

The Government of the Grand Duchy of Luxembourg

About...

Media and Communications

The choice of indigenous print media at the newspaper kiosk is impressive for a country of just 440,000 inhabitants, mobile phone density is high, and, a fact largely unknown to the public, the company about to become the world's largest operator of broadcast satellites, SES Global, has its headquarters in an idyllic secluded spot between forest and meadow in the small town of Betzdorf. The media and telecommunications landscape of the Grand Duchy boasts a number of features that could be worthy of a record. This country, in which 49 per cent of the population are experienced internet users, is ensuring its successful transition to the new era through its role as the location for innovative companies in the telecommunications and multimedia fields. Its thriving film industry has blossomed from obscurity to a high-profile position thanks to the provision of state aid. Luxembourg is the filming location for leading lights such as Peter Greenaway and Gérard Depardieu.

Luxembourg's media and telecommunications policy

The Luxembourg Government, which has been in office since the middle of 1999, has undertaken a comprehensive modernization programme. Following the successful amendment of the Copyright Law to include provision for modern information and communication technologies and the enshrinement in law of the electronic signature, the programme for the current legislative period includes a thorough revision of the Media, Press and Data Protection Laws and amendment of the Telecommunications Law to reflect recent developments in the field. Media and telecommunications are both the responsibility of the Ministry of State.

The Government's emphasis on innovation in media and telecommunications policy rests on a longer tradition. The company now known as the RTL Group was granted the right by the state of Luxembourg to use first radio and then television frequencies to broadcast programmes all over the world. At the end of the 1980s, the Astra operating company SES, in which the Grand Duchy of Luxembourg continues to hold a significant stake, successfully developed what has become Europe's most successful satellite system with the active support of the Government of the time. In 1991, the state created the "Service des médias et des communications",

Grand-Duché de Luxembourg

Régime:
démocratie
parlementaire

Pays limitrophes:
Belgique
France
Allemagne

Superficie:
2.586 km²

Population:
441.300
dont plus de
164.700
ressortissants
étrangers
Ville de
Luxembourg:
80.700

Grand-Duché de Luxembourg
MINISTÈRE D'ÉTAT



which has successfully promoted Luxembourg as a location all over the world, including promotion under the name of “Mediaport”. There have been a number of highly promising start-ups in recent years, which have included companies in the internet, satellite radio, multimedia and digital television fields.

The recipe for success has always been the same – the State takes care of the legislative framework and technical infrastructure, and the private sector gets on with products and business. The Government intends to stick to this recipe in the telecommunications sector. An important part of its strategy is to ensure that Luxembourg has top-class infrastructures in place which will enable it to become a player in the high-tech “telecom portals” field.

For the business community, it is essential for Luxembourg to be linked electronically to the international business centres. The Government is, therefore, doing all it can to ensure that Luxembourg becomes a major European internet node. The country has all the resources it needs to achieve this ambitious target.

The national enterprise responsible for telecommunications, P&T Luxembourg, is committed to driving fibre optic technology forward. The cable networks have been progressively developed without state participation since the 1960s and have today reached a density which may be the highest in Europe. While Luxembourg’s 125,000 household lines have so far been used almost exclusively for radio and TV broadcasting, with the addition of broadband capability they could also provide access to the internet in future.

eLëtzebuerg

With the launch of the “eLëtzebuerg” programme in 2001, the Government has also started putting into practice policies which will ease the country’s transition to the information society. One of its priorities is to develop and extend media competence above and beyond pure internet skills across all social and age groups. New forms of communication should play their part in administration, schools and community life without excluding sectors of the population. The Ministers responsible for media, education, civil service, economy, culture, higher education and research, state budget and national affairs are all working together towards this objective in the “Commission nationale de la société de

l’information”. The starting signal came with the launch of the national internet portal www.eletzebuerg.lu, an active response by Luxembourg to the plea made by the EU Feira summit in June 2000 for members to contribute to the “eEuropa” initiative. Items on the programme include projects such as the creation of virtual higher education courses, provision of electronic access to the texts of all national laws, remote completion of administrative procedures via PC, and a network linking all the country’s schools together.

In November 2000, the “MedienAkademie-Luxembourg.lu”, a new media and technology training facility, was set up with government support in co-operation with the German federal state of North Rhine-Westphalia.

Print media

The press landscape is as singular as it is complex in this country, the smallest member of the European Union with its own distinct geographical and socio-cultural region. According to UNESCO statistics, Luxembourgers are avid readers of the press. Over a quarter of all households purchase more than one daily newspaper, almost always by subscription.



In spite of the EU's open borders, the Grand Duchy is a "small, hermetic market" for press products (Léon Zeches, director and chief editor of the "Luxemburger Wort"). Thanks to their knowledge of languages, Luxembourgers can read newspapers from many different countries, but they still rely on the domestic newspapers for local news, from golden weddings and work reunions to cheque presentations at the children's day nursery – whatever the event, the local press are keen and prolific reporters.

Anyone wishing to read all the products of the Luxembourg press will need to be multilingual. Luxembourg is officially a tri-lingual country, with Luxembourgish, German and French as its administrative languages. There are even weekly newspapers in Portuguese ("Contacto" and "Correio") as well as a monthly business magazine ("Business") and a weekly paper ("Luxembourg News") in English. Anyone wishing to partake of the leading national newspapers will need to be familiar with German and French at least. Articles in both languages sit side by side and no translations are provided. The author's choice of language is dictated partly by his or her preference and knowledge and partly by the subject. Culture and business are traditionally French-orientated, while German is usually the language of choice for local news and national affairs.

There has been a rekindling of interest among Luxembourg publishers recently in targeting the country's French-speaking community, with publications including a special weekly ("Le Jeudi") and a daily newspaper ("La Voix du Luxembourg"). In the period between the middle of the nineteenth century and the Second World War there were several French newspapers, and for the following 40 years this niche was filled by the local edition of the Metz "Républicain Lorrain". This newspaper ceased to exist in November 2001, when it was replaced by an independent Luxembourg publication, "Le Quotidien", a joint venture with a Luxembourg publishing company.

Among the weekly newspapers, "Revue" and "d'Lëtzebuerger Land" can look back over half a century of history. More recent publications include "Télécran" and "Woxx". A wide range of domestic titles caters for diverse special interests, from cars and women's interests to the new economy. There is also a broad spectrum of specialist publications from parties, associations and trade unions, with around 400 titles appearing each year.



Although astonishing in economic terms, the market has been shared by several daily newspapers for decades – "Luxemburger Wort" (founded in 1848), "tageblatt" (1913), "Zeitung vum Lëtzebuerger Vollek" (1946), "Journal" (1948) and, more recently, "La Voix" (2001) and "Le Quotidien" (2001). They are produced by a number of different printers. Only the aid provided by the state prevents newspapers from going out of business. In terms of the level of sales needed to run at a profit, there should be room for only one of these newspapers on the market. The provision of direct subsidies to the press and a number of indirect measures (low delivery charges, high tariffs for official announcements) not only enable the continued existence of these newspapers, but also their low price, which accounts for the high sales and avid consumption by the public. Almost all newspapers now have their own website.

History

The first Luxembourg publication is generally believed to have been a Catholic monthly called "La Clef du cabinet des princes", which first appeared in 1704 and was produced by the local printer André Chevalier from 1714. Already banned in Luxembourg in 1788, it finally disappeared from the market in 1794 in the wake of the turmoil caused by the French Revolution. Countless local newspapers stepped in to fill the gap, with over 200 titles appearing up to the time of the Second World War. In 1948, UNESCO counted 82 titles in Luxembourg. The most significant arrivals were in 1848 (the year in which censorship was dropped, although the new freedom was soon to be restricted again by the Press Law of 1868) with the appearance of the "Luxemburger Wort" and in 1913 with the "tageblatt", both of which are still the country's leading newspapers.



One explanation for the extraordinary nature of this very small newspaper market with its higher than average number of products and readers lies in the fact that, as an independent nation with a number of different socio-political forces, Luxembourg needs this pluralism of the press if it is to function as a democracy.

There is another special feature of the market which leads to differences of interpretation in news reporting, and that is the close political relationships between publishers and the parliamentary parties. This is reflected in quotations from two very different sources:

"The Luxembourg press is [...] almost without exception a press of conviction and bias. It reflects the major ideological trends in our society. Each newspaper is close to a particular party, there is no equidistance. Everybody knows it and everybody accepts it."
Georges Hellinghausen, principal of the Catholic seminary

"A national peculiarity, which does not necessarily enhance the credibility of one side or the other, is the political ties between parties and daily newspapers."
Robert Goebbels, former socialist minister, now a Member of the European Parliament.

Press aid

Direct state aid for the press was first introduced in 1976 and has been governed by new regulations since 3 August 1998. The new eligibility criteria are as follows:

- place of publication must be Luxembourg and the publisher must be a Luxembourg commercial media en-

terprise.

- The newspaper must appear at least once a week.
- It must employ at least five full-time editors.
- The publication must be of general interest and contain reports on political, economic, social and cultural events in one of the three national languages.
- It must finance itself through advertising and sales and be freely available for sale to the public.

One third of the aid granted consists of a fixed basic amount and the remainder is calculated on the basis of the number of pages produced per year. The number of copies sold is not taken into account. The total circulation, according to official figures, has remained at a constant level for a number of years despite competition from television and the internet.

Advertising revenue is the second key line of support, and for this reason the state continues to set a limit on the advertising income of the country's one national television station in order to protect the newspaper market.

However, the latest government programme of the Christian Social-Liberal coalition of August 1999 pro-



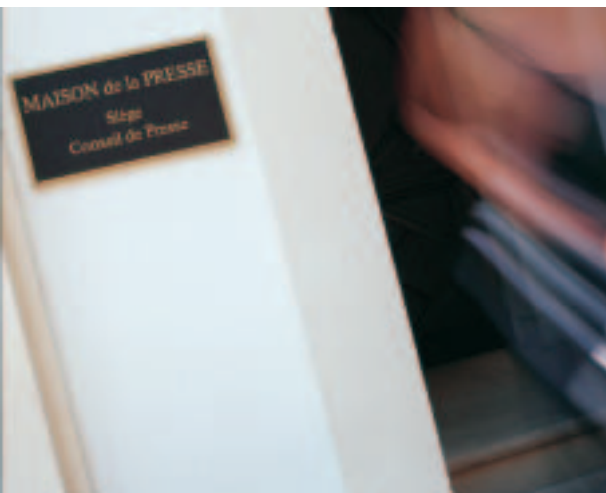
vides for a general approval for advertisement financing for private stations.

A handful of arts newspapers are subsidized separately through direct grants from the Ministry of Culture.

The weekly satirical newspaper “Den neie Feierkrop”, published as a co-operative venture since 1993, holds a special position among the country’s press products. The title “De Feierkrôp” first appeared on 4 September 1948 as a satirical supplement to the communist “Zeitung vum Lëtzebuurger Vollek”. The origins of journalistic satire in Luxembourg can be found in the middle of the nineteenth century with newspapers such as “D’Wäschfra” and “De Letzeburger Kladderadatsch”.

Press Council

Thirty-five countries of the world, of which half are in Europe, have a press council.



In Luxembourg, this institution was inaugurated on 20 December 1979. In its capacity as a national authority, this professional body controls the issue of press cards to full-time journalists. Around 300 active and retired journalists are currently registered.

The Press Council, which is composed equally of representatives from publishers and the journalistic pro-

fession, provides a platform for the discussion of common concerns and acts as a complaints watchdog for readers and viewers. It has the authority to take action on its own initiative to deal with breaches of the journalistic code of conduct.

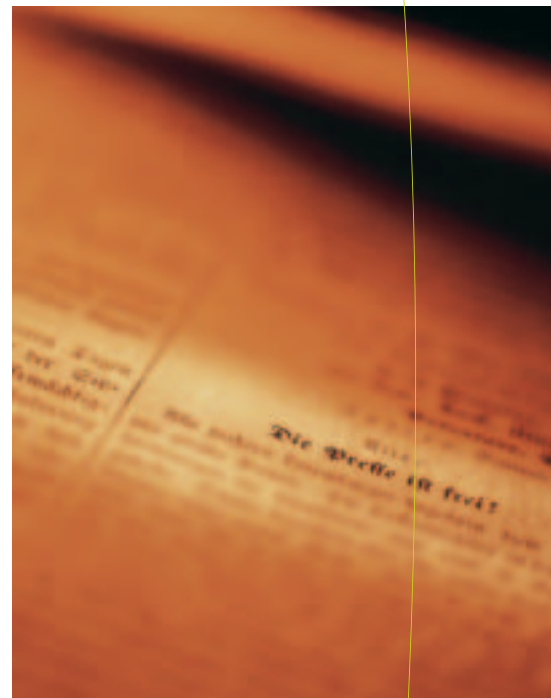
Press legislation

Freedom of speech, information and the press is guaranteed by Article 24 of the Constitution: “La liberté de manifester ses opinions par la parole en toutes matières et la liberté de la presse sont garanties, sauf la répression des délits commis à l’occasion de l’exercice de ces libertés. La censure ne pourra jamais être établie. Il ne peut être exigé de cautionnement des écrivains, éditeurs ou imprimeurs ...” (Freedom of speech in all matters and freedom of the press is guaranteed, subject to the repression of offences committed in the exercise of these freedoms. No censorship may ever be introduced. Security may not be demanded of writers, publishers or printers.)

The current Press Law dates back to 20 July 1869. It has long been considered in need of reform and, in 2001, the Ministry responsible for the media submitted a preliminary draft for a new law, which is still under discussion.

Important issues to be resolved are the protection of sources, the right to refuse to give evidence in legal proceedings, freedom of access to information, the provision of an up-to-date citation right, an effective right of reply, the question of a disciplinary council, protection of the private sphere, and the criminal liability of publishers and journalists.

The interests of journalists are represented by three associations in Luxembourg. On 7 No-



vember 1925, Luxembourg's journalists founded their first trade union, the ALJP, later renamed the ALJ ("Association luxembourgeoise des journalistes"). In the mid-1970s, internal in-fighting led to a rift, and a second professional association was formed under the name ULJ ("Union des journalistes Luxembourg"). In October 2001, these associations were joined by a third, the "Union des journalistes et de la presse de langue française du Luxembourg", which acts as the self-appointed mouthpiece of the francophone press and is the local branch of an international association of the same name.

Romain Durllet, the honorary chairman of the ALJ, underlined the need for freedom of the press in a publication commemorating the 75th anniversary of his association:

"The inordinately high number of lawsuits against members of the press in our country in recent years signals a dangerous development with regard to the constitutional freedom of the press.

Only an enlightened nation can move to the very edges of the borders laid down in a democracy. If the source of information runs dry, the citizen is unable to form an objective opinion because important elements of the debate are concealed from him. Free access to potential sources of information must be guaranteed so that the fabric of society can be made transparent."

Service Information et Presse

The "Service Information et Presse" (the Luxembourg Government's press and information service) has existed since October 1944, when, on its return from exile in London, the Luxembourg Government created an "Office d'information". The legal basis for

the work of today's authority is the 1991 Media Law. The duties of the "Service Information et Presse" include national and international public relations, the provision of support for journalists, publication of information material, co-ordination of the Government's internet presence and preparation of press conferences.

Radio and television for Luxembourg



On 19 September 1959, "Radio Lëtzebuerg" made its first broadcast on the VHF frequency 92.5 MHz. Its air time was originally limited to two blocks, 12.30 to 13.30 and 18.30 to 19.00, but was gradually increased over the years, and since 1996 "RTL Radio Lëtzebuerg", as it is now known, has provided a round-the-clock programme.

In the wake of the liberalization of the media in 1993, a second national radio station called "honnert,7 – de soziokulturelle radio", a public corporation, hit the airwaves. Luxembourg also has four regional radio stations (Ara, DNR, Eldoradio and Radio Latina) and over a dozen local stations.

On 21 September 1969, a three-quarter hour television programme in the Luxembourgish language called "Hei Elei, Kuck Elei" (from the libretto of the Luxembourg



operetta “Mum Séis”) went out for the first time. This programme, a review with its own editing team produced by the French “Télé-Luxembourg”, was broadcast on Sundays until October 1991, when, at the suggestion of the Government, the format was changed to a one-hour daily live programme repeated at intervals until midnight. The programme is watched on average by approximately 70 per cent of Luxembourgish-speaking households. Special events, such as the accession to the throne of the new sovereign in October 2000 and major sporting events, are broadcast live. In autumn 2001, RTL extended its programmes for Luxembourg to 18 hours and has also offered special youth entertainment programmes since that time.

Under the terms of its franchise, which was last renewed by the Government in 1994, this private station is committed to neutrality and fulfils the public information functions of a public broadcasting corporation. In return, the Government foregoes its franchise fee. As over a third of the country’s 440,000 inhabitants are foreign nationals, the state provides funding for a French translation of the daily TV news programme, which is broadcast simultaneously on the second stereo channel. There are no licence fees for the public.

A number of regional TV channels broadcast programmes by cable and satellite. Under the current regulations, these channels must be financed exclusively through sponsorship contracts. The “Uelzechtkanal”, a regional channel in the south, is produced by students. “Nordlicht TV”, “MusicFestival”, “De Kueb TV” and the upcoming music and youth format “Tango TV” are all private projects. Other projects include a dedicated channel for live broadcasts from the Chamber of Deputies. In November 2000, SelecTV, Luxembourg’s first digital subscription channel, went into operation with its own cable network. Digital channels for special interests such as fashion, cars and tourism, available only by satellite, are another recent development. These theme channels are licensed in Luxembourg and cater for a foreign viewing audience.

The issue of short-range broadcasting licences is controlled by an independent committee, the “**Commission indépendante de la radiodiffusion**”. Members’ mandates are renewed at regular intervals. The Commission also assists the Government in an advisory capacity in the issue of all other types of licence.



Compliance with the regulations governing TV and radio programmes broadcast from Luxembourg is monitored by the “**Conseil national des programmes**” (CNP), which was established in 1991. This committee, whose status as a broadcasting council is comparable to that of the “Conseil supérieur de l’audiovisuel” in France or the German Land media institutions, is composed of honorary representatives of the major socio-political sectors. Following a reorganization in 2001, the committee now has a higher level of autonomy, its own general secretariat and appropriate funding, all of which have enabled it to exercise its supervisory functions more effectively. Its powers are, however, limited to the issue of public reprimands. Licences can only be withdrawn by the Government.

DAB

In 2001, the Luxembourg Government asked the Parliament to discuss an amendment of the media legislation to enable the issue of operating licences for digital radio (DAB). Almost all of the country’s radio stations have joined forces to form a DAB association to promote the introduction of this technology in Luxembourg. The country has already been allocated two frequency blocks of six frequencies each under international treaties.

Licences to use the DAB frequencies are expected to go primarily to the national and regional stations in the forthcoming public tender, and the service will probably be introduced during 2002. A number of private telecommunications network operators have also expressed an interest in DAB.

In November 2000, the Government signed a memorandum of understanding with the company "Global Radio", under which it pledged to grant the company a broadcasting licence if it succeeds in its plans to broadcast digital radio programmes for Europe via satellite.

SES

The Société européenne des satellites (SES) operates a broadband communication network via satellite from Luxembourg which seamlessly spans four continents

and has been used for some time now for the transmission of both radio signals and multimedia data. The company's own Astra fleet is the leading satellite system for direct reception in Europe. Astra currently transmits over 1,000 TV and radio programmes as well as multimedia and internet services to over 87 million households in Europe by both analogue and digital transmission (as of June 2001).

Following a string of strategic investments in AsiaSat (34.10 per cent), NSAB in Scandinavia (50 per cent) and Star One in South America (19.99 per cent), the Luxembourg company announced, on 28 March 2001, its intention to complete a 100 per cent takeover of the US satellite operator GE Americom and received approval for this undertaking from the regulatory authorities concerned. All the participating interests of the SES Group are now held by the new management company SES Global.

SES Global, which has its headquarters in Betzdorf/Luxembourg in a castle which is a former residence of the grand ducal family, is quickly becoming the world's leading satellite service provider, with a fleet of 29 satellites of its own (12 Astra and 17 Americom) and 13 additional satellites from its participating interests. Additional satellites are already under construction and are scheduled to go into operation in 2002. ASTRA

launches take place alternately from Kourou in French Guyana and Baikonour in Kazakhstan. Having secured a third orbital position through an agreement with Deutsche Telekom, one of its shareholders, SES now plans to deploy a satellite for multimedia services, ASTRA 3A, at 23.5 degrees East.

SES employs an international team of experts and, at the end of 2000, had 435 employees from 20 countries, of which 330 were based in Betzdorf. The start of the company's long success story came in December 1988 with the launch of its first broadcast satellite, ASTRA 1A.

Under a licence agreement with the Government, the joint-stock company, which numbers the state itself among its shareholders, has been granted exclusivity on the Luxembourg orbital positions 19.2 degrees East and 28.2 degrees East until 2015.

RTL Group

The "L" in the name of the leading European radio concern RTL Group stands for Luxembourg, and the abbreviation RTL is synonymous with a remarkable success story. In 1929, in what subsequently proved to be a far-sighted measure, the Luxembourg Parliament passed an initial, extremely liberal, radio law. With this law, the politicians laid the foundations of a successful media location policy.



Back in 1931, a small private enterprise called "Compagnie luxembourgeoise de radiodiffusion" started work on the broadcast of radio services for France, followed by services for Germany and Great Britain. Thanks to a



clever niche policy and up-to-date formats, its medium and short wave programmes enjoyed fast-growing popularity. In the 1950s, it followed this success with a second pioneering achievement when Europe's first private television station went on air in Luxembourg. With the liberalization of broadcasting in the neighbouring countries in the 1980s, the way was finally clear for the company operating under the brand name "Radio Télévision Luxembourg" (RTL).

In 1996, the Kirchberg-based media group merged with the German Bertelsmann subsidiary Ufa. This was followed in 2000 by a second merger with Britain's Pearson Television (PTV) to give the company increased access to programme content. PTV produces up to 200 television formats in 35 countries worldwide, primarily game shows, drama series and light entertainment programmes, which together account for over 10,000 programme hours a year.

Under the new name RTL Group and with the German company Bertelsmann as its principal shareholder, a media empire came into being which is now number one in Europe, with interests in 24TV and 17 radio stations, dozens of production companies and extensive rights catalogues. The group also provides digital TV, telecommunications and internet services through its subsidiary Broadcasting Center Europe (BCE).

Although today the group conducts most of its operations through subsidiaries and associated companies abroad, Luxembourg continues to play an important role as a location, and not just as the "L" in the company's name. Even in this age of TV satellites, Luxembourg still has valuable assets to offer in the form of terrestrial frequencies. It provides the licences for seven RTL TV channels which broadcast to Belgium, the Netherlands, Poland and France, and several radio stations for the broadcast of programmes abroad.

Audiovisual production

Until the 1990s, the cinematic arts played only a minor role in the Grand Duchy's history, which goes back just over 150 years. There were only two full-time professional Luxembourgish film producers, René Leclère (ac-



tive 1930 to 1953) and Philippe Schneider (active 1945 to 1979), who mostly made advertising films for industry and state documentaries.

They were followed with greater success by a number of enthusiastic amateur filmmakers with higher artistic standards, who produced short films on super eight cameras. The most talented of this group was Andy Bausch, whose comedy thriller "Troublemaker", shot in 1987 in co-production with Saarländischer Rundfunk, is today regarded as a cult film. Both Bausch and his leading actor at that time, Thierry van Werveke, became established figures on the film scene in the German-speaking countries.

1988 brought a turning point for the audiovisual industry with the introduction of financial concessions for audiovisual productions. The main beneficiary at whom this media policy initiative might have been directed, the RTL group, surprisingly showed no interest in producing home-grown soap operas and sitcoms. However, their lack of interest was offset by a sudden increase in enthusiasm for Luxembourg on the part of foreign producers. The massive influx of film teams, many from the United States of America, led to a fundamental rethink in 1993. Financial support would no longer be provided for any number of separate works but for projects that would help to build Luxembourg's film industry into a strong pillar of the media sector. This was largely achieved through co-productions with foreign companies, due to the lack of a national television corporation to act as a project partner for the domestic film sector.

In 1998, the overall results achieved by this legislative measure after the first ten years were so gratifying that the Government decided to extend it for a further decade. By regularly providing business for a large number of service providers, the new sector has also been indirectly responsible for the creation of 600 new jobs in Luxembourg. Over a dozen production companies are currently active in Luxembourg. During the first ten years, almost 200 audiovisual works of diverse types – feature films, cartoons, shorts, documentaries, TV series, post production – were completed. Two studios, located in Eich and Contern, produce films for the cinema screen with substantial budgets and international stars, including Gérard Depardieu, William Dafoe and Christopher Lee.



Around 400 members of the film industry find employment in Luxembourg on a regular basis. There are also half a dozen cartoon studios employing approximately 200 people, and a national training course for animation was launched in 1991. So far, this branch of the industry has achieved major successes with “Kirikou”, which reached an audience of over one million in France alone, and “The Blue Arrow”, which was sold in 85 countries, including the United States of America. Each year, Luxembourg hosts a major European fantasy film festival called “Cinénygma”.

The Government is keen to help the film industry to remain on its successful course and, therefore, plans to introduce a tax reform which will create incentives for venture capitalists to invest not only in new economy enterprises but also increasingly in audiovisual production.

Fonds national de soutien à la production audiovisuelle

Founded in 1991, the “Fonds national de soutien à la production audiovisuelle” provides subsidies for all stages of a film project, from scripting and production to distribution. Decisions are taken by the members of the board of directors of this public institution on the basis of appraisals from two panels of experts who are sworn to strict neutrality. These advisers assess the artistic ambitions of the applicants and conduct a detailed examination of the key financial data of each project.

In 2000, the Film Fund provided 90 million francs of funding, of which the lion's share of 85.3 million francs was allocated to production, 4.3 million to screenplay and development and 0.45 million to distribution. Except in exceptional cases, these subsidies must be repaid as soon as the project concerned makes a profit.

A second task of the Fund is the allocation and control of the financial assistance provided to filmmakers by the state in the form of investment certificates. The amount of aid is based on the production costs incurred in Luxembourg and provided through a tax mechanism. As a rule, the aid received equates to approximately one quarter of the production costs incurred in Luxembourg.

One of the conditions imposed on projects accepted for funding is that filming must take place predominantly in Luxembourg. The project must also provide economic, social and cultural benefits for Luxembourg. No subsidies may be provided for pornographic films, films glorifying violence, advertisements and sports and information programmes. Twenty-one recognized projects benefited from the tax privileges provided by investment certificates in 2000.

Filming

In the early summer of 2001, a team of 200 people from joiners to plasterers worked to create a film set on a former mining site in the south of Luxembourg which would provide a historically accurate recreation of Venice in the year 1492. These costly and laborious preparations for filming of the 18 million euro European costume drama “Secret Passage” were a first for the Grand Duchy.



Centre national de l'audiovisuel

The Fund is also responsible for representing Luxembourg in European initiatives, such as Eurimages in Strasbourg, and works closely with the "Centre national de l'audiovisuel" (CNA) in D udelingen to promote Luxembourg audiovisual works at home and abroad. Since 1989, the CNA has maintained a national photographic, picture and sound archive. It participates in the production and distribution of Luxembourg films, where activities have included the video series "Films made in Luxembourg", arranges screenings of films produced in the Grand Duchy at international festivals and organizes training courses.



MEDIA Desk Luxembourg

MEDIA Plus (2001-2005) is the European Union's third five-year programme for the promotion of audiovisual works. With a total budget of 400 million euros, it supports:

1. vocational and continued training for the industry
2. development, distribution, promotion and pilot projects, especially in the digital field.

Information bureaux in the Member States called MEDIA Desk or Antenna disseminate important information and provide assistance to applicants for aid from Brussels. Luxembourg also has one of these information bureaux and, in addition, is the location for the government and MEDIA sponsored "Strategics" initiative, which offers marketing training and advice to the film sector.

Portrait: Dan Wiroth, filmmaker

The young Luxembourgish producer and object animator Dan Wiroth received considerable international acclaim for his short film "Er  m la m la" (2001), which has won several awards. The film met with an enthusiastic response from both public and jury at the Berlinale film festival. In June 2001, the Arte channel showed it with six other short films as part of its "One Dance, One Song" cycle.

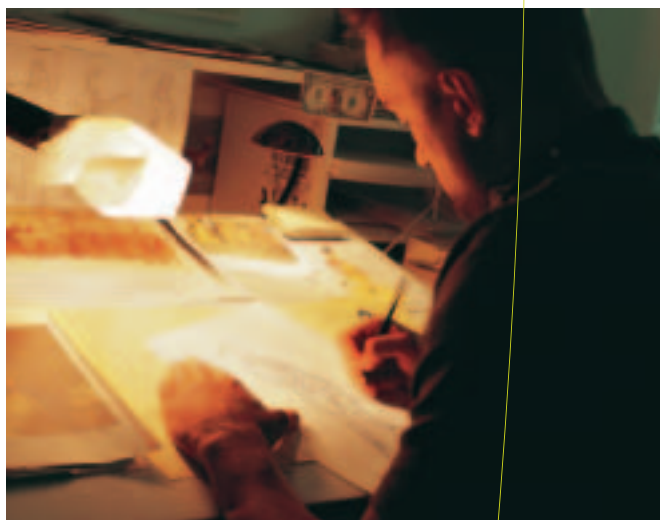
Wiroth sees his art as a "medium for critical comment". "Er  m la m la", which consists of a song, two men and articles of clothing that walk, is a touching plea for the acceptance of homosexuality. By using special animation effects and different camera speeds and playing with perspective, Wiroth gives his film a charming, easy quality.

Object animation is a medium which suits this graduate of the Brussels "La Cambre" academy of arts well. In his graduation film "Crucy Fiction" (1996), he brought kitchen cutlery to life without the use of computer effects. To achieve this, he had to bend 2,000 forks, which were then filmed before being bent again. In 1998, he made "Fragile", the witty tale of a beer glass and a wine glass who both fall passionately in love with a champagne glass. This talented newcomer is currently working on his first full-length film.

Animators, "made in Luxembourg"

The Luxembourg "Lyc e technique des arts et m tiers" offers a special two-year degree course in animation. The course is run in close co-operation with the "Centre de formation technologique des Gobelins" in Paris and is supervised by CARTOON, the animation branch of the European MEDIA Programme. Subjects on the syllabus include anatomy, life drawing, caricature, applied perspective, background design, history of the cinema and technical English. The course also comprises a compulsory six-week work placement at a cartoon studio. Each year, applications are received from up to 40 applicants, of whom only 15 will be successful. Places are allocated on the basis of a selection procedure. The basic admission requirements are secondary school qualifications, artistic talent and a good general education.

The languages of instruction are German and French. The course leads to the state-approved "Brevet de technicien sup rieur en dessin d'animation" diploma. A number of Luxembourg graduates have already gained employment in Hollywood studios.



Telecommunications

The implementation of successful political policies for the information and telecommunications society is one of the Government's key priorities.

LUXGSM, the first mobile communications network, was launched in 1993 by the then state-run postal authority. After liberalization in 1997, a new provider entered the market. The tender for the second network was won by a foreign telecommunications group whose Tango subsidiary started operating the network in 1998. According to figures issued by the company, it had just over 140,000 customers at the beginning of June 2001. In April 2001, P&T Luxembourg announced that the number of LUXGSM subscribers had exceeded the 200,000 threshold for the first time. Both networks use the 900 and 1,800 MHz frequencies and have achieved a joint market penetration of 79 per cent at the end of 2000.

After the introduction of ISDN and ADSL in the fixed network and GSM mobile, the next big policy challenge is to ensure that high quality UMTS services (Universal Mobile Telecommunications System) are made available to private and business consumers as quickly as possible. The introduction of this new technology is an important step forwards, particularly for a heavily service-oriented economy such as Luxembourg with its internationally renowned financial centre.

"The Government does not intend to confuse speed with haste in fulfilling its ambition to create the network for the third mobile communications technology. This is all the more critical in view of the fact that the Grand Duchy does not have a terminal equipment industry and thus depends on mobile communications technology from abroad. The Government's strategy fully reflects the economic realities of the country."

François Biltgen, Minister responsible for communications

The first phase in the transition to third generation mobile is already under way in Luxembourg with the introduction of GPRS devices, which maintain a permanent connection to the internet for high-speed data transmis-

sion. The consumer is no longer charged for the duration of the call but the amount of data sent and received.

The award of the four UMTS licences at the end of 2001 will not be carried out by auction but in accordance with the "beauty contest" principle. This means that the winners will not be the companies offering the most in terms of quantity but those with the most attractive bids. The rules are being drawn up by the regulatory authority, the ILR (Institut luxembourgeois de régulation), which will place a particularly high premium on certain requirements. The needs of the consumer, who must have access to reliable, attractive services offering value for money, must always come first – bearing in mind that the potential value of UMTS for the consumer is still an unknown quantity. Another key criterion is the shared use of infrastructure, such as transmission masts, by the candidates. The emissions produced by UMTS must be kept to a minimum at all times.

The companies who eventually win the four licences will pay a yearly fee of 0.2 per cent of annual turnover. This revenue will not be paid to the state but to the regulatory authority, which will use it to fund its supervisory activities.

Institut luxembourgeois de régulation

The Institut luxembourgeois de régulation (ILR), established on 21 March 1997 in the wake of the liberalization of the telecommunications sector, is responsible for co-ordinating and controlling the frequency spectrum, processing licence applications, and ensuring access to universal services at fair prices for all citizens. Since August 2000, it has had the additional responsibility of monitoring competition in the national gas and electricity markets.



Internet

According to a study conducted by the Chamber of Commerce in March 2001, 80 per cent of the 97 per cent of enterprises using information technology are connected to the internet and use e-mail for business correspondence. The majority of companies still use their websites primarily for the purpose of image promotion. However, approximately every tenth Luxembourg company is actively engaged in preparing for the advent of electronic commerce, and this trend is rising. With the provision of the statutory basis for e-commerce – the “electronic signature” – in 2000, Parliament has already put in place the most important condition for this new way of doing business. The next stage is the reform of the 1979 Data Protection Law.

In October 2001, the Luxembourg opinion research institute ILRes reported that 45 per cent of all households had access to the internet. At the final count, approximately 49 per cent of the population were experienced in using the internet. According to the ILRes figures, surfing at home accounts for the highest percentage of internet use (83 per cent), with the office in second place and schools and universities lying third. Twenty-nine per cent of internet users surf between one and two hours per week and 16 per cent surf between six and ten hours per week.

Prime Minister Jean-Claude Juncker spelled out the objective for the education sector in 1998 with the words “A PC for every pupil”. Since then, the Government has steadily increased budgetary resources for information technology each year. A campaign called “PC driving licence for schoolchildren” is currently underway in the classroom, the “eLëtzebuerg” programme includes a broad-based information campaign aimed at the general population, and a group of local authorities have set up the first community internet chat rooms.

The Henri Tudor public research centre has had a multimedia department since 1992, now called the “New Media Group” (NMG). The Group analyses development in the new technologies, publishes specialised literature and organizes conferences and training courses. The NMG is based at the state-sponsored “Technoport Schlassgoart” in Esch/Alzette.



This “incubator” for high-tech entrepreneurs provides accommodation for start-up companies until they are in a position to set up their own offices. Its floor space was increased in October 2001, and it now has room for up to 30 companies.

In Bonnevoie, an urban district in Luxembourg, a private enterprise is currently conducting trials of internet via the power socket. This service will be marketed in 2003 under the name Powerline.

Restena

In 1989, an agency of the Ministry of Education known by the acronym Restena (Réseau Téléinformatique de l'Education Nationale et de la Recherche) started a project to create an electronic network that will link all the institutions and agents involved in the education and research fields in Luxembourg. Restena officially launched the first internet connection in March 1992.

Since 2000, the agency has operated independently from the state in the form of a trust. Its main responsibilities include control of the domain name system and allocation of the country suffix .lu for Luxembourg websites. At the beginning of 2001, the register contained over 14,500 names, of which 9,000 were in active use.

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Useful addresses

Service information et presse

3, place du St Esprit
L- 1475 Luxembourg
Tel.: +352 478-2181
Fax: +352 47 02 85
info@sip.etat.lu
www.gouvernement.lu

Service des médias et des communications

5, rue Large (Maison de Cassal)
L- 1917 Luxembourg
Tel.: +352 478-2167
Fax: +352 47 56 62
www.etat.lu/SMA/

Fonds national de soutien à la production audiovisuelle

5, rue Large
L- 1917 Luxembourg
Tel.: +352 478-2065
Fax: +352 22 09 63
info@filmfund.etat.lu
www.filmfund.lu

Centre national de l'audiovisuel (CNA)

5, rue Zouffgen
L- 3598 Dudelange
Tel.: +352 52 24 24-1
Fax: +352 52 06 55
info@cna.etat.lu
www.cna.lu (under construction)

Institut luxembourgeois de régulation

45a, avenue Monterey
L-2922 Luxembourg
Tel.: +352 45 88 45-1
Fax: +352 45 88 45-88
ilt@ilt.etat.lu
www.ilr.lu

MEDIA Desk Luxembourg

5, rue Large
L- 1917 Luxembourg
Tel.: +352 478-2170
Fax: +352 46 74 95
mail@mediadesk.etat.lu
www.mediadesk.lu

Restena

6, rue Coudenhove-Kalergi
L- 1359 Luxembourg
Tel.: +352 42 44 09
Fax: +352 42 24 73
admin@restena.lu
www.restena.lu

Conseil de presse

24, rue du Marché-aux-Herbes
L- 1728 Luxembourg
Tel.: +352 22 23 11
Fax: +352 22 23 40
www.press.lu

Conseil national des programmes

5, rue Guillaume Kroll
L- 1882 Luxembourg
Tel.: +352 478 20 66
Fax: +352 478 20 73
carole.kickert@cnp.etat.lu

Lycée technique des arts et métiers

19, rue Guillaume Schneider
L-2522 Luxembourg
Tel.: +352 46 76 16-1
Fax: +352 47 29 91

