

## V THE DIGITALIZATION PROCESS

On October 30, the Government of the Republic of Serbia submitted to the Parliament the Draft Law on Budget for 2013 for adoption. The Draft provides the issuance of a guarantee of the Republic of Serbia in the amount of 75 million Euros to commercial banks for granting a loan to the Public Company "ETV" for the project of the digital switchover. We remind that the Digitalization Strategy and the Law on Electronic Communications provide for the aforementioned company to establish electronic communications network for the multiplexing, distribution and broadcasting of digital television program, for which the company will receive an individual license for the use of radio frequencies. The Strategy foresees that the digitalization costs will involve, among other things, funds for setting up the digital terrestrial broadcasting network. These costs have been partially financed from pre-accession EU funds and the Serbian budget. The financing of the equipment for the Public Company "ETV" was anyway planned to be dealt with a loan. By planning to issue a guarantee from the budget for such a loan, the Government has reaffirmed its commitment to see this project through. The amount of the guarantee was set at 75 million Euros, but the exact worth of the procurement will be precisely allocated only after the completion of a detailed network plan, announced for the end of the first quarter next year. Prior to the budget proposal, the Government passed another decision relevant to the impending digitalization. The new Radio Frequency Bands Allocation Plan was adopted, under which the digital dividend (the radio frequency band that will be freed after the completion of the digital switchover) would be used for high-speed mobile Internet access services and the introduction of a new generation of mobile telephony. This will provide a harmonization of plans intended for the European level, which will also enable the use of user devices from Serbia in the European Union and vice-versa.