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**Monitoring medija 1/2012**  
**Press trends in Croatia 2011**

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Centre for Media and Communication Research of the Faculty of Political Science, University of Zagreb, has taken the role of collecting data for the World Press Trends 2011 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 2011.

### Production and circulation

The economic problems will affect both direct and indirect support for newspaper industry. Consumers purchased 6, 84% less culture and recreation products (newspapers belong to this category according to Croatian Bureau of Statistics classification) in 2010 when compared to 2009. GfK research showed that in 2011 58% of surveyed households had expenditures in this category and these households spend less in this category than for some other products. The overall lower consumption affects indirect support for newspaper industry which is exemplified in lower investment in advertising in print media (16% decline in 2011 compared to previous year). Total revenue in newspaper publishing industry was 10, 62% lower in 2011 than in 2010. Total circulation of daily newspaper declined for 7,2% in 2011 when compared to previous year and total of 46 printed publications were erased from Croatian Chamber of Economy database, therefore officially closed. Optimistic trends could be seen in online editions, since Internet is the only medium where advertising investment increased in 2011. The number of broadband Internet users and the number of households possessing smartphones is on the rise, so improved online editions adjusted to mobile platforms could be a solution to recovery.

In 2011 there were 2 free dailies in comparison to 14 paid-for dailies and 8 national paid-for dailies in comparison to 6 regional. Total circulation of daily newspaper declined for 7, 2% when compared to 2010. Paid-for dailies suffered a decline in circulation of 8%, whereas circulation of free newspaper decreased slightly, by 0, 8%. One local daily was closed, and local dailies had largest decline in circulation: 8, 3%. National dailies circulation decreased by 7, 9%.

Table 1. Total average sold circulation

	2007	2008	2009	2010	2011
National paid-for dailies	500,00	460,00	485,00	344,98	317,83
Regional and local paid-for dailies	60,00	60,00	50,00	94,03	86,19
Total paid-for dailies (national + regional and local)	560,00	520,00	535,00	439,01	404,02
Total free dailies	170,00	120,00	60,00	53,74	53,32
Total dailies (paid-for + free)	730,00	640,00	595,00	492,75	457,34

Source: Croatian Chamber of Economy

After a period of growth, total average sold circulation of daily newspaper is in steady decline since 2007. 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, daily newspaper circulation is in decline even when ignoring free daily newspaper circulation. Total daily newspaper circulation in 2011 decreased 37,4 % when compared to 2007 peak. Paid-for dailies circulation decreased 27,9% and free dailies circulation 68,6 when compared to 2007. The only opposite trend holds for local and regional daily newspapers that increased circulation over period (43,7% in 2011 compared to 2007), although in 2011 there was a decline of 8,3% compared to 2010. According to Croatian Chamber of Economy, three largest dailies in Croatia (by circulation) plan to either raise the circulation in 2012, or hold it on the level of 2011.

Changes in the Value Added Tax Law (that were entered into force on March 1<sup>st</sup> 2012) will probably be another factor to affect the newspaper industry negatively, although VAT for printed newspaper and magazines remained the same (10%). A higher VAT rate of 25% (changed from 23%) will probably have an indirect effect to newspaper industry in the future.

Table 2. Top paid-for dailies in 2011, by circulation

Title	Circulation (Total average sold, 000)
24 sata	151,67
Vecernji list	76,04
Jutarnji list	63,90
Slobodna Dalmacija	35,04
Novi list	25,75
Sportske novosti	19,45
Glas Istre	11,88
Glas Slavonije	9,30
Business.hr	3,94
Zadarski list	2,96
Vjesnik	2,83
La Voce del Popolo	1,26

Source: Croatian Chamber of Economy

## Readership structure

Readership of print media is in a steady decline in all gender, age and income groups in the period 2008-2011. The decline was the strongest (20%) in the lowest age and income group.

Table 3. Average issue readership by gender, age and income

	Gender		Age						Personal income			
	M	Ž	10-19	20-29	30-39	40-49	50-59	60-74	No personal income	Up to 4000 kn	4001-7000 kn	Over 7001 kn
2008	81	75	85	87	84	80	74	60	77	71	90	92
2009	77	71	82	82	80	76	71	57	74	67	86	89
2010	72	67	73	77	75	72	67	55	66	65	82	87
2011	67	63	68	72	70	69	63	53	62	61	78	83

Source: MEDIApuls, 2012

Image 1. Average issue readership, by gender

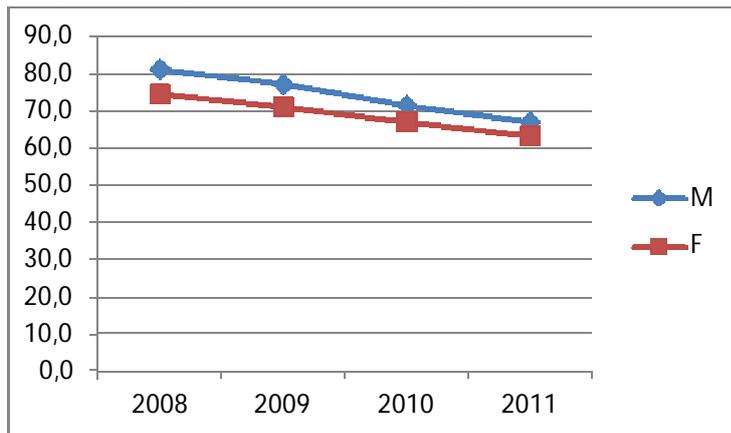


Image 2. Average issue readership, by age

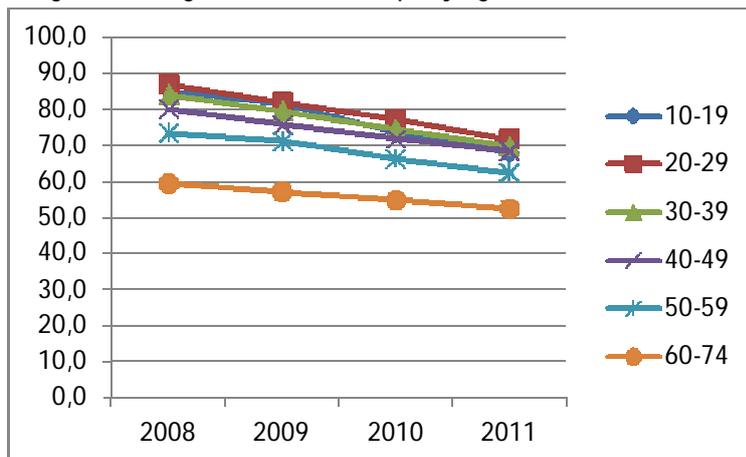
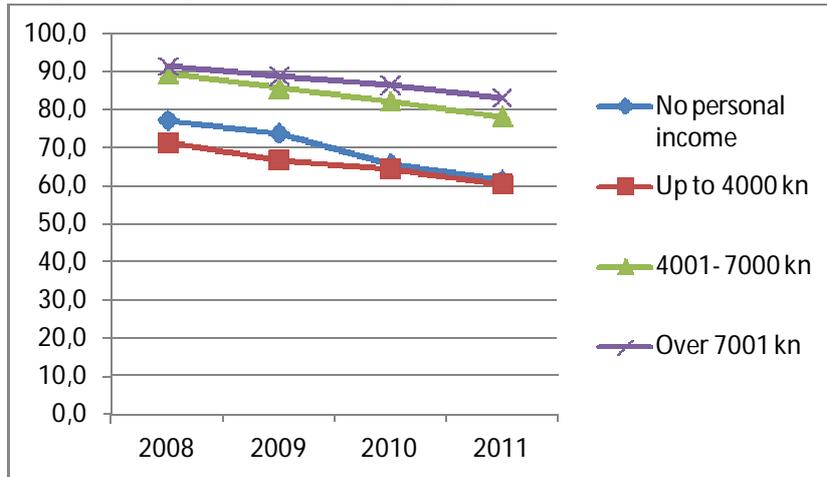


Image 3. Average issue readership, by income



## Advertising

According to HURA (Croatian association of advertising agencies), net investment in advertising declined in print media by 16% in comparison to previous year (545 million in 2010 and 457 million in 2011). The overall decline in investment in advertising in media is 5% compared to 2010, so print media are not the only ones struggling with lower advertising revenues. However, when compared to TV, radio and Internet, print media suffered more losses in advertising. Only Internet advertising expenditure increased in this period (by 131% compared to 2010).

Table 1. Advertising expenditure per medium in HRK (expressed in millions)

	2008	2009	2010	2011
Tv	950	790	770	765
Radio	250	225	213	190
Print	785	615	545	457
Internet	30	35	36	83
Outdoor	220	165	151	140
Other	20	20	20	15
Total	2255	1850	1735	1650

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

## Online editions and Internet audience trends

According to the Electronic Media Agency, there are 26 online editions of newspaper in 2011. Due to the lack of reliable data, it's hard to determine the number of unique monthly visitors to newspaper's websites. However, other indicators could be useful in determining online newspaper audience trends. Daily newspaper with highest circulation holds first place in the size of its online audience (average of 776227,08 unique monthly visitors in 2011).

64 percent of households had a PC in 2011 and 61 percent of all households Internet access; 82 percent of households had a mobile phone in 2009. Accessibility of broadband Internet access rose in 2011 and significant increase in usage of broadband Internet is noticed.

The youngest population still leads in computer usage in 2011, but an increase of users was noticed among all age groups. As compared to the previous year, increase of 3,71% was spotted in number of household using xDSL to access to the Internet. At the same time, there was a decrease in Internet access via mobile networks (e.g. UMTS, HSDPA) of 12,31%. Number of Internet connections via cable networks increased for 25,43% in 2011 compared to the previous year. Total number of Internet subscribers rose for 1,5% from 2010 to 2011 (there are 1,15 million Internet subscribers in Croatia in 2011).

In 2011 Internet users mostly used the Internet for reading daily news and magazines (76%), obtaining information on goods and services (74%), seeking information on health (61%), participating in social networks (55%) and for training and education (54%).

The survey results showed that commerce via the Internet was not highly represented: only 17% of individuals purchased goods and services via the Internet, although there was an increase of 3% in comparison to 2010. Books, magazines and educational material were on the second place (27%) of most purchased products via Internet.

GfK survey from February 2012 shows that the average number of mobile phones per household is 2,5, whereas this number is higher (2,9 to 3,4) among households with higher income. The same survey showed that 16% of surveyed households had at least one smartphone/blackberry/iPhone. Out of the households with higher income, 57% had smartphones. GfK survey on book consumption and readership from 2011 showed that 3% of surveyed sample had a smartphone and less than 1% tablet.

## Employment in newspaper publishing companies

According to the Financial Agency (FINA), the total number of all employees in newspaper publishing companies in 2011 was 2029. Out of these employees, the number of those working part-time was 45. The total net salaries cost for these companies was 159,802,656 HRK in 2011.

## Laws restricting media concentration and ensuring ownership transparency

2011 was a year when changes were brought to key laws that regulate media in Croatia: Law on Media, Law on Electronic Media, Law on the right to access information, Law on audiovisual activities and Criminal Code. Ministry of Culture announced in 2012 that new changes will be introduced to Law on Media. Journalists ask for more rights to influence chief editor appointment.

With changes in Law on Media in 2011 measures for protecting ownership transparency were made stricter. Media owners are obliged to deliver information changes in ownership that exceed 1% stakeholder's share to Croatian Chamber of Economy. Contracting secret ownership relations is explicitly forbidden. Changes in Law on Electronic Media in 2011 ban licence transfer for radio and television broadcasting.

New Criminal Code adopted in 2011 (which will enter into force on January 1<sup>st</sup> 2013) introduced a new term: intentional shaming. The Law specifies sanction of 360 daily salaries. Journalists have a right to reply if they acted in public interest. As this is susceptible to various interpretations, some see this change as a threat to freedom of expression (V. Alaburic, T-portal, in Peruško, 2012)