

## VI THE PRIVATIZATION PROCESS

Despite the announcements of the Minister of Culture Bratislav Petkovic that the issue of state ownership in media would be settled by introducing amendments to media laws and his statements that talks about specific solutions for Radio Jugoslavija, Jugoslovenski pregled and Tanjug were already underway, several things happened in November that had put the government's sincerity to really see this process through under a question mark. We will remind of some of developments we have already mentioned previously in this Report. First, the appointment of high officials of the ruling coalition parties to the Supervision Committee of the company "Novosti", such as Dijana Vukomanovic, the Vice-President of the SPS, or Tanja Vidojevic, member of the SNS Main Board, shows that the government intends to continue using the ownership in media for exercising an influence on the latter. The state directly controls 29.5% of shares in "Novosti" and indirectly, through the Pension and Disability Fund, another 7.15%. Since the majority shareholder Milan Beko, who controls 62.4% of the shares, is not entitled to vote above the 25% threshold (unless he issues the offer for the takeover of the remaining shares in "Novosti", namely unless he sells his shares above that threshold, as ordered by the Securities Commission), the state has thus the majority in "Novosti"'s shareholders assembly. "Politika" is in a similar position, where the state is practically in full control, holding 50% of the shares, as we have reported in our previous reports. At the same time, in the case of "Telekom" and the issuance of licenses for the package of sports channels "Arena Sport TV", which "Telekom" controls based on the majority of shares, the Ministry of Finance has issued a legally unsustainable opinion, under which it deems that state property in media is defined and seen only as direct ownership in the form of a public company. Such interpretation opens the door, contrary to what is foreseen in the Media Strategy, to having the whole privatization debate boil down to just the privatization of Radio Jugoslavija, Jugoslovenski pregled and perhaps Tanjug and possibly local radio and TV stations. At the same time, the state capital in large print media, such as "Politika" and "Novosti", seems to go unnoticed, i.e. the Government seems to be bent on keeping these shares and retain control over these companies.