

## [MK] More Funds for the Public Broadcasting Service

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The Macedonian Parliament amended the Law on Broadcasting in order to ensure a stable financing of the Public Broadcasting Service, Macedonian Radio and Television (MRT), which has been suffering from underfunding for years.

The amendments proposed by the Government envisage an increase of the broadcasting fee from MKD 120 per month (EUR 2) to MKD 190 (EUR 3). Another measure planned in the Government's proposal is an increase of the advertising limits for the PBS from 4 to 12 minutes per real programme hour including the prime time, which was until now reserved only for advertising broadcast by the commercial TV channels. This aroused heavy criticism from the commercial broadcasters, which are afraid that they will lose a big part of their share of the advertising market, which is in any case too small to sustain all 150 licensed commercial broadcasters in a country of two million citizens. Moreover, this small advertising cake has caused the media to turn to political advertising as a rich source of revenue, which is to be seen as critical to editorial independence. After the intense debate between the parliamentary opposition and the ruling parties and due to the pressure from the commercial media sector the majority of the Members of Parliament decided to allow MRT an advertising time of up to 8 minutes per real programme hour. In order to increase the other revenue sources the Government also proposed the deletion of the ban for MRT to broadcast lottery or other similar games of chance. The amendments also bring more clarity in the part that defines what legal entities are obliged to pay the broadcasting fee and to what amount, which will make the collection of the fee more effective and reliable.

The unstable funding of the PBS has been a problem for the national authorities since the power distribution company was privatised and refused to collect the broadcasting fee (see IRIS 2010-10/35). The situation with the PBS did not get better even after the current Law on Broadcasting was adopted in November 2005 (see IRIS 2006-4/30). The implementation of the provisions for a State grant of about EUR 6 Million in order to help the PBS to establish an effective mechanism for the collection of the fees failed right after the vote of this law in the Parliament. As a result the PBS had to reduce its staff in the following years.

In its reports on the country's progress the European Commission was constantly noting that the PBS had been suffering from serious underfunding. In 2010 the obligation for collecting the fee was transferred from MRT to the Public Revenue

Office and since then the collection rate has been constantly increasing. The other gaps in the funding system have been filled with Government interventions. Namely, some funds collected by the Agency for Electronic Communications (electronic communication regulatory body) have been used for modernisation and digitalisation of MRT. The EC reacted to this by stating that the "use of the operators' money for the digitalisation of the public broadcaster is not in line with best European practices", insisting on developing an effective funding system for MRT, which would ensure financial and political independence.

***Предлог-закон за изменување и дополнување на Законот за радиодифузната дејност (второ читање)***

<http://www.sobranie.mk/ext/materialdetails.aspx?Id=d2b98464-1ee3-4ee4-a1f3-0d99a4efaedb>

*Commission Staff Working Paper - The Former Yugoslav Republic of Macedonia 2011 Progress Report, SEC(2011) 1203 final, 12 October 2011*

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