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Will the transition from analogue technology gain momentum?

[Digital radio development in the Nordic countries]

2015 in the United Kingdom, 2017 in Norway: Closure time for most of the FM networks in these countries – albeit with clear reservations from the governments. Among the requirements: at least half of those who use radio must listen via digital platforms – and almost the entire population must have digital radio coverage. In Denmark, 36 percent of those who listen to radio during a week, use a digital platform. But still, no closure of the Danish analogue radio networks has been adopted.

One digital radio standard, one fixed year of closure for the analogue radio networks. This has been a dream for the radio industry in most of the Nordic and several European countries since the test broadcasts started with the EU-initiated standard DAB (Digital Audio Broadcasting) in the middle of the 1990s.

Then it was difficult to imagine other scenarios in the development of radio distribution: A nationwide digital terrestrial network would replace the analogue – fully and completely at a certain time – and listeners were to buy new radio equipment in line with the development of networks.

This has not happened, for a number of media policy and economic reasons, as explained in greater detail in the descriptions of individual countries below. In particular, too few consumers have discovered the benefits that digital radio provides, as opposed to FM-based radio. However, Norway now has set a date of closure for the FM network (2017, alternatively 2019). In both Denmark, which has invested heavily in digital radio, and Sweden, where digital radio now is of great interest, the trade is working to get the authorities to make similar decisions. Britain has 2015 as its target for the close-down of most of the analogue radio networks.

More on digital radio developments in these and other European countries can be found below.

In the article "What is digital radio" below, technology and history are mentioned. For further details on the development, both in Europe and worldwide, see either the website of [WorldDMB Forum](#), or the Norwegian Ministry of Culture's [proposal](#) on the digitization of radio: Summary of Report No. 8 (2010-2011) to the Parliament, adopted in May 2011.

Nordicom's [overview](#) over the Nordic radio sector – structure and use – may also be useful.

No European consensus on digital radio

The terrestrial analogue TV networks in Europe have largely been replaced by digital ones – and households acquired digital adapters to be able to receive TV signals as the analogue networks were phased out. The digital TV networks have given the TV companies, distributors and viewers new possibilities. In the early 1990s, cellular phone networks were digitized all over Europe, something that service providers and users are benefiting from today.

So why has it not been possible to do something similar for radio?

The European radio industry and European media politicians have been unable to agree on a binding plan for digitization of the radio medium. Consensus on standards and phasing out of analogue radio network does not exist. That was a central point for Neelie Kroes, Vice-President of the European Commission and responsible for [Digital Agenda](#), when she was speaking in March 2011 to the 20th Anniversary Conference of the Association of European Radio ([AER](#)).

"There is no single way forward – radio can obviously be delivered over a wide variety of platforms and its programmes can be rich and varied. It is not for us in Brussels to dictate the pace or the way change should happen in this diverse sector. However, my role as European Commissioner for the Digital Agenda is to create the best conditions for those evolutions to happen," Kroes stated clearly in her [speech](#) to the AER annual conference.

She continued: "Indeed, what I see in the current environment is a lack of consensus about the future of radio. Some people even question the fact that we really need digital radio or claim that radio is 'a special case' which could exist forever on a combination of analogue and online services."

From DAB optimism to standstill

Commissioner Kroes could not see any "consensus on standards and roll-out that would give digital radio a fair chance to prove its worth."

We need to do better than that in Europe, she emphasized: "We – and that includes everyone in this room – need to do the thinking that will enable us to envisage radio's future in Europe. I will not prejudge any issue, but nor will I accept that complacency should be our guide. We were not complacent about broadband when 'dial-up' was considered by some as 'good enough'. We were not complacent about mobile phones when fixed line telephones seemed to be the norm for all. And we cannot be complacent about radio's future now."

So why is radio an exceptional case? One must go to the root of the problems that keep the development of digital radio back in Europe, said Kroes. For example, the legal frameworks for digital radio are different from country to country.

Kroes continued: "We need to understand why the EU-wide consensus in 1986 that led to the technically impressive DAB standard has drifted to today's inertia. Is it because digital radio is the new 'betamax'? Or are the differences in success between GSM for mobile and DAB and DAB+ for radio due to a more complex set of issues?"

I need your support to develop the right answers to those questions. They will probably cover not only technical issues (e.g. spectrum efficiency of second generation standards and interoperability), but also political and economic issues. The ecosystem of radio must change, to the benefit of the many of us who enjoy its programmes on a daily basis."

Commissioner Kroes ended her speech by urging everyone to think creatively, and, in the absence of digital radio in 16 Member States, praising the "efforts of the WorldDMB industry group. They have developed receiver specifications which integrate DAB, DAB-plus, and DMB standards in one receiver. This is possible because these are open standards!"

The EBU wishes to speed up digital radio development

Neelie Kroes will get help from one organization with digital radio consensus on its mind: The European Broadcasting Union's [Digital Radio Conference](#) (DRC10) assembled in Belfast in October 2010 expressed a strong wish to strengthen efforts to accelerate moves towards securing a digital future for radio. The over 150 delegates, from 60 organizations who attended the meeting, overwhelmingly endorsed an EBU New Radio Group (NRG) plan of action for 2011.

The EBU Radio Members agreed on three priorities for action over the next 12 months in order to accelerate the digitization of radio:

1. To persuade the European Union to champion switchover policies at European level and to ensure that sufficient spectrum is allocated to safeguard radio's future.
2. To advance partnerships between public and private broadcasters to develop original digital content and support public campaigns to make the case for digital radio.
3. To foster effective partnerships between broadcasters and the automotive sector.

What is digital radio?

[Digital radio development in the Nordic countries]

Why haven't digital radio networks replaced the analogue ones – when the rest of the media are increasingly digitized at all levels? Digital distribution of radio broadcasts are no longer synonymous with broadcast via terrestrial networks. Increasingly, listeners have taken the Internet and other digital networks in use. Digital radio can be heard via cell phones, tablets and television sets, both as live broadcasts and in the form of downloaded files for future use.

In the Nordic countries, public service broadcasters have been driving forces for the introduction of digital radio. Eventually, also the commercial broadcasters have shown greater interest, and both in Denmark, Norway and Sweden a joint radio industry, on a national level, has demanded that the authorities must facilitate the transition from analogue radio.

Local radios have been sceptical, because of cost and coverage, but there are indications that a digitization of the radio medium will not harm them. Sections of the FM network may still be reserved for local stations after the national and regional radio stations have switched to digital distribution.

Radio listening has remained at a high level in the Nordic countries. The radio medium is dynamic, despite the fact that digitization of distribution is not consistently implemented. Podcast is an example of how radio listening has largely been liberated from the factor of time. Producers of radio programmes are placing files on their websites, files that listeners can download at their leisure and listen to anywhere, anytime.

Why digital radio?

Arguments for the replacement of FM networks with terrestrial networks for digital radio have been – and still are – many. Here are a few, taken from the Norwegian Ministry of Culture's [proposal](#) on the digitization of radio Summary of Report No. 8 (2010-2011) to the Parliament, adopted in May 2011.

The fact that digital radio networks can accommodate more channels, so distribution costs

less per channel, is one of the main arguments. Maintenance of the FM networks is costly, and although it is expensive to build digital networks, it will be cheaper for distributors in the longer term. It's easy to create new radio channels and digital channels can have an interaction with the Internet and mobile services.

However, first and foremost, consumers must discover the benefits of digital radio. Here, the development of receivers for digital radio may come to the rescue of the developers of networks. Recent years have seen an emergence of "media rich" digital radio receivers that combine radio with a colour screen, interactive features, Internet access, etc. These receivers will probably become more and more common in homes, the Norwegian Ministry of Culture points out in its digital radio report.

Digital radio in many shapes

Digital radio is not what it was 15-16 years ago. Despite the Internet's vast expansion since then, the British Minister of Culture, Ed Vaizey, for example, do not think that digital radio in the near future will be mainly Internet based. Instead Vaizey believes that "radio's future is a mixed ecology, with DAB, which is mobile, free at the point of access and cost efficient providing the 'spine' of the digital radio offering and the internet providing the added value.

We have already seen a trend towards the integration of internet and DAB in radio receivers. We welcome this not least because it allows the listener to decide which platform best suits them," said Vaizey in a [speech](#) to the Intellect Consumer Electronics Conference in London in 2010. UK aims to phase out most of the FM network in 2015. Part of it is retained for the use of local radio.

The Eureka family (Eureka 147) was introduced in Europe and the Nordic countries around 1995-1996, after a development phase from the early 1980s. DAB (Digital Audio Broadcasting) was first used as a trial service, later on for regular broadcasts. Originally, Finland also joined in and introduced DAB, but today only Denmark, Norway and Sweden have regular DAB services in operation in the Nordic region. The newer DAB+ standard provides room for about twice as many channels as DAB, and is likely to be introduced on a broader scale – at some point in time. Multimedia standard DMB, is, like DAB and DAB+, managed by [WorldDMB Forum](#), a worldwide interest group. DMB, Digital Multimedia Broadcasting, is the core of mobile TV services offered by the Norwegian company [Norges Mobil-TV](#) (NMTV), jointly owned by public service broadcaster NRK and commercial broadcasters TV2 and MTG.

Since 1992, DAB has been recommended by the ITU (the International Telecommunication Union) and in 1994 it was established as a worldwide standard for the dissemination of sound through terrestrial (land based) and satellite platforms, writes the Danish Radio and Television Board on its website.

The WorldDMB Forum has launched "[profiles](#)" for the production of radio receivers that combine various digital technologies. This may ensure that consumers do not have to replace their receivers constantly. After the "profiles" were launched in 2008, a significant increase in sales of DAB-based radios was noted, writes the Norwegian Ministry of Cultural Affairs in its report to the Norwegian Parliament. Prices of digital radios have fallen, and a Norwegian production model that can receive both FM and DAB/DAB+ and Internet radio is the most sold radio in Norway, the Ministry states.

Digital future for Norwegian radio industry

[Digital radio development in the Nordic countries]

2017. Finally, a specific year, was the reaction from the Norwegian radio industry in February 2011. If certain criteria are met in 2015, most of the FM network will be closed down in 2017, the Norwegian Ministry of Culture suggested to the Parliament.

On 19 May, a majority in the Parliament adopted the [report](#) from the Ministry of Culture. A portion of the FM network may still be retained for local stations after the official digitization date.

The requirements set up by the Ministry of Culture, for the closure of the FM network, are 90 percent national coverage, more value for listeners and that the public service channel NRK P1 must be heard by at least as many as in today's analogue network. These are absolute requirements that must be met in 2015. The other requirements are that at least 50 percent of listeners during a normal day must be listening to a digital platform and that there must be solutions for digital radio reception in cars. If the latter two requirements are not met in 2015, the FM network will still be shut down, but not until 2019.

Eighty percent digital radio coverage

The Norwegian public service DAB channel Alltid Klassisk, established in 1995 by NRK, is said to be one of the world's oldest DAB channels. The commercial nationwide radio station P4 began test transmissions in the DAB network this year. Today, 80 percent of the population can receive DAB broadcasts from NRK and commercial channels. There are no plans for transition to DAB+ in the near future.

Public service broadcaster [NRK](#) has 15 channels in the nationwide DAB network, including the main channels P1, P2 and P3. The commercial national channels Radio Norge and P4 also broadcast via the DAB network (and FM), as so do the local radio stations P5, NRJ and The Voice. Most of the DAB channels can also be received via the Internet and digital TV network.

Figures from TNS Gallup / NRK Analyse in January 2010 show that there were around 332,000 DAB radios in Norway. The number of FM radios is about 7.3 million, of which 3.9 million are in daily use, not including car radios.

Radio listening via digital platforms (radio, the Internet, digital television networks) in Norway is around 8 percent for daily coverage, and about 21 percent on a weekly basis, according to figures from TNS Gallup. The Ministry of Culture has asked the radio companies to obtain data on daily listening to digital radio platforms, on an annual basis, since there are no such statistics today.

The radio trade must manage the digital radio transition

The transition to digital radio will be controlled by the active participants. The government should encourage the digitization process by developing a plan for transition to digital radio, writes the Ministry of Culture in its report to the Parliament. In line with this, public service broadcaster NRK and the commercial companies P4 and SBS in 2009 established a joint company; [Digitalradio Norge AS](#). The company's objective is to ensure a rapid transition to digital radio in Norway. Among other things, it wants to become the frequency operator of digital radio, modelled after the company Norges televisjon (NTV), which manages the digital terrestrial television network, states the Ministry of Culture.

Denmark has the most DAB radios per capita

[Digital radio development in the Nordic countries]

Public service broadcaster DR began DAB test transmissions in 1996. In November 2011, DR will have nine digital channels, three of them also transmitted via FM, and all available via the Internet. Commercial channels are also allocated space in the DAB network.

DAB coverage in Denmark is more than 90 percent, and over 36 percent of all who listen to a DR channel in the course of a week listen via a digital platform, according to DR. Two thirds of the digital listening was via DAB, the rest via the Internet.

More than a third of households in Denmark have a DAB receiver (1.5 million sold), and this is more per capita than in any other country, including Britain. "Denmark is one of the most successful DAB markets in the world," according to [WorldDMB Forum](#).

Politically, the introduction of DAB in Denmark was adopted in March 2001, the Danish Radio and Television Board states on its website.

Based on this political decision the network DAB1 network was opened fully on 10 October 2002, with eight radio channels, which were only available via a digital radio receiver. However, starting in 2001, DR has transmitted FM channels simultaneously on both the FM band and the DAB, the Danish Radio and Television Board writes.

No analogue closure date yet

In the parliamentary media policy agreement for the period 2011-2014 it is stated that (probably) between 2013 and 2015 there will be built DAB networks that allow for transmission of DR Radio P4's regional transmissions and commercial local and regional radio stations. The radio stations will bear the costs of construction and operation.

A long-term plan will be issued for the digitization of Danish radio, which includes the transition from DAB to DAB+. The matter of termination of analogue radio networks will be considered when at least half of households have a DAB radio.

Renewed interest in digital radio in Sweden

[Digital radio development in the Nordic countries]

DAB test transmissions from Sveriges Radio (SR) started in 1995, both nationwide and in a regional network. In 2005 further development of DAB in Sweden was halted, because the authorities wanted to investigate the future of digital radio.

[Teracom](#) has transmitted digital radio for public service broadcaster Sveriges Radio since 1995. From 2005, broadcasts via a nationwide network have been limited to 35 percent of the population living in Stockholm, Gothenburg, Malmö and Älvsbyn. Today SR has six DAB channels, in addition to some of its FM channels being transmitted in the DAB network.

With digital radio there is a possibility to cover the whole of Sweden with close to 80 channels, Teracom writes on their website. The Teracom Group consists of Teracom AB, Teracom A/S, Boxer TV-Access AB, Boxer TV A/S and Digi TV Plus Oy, operating in Sweden, Denmark and Finland.

A [report](#) on Swedish digital radio's future was published in 2008. DAB+ should be the

standard of the future, according to The Swedish Radio and TV Authority. There is no decision to terminate the FM network in Sweden.

The Swedish radio industry, both public broadcasters SR and UR and the commercial companies, MTG and SBS, stated in 2008 in a joint press release that they expected the government would speed up digital radio development.

Teracom began trial broadcasts with DAB+ in 2009. Four SR and two MTG channels were initially transmitted via DAB + in the Stockholm area.

The test project, called Digitalradiopiloten, is a collaboration effort between Teracom and the broadcasters. The pilot gives the opportunity to evaluate the technology, content and reception before an upcoming launch of digital radio. Currently Teracom transmits around 20 channels on the digital test network, which reaches listeners in Stockholm, Uppsala and Gävle, the Swedish Broadcasting Authority writes in a press release in April 2011.

A preliminary report from Teracom about the project concludes that it has worked satisfactorily, both technically and for the listeners.

Licenses for commercial digital radio

The Swedish Broadcasting Authority will provide licenses for commercial digital radio, as the new Swedish Radio and Television Act of 2010 now allows for this. The Authority is working on a strategy for this, and in May 2011 ended a long hearing in the Swedish radio industry on the matter.

The website radionytt.se is quoting some of public service broadcaster SR's views, as they appeared in the consultation that ended in May: The digital radio strategy is no question that can be left to the market alone, the radio industry stakeholders and consumers. A crucial decision on the transition to digital radio, building a new terrestrial net, can only be taken by the Government and the Parliament from an overall perspective.

Also distributor Teracom's views are referred to by radionytt.se: Teracom writes that it is necessary that Sweden take a decision on a deadline for the switchover to digital radio, similar to decisions already taken in Norway.

"Digital radio in Sweden has switched its focus from coverage to content," the WorldDMB Forum [states](#).

No new DAB initiatives in Finland and Iceland

[Digital radio development in the Nordic countries]

Finland and Iceland differ from the rest of the Nordic countries in terms of investment in digital radio. Finland has chosen to end the DAB development, for the benefit of dissemination of radio via digital TV network. In Iceland, the digitization of the terrestrial television network has higher priority than digital radio.

Finland

Public service broadcaster YLE started test transmissions with DAB in 1998. The coverage at both the national and regional level was approx. 40 percent of the population. In 2005, YLE stopped all DAB transmissions.

YLE's digital radio stations can be listened to via digital TV and to some extent through the

Internet. In Finland, about 650,000 households have purchased digital TV receivers, which also receive radio transmissions. At the beginning of August 2005, the digital television network covered virtually all of Finland, YLE announced in a [press release](#) in 2005.

The reasons DAB did not have any future in Finland are several. Among other things, the commercial channels did not find it profitable to transition to DAB, according to the research [report](#) "DAB: the future of radio? The development of digital radio in four European countries." Here it is stated that Nokia, Finland's largest corporation and among the world leaders in the telecommunications sector, already in 1997 had taken a decision to stop its involvement in DAB development, and concentrate on the DVB-T, digital TV platform, which had greater potential for multimedia services.

Today, Finland is the only Western European country that has not coordinated frequencies for DAB, according to the Norwegian Ministry of Culture's digital radio report.

Digital radio via the TV networks

Instead, YLE has increased the nationwide distribution of radio channels via the terrestrial digital TV network. Several commercial stations also use this technology.

In 2007, the Finnish Ministry of Transport and Communications released a report on the radio medium, "Ljudradions framtid – är det radio?" (The future of sound radio – is that radio?) The [report's](#) (summary in English) emphasis is on the Internet's impact on the distribution of radio broadcasts.

Since the end of 2006, Finns have also been able to listen to YLE radio channels via the new digital mobile-TV network (DVB-H). YLE is now examining what kind of multimedia distribution technology would be most expedient for the digital radio broadcasts, the Norwegian Ministry of Culture writes in its report on digital radio, released in the winter of 2011.

Iceland

Digital radio is not currently applicable in Iceland. The discussion is mostly about how the terrestrial TV network should be digitized, according to the Icelandic Ministry of Education, Science and Culture. In 2004, an experimental DAB network was created. Public service broadcaster RÚV transmitted the channel Rondó, a channel still available via the Internet and FM network. Most Icelandic radio stations, including RÚV's channels are available via the Internet, both for direct and delayed listening and podcast.

Different digital radio strategies in major European countries

[Digital radio development in the Nordic countries]

In the UK's Digital Radio Action Plan, 2015 is pointed out as the year when the major radio stations will phase out their FM networks for the benefit of digital networks, i.e. DAB. There are conditions: At least 50 percent of radio listening must be via digital platforms, and 90 percent of the population has to be reached via the DAB networks. The authorities in France and Germany have not taken any decision on the closure of the FM networks.

United Kingdom

The BBC received its first nationwide permission to transmit in the UK DAB network in 1995, first as a trial, and then regular transmissions were starting in 1997. The commercial channel Digital One began nationwide transmissions in the digital network in 1999.

Today, the DAB coverage is between 85 and 90 percent. In 2010 there were 43 public service and 126 commercial DAB stations, according to the Norwegian Ministry of Culture's [report](#) to the Norwegian Parliament.

Consumer Power

Consumers will determine whether 2015 is to be the year of transition to digital radio, said the British Minister of Culture, Ed Vaizey, in a [speech](#) to the Intellect Consumer Electronics Conference, in London, July 2010. He referred to the criteria, that at least 50 percent of radio listening should be digital and that at least 90 percent of the citizens must be able to use the DAB network. The FM networks have no more capacity and are expensive to maintain, Vaizey stated. DAB+ was mentioned by Vaizey as an option, but he assumed that the regular DAB standard would remain the preferred one in the UK for some time.

Increase in digital radio listening

As the Minister of Culture spoke, digital radio listening hovered around 24 percent, while over 11 million DAB digital radios were sold in the UK. In the first quarter of 2011, DAB listening amounted to 16.7 percent of all radio listening in Britain, up from 15.8 percent in the fourth quarter of 2010. Listening via digital TV networks was 4.1 percent, slightly down from 2010, while radio listening via the internet increased from 3.1 to 3.6 percent, according to Danish website radionyt.com.

The proportion of Britons who say they own a DAB radio increased from 34.5 percent in the fourth quarter of 2010 to 38.3 percent in the first quarter of 2011. The overall digital radio listening accounted for 26.5 percent of all radio listening in Britain, just over half of the listening criterion for the closure of the FM networks for the major radio stations, still according to radionyt.com. [The BBC's digital channels](#) are vital in the development leading up to the 50 percent target, the Minister of Culture pointed out in the speech mentioned above.

In autumn 2010, the British Government's [Digital Radio Action Plan](#) was launched, most recently revised in spring 2011. It repeated the year, 2015, and the criteria. The [Digital Economy Act](#) was applicable in 2010, and the law gives the government the opportunity to determine the closure of analogue radio network.

France

In 2007, the French authorities chose the multimedia DMB-A – after a majority of digital radio standards had been tried and rejected in recent decades. Because no digital radio networks of any significance had existed, France could start from scratch in 2007, according to [WorldDMB Forum](#).

A communication act from 2009, Loi relative à la liberté de communication, gives the government the authority to choose the standard when digitization of radio networks is concerned, as was done when the television network was digitized. There is no decision on the closure of the analogue radio networks.

A development plan required that digital radio services be launched in Paris, Nice and

Marseille in December 2010, which would give a total coverage of about 20 percent. The launch was postponed pending a new report from the authorities about the introduction of digital radio.

Postpone the digital radio future, report suggests

In May 2011 the report was published, written by David Kessler on behalf of Prime Minister François Fillon. The website radionytt.se reports that Kessler believes that the economic preconditions for the success of a major launch of digital radio in France are not present. Kessler, former head of the radio station France Culture, thinks that the French state will not be able to fund the entire digitization process and recommends a couple of years' pause for reflection. David Kessler mentions web-based radio as a great alternative to digital radio via terrestrial networks, writes radionytt.se. See also radiointelligence.com.

Germany

In 1999 regular DAB transmissions began in Germany, after some years of trial broadcasts. The regional states of Germany have the right to allocate permits to transmit and that means that DAB channels have been regional. No nationwide DAB broadcasts have, until now, been possible in Germany. The DAB radio reaches about 70 percent of the Germany population, according to the [WorldDMB Forum](http://WorldDMBForum.com). There are around 60 DAB channels, both publicly service and commercial.

Nationwide DAB+ network to be opened

On 1 August 2011, a nationwide DAB+ network will open in Germany with permission from the Federal government (Rundfunkkommission). The commission for the financing of German broadcasters, KEF, (Kommission zur Ermittlung des Finanzbedarfs der Rundfunkanstalten) finances the network with license money.

In December 2010, an agreement on the development of the network was entered into between KEF, public broadcasters and the commercial channels. It is estimated that 38 million listeners can be reached, and that about 50 percent of the major motorway routes will be covered. There is no decision on the closure of the FM networks in Germany.

In the article "What is digital radio" above, technology and history are mentioned. For further details on the development, both in Europe and worldwide, see either the website of [WorldDMB Forum](http://WorldDMBForum.com), or the Norwegian Ministry of Culture's [proposal](#) on the digitization of radio: Summary of Report No. 8 (2010-2011) to the Parliament, adopted in May 2011.

Nordicom's [overview](#) over the Nordic radio sector – structure and use – may also be useful.

Nordic cooperation

The world's most digitally connected countries

[Nordic cooperation]

The Nordic Region fares particularly well in the World Economic Forum (WEF) rankings of the best countries in the world for information and communications technology, ICT. All five Nordic states feature near the top of the table, with Sweden and Finland right at the top, [writes norden.org](#).

The WEF has published "The Global Information Technology Report 2010-2011", and the Nordic countries stand out among the most digitally connected countries in the world. Four of them are in the top 10: Sweden (1), Finland (3), Denmark (7) and Norway (9) – with Iceland in an honourable 16th place.

The report highlights the Nordic countries' impressive ability to use ICT as a lever for long-term economic growth. This is particularly important "in the wake of one of the most serious crises for decades" the WEF states.

Source: [norden.org](#) (15 April 2011)

Continued support for the development of Nordic computer games

[Nordic cooperation]

The Nordic ministers of culture have agreed to continue the Nordic Council of Ministers' support programme for the development of new Nordic computer games. In the period 2012 through 2015, the Nordic Game Program will receive DKK 26 million.

It is important that there are alternatives to the internationally produced computer games, and with this support we ensure that games based on our Nordic cultural background will be developed. At the same time, we create opportunities for increased growth in the industry, the Danish Minister of Culture, Per Stig Møller, states in a press release.

The [Nordic Game Program](#) was established by the Nordic Council of Ministers in 2006. More than 60 projects have received development support.

Source: The Danish Ministry of Culture (6 April 2011)

Printed media

Young people want to read newspapers

[Printed media] [Denmark]

Children and young people between 12 and 19 years of age perceive the newspaper as a credible and enjoyable alternative to high-speed digital media, writes Politiken. But the newspaper must be cheap: "A newspaper is supposed to cost 10 kroner, and then you get a cup of coffee in the price," is a typical statement (DKK 10 is approx. EUR 1.3).

Politiken describes a field study of young newspaper readers, conducted by media consultants Marianne Bugge Zederkof (Bugge Media Consult) and Aslak Gottlieb (medieundervisning.dk), with support from, among others, Dagspressens Fond and Aarhus Stiftstidendes Fond. The field study is not representative, because it comprises only young people who actually read newspapers. The model of the study is a comprehensive survey of newspaper habits among 4,700 young Swedes, conducted for the Swedish Media Publishers' Association.

The basis for the Danish survey was the consultants' surprise that so many young people actually read newspapers. Figures from TNS Gallup shows that 54 percent of 16- to 19 year-olds said they read the newspaper yesterday. Indeed, among the young there is a greater proportion of newspaper readers than in the group of Danes between 20 and 34 years. Also, among the very young, 12- to 15 year-olds, it is customary to flip through a newspaper. 46 percent of this age group said they did so yesterday, writes Politiken.

Source: Politiken (11 May 2011)

Literature's position in society will be analysed

[Printed media] [Sweden]

What trends could affect the area of literature, and what is the general situation of literature in today's society? These are among the questions a committee appointed by the Ministry of Culture will look into. The Committee shall make proposals for strengthening the area of literature and assess the efforts necessary to meet the challenges of technology development. The report shall be delivered no later than 1 September 2012.

The Committee will look at a variety of fields, including the position of literature in schools and efforts to increase reading, the conditions of literary authors and developments in the book market. In addition, the Committee must highlight the magazine market and international exchange in the field of literature, according to a press release from the Ministry of Culture.

Source: The Ministry of Culture (24 March 2011)

Audiovisual media

Balance in DR's economy

[Audiovisual media] [Denmark]

For the first time since 2005, public service broadcaster DR presented an accounting profit: DKK 13.9 million for 2010. In addition, DR has had an extraordinary income after the sale of the terrestrial network infrastructure, which brought in DKK 48.1 million.

Tight financial management in recent years has not prevented DR from doing well regarding to dissemination of the Danish language and culture, according to the public service report, which was published together with the financial statements, reports DR Presse.

Source: DR Presse (5 May 2011)

Green light for FM4

[Audiovisual media] [Denmark]

Berlingske People A/S has received permission to operate FM4, the fourth national FM radio channel in Denmark, under the name Radio 24syv. The Radio and Television Board has given permission for operation of FM 4 from 1 November 2011 to 31 October 2019.

In connection with entering into the inter-parliamentary media policy agreement for 2011-2014, it was, among other things, agreed that the fourth national channel would be a license-financed public service channel profiled as a provider of news and current affairs, culture and debates. An advisory committee was set up after the summer of 2010 and it suggested a news/talk-profile, which the political parties approved. Then, an invitation to tender was issued, which included the recommendations and the requirements agreed upon, while taking into account the requirements of the EU legislative system.

The EU Commission [approved](#) of the scheme on 24 March 2011, the Ministry of Culture announces.

Source: The Ministry of Culture (6 April 2011)

TV 2's main channel becomes a pay-channel

[Audiovisual media] [Denmark]

From 2012, all Danes who wish to see TV 2's main channel must pay for it. The parties behind the inter-parliamentary media policy agreement for the period 2007-2010 have decided to change the model they agreed upon at an earlier stage.

The reason for the agreement dating back to 2009 was the lengthy economic difficulties of TV 2/DANMARK A/S. The solution chosen in 2009 meant that households already subscribing to pay-channel packages should pay to receive TV 2, while households that had only free aired channels (DR channels, for example) should have access to TV 2's main channel without payment. This system was assessed as too expensive to administer, and the solution chosen now is a simple pay model – for all households. TV 2 can be offered as the only pay-channel, if desired.

The modified subscription fee model required approval from the European Commission, because the model is part of the restructuring plan for TV 2/DANMARK A/S, which has been considered by the Commission. [Approval](#) from the Commission was given on 20 April.

Source: The Ministry of Culture (11 March / 20 April 2011)

New HD TV channels in an expanded terrestrial TV network

[Audiovisual media] [Finland]

Broadcasters YLE, MTV3 and Nelonen will start nationwide high-definition TV broadcasts in the terrestrial digital television network, after the authorities have given program licenses for three new multiplexes.

Before the transition to digital TV, Finland had only four national TV channels. Now there are nine high-definition and 44 normal TV channels.

"With its licensing policy, the Government has strived to open up competition in television networks. As opposed to the past when there was just one operator in the television market, the number of network operators currently totals three. Of these, Digita has five multiplexes while DNA has three and Anvia two," the Ministry of Transport and Communications [writes](#) in a press release.

Source: The Ministry of Transport and Communications (31 March 2011)

Comprehensive Media Act passed in the Parliament

[Audiovisual media] [Iceland]

In April 2011, the Icelandic Parliament adopted a new Media Act, which establishes a harmonized regulatory framework in the media sector, irrespective of media platforms.

The law also implies the creation of a public media authority. The authority shall have approximately the same tasks as the media authorities of Denmark, Norway and Sweden.

The main task of the media authority will be to ensure that the overall objectives of Iceland's new Media Act are complied with: To promote freedom of speech and the right to information, strengthening of the public's media literacy, promotion of diversity and pluralism in the media and the strengthening of media users' rights. The law includes better source protection and rules on editorial responsibility.

One of the missions of the new media authority will be to ensure that all Icelandic media companies openly publish who their owners are and who is the responsible publisher. The authority shall have the right to make sanctions in the form of fines.

The establishment of a media authority has caused debate, as it is the first time such a body will operate in Iceland. The idea of a controlling body seems strange to some. Certain debaters argue that the authority will be a censorship body, while it is clear that neither the new Media Act nor the Constitution authorize pre-censorship.

Source: The Ministry of Education, Science and Culture (16 May 2011)

The Media Authority will assess new NRK service

[Audiovisual media] [Norway]

The public service broadcaster NRK wants to launch an Internet-based service, Trafikkportalen, in collaboration with several communications companies and the Norwegian Public Roads Administration. The Media Authority has decided that the service must be approved according to procedures and regulations intended to create transparency and predictability for NRK and affected market participants, according to the Media Authority.

The procedure includes a public hearing. The Competition Authority must assess potential anti-competitive effects of the service offered, and the Media Authority shall consider whether the service meets the public service mission, as embodied in NRK's statutes and whether the service will constitute an added value beyond what is already offered in the market.

Source: The Media Authority (26 April 2011)

The Government's cinema digitization support scheme to be accelerated [Audiovisual media] [Sweden]

The Government has decided to speed up its efforts to digitize of Swedish cinema. In autumn 2010, it was decided that SEK 60 million in state funding would be distributed over four years, starting in 2012.

Now the Government will allocate the first quarter of the funding in 2011, and the Swedish Film Institute has been commissioned to make suggestions as to how a time-limited support scheme for the digitization of cinemas can be distributed. The contribution from the state shall not comprise more than 50 percent of the total investment, writes the Swedish Film Institute.

Source: The Swedish Film Institute (18 April 2011)

Information society

The EU Data Retention Directive adopted by the Parliament [Information Society] [Norway]

89 representatives voted for the introduction of the EU Data Retention Directive in Norwegian legislation, and 80 voted against, when the proposal was debated by the Parliament in April 2011. The parties that voted for the introduction were the Labour Party and the Conservatives. The Conservatives had given their representatives the opportunity to vote according to their conviction, and five representatives from the party chose to vote with the minority, informs the Parliament website.

Prior to this, the Labour Party's coalition partners, the Centre Party and the Socialist Left Party, had been given the freedom to take a dissenting opinion on the matter. It was long uncertain whether enough of the Conservative Party's representatives would vote for the proposal. Just before the case was debated in the Parliament, the Conservatives and Labour agreed to reduce the storage time for data from twelve to six months, which was proposed to the Parliament and adopted.

The Directive applies to the retention of traffic data for law enforcement purposes. The aim is that providers of publicly available electronic communications services and networks in all EU and EEA countries should have the same obligation to retain traffic data.

[The Data Retention Directive](#) (Directive 2006/24/EC of the European Parliament and of the Council of 15 March 2006 on the retention of data generated or processed in connection with the provision of publicly available electronic communications services or of public

communications networks and amending Directive 2002/58/EC) must also be incorporated into the EEA Agreement, and the Parliament has also adopted this proposition.

On 18 April 2011, the European Commission presented an evaluation [report](#) on the Data Retention Directive. "The evaluation report concludes that the EU should continue to support and regulate data retention as a highly valuable tool in criminal investigation and as a means of protection against the harm caused by crime and terrorism. The Commission recognises that data retention has an impact on the fundamental rights to privacy and to the protection of personal data, and that any such limitation must be demonstrated to be strictly necessary and proportionate to the problem it seeks to address.

The Commission, in consultation with law enforcement, judiciary, industry, data protection authorities and other stakeholders, intends to propose a number of improvements to the current regime," the Commission [states](#) in a press release.

Source: The Norwegian Parliament / the EU Commission (4, 11 and 18 April 2011)

The Government's bill on data retention rests for one year

[Information Society] [Sweden]

Sweden had already been convicted by the EU court for lack of implementation of the Data Retention Directive and may face large fines. On this basis, it seemed that the Government's proposal to implement the Directive in Swedish law would be adopted in March 2011. However, the Left Party, the Green Party and the Sweden Democrats jointly aimed at postponing the case, and succeeded.

According to the Swedish Constitution, a minority in the Parliament composed of more than 1/6 of the voting members may push through a one-year postponement of a proposal relating to human rights and freedoms, the Swedish Parliament comments on its website.

The Directive applies to the retention of traffic data for law enforcement purposes. The aim is that providers of publicly available electronic communications services and networks in all EU countries should have the same obligation to retain traffic data.

On 18 April 2011, the European Commission presented an evaluation report on the Data Retention Directive; for details see the above notice on the Norwegian Parliament's adoption of the Directive.

Source: The Swedish Parliament (11 March 2011)

Freedom of speech and copyright

New spotlight on piracy

[Freedom of speech and copyright] [Denmark]

One of the proposals in a report from a committee appointed to combat copyright infringement is called the "letter model": As a warning, an information letter should be sent to Internet subscribers who have an Internet address that is used for illegal file sharing.

The committee appointed by the Ministry of Culture stresses in its report that the extent of illegal file sharing of music and movies is soaring. The report contains a number of useful recommendations that can help ensure that artists can continue to get fair payment for use of their works. The Government supports the establishment of a “letter model” and will therefore submit a bill dealing with this matter during the upcoming parliamentary session, the Ministry of Culture states in a press release.

Source: the Ministry of Culture (14 April 2011)

The Copyright Act becomes a better tool in the fight against file sharing

[Freedom of speech and copyright] [Norway]

The Ministry of Culture has sent proposed amendments to the Copyright Act for consultation. The reforms will give the licensees the tool they need to follow up on copyright infringement on the Internet, while protecting privacy, says Culture Minister Anniken Huitfeldt in a press statement.

On the one hand, the Ministry will give licensees the opportunity to be able to register IP addresses that are used for copyright infringement, and such registration will not require a special permit. However, it must be reported to the Data Inspectorate, which also can oversee that the registration is implemented in a proper manner.

On the other hand, the Ministry will open for blocking sites that clearly and on a large scale make available content in violation of copyright, writes the Ministry of Culture.

Source: The Ministry of Culture (19 May 2011)

The Parliament wants lower VAT on digital publications

[Freedom of speech and copyright] [Sweden]

All parties in the Swedish Parliament rally behind a statement about lower VAT for digital newspapers, periodicals and books, trade newspaper *Medievärlden* writes. The background is the revision of [the EU VAT Directive](#), where printed media is regarded as products (reduced VAT allowed) and digital media as services (normal tax rate). In Sweden, VAT on printed media is 6 percent, while 25 percent is levied on digital media.

The Swedish Parliamentary Committee on taxation matters considers that in the field of freedom of speech it is particularly important that the same rate of VAT is applied on both traditional printed products and new products in a digital environment. The content should be the decisive factor and not the publishing format or distribution form. Such an approach is also consistent with [COM \(2010\) 245](#), A Digital Agenda for Europe, which advocates the convergence between the physical world and the world online, including, in this respect, taxes, the Committee states.

Source: *Medievärlden* (19 May 2011)

Proposals for modernization of the Copyright Act

[Freedom of speech and copyright] [Sweden]

A new Copyright Act should replace the current Act, a Special Committee of Inquiry for the purpose of reviewing certain aspects of copyright law suggests in a new report; En ny upphovsrättslag (SOU 2011:32. A partial report, Avtalad upphovsrätt (SOU 2010:24) covering among other things extended collective licenses, was issued in April 2010

"The background to the Inquiry is that, during recent years, a number of issues have not been possible to consider in the context of other legislation projects. Furthermore, since it came into force in 1960, the Copyright Act has been amended a number of times, without any review being made of the Act in its entirety," the Ministry of Justice states.

The intention of the report is that a new Act will provide a better overview of the content and be more accessible to both professionals and the public. Editorial and linguistic changes will ensure this.

"The Inquiry consists of three parts; a review of the provisions on the transfer of copyright, for instance in employment and commission situations, a review of certain issues concerning the so-called extended collective licenses (the mechanism of extended collective licenses is a simplified way of obtaining licenses, for instance in situations where it is not feasible to obtain individual authorizations from all right-holders), and a review of the Copyright Act in its entirety from drafting and linguistic points of view," [according](#) to the Ministry of Justice. The International Copyright Regulation (1994:193) will be included in the new Act.

The new Copyright Act and other legislative changes are proposed to come into force on 1 January 2013.

Source: The Ministry of Justice (15 April 2011)

Media ownership

Sanoma quits the cinema market

[Media ownership] [Finland]

The Sanoma Group has divested its interests in the cinema sector, and has sold Finland's largest cinema chain Finnkino and its Baltic subsidiary Forum to the Swedish private equity company Ratos AB, [writes](#) Nordisk Film & TV Fond's newsletter.

Finnkino controls 25 theatres with 161 screens and 30,000 seats in Finland and the Baltic countries. Over 9.9 million cinema tickets were sold in these cinemas in 2010, with a turnover of EUR 88.6 million and a profit of EUR 8.4 million.

In a Stock Exchange Release, Sanoma [announces](#) that the value of the transaction is EUR 116 million. Both the Finnish and Latvian competition authorities have approved the transaction.

Source: Nordisk Film & TV Fond's newsletter / Sanoma (3 May / 29 April 2011)

Bonnier and Sanoma strengthen their positions in the Finnish book market

[Media ownership] [Finland]

Bonnier and Sanoma strengthen their strategic core areas in the Finnish book market through two transactions: Bonnier acquires WSOY, one of Finland's largest book publishers, and sells Tammi Learning and Bonnier Utbildning to Sanoma, according to trade newspaper Medievärlden.

"The acquisition is a logical strategic step for Bonnier as it supports Bonnier's ambition to expand in the Finnish market," [writes](#) Bonnier in a press release. The competition authorities must approve the transaction.

Source: Medievärlden / Bonnier (29 April 2011)

The Media Ownership Act to be reviewed

[Media ownership] [Norway]

An expert group has been appointed by the Ministry of Culture to review the media ownership regulation, introduced in 1997. A report will be available in spring 2012.

The changes in the media field, particularly in technology and ownership structures, have made this review necessary, states the Minister of Culture, Anniken Huitfeldt.

The purpose of the media ownership regulation – promoting real freedom of speech and the preservation of a comprehensive range of media – remains unchanged. Different media sectors, however, are slipping into each other, while the current [Media Ownership Act](#) is arranged in such a way that the industry is divided into sectors. The expert group will consider whether the law should include vertical integration, and limits on ownership of electronic media, and among other things, look at the regulatory model, market division and ownership limits on national and regional levels, according to the press release from the Ministry of Culture.

Source: The Ministry of Culture (12 May 2011)

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