Telekom Srbija

February 28, 2024
Nafisa Hasanova
Project Manager, Global Media Registry
Tanja Maksić
Program Coordinator, BIRN Serbia

Dear Ms. Hasanova and Ms. Maksić,

Thank you for your letter dated February 26, 2024, concerning the Media Ownership Monitor's inquiry into the transparency of media sector ownership in Serbia. Telekom Srbija Group (TSG) acknowledges the importance of such research in fostering a transparent, competitive, and pluralistic media landscape. We appreciate the opportunity to contribute to your study and to clarify our position regarding the allegations and concerns raised.

It is important to note that this is the first time in over a year, and notably only after the publication of the study, that TSG has been given the opportunity to comment. We see this as a critical chance to provide our perspective and correct any misconceptions.

Telekom Srbija Group's Comprehensive Rebuttal and Response to Media Ownership Monitor Serbia's Allegations

Introduction

Telekom Srbija Group (TSG) is unwaveringly committed to nurturing a vibrant, competitive, and diverse media landscape in Serbia, adhering to the principles of media diversity, transparency, and freedom. Recent allegations by Media Ownership Monitor Serbia have cast doubts on these commitments. In this first opportunity in a year to respond to an already published study, TSG is eager to address these concerns with factual accuracy and comprehensive insights into our operations and intentions.

TSG's Strategic Embrace of Western Media Paradigms

Telekom Srbija Group (TSG) proudly stands at the forefront of integrating Western media standards and journalistic excellence into Southeast Europe. Our commitment is not just about broadcasting; it is a testament to our dedication to creating a media landscape that champions transparency and quality. Through strategic partnerships with entities like Bloomberg Adria, Euronews Serbia, and the US Agency for Global Media (USAGM), TSG has solidified its role as a key player in offering impartial, accurate, and diverse news across the region.

Our collaborations with Bloomberg Adria[1] and Euronews Serbia[2] symbolize a deep commitment to truthfulness, neutrality, and journalistic integrity. Euronews Serbia's balanced reporting, especially on sensitive matters like the Serbian elections and the Ukraine situation, and the endorsement by the Osservatorio di Pavia (OdP) (highlighted in its May 2022 report on Euronews Serbia's coverage, the network maintains "a strict adherence to fairness, accuracy, and

[1] Please see: https://www.bloombergmedia.com/press/bloomberg-adria-to-officially-launch-on-1-july-2022/

[2] Please see: https://emerging-europe.com/news/euronews-teams-up-with-hd-win-to-launch-serbian-channel/

impartiality"), displays our success in upholding high reporting standards, promoting diverse perspectives, and fostering informed public discourse.

Strategic Partnerships for Digital Innovation

Our collaborations with global leaders such as Vodafone[3], the European Investment Bank[4], Deutsche Bank, World Bank, EBRD and Bank of America[5] underscore our commitment to innovation and digitalization, reflecting our financial integrity and responsible business practices. These partnerships, emphasizing digital innovation and financial prudence, reinforce our position as a forward-thinking and financially stable entity.

Commitment to Media Diversity and Transparency

TSG operates within Serbian and EU regulations to support a competitive media environment that benefits consumers and content creators alike, directly countering any monopolistic practice claims with our actions toward promoting media plurality.

Embracing Diversity: TSG's Vision for a United Balkan Media Landscape

TSG stands at the forefront of fostering a united Balkan media landscape, a mission steeped in the celebration of the region's diverse cultural tapestry. TSG's extensive network features over 170 regional TV channels, catering to a wide spectrum of ethnicities, languages, and interests. Our aim is to construct a media environment that not only entertains but also connects and represents every facet of our vibrant community.

Besides Serbian channels, we are committed to provide the most significant channels from the region. Our reach is extensive, as we are the exclusive distributor of Bosnian channels such as OBN, BN, Hayat, Federalna TV, Face TV and RTRS. Furthermore, TSG uniquely positions itself as the distributor of crucial Albanian channels, through DigiAlb group of channels. Further, TSG provides certain Croatian channels throughout the region such as HRT and RTL on its various platforms. TSG's reach with all these channels is amplified globally through OTT streaming, ensuring accessibility for a worldwide audience.

Our vision at TSG is to utilize the connective power of media to unify the Balkans, a region rich with history and culture, by presenting an unmatched blend of content. In a landscape where the past often divides, TSG seeks to be the media force that unites, championing the beauty of unity through diversity.

Response to Allegations and Upholding Regulatory Frameworks

Contrary to allegations, TSG's media strategies and acquisitions are fully compliant with national and EU regulations, a testament to our adherence to competition laws and media ownership standards.

---

[3] Please see: https://www.vodafone.com/news/corporate-and-financial/vodafone-strategic-partnership-agreement-telekom-srbija

[4] Please see: https://www.eib.org/en/press/all/2021-454-team-europe-eib-lends-eur70-million-for-advanced-telecommunication-technology-and-ultrafast-broadband-in-serbia

[5] Please see: https://www.britserbcham.com/en/welcome-back-telekom-srbija--our-renewing-premium-plus-member/

Elevating Serbia's Media Landscape

Serbia's efforts to align its media laws with EU standards, despite facing criticism, reflect our commitment to these advanced regulatory frameworks. Our dedication to nurturing a balanced media environment is evident in our compliance with these laws and our broader strategy to positively influence the evolving media landscape, ensuring media freedom and integrity remain paramount.

Upholding Serbia's Constitutional Integrity

Certain media actors seemingly challenge the principles of Serbia's 2006 Constitution, which the Venice Commission praises for its contemporary alignment.[6] This foundational document, endorsed through a national referendum and overseen by European bodies, played a pivotal role in forging the Stabilisation and Association Agreement between Serbia and the EU. TSG's commitment to these principles goes beyond legal compliance, reflecting a deep dedication to fostering a free, fair, and democratic media landscape.[7]

We would like to clarify that the prior media laws did not strip Telekom Srbija of media ownership because we are not classified as a public enterprise. Since 2011, we have held media ownership in several countries in accordance with the laws that were applicable at the time.

It's crucial to highlight that during the legislative amendment process, there was considerable pressure exerted by certain interest groups with the objective of permanently excluding Telekom Srbija from market competition. This exclusion was aimed at providing competitors with the opportunity to egregiously breach the Constitution and best European practices. For instance, in Brussels, the Belgian telecom and media international group is 53.51% state-owned, and similar state majority ownerships are present in companies like Swisscom in Switzerland, Telia in Sweden, and several others.

TSG's inaugural venture into media ownership with the acquisition of HD Wind in 2011, which has since been rebranded as Arena, was conducted in strict accordance with the legal frameworks and democratic norms that are the hallmarks of a rule of law society. This transaction was not only lawful but also received the necessary sanctions, endorsements, and approvals from the incumbent ruling party and government of the time, which is now the opposition. Such due diligence and adherence to procedure reflect the operations of a mature democracy.

In each jurisdiction where TSG operates, our approach to acquisitions and expansions is guided by the same principles that govern our actions within Serbia. We engage with local regulators, adhere to the legal statutes, and seek the necessary approvals before proceeding with any business transactions. This ensures that our operations not only respect the sovereign laws of the countries in which we are guests but also reinforce the universal values of fairness and justice that underpin the rule of law in democracies worldwide. Thus, our business model and

---

[6] Please see: https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2007)004-e

Also see: https://www.srbija.gov.rs/vest/en/178885/praise-of-venice-commission-regarding-text-of-constitutional-amendments.php

[7] Please see: http://www.parlament.gov.rs/upload/documents/Constitution_%20of_Serbia_pdf.pdf

operational ethos are in harmony with the practices of rule of law and the operational norms of established democracies.

Addressing Disinformation and Upholding Legal Standards

It has come to our attention that certain entities, under the leadership of UG, have been disseminating misinformation and disinformation. This deliberate attempt to deceive not only violates antitrust and competition law standards but also undermines the integrity of public discourse. These entities have mischaracterized media regulations as deterring Serbia from its EU path,[8] blatantly ignoring the European Commission's endorsement of these laws. Their alignment with EU legislation, the direct incorporation of the acquis, and the exclusive prohibition on even compatible state aid to TSG, which contrasts with privileges granted to other European entities, highlight a manipulative narrative at odds with factual assessments by EC officials.

On October 19, 2023, prior to the parliamentary adoption of the new media laws, the European Commissioner for Neighbourhood and Enlargement, Olivér Várhelyi, praised the inclusive consultation process, recognizing positive elements, especially regarding the REM and the Press Council. His acknowledgment of the EC's engagement in a comparative analysis underscores the constructive European involvement in shaping these laws.[9]

Subsequently, on October 31, 2023, following the laws' adoption, European Commission President Ursula von der Leyen lauded the significant reforms, particularly in media freedom, marking the legislative changes as a commendable achievement for Serbia. [10] These endorsements directly contradict the disinformation spread by UG and its affiliates, which aim to distort the public narrative for competitive gain.[11]

Overall Conclusion

TSG remains dedicated to positively contributing to Serbia's media ecosystem, advocating for

---

[8] E.g., (due to volume, select articles *only*) see: https://n1info.rs/english/news/minister-resorts-to-deceit-attacks-on-ug-to-defend-disputed-media-laws/

https://nova.rs/emisije/judita-popovic-telekom-postaje-hobotnica-koja-moze-da-proguta-sve-druge-medije/

https://nova.rs/vesti/politika/usvojeni-skandalozni-medijski-zakoni-u-skupstini-vlast-priprema-teren-da-telekom-osniva-svoje-medije/

https://n1info.rs/vesti/poslanici-usvojili-zakon-o-javnom-informisanju-i-medijima/

https://n1info.rs/vesti/united-media-iz-protesta-nece-emitovati-politicki-marketing-u-svojim-medijima/

https://nova.rs/emisije/tanja-maksic-iz-birn-a-pojasnila-sta-u-praksi-znaci-usvajanje-medijskih-zakona-telekom-ima-mogucnost-da-potpuno-poremeti-medijsku-scenu-u-srbiji/

[9] Please see: https://www.blic.rs/vesti/politika/varhelji-vidim-mnogo-dobrih-stvari-u-predlozima-medijskih-zakona/peypym9

[10] Ursula von der Leyen: "Congratulations on the adopted laws." European Commission President Ursula von der Leyen congratulated on the adoption of media statutes after a meeting with Serbian President Aleksandar Vučić.

In her address to the media after the meeting, she stated that "important reforms have been completed." "As for media freedom, you have just completed important reforms (adopted the Act on Electronic Media and the Act on Public Information and Media). Congratulations on that, and now you need to implement them and continue to work on them," said the EC President. See: https://ec.europa.eu/commission/presscorner/detail/en/statement_23_5463

[11] Supra f. 10.

transparency, diversity, and ethical business practices. We invite open dialogue to address concerns and enhance the media landscape, reaffirming our commitment to media freedom and integrity.

Responses to BIRN Serbia and Global Media Registry Inquiry

We appreciate this opportunity to contribute to the dialogue on media ownership transparency in Serbia. Our future plans are focused on sustainable growth and promoting media diversity, in line with evolving media legislation. TSG maintains transparent ownership relations and upholds the highest standards of integrity in our collaborations, looking forward to further discussions and providing additional information as needed.

Future Plans in the Media Business:

Telekom Srbija Group's (TSG) strategic vision is anchored in substantial investments in infrastructure, multimedia, and digital services, complemented by forging robust partnerships with premier international brands and institutions. Our objective is to broaden our international footprint, solidifying our stature as a global entity, and penetrating markets without limitations. Presently operational in ten countries, we are poised to introduce our services in the U.S. market within this year, underpinning our growth strategy aimed at delivering unparalleled service quality in mobile and fixed telephony, internet, and television.

Our approach to multimedia business development leverages a varied portfolio of TV channels, predominantly focusing on sports and entertainment content. We are dedicated to ensuring that our business practices are in strict compliance with prevailing media regulations and are in alignment with the European Union's standards regarding media ownership by telecommunications entities.

In the short term, our company's plans include the expansion of our TV portfolio. This will see the imminent launch of Newsmax Adria and an extension of our successful partnership with Euronews to the markets of Montenegro and Bosnia and Herzegovina. Additionally, we are set to introduce Superstar 3, a new film channel featuring local movies and series, alongside a sports channel aimed at children, 'Arenica,' designed to inspire younger generations to engage in sports. Furthermore, through our 'Diaspora Project,' Euronews will broadcast the Balkan Trip program, dedicated to promoting Serbia and the region.

Established Ownership Relations and Influence:

In the past five years, TSG has actively contributed to the development of multimedia content without exerting any control over it. Our focus is primarily on entertainment and sports channels, such as Arena Sport and TV channel Superstar, reflecting our users' preferences and needs.

Although TSG does not own any news channels in our TV portfolio, we hold licenses for Euronews and Bloomberg, governed by contracts strictly prohibiting editorial interference. The Regulatory Authority for Electronic Media in Serbia (REM) has approved these channels' licensing, which are exclusively cable and do not hold national frequencies. Euronews Serbia, notably, has successfully passed audits by the globally recognized media analysis consultancy Osservatorio di Pavia multiple times.

Telekom Srbija

Regarding the influence over media operations, it's important to highlight that news TV channels and portals owned by our direct competitors have published over 1300 negative pieces about our company in the past year alone. This practice does not reflect our approach, as none of the channels owned by TSG have been used for propaganda or to promote our company. These claims are easily verifiable.

Collaborations on Series and Film Production:

TSG collaborates with more than 15 domestic production houses, significantly impacting the direction of the domestic film industry towards a hyper-production model that follows global trends. We have invested over 100 million euros in producing more than 100 original film and television titles, stimulating economic growth and supporting cultural creativity. Our distribution rights for series and films have been sold across five continents, establishing successful partnerships with global streaming platforms, including Amazon Prime Video, Disney+, Flix Latino, GloboPlay, HBO, Hotstar, Pop TV, RTL Play Premium, and Voyo. By promoting Serbian film and television content globally, we also promote our country and gain international recognition for our filmmakers.

Response to Allegations:

Telekom Srbija Group (TSG) acknowledges the concerns highlighted by the Media Ownership Monitor regarding media freedom and the impact of new media laws. We wish to assert that our media operations and expansions are carried out with the highest regard for legal standards, media pluralism, and ethical practices. Our commitment is unwavering in making a positive contribution to Serbia's media landscape. This includes supporting accurate reporting and fostering a diverse and vibrant media environment.

We trust this response sufficiently addresses your queries and elucidates TSG's stance and practices. We are eager to continue dialogue and collaboration with both BIRN Serbia and the Global Media Registry, aiming to enhance media transparency and freedom within Serbia.

In conclusion, Telekom Srbija has significantly contributed to the development of the media scene through multiple initiatives. These include investments in film and television production, acquiring and introducing numerous licenses for the distribution of reputable international television channels (such as Euronews, Bloomberg Adria, Newsmax), and the development of entirely new channels like Balkan Trip, which further promotes our country and region on a global stage. Additionally, our efforts extend to the significant promotion of local sports through Arena channels.

Best regards,

Vladimir Lučić
Chief Executive Officer
Telekom Srbija a.d.