

Monitoring medija 1/2011

Press trends in Croatia 2010

Dina Vozab

Centre for Media and Communication Research of the Faculty of political science, University of Zagreb, has taken the role of collecting data for World Press Trends 2010 on newspaper industry in Croatia. World Press Trends is an annual report published by WAN-IFRA (World Association Of Newspapers And News Publishers) which presents statistics and analyses on newspaper industries worldwide. The report covers 233 countries and territories, among them Croatia. The following text summarizes the Croatian report on newspaper industry and trends in 2010.

Production and circulation

Decline in industrial production and higher unemployment rate in recent years in Croatia definitely had influence on purchasing power and deep impact on newspaper industry as well. Taking into account the figures from the Croatian Chamber of Economy, print and publishing industry experienced substantial growth in production until 2008, when figures started to decline. This is also true for average newspaper circulation that reached a peak in 2007 and then started to decline. Looking at the period 2004-2010, average circulation has been growing and reached its peak in 2007 with average circulation of 825,000 copies daily. When examining this figure further, 525,000 of the distributed dailies were paid-for, and 300,000 free. Emergence of free daily newspaper in 2006 substantially contributed to the circulation growth and that's why one of the reasons for the circulation decline is the termination of the free daily Metro Express in 2008. However, the trend still continues. In 2009 the average annual circulation was above 550,000, whereas in 2010 circulation has dropped to 492,747.

Table 1. Total average circulation per issue in 2010 (in thousand, 000)

Total dailies	492,747
Total paid-for dailies	439,011
Total free dailies	53,736
National paid-for dailies	344,983
Regional and local paid-for dailies	94,028

Source: Croatian Chamber of Economy

Croatian Chamber of Economy provides some other interesting data: in 2010 there were 17 daily newspapers. All daily newspaper in Croatia are tabloids by format. National dailies had average circulation of 344,983 thousand in 2010, while regional papers sold on average of 94,028 thousand. Free dailies had average circulation of 53,736 thousand. Since Metro Express, the first free daily newspaper closed down, only two free dailies remain, 24sata, a free version of a top-selling paid-for newspaper and a free version of La Voce del Popolo, Italian minority's daily newspaper.

Table 2. Top paid-for dailies in 2010., by circulation

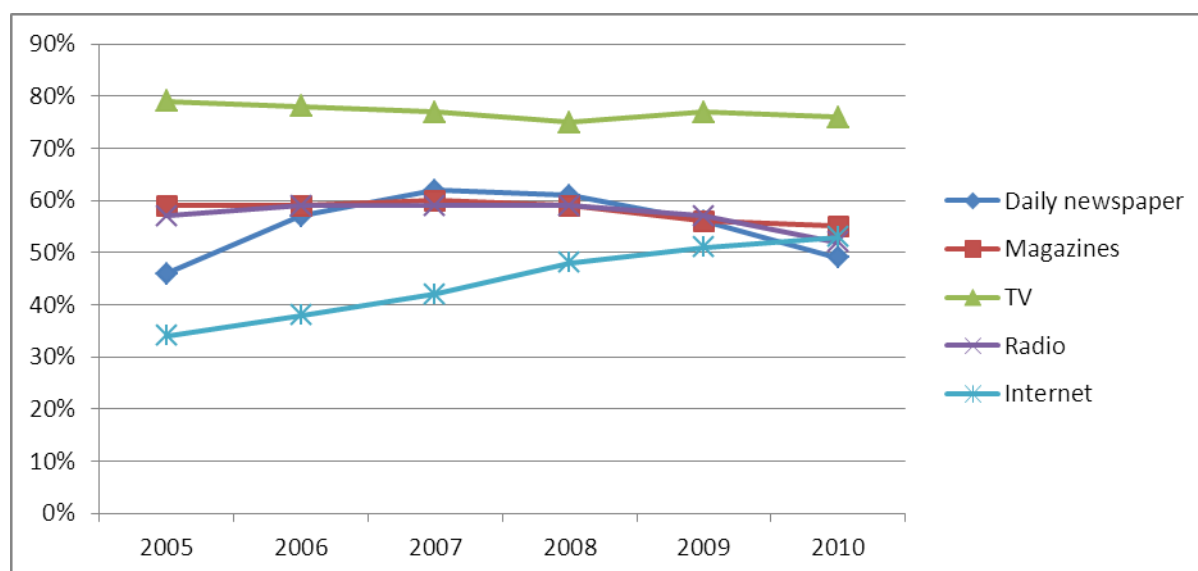
	Title	Circulation (average daily, 000's)
1	24sata	151,666
2	Večernji list	76,035
3	Jutarnji list	66,337
4	Slobodna Dalmacija	37,331
5	Novi list	31,066
6	Sportske novosti	20,477
7	Vjesnik	20
8	Glas Istre	12,466
9	Glas Slavonije	9,897
10	Poslovni dnevnik	5,5

Source: Croatian Chamber of Economy

Print closures have been gradually rising since 2005, according to data from Croatian Chamber of Economy. Since 2005, a total of 260 newspapers and magazines have been closed. In 2009 there was the largest decline in numbers (116), whereas in 2010, 66 newspapers and magazines have been closed.

Media reach and readership

Figure 1. Media reach in 2010



Source: MEDIApuls, 2010

As for the media reach and readership, trends and structures could be indicated from the figures obtained from MEDIApuls. Data from the period 2005-2010 show a gradual increase, and then

decline in daily newspaper reach. From the 46% in 2005, newspaper reach grew to 62% in 2007 and since then has been declining to 49% in 2010. Other media (except internet) experienced smaller changes during that period. Radio reach has dropped from 59% in 2006 to 52% in 2010. TV holds the highest reach with 76% in 2010. Internet grew significantly in reach during this period - from 34% in 2005 to 53% in 2010 when it surpassed daily newspaper reach.

Table 3. Newspaper reach in 2010.

All adults	49%
Men	53%
Women	47%

Source: MEDIApuls, 2010

Total adult readership of daily newspaper in 2010 was 1.567.000. Readership of daily newspaper consists of 53% male readers and 47% female readers. The largest percentage of readers are in a 40-49 age group (19,3%). 40,4% of readers are employed and 66,5% are from urban region. 20,2% of readers are from the region of Grad Zagreb.

Table 4. Age structure of readership in 2010.

Age	%
10 – 19	14,54
20 – 29	17,23
30 – 39	16,48
40 – 49	19,26
50 – 59	15,09
60 – 74	17,40

Source: MEDIApuls, 2010

Advertising

In 2010, advertising as a percentage of GDP was 0,52%¹, not enough to place Croatia in developed economies (1 percent of advertising in GDP is a sign of a developed economy). According to HURA (Croatian association of advertising agencies) total expenditure in advertising has been declining as well as in the print media. Data are available for the period 2008-2010. When comparing 2009 and 2008, total expenditure has declined 18% and in 2010 expenditure has declined further 6% in relation to the previous year.

Table 5. Advertising expenditure per medium in HRK (expressed in millions)

¹ The percentage presents a share of total advertising expenditure in 2010 (HURA) in Croatian GDP in 2010 (International Monetary Fund, World Economic Outlook Database, April 2011)

	2008	2009	2010
TV	950	790	770
Radio	250	225	213
Print	785	615	545
Outdoor	220	165	151
Other	20	20	20
Internet	30	35	36
Total	2255	1850	1735

Source: HURA, <http://hura.hr/hura-info/hura-adex>

Advertising expenditure figures from the table above show that print media suffered more losses in advertising comparing to all media in general (22% decline in 2009 and 11% in 2010 in relation to the previous year). Only internet advertising expenditure increased in this period.

The largest advertising categories in daily newspaper in 2010 were telecommunications, retail and media. Interestingly, the largest advertiser in dailies in 2010 was a one of the leading media companies, Europapress Holding (MEDIApuls, 2010).

Table 6. Top newspaper (dailies) advertisers in 2010.

	Advertiser	Expenditure in HRK (000)
1	Europapress Holding	37991,222
2	Konzum	35367,110
3	Styria Medien AG	1974,483
4	VIP NET GSM	17507,892
5	LIDL	17324,533
6	Kitio Mobile d.o.o.	16749,563
7	General Motors Corporation	15427,292
8	T - Mobile Hrvatska	15292,015
9	T - Hrvatski Telekom	15149,470
10	Plodine	14588,402

Source: MEDIApuls, 2010

Online editions

Data from Central Bureau of Statistic (2011) show constant growth in internet usage. In 2010 the number of households with PC and internet users was rising- 60 percent of households had a PC in 2010 and 57 percent of all households Internet access. Internet access via mobile phone providers is still low (4%), but access to cable network has significantly risen in 2010 (21%). One of the most

common usage of internet, except of obtaining information on goods and services (80%) and sending electronic e-mail (73%) is for reading news and magazines (70%). The youngest population leads the computer usage (94% internet users in the age group 16-24) and the number of users decreases proportionally with age. In 2010, there was 2 675 249 internet users (HAKOM, Croatian Post and Electronic Communications Agency). The use of news portals on the Internet is on the rise, as is advertising.

Table 7. Online users, subscribers and visitors in 2010. (in thousand, 000)

Number of Internet users	2675,249
Number of broadband subscribers	1132,212
Total newspaper online unique monthly visitors	29576,043 ²

Source: HAKOM, Croatian Post and Electronic Communications Agency (Internet users and subscribers); Gemius/Valicon, gemiusAudience, 2010 (Newspaper online visitors)

According to data provided by The National and University Library in Zagreb, there are 37 online editions of newspaper. In 2010 there were 2,464,670 unique monthly visitors to total newspaper's online edition websites, and most visited news portal was 24sata (Gemius/Valicon, gemiusAudience, 2010).

Top publishing companies, employment and salaries

Table 8. Top publishing companies in 2010.

1	Narodne novine d.d.
2	24sata d.o.o.
3	Večernji list d.o.o.
4	Slobodna Dalmacija d.d.
5	EPH media d.o.o.
6	Školska knjiga d.d.
7	Europapress holding d.o.o.
8	Vjesnik d.d.
9	Novi list d.d.
10	Mozaik knjiga d.o.o.

Source: Business Entity Register, Croatian Chamber of Economy (<http://www.biznet.hr/>)

² the figure is an average calculated out of figures provided by Gemius/Valicon (sum of all newspaper online visitors by month in 2010 /number of months)

Table 9. Employment and salaries in newspaper publishing companies in 2010.

Total number of employees (journalists and other employees)	2599
Net salary costs (000)	196177,454

Source: FINA- Financial Agency

Laws restricting media concentration and ensuring ownership transparency

Law on Media and Law on Electronic Media restrict horizontal and cross-media ownership to prevent media concentration. Law for the Protection of Market Competition serves as a reference to Agency for the protection of market competition to control concentration in all market sectors. There are no restrictions to foreign ownership defined by the Law on Media or Law on Electronic Media.

The Law on Media defines prohibited forms of concentration in the press. A publisher is barred from acquiring shares or ownership of political daily or weekly newspapers if this acquisition means that the publisher's share in all the sold copies of daily/ weekly newspapers in the country would exceed 40 percent. The last merger in print media was the merger of Europapress Holding (50 percent owned by WAZ) and Slobodna Dalmacija. In 2009 Slobodna Dalmacija was 100 percent owned by EPH. According to Zrinjka Peruško (Assessment of Media Development in Croatia based on UNESCO's Media Development Indicators, 2010), in spite of all the anti-concentration measures, the media market in Croatia is highly concentrated. Article 54 in Law on Electronic Media (Official Gazette, no. 153/09) defines the impermissible forms of concentration. It includes print and electronic media and from 2009 it restricts internet, satellite and cable providers concentration as well.

Broadcasters are obliged by the Law on the Media to forward by the end of each year to the Croatian Chamber of Economy, as the designated organization which runs the Newspaper register, a statement on all legal and natural persons who directly or indirectly possess stocks or a share in their enterprise. The media also have to publish the same data in the Official Gazette. Data on the percentage of ownership must be published in the Official Gazette by 28th of February each year.

Electronic media ownership is overseen by the Agency for Electronic Media, according to the Law on Electronic Media, and the list is available on their web page (<http://www.e-mediji.hr/>). All media companies are obliged to provide information on their income, sources of income, and audience figures, and publish them in the Official Gazette before the 30th of April each year.

In 2011, a revision of the Law on Electronic Media was adopted that aims to ensure greater transparency in ownership. Publishers are obliged to deliver legal documents on acquiring stocks and market shares to Croatian Chamber of Economy and hiding ownership structure is made illicit. The Law revision proposes stricter sanctions for hiding ownership structure. Legal affairs that hide ownership structure or market shares are declared null. (Law on Electronic Media Revision Proposal, <http://www.sabor.hr/Default.aspx?art=40274>)

Other laws affecting newspapers

„The Law on the Media (2011), which is the basis for a civil suit where both material and non-material damages can be sought, includes truth, good faith and public interest as defenses in case of a libel suit. The same law defines the right of reply, which is not in many cases observed by the media. The media should correct any incorrect information included in their programs in the same slot or page the mistake was made in (both in print and in electronic media). Issues of privacy protection are also increasingly noticeable, primarily in relation to children, but also to private and explicit photographs or films of celebrities. “(Zrinjka Peruško, Assessment of Media Development in Croatia based on UNESCO’s Media Development Indicators, UNESCO, Paris, 2010, www.cim.fpzg.hr)

The 2007 revision of the Criminal code has removed the possibility of jail sentence for defamation. Defamation is defined as false statement that could hurt someone’s image or reputation. This possibility emerged again in 2011 with a new proposed revision of Criminal code, but this was once more rejected. Instead, a higher pecuniary sanction was set up. The proposed revision introduced a new term: intentional shaming- unlike defamation, truth is not a defence in this case. However, if a perpetrator proves that he/she acted in a public interest or had a good reason to believe the statement was true (except in the case of public disclosure of private facts) he/she will not be found guilty. (Criminal code revision 2011, draft proposal, <http://www.mprh.hr/izrada-nacrta-novog-kz-a>)