



A tourist visiting Montenegro some six months ago could have been forgiven for asking: “Why is this small Mediterranean country, with only 620,000 people, not completely digital?” One of the main challenges was posed by its dramatic landscape, as **Djordje Vujnovic**, International Relations Adviser to the Director at the **Agency for Electronic Media of Montenegro**, explains in his overview of the media landscape today

# MONTENEGRO POST-DSO

**T**he railway line that connects the coastal city of Bar with neighbouring Serbia was among the most expensive lines to be built in the world because of the challenging terrain. So it's easy to guess how difficult and costly it must have been to put the original transmitters on Montenegro's high mountaintops. Replacing them with new digital transmitters was a similar feat – it involved years of planning negotiations, harmonisation, EU grants, tendering procedures and actual construction works.

Montenegro's journey to digital started some 110 years ago, in 1904 to be precise, when a signal was sent across the sea from Bar to Italy. The Montenegrin ruler at the time, King Nikola I, was an avid supporter of innovations and with the assistance of the Italian inventor, engineer and Nobel prize laureate Guillermo Marconi installed the first radio-telegraphic station in this part of Europe, trying to build more links between the small kingdom of Montenegro and the rest of the world.

## KEEN ON INNOVATIONS

Many things have changed since then but this remains: Montenegrins are still very keen on innovations. They can at times seem even too 'digital' and it is not always easy for the small emerging Balkan economy to keep pace with them and meet all their cravings for new digital toys, not even with global players such as telecommunication operators Deutsche Telekom and Telenor, which have been in the country for a long time now, using Montenegro as a testing ground for the latest-generation innovative services.

Apart from new gadgets, Montenegrins also enjoy their television. Spanish and Mexican telenovelas, and more recently regional and local TV production, are often discussed in cafes for days and viewers sometimes take the intricate destinies of Venezuelan protagonists closer to their heart than the problems of their own families. There are now fewer local TV stations broadcasting free-to-air, leaving the local population at the mercy of foreign reality shows, which often tread a fine line between legal and decent in terms of watershed regulations.

Looking at the radio sector, there are currently 38 commercial, two national and 14 local public radio stations, and a state aid fund, operated by the independent regulatory authority – the Agency for Electronic Media. The financial support in the form of annual and programme grants can go a long way for the small commercial stations that produce local content, and make a great difference for the local population in the remote rural areas of Montenegro.

In terms of television, after the digital switchover (DSO), Montenegro has only three commercial TV channels in the first national multiplex, in addition to two channels of the national public service broadcaster. These five channels are available free-to-air to 92% of the Montenegrin population, which leaves us with some remote villages still waiting to receive the digital signal. All things considered, this is not bad for the initial phase of the expansion of the digital network.

It is sometimes rather difficult to explain the advantages of the digital switchover to someone asking for a cost/benefit rationale behind this process. Yes, the picture is better and there are some additional services, all of which are nice but could be too expensive for an elderly household, whose members had been quite happy with the conventional remote control.

### HELPING STAKEHOLDERS

The logical answer is that you cannot stop progress. In the same way that it was impossible to stop colour TV back in the 1960s, it is impossible to cut the costs now and cling to the old technology. What one can do, however, is help the stakeholders with their transition, small media and viewers alike, enabling them to come out of this process stronger and more optimistic.

The commercial channels in Montenegro's first national multiplex are mainly owned by foreign companies that are not always keen on tailoring their

regional content to local viewers. Their policy of 'This should be close enough, and it certainly costs less' will hopefully not remain in place forever. But what if it does? How far can the state, or a regulator, go to protect local content from the – negative – impact that reality shows and other programmes have on the culture of a small country without interfering with the editorial independence of broadcasters? Is it possible to do something, without resorting to stringent regulation and state aid measures?

### CONTENT FOR THE REGION

Montenegro does have the legal means to support the commercial broadcasters financially, but it doesn't have enough money to help them compete with the international media companies that produce content for the region and sell advertising time for the whole Balkans. The regulatory authority needs to create a level playing field, for the "poor" and "rich" broadcasters alike, regardless of where they come from.

The European Commission recognises this problem which also exists in some smaller EU economies, such as Ireland, but there are no easy solutions. Montenegro is currently going through the EU accession process and negotiating with the EC, so when you are knocking on the European door, you need to meet all the standards and observe all the rules – even those other EU members might work around or bend a little.

Faced with the two options of either sitting back and watching as our cultural heritage is being eroded by such low-quality content, or actively relying on technological developments to give our citizens more options and provide more (internet-based and other) AVM services, the choice was not difficult.

With six more multiplexes available, Montenegro hopes to attract more TV broadcasters willing to produce local content

## Global players use Montenegro as a testing ground for the latest innovative services

◀ From top one of the challenging locations of a transmitter in Montenegro; a meeting of European media regulators in Budva; the spectacular scenery of Montenegro  
▼ Djordje Vujnovic

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and raise the quality of programming. The legislation is in place and there is enough room for both MUX operators and TV channels to find the right business model for Montenegro, for both pay- and free-to-air TV. With the digital dividend pending, the telcos also hope to expand their services from early 2016.

In parallel, the already well-developed cable market (including CDS, MMDS, FTTH, mobile and IPTV) offers a wide selection of foreign and regional TV channels, with the basic tier subscription ranging between €6 and €11.

### PLENTY OF OPPORTUNITIES

There are plenty of opportunities in the sector. However, one area we need to focus on is the support for high-quality local TV production. The AVMS directive doesn't help much in that respect, as it gives on-demand service providers an opportunity to choose between promotion and financial support, and we all know how useful such weak mechanisms can be in competition with powerful international players.

Of course, the situation can change quickly. With the modern cinematography legislation in the pipeline, and plans to offer its beautiful scenery (and incentives) to international filmmakers, Montenegro could soon have enough local production and co-production to make it attractive for international companies and viewers. That could in turn boost its broadcasting sector and bring more high-quality competition to this small market, given that the language is shared with (at least) three neighbouring countries with much larger populations.

So the outlook is promising. Post-DSO, what we can hope for in Montenegro is that the local population will be asking for – or at least watching – more local content, supporting small independent producers. In combination with the legislative measures, fair regulation and sound business strategies, we are then on the right track. ■