

The state of Serbia and EURONEWS are breaking the law

Civic Initiatives warn the newly elected members of the European Parliament, as well as relevant institutions in Serbia, that Euronews's entry into the Serbian media market is a **flagrant violation of the domestic legislation** governing this area. It is also a **departure from the strategic commitment of the state of Serbia**, presented in two versions of the media strategy, which involves the withdrawal of the state from the ownership structure of the media.

As the Government of the Republic of Serbia is a major owner of the jointly owned company Telekom Srbija, and since Euronews receives a third of its annual revenue from the EU budget, this process is extremely important both for the citizens of Serbia and EU citizens.

According to the Law on Public Information and Media, adopted in 2014 as part of the adoption of a set of media laws, welcomed by the international community as well as the domestic media and professional public, **state-owned enterprises are not allowed to own or participate in the ownership structure of the media.**

This practice is also **in contradiction with the European Commission's assessments and recommendations** contained in the 2016 and 2018 Progress Reports, which insist on consistent law enforcement and strengthening the regulatory framework governing the transparency of ownership and the illicit influence of the state on the media market.

Despite declarative statements by government officials that the implementation of existing laws is necessary, as well as the improvement of media legislation defined in the new draft Strategy for the Development of the Public Information System until 2023, **the move of Telekom Srbija which is a majority state-owned company, indicates the government's tendencies to strengthen its influence and control in the media sphere.**

We urge all relevant actors to stop this process or to call for its halt in accordance with their authority. The long-standing struggle of independent journalists, as well as the domestic and international media scene to stop media control in Serbia, will be significantly undermined by the announcement of Euronews opening in Serbia in this way.

You can find more information about this process [here](#).

Civic Initiatives

Civic Initiatives (CI) were established in 1996, as a non-profit, non-partisan organization. Civic Initiatives' mission is supporting and strengthening democratization and good governance through greater participation of citizens in decision-making processes at all levels. We have implemented several successful projects aimed at strengthening civil society, promoting civic education and monitoring freedom of expression and the media. CI, as an official partner of CIVICUS Monitor for Serbia, are regularly monitoring, reporting and publishing state of freedom of

association, assembly and expression. Since 2016, CI are coordinators of the Inter-Sectoral Group on Freedom of Expression and Media of the National Convention on the European Union (a platform of 700 civil society organizations that the Government is obliged to consult during the EU negotiation process). The Inter-sectoral group has more than 80 members, civil society organizations, media and journalist' associations and independent journalists. In September 2017, after the closure of Vranje newspapers, a well know local newspaper, together with other CSOs, independent media and journalists, CI formed Media Freedom Group. The group conducted joint actions to inform domestic and international public about violations of media freedom in Serbia. CI launched the Media Freedom Matrix site, an online tool for monitoring the level of media freedom. We have published several reports on freedom of expression and media and are constantly monitoring and alerting the public about the violation of this right.

Breaking the Law on Public Information and Media

Article 32 of the Law on Public Information and Media states that the Republic, autonomous province, local self-government unit as well as **companies and other legal entities which is as a whole or partially owned by the state, i.e. which is totally or partially financed from the public income cannot be the owners of the legal entity which founds a media**. The Law recognizes the exception only in the case of the public services and media which are founded by the counsels of national minorities, which is inapplicable on the case of Telekom Serbia.

The obligations of the media in the state ownership is proscribed by this law, in its transitional and final provisions (Art. 142), in accordance to the Law on Privatization. The state has avoided finishing the process of privatization of the media in its ownership "Tanjug", "Politika", "Večernje novosti" and "Dnevnik"¹ - by inadequate implementation of the laws. However, with Telekom Serbia's announcement on opening the Euronews Chanel, the state of Serbia proved that the issue of the unfinished privatization did not arise because of difficulties in implementation of the laws, but it is a consequence of the clear intention of the state to keep its presence and control in the media market.

The process of the Euronews' entry in Serbia (know information)

¹ <https://www.gradjanske.org/wp-content/uploads/2019/04/FREEDOM-OF-EXPRESSION-AND-MEDIA-FREEDOM-IN-SERBIA-IN-THE-EU-INTEGRATION-PROCESS.pdf>, Chapter 5 and Withdrawal of the state from the media in Chapter 23

Although Telekom Srbija is majority state-owned and Euronews receives a third of its annual revenue from the EU budget², all information that exists on this business transaction is only presented through their press releases, while franchise agreements and pricing information are not publicly disclosed neither by Telekom Srbija, nor by Euronews.

After successful break into the media market of Albania, the *Euronews* confirmed at its official website that the following step in implementation of the transformation strategy into the first “global-local” media organization is entry into the media market of Serbia³. The CEO of the Euronews, Michaël Peters⁴, also confirmed that it would come to that. It was also confirmed that this project would be implemented in cooperation with Serbian media group “HD-Win” (which is owned by the Telekom Serbia) by the franchise agreement. Details on the way Euronews is doing are still unknown, and the first person in Serbia who confirmed the news is Suzana Vasiljević, counselor for media of the President of the Republic⁵.

It is stated in the Telekom’s press release “Euronews tends to promote reliable and independent media in Serbia and potentially also at other territories where Serbian language is in use”⁶. It was also emphasized that starting Euronews, Serbia is a part of the Euronews strategic ambition to position itself as the first global-local media house in the world⁷.

State Ownership over the HD WIN Company

According to the Business Registers Agency⁸, the company “HD Win” is a Ltd., whose owner is is corporation “Telekom Srbija” Belgrade. Until recently, “Telekom Serbia” was the majority owner of the “HD Win” with equity 60%, while the minority owner was Goran Đaković with equity of 40%. However, on 14 May 2019, **a contract on transferring the equity in the corporation** was signed between these entities, by which “Telekom Srbija” bought the rest 40% and **became the only owner of the “HD Win” company**. According to this contract, on 26 June 2019 Business Registers Agency issued the decision (No.316-7/19) on changes and amendments of the founding act of that company, by which the process

² https://www.eca.europa.eu/Lists/ECADocuments/RCR_EURONEWS/RCR_EURONEWS_EN.pdf

³ <https://www.euronews.com/2019/07/15/euronews-and-hd-win-announce-launch-of-euronews-serbia>

⁴ <https://www.danas.rs/drustvo/euronews-u-partnerstu-sa-telekomom-srbija-pokrece-projekat-franchise-u-srbiji/>

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ www.apr.gov.rs

of contribution transferring in this Ltd. had been finalized⁹. Telekom didn't post of success, as it usually does on its official web presentation. Besides, "**Telekom Srbija**" company has such ownership structure in which **the state of Serbia is the majority owner with equity of 58.11%**.

Violation of the strategic orientation of the official policy in Serbia

Media strategy from 2011 as well as the Draft Strategy for the Development of the Public Information System in the Republic of Serbia from 2018 mark **the withdrawal of the state from media ownership structure** as one of the biggest objections and most important task in the next period. It is explicitly stated that the normative framework, established by adoption of the Law on Privatization, and the strategic orientation that the state cannot be the owner of media haven't been fully respected (as in cases of "Politika" and TANJUG).

Instead of implementing the strategic goal of the state withdrawal from media, the Government of Serbia misuses the Telekom Srbija for straightening its presence in the media market, but also for confrontation with media entities which are not under control of the authorities.

Telekom Serbia

Telekom Srbija bought the Company "Kopernikus Technology" in November 2018 from two offshore companies registered in Cyprus – "Kopernikus Corporation (Cyprus) Ltd" and "KPNK CY Holdings Limited". The owner of the first company is Srđan Milovanović, brother of Igor Milovanović, the trustee of the Serbian Progressive Party in Niš, while the owner of the other company appears to be the Polish investment fund Abris¹⁰. Telekom then published the press relies that it had bought the other biggest cable operator in the country for less than 1000 EUR per user, of whom there are about 200.000¹¹. Telekom then stated in its respond to the Insaider that it hadn't taken the Television Kopernikus, but only the cable operator¹².

⁹ <http://pretraga2.apr.gov.rs/EnterpriseWebSearchWeb/Details/Details?beid=2647802&rnd=8169C84C7F612166AF489EA775AD43DC126C3D2F>

¹⁰ <https://www.cenzolovka.rs/trziste/kako-je-telekom-kupio-kopernikus-izmuzi-dok-ima/>

¹¹ Ibid.

¹² <https://insajder.net/sr/sajt/vazno/12480/>

Only a month later, the news appeared in public that Srđan Milovanović, now ex co-owner of the “Kopernikus Technology” company, had bought two televisions with national frequency TV O2 and Prva. The transaction amounted to 180 Million EUR, 15 Million less than when Telekom had bought Kopernikus. The speculation then appeared in public whether it is the same money and whether the state this way, opposite of the law, comes back in media again. Then, the Independent Journalists’ Association of Serbia and the Independent Journalists’ Association of Vojvodina released “this case is by no means just media one, but it is one of the biggest political and economic affairs in Serbia today”¹³.

At the beginning of July this year Telekom Srbija stated that it had bought the biggest cable operator on the territory of the West and Central Serbia Telemark Systems Ltd.

Previously, only in a few months, Telekom bought four more cable distributors, hiding for how much money the companies had been bought¹⁴. Out of all companies a new distributive system Supernova was made owned by the Telekom. TV N1, the only TV station which operates nationally, and respects professional and ethical standards and it’s critical of the authorities, openly showed its doubt that these companies were being bought in order to get this television out of their offer¹⁵. New users of the cable distributor Supernova have already reported the problem to access to the N1 Chanel¹⁶.

Euronews

According to the available data, 25% of equity in ownership of Euronews has the American broadcasting TV network NBC, and 22% European broadcasting Union¹⁷. In 2015, 53% of Euronews was bought by the Media Globe Networks, whose owner is Egyptian billionaire Naguib Sawiris, which then actuated the questions on future editorial policy and independence of Euronews.¹⁸ Journalists’ and media associations in Europe had already pointed on serious omissions in editorial policy of Euronews regarding the attitudes towards autocratic regimes¹⁹. This year, a Rapid Case Review of the Euronews case by the European Court of Auditors was also carried out to establish that there is no link between the money

¹³ <http://www.nuns.rs/info/statements/39715/nuns-i-ndnv-sns-novcem-gradjana-kupio-dve-televizije-sa-nacionalnom-frekvencijom.html>

¹⁴ <https://www.raskrikavanje.rs/page.php?id=379>

¹⁵ <https://www.cenzolovka.rs/trziste/drzava-kao-kablovski-operater/>

¹⁶ <http://rs.n1info.com/Vesti/a502908/Brnabic-N1-ima-na-Telekomovoj-Supernovi.html>

¹⁷ <https://www.euronews.com/about>

¹⁸ <https://www.politico.eu/article/tycoon-takeover-euronews-funding-meps-commission-egypt-naguib-sawiris/>

¹⁹ <https://www.telegraph.co.uk/news/2016/12/18/journalists-unions-accuse-eu-backed-euronews-pandering-oppressive/>

provided by the European Commission to Euronews and the Commission's verification of compliance with the code of professional journalism:

“In February 2017, Euronews agreed to respect the commitments listed in *Table 1*²⁰ to reassure the Commission, before the conclusion of the 2017 FPA, about the preservation of the channel’s editorial impartiality and of its European perspective following the change in its ownership structure. The Commission should verify annually if Euronews is compliant with the commitments set, however we did not find a formal link between these commitments and the award criteria of the annual work programme serving as financial decision.”²¹ The first obligation in the table is unbiased, pluralistic and independent information and commitment to establish a mission statement defining these common underlying principles devoted to preserving the European perspective and DNA.²²

²⁰ Available at https://www.eca.europa.eu/Lists/ECADocuments/RCR_EURONEWS/RCR_EURONEWS_EN.pdf, strana [15](#)

²¹ https://www.eca.europa.eu/Lists/ECADocuments/RCR_EURONEWS/RCR_EURONEWS_EN.pdf, Strana 14, paragraf [31](#)

²² Ibid