

V THE DIGITALIZATION PROCESS

The adoption of the Rules on the Allocation Plan has fulfilled the regulatory conditions for the Initial Network for the trial testing of the digital signal to be extended from 15 to 35 locations, opening the possibility for about 75% of the population of Serbia to receive the signal. The latter, in turn, will have created the foundation for the *simulcast*. According to the announcements from the competent ministry, the first stage of the *analog switch-off* is to be expected as early as in the second half of 2014. However, the lack of funds makes it impossible to set more precise deadlines for the completion of the first analog switch-off.

Under the Digital Switchover Strategy in Serbia, digitalization costs include costs of purchasing digital broadcasting equipment (which is, to a large extent, already covered by EU funds) and the expenses related to the purchase of STB's for socially vulnerable groups, in accordance with the decision on the help scheme. The first item is not completely unknown, since the setting up of the network was greatly facilitated by IPA funds. This is not, however, the case with the aforementioned purchase of STB's.

The Strategy provides for the adoption of an additional document – the Switchover Plan – that will determine the deadline for the complete digital switchover, the sequence order of regions (allotments) for switch off, the tasks and duties related to informing the public, the drafting of the help scheme for the most vulnerable groups of the population, technical parameters and the like. This means that the adoption of the Switchover Plan is the formal precondition for addressing issues such as the date of the analog switch-off or help scheme. According to the Strategy, the Plan shall be passed by the Government in the form of amendments to the Digital Switchover Strategy, which would mean that the Strategy would be amended for the fourth time since 2009, when it was originally adopted. This also shows how complicated and unpredictable the digital switchover process is. We will mention some of the challenges Serbia has faced in the previous period, as well as some of the digital switchover models we have been able to observe. First, the “one-day switchover” concept was abandoned, giving way to “stage-by-stage switch-off” by region. Then the initial network was introduced, which was supposed to enable limited *simulcast*. That network involved broadcasting from 15 locations, which number was to be extended to 35, enabling *simulcast* for 75% of the population. It was impossible to predict all technical aspects from the very onset of the process. Bearing in mind that Serbia is the first country in Europe that opted for the DVB T2 broadcasting standard and the MPEG4 compression format, the question was immediately raised whether STB's supporting these standards will be

available on the market. The precondition for the reception of digital TV signal in practice is precisely the availability of the proper TV sets or STB's. Since these may not be found on our market or not in sufficient quantities or at affordable prices, the real question is how many citizens will be able to receive digital signal (despite the extension of the initial network). Furthermore, the broadcasters are not sufficiently acquainted with their obligations relative to digital broadcasting. The only thing that is certain is that they will be provided a place in the multiplex and hence they will not have to invest in digitalizing the equipment, since the network and multiplex operator (the public company "Broadcasting Equipment and Links – JP ETV) will do that for them. The sole obligation of the broadcasters will be to enable the supply of the signal from their studio to the nearest head-end. However, nobody has publicly stated what kind of broadcasting costs the broadcasters will have to bear, namely how much they will have to pay JP ETV for that service. It seems that the Digital Switchover Strategy has hastily promised broadcasters "lower broadcasting costs". If we take neighboring Croatia as an example, we will see that the local media are unable to sustain digital broadcasting costs and are forced to close down or switch to cheaper distribution platforms. If Serbia is to face the same risk, it should be perhaps wiser to let the broadcasters know in advance, so that they could prepare better for making the transition to cheaper cable systems. The Government, competent ministry, RATEL, RBA and JP ETV will obviously have to intensify their activities aimed at informing the public and the broadcasters about the course of the switchover process, in view of the imminent final switch off of the analog signal.