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Proposal opens up for the digitization of Swedish radio

Last week, the commission on Commercial Radio appointed by the Swedish government handed over their report "Commercial radio - new media opportunities" to the Minister of Culture. The report contains several positive proposals for commercial radio, including a reduction of the analogue license fees and a call for digital radio. The proposal opens up for the digitization of Swedish radio.

- The proposal being put forward gives the Swedish radio industry an opportunity to stay relevant in an otherwise digitalized market. It is now up to operators and broadcasters to make the most of it. It will be important for us as an industry to agree on a common agenda for the digitization of commercial as well as public service and community radio in Sweden, says product manager at network operator Teracom, Per Gunnarsson.

Commissioner Martin Holmgren proposes that the current licensees are offered to prolong their analogue FM broadcasts for a period of further four years, starting in January 2010. During this period the commercial broadcasters will be given incentives in terms of reduced concession fees. Also, Holmgren proposes that specific requirements in form of a certain amount of local programming and sponsorship should be removed.

Among other things, Holmgren also had a mandate to examine the conditions for a nationwide commercial channel on the FM band. The report, however, gives strong advice against this. Opening up spectrum for new channels in the FM-band is considered to be both expensive and cumbersome. Instead, Holmgren proposes that commercial radio should be given the right to digital broadcasts, where there is enough spectrum to provide for as many as 80 channels using the preferred technology DAB+. According to the proposal, digital licenses should now be issued for commercial radio on a national, regional or local basis. There will be no concession fee tied to the right to broadcast digitally. However, anyone who applies for a digital license will have to pay an application fee of around 2,960 EUR. The license period for commercial digital radio is proposed to be six years, starting in January 2010, and depending on the pace at which the digital broadcasting networks are built, writes Martin Holmgren.

The report has now been referred for consideration by the Ministry of Culture. A Parliamentary decision could at the earliest come in 2009 so that the new broadcasting licensing terms could be taken into force on January 1st, 2010.

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