned by the former Minister for Telecommunications and Information Society, now incumbent State Secretary for the Digital Agenda Jasna Matic, Serbia is already well behind in the implementation of the Action Plan accompanying the Digitalization Strategy and consequently it is highly unlikely that the aforementioned deadline will be met. The sooner the Ministry of Culture, Media and Information Society admit that and set sustainable deadlines for this process, the odds that Serbia will ultimately complete the digital switchover will be greater.

VI THE PRIVATIZATION PROCESS

After three failed auctions, on which there were no buyers, the Privatization Agency scheduled for June 10 the fourth auction for the sale of the public company "Radio Pirot", Blic-Serbia reported. The initial price on this auction exceeds the price on previous ones and amounts to 3.4 million dinars, the minimum investment is 1.1 million dinars and the deposit is 1.7 million dinars. The deadline for the purchase of the documentation is June 2, while the deadline for applying is June 3. A few months ago, at the request of the Pirot Municipal Council as founder, the managing board of Radio Pirot did a new job description and reduced the number of employees from eleven to six. This station has its own 100 m² business

premises in downtown Pirot and it remains the only non-privatized media in town. The reduction of the number of staff has attracted potential buyers for the auction. Blic has learned that three interested buyers have called in – one from Pirot and Nis each and one from abroad.

Meanwhile, the media have reported that the local television station TV Valjevo was appointed a representative of state capital in May, although the Privatization Agency had terminated the contract with the former owner of the station Slobodan Pavlovic from Urovec, near Obrenovac, over unfulfilled obligations, back on March 28. TV Valjevo is on the brink of being closed down over a five million RSD debt, the daily Blic reported. The amount of the debt seems not to be final, since that new claims are emerging against the station. TV Valjevo has ceased to broadcast news program as of the end of last year and it was recently deprived of the signal, when former Editor Aleksandar Rankovic, on the basis of an enforceable ruling over unpaid salaries and benefits, seized part of the studio broadcasting equipment. Rankovic returned the equipment when part of his salaries was paid and then again seized an editing suite in March over unpaid debt. Another three former employees are said to be planning to come to seize equipment over unpaid salaries. The temporary representative of state capital Branko Trifunovic from Arandjelovac has tried to make an agreement with the former employees and convince them to merely itemize the equipment and wait until the station is able to pay them their unpaid salaries, but they refused.

In Pancevo, the President of the Municipality Tigran Kis said that he had sent, together with the Mayor Vesna Martinovic, a letter to state institutions, informing them that the city administration was interested in acquiring the majority share in the local weekly “Pancevac”, Blic reported. Tigran Kis explained that on May 25, the Privatization Agency would offer the shares of Pancevac on the Belgrade Stock Exchange and said that he had called an extraordinary session of the City Council for May 21 to discuss it. The weekly “Pancevac” was sold in February 2008 to the businessman from Loznica Dobrosav Markovic, who offered 2.2 million Euros on an auction. The Privatization Agency ruled that the price shall be paid in six installments, but Markovic paid only one and hence the contract was terminated.

The above news point to the necessity of having a systemic solution for the problem of privatization of both public and former social media in Serbia. The problem in Valjevo is reminiscent of the situation in Sombor, where Radio Sombor ended up without electricity due to unpaid bills, three years after its privatization was annulled (during which period the station was operated by the state through a representative of state capital). The fact that there is little interest on the auctions for the sale of media outlets, as well as that already concluded

privatization agreements are often terminated over unfulfilled contractual obligations by the new owners, point to a seriously flawed media market. The attempt to attract potential investors by streamline the business of stations and cutting on the number of employees, as it was the case with Radio Pirot, is only one of possible solution, albeit being a partial one. It seems that the key concern for investors, deterring them from investing in the media sector, is too many media on the market, especially broadcast media. Furthermore, they are scared off by a weak advertising market, especially outside of Belgrade and the major cities, as well as the lack of transparency and occasional discrimination in the allocation of state aid. Until the state offers incentives for the consolidation of the market and until it regulates state aid procedures, making them more equitable and procedures more transparent and encouraging media content relevant for the citizens, the problems of non-privatized public media, but also those of already privatized commercial media, will not be solved. Absent of such solutions, certain local self-governments opt for the maintenance of direct ownership of media, as in the case of Pancevo and the weekly "Pancevac". Not only is it directly in contravention to the Public Information Law, which expressly states that the state and the territorial autonomy may not be, directly or indirectly, the proprietors of media, but it also fuel doubts about the willingness of local self-governments, in the situation where they are the direct owners of certain media, to fulfill their obligation, provided for by the Law on Local Self-Government, to attend to public information of local interest and ensure conditions for non-discriminatory public information.