

Shaping
the Future
of the Newspaper



PUBLIGroupe



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★ MEDIA MARKET DATA

Media Markets & Newspapers

Global

The International Herald Tribune (IHT) said that it had opened a new office in Frankfurt to expand its coverage of Germany. On January 12 it announced an agreement in Thailand whereby a daily English edition of Phujadkam, Thaiday Dot Com's business newspaper, will be published in the Asian edition of the IHT. The two announcements are typical of the pace set by the IHT management since January 2003 when it became wholly owned by The New York Times (NYT), and severed its partnership with the Washington Post. The pace has been more hectic since NYT sensibly spent ten months deciding what to do with the IHT before implementing any changes. The first, in November 2003, was to appoint Michael Golden, a director of NYT who had been vice-president for operations development, as the IHT's publisher. It is Golden who has overseen the expansion of the past 14 months. The NYT has invested in new print sites across the US to make itself the national newspaper, and there has also been significant investment as the NYT seeks to make the IHT the world's newspaper. The IHT sells in more than 180 countries, and already calls itself "the world's daily newspaper". It's a good slogan even if it is not quite true. Golden's mission is to take the battle to The Wall Street Journal (WSJ) and the Financial Times (FT) and to make the IHT the dominant global newspaper. Golden believes that, in the era of globalisation, success will come from cultivating business readers, and maintaining the paper's coverage of culture, sport and fashion. During his 14 months at the helm, the IHT has been redesigned, introduced colour on the front page, added two pages a day, appointed 12 new reporters, opened offices in Hong Kong, Frankfurt and Berlin, and started new sections on Friday for "global luxury real estate" and on Saturday for weekend business. That investment is already paying dividends. In Asia, where the paper has 11 printing sites, readership of the IHT is up by 20

per cent against the declines of the WSJ and the FT. In Europe, the paper's circulation has risen 28 per cent, the biggest increase of any international daily or weekly. The IHT is not profitable yet, but Golden believes that it is well placed to benefit when global advertising starts to pick up again. One interesting aspect of this global battle is that the winner will be the newspaper that goes most upmarket rather than the other way.

<http://business.timesonline.co.uk/article/0,,9071-1439244,00.html>; January 14, 2005

Albania

Ekspres is the latest arrival in the Albanian daily newspaper market. With this newspaper the number of dailies reaches 21, although there are no figures and market research regarding the circulation and success of each publication. Out of these publications, two are sports newspapers, two cover business, three are party newspapers and one is published in English.

Albanian Media Newsletter, January 2005

Australia

Shares in News Corp Inc. fell sharply in early trading in Sydney on January 11 following the media giant's announcement of a US\$5.86 billion, all-stock offer to gain 100 per cent ownership of Fox Entertainment Group by buying out other shareholders. The company's Australian-born, US-based chairman and chief executive, Rupert Murdoch, informed the Fox subsidiary's board in a letter released in New York that the offer would be made directly to the shareholders later in the day. News Corp. already owns about 82.1 per cent of the equity and 97.0 per cent of the voting power of Fox, which controls Fox Television Network, Fox cable channels and the Twentieth Century Fox movie studio. Under the deal, owners of the Fox Class A shares would get 1.9 News Corp shares for each Fox Class A share. A News Corp. executive said that based on Friday's closing price for News Corp. shares, the offer would be worth \$5.86 billion. The news sent News Corp. shares down 38 cents, or 2.08 per cent, to close at \$17.85 in late New York trading while Fox shares soared \$3.06, or 9.80 per cent, to \$34.28. Within 15 minutes of the market opening in Australia, News shares had fallen 26 Australian cents or 1.08 per cent to A\$23.71 (US\$18) while its non-voting stock was down 29 Australian cents or 1.26 per cent to A\$22.67 in a modestly rising market. News Corp said its offer represented a premium of 7.4 per cent over the Fox share price at the close of the share market on Friday and a premium of 16.9 per cent over the average price in the past six months. But the offer would only stand if the company managed to get most of the stock it does not now own. If successful, News Corp. would end up with at least 90 per cent of the equity "and will complete promptly a short-form merger," it said in a statement. In a statement to the Securities and Exchange Commission, Fox said it had set up a "special committee" of Fox directors who were not members of News Corp. to consider the bid. AFP, January 11, 2005

Canada

The Globe and Mail has maintained its circulation lead over the National Post, distributing 27 per cent more papers across the country than its rival on an average weekday in the year ended Sept. 30. The latest figures from the Audit Bureau of Circulations, released at the end of January, show The Globe had total average weekday circulation of 316,438 papers, compared with 248,738 for the Post. Both numbers were virtually unchanged from the year-earlier period. On Saturday, The Globe distributed 394,260 papers (almost identical to last year's number) compared with 269,468 at the Post (down 2 per cent from a year earlier). The Globe publisher Phillip Crawley said he is very happy with the paper's home delivery subscriptions, which have risen about 2 per cent over the year to 172,500 on weekdays. These

are key, stable readers who are the most appealing to advertisers, he said. The Globe and Mail/Canada; http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 24, 2005

Finland

Lehtipiste, part of SanomaWSOY's division Rautakirja, announced that single copy sales of magazines and newspapers in Finland increased by 2.7 per cent in 2004. This was significantly more than the estimated growth of retail trade. Tabloids were especially successful: their 2.8 per cent growth means additional sales of €3.9 million. Sales of regularly published magazines grew by 2%, but in copies their sales were down by 1.6 per cent. As the competition between publishers has intensified, magazine publishers have launched new titles and revamped both the outlook and content of their existing magazines. Sales of foreign newspapers increased by 5.3 per cent. Also in this group, the number of copies sold decreased a little, by 0.7 per cent, due to diminishing number of foreign titles distributed. Foreign magazines increased their popularity in Finland, their sales increased by 6.1 per cent and the number of copies sold by 3.4 per cent. Tabloids invested in 2004 in product development, which gave them an excellent result: the tabloids, the total value of the group being €116 million, grew by 2.8 per cent, which means additional sales of €3.9 million. For example, Ilta-Sanomat offered its readers a selection of supplements to the tabloid: sports and sport betting weekly IS Veikkaaja, TV magazine TV-lehti and special editions. The No 2 Finnish tabloid Iltalehti decided to close down its magazine special Areena and invested in developing the main product. In general, the consumers are now looking for more individual and tailored products in newspapers and magazines. Consumption has become ingrained and magazines are expected to provide individual services and pampering. Also the increased number of single person households has had an impact on the growth of single copy sales market. Family and general magazines have responded to this trend by launching special issues. http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 19, 2005

Gambia

The outspoken newspaper, The Point, edited by a journalist who was murdered last month in an apparent political killing, was back on Gambia's streets on January 10 after a three-week absence, staff said. After Deida Hydara, who was also AFP correspondent in the small west African country, was shot in a drive-by killing on the night of December 16, The Point's co-founder Pap Saine became editor in chief and publisher. Reached by telephone from Dakar in Senegal, Saine said the thrice-weekly paper last came out on December 15, the day before the murder, and had then run into "financial difficulties". Saine, who also works for Reuters, said the cash problems had also led him to suspend until further notice pages that appear in each Wednesday edition in French. Gambia is a former British colony lying along the river of the same name which separates most of the north of French-speaking Senegal from the south. Thus the weekly French pages are widely read by immigrants from Senegal and Guinea, he said. Hydara was killed in his car while leaving work by gunmen on a motorcycle in what outraged international organisations and rights groups have described as a likely political murder, since the journalist had criticised tough legislation he saw as repressing press freedom. "Everything suggests that Deida Hydara was murdered by well-organised professionals in a premeditated operation," the Paris-based Reporters Without Borders (RSF) said in an eight-page report following an investigation on the spot. AFP, January 10, 2005

Japan

The NSK survey, Circulation and Diffusion of Newspapers By Prefecture, has found that daily aggregate newspaper circulation in Japan was 53,021,564 copies as of October 2004. That is up 0.3 per cent from a year earlier, in the first year-on-year increase in five years. The

average newspaper distribution per household fell 0.01 percentage points to 1.06 copies. By type of newspaper, the corresponding figure for general-interest newspapers registered its first year-on-year increase (0.4 percent) in three years. But that for sports dailies fell 0.7 per cent in a fourth straight yearly drop. The circulation of "set" newspapers (sets of morning and evening editions) fell 0.7 per cent year-on-year, in a 14th straight annual drop. The survey covered 120 NSK member newspapers. <http://www.pressnet.or.jp/newsb/index.htm>; NSK News Bulletin Online, January 2005

Nigeria

The 78-year-old Daily Times, the oldest Nigerian daily newspaper, is to receive a massive capital investment of \$40 million (N5.28 billion), over the next three years, its new owners, Folio Communications have said. Mr Fidelis Anosike, Executive Chairman, Folio Communications Limited and Chairman/Publisher of Times Media Plc said that as part of plans to reposition the newspaper, \$10 million-\$15 million will be injected into the company in 2005, another \$15 million in 2006 and the balance in 2007. Anosike said that the investment will be in the areas of an infrastructure backbone that will see the newspaper being printed simultaneously from three locations in the country, a distribution infrastructure that would be information technology-driven and capacity training. "To start with, we will be printing from three strategic locations with a view to capturing the market in the six geo-political zones to reflect our truly national outlook," he said. He said the company will deploy satellite communication in some of its regional offices to control both information inflow and sales, and invest in news gathering systems. He said that the commitment of the new owners to the transformation of Daily Times informed its decision to hire Mr. Adrian Wood, former CEO of MTN, as its Group CEO. Anosike said that the vision of the new owners is to build a newspaper with strong brand affinity, so that people could identify with. "Our philosophy is that there must be something in the newspaper for everybody in our repackaged and refocused Daily Times which will debut in the first quarter of 2005," he said. He said that the core investor will be mindful of the "quality of investments," so that the ratio of equity to debts, will be tipped in favour of the former, regardless of the fact "we have assets to leverage on." The Chairman of Times Media Plc said that Folio is currently involved in private placement with a view to broadening the core investors' base. "Essentially, we are focused on those who understand the media market to ensure that it is a sustainable investment," he said. "For us, the philosophy is that we are not running a 100 metres dash, but a marathon race. What we are aiming at is to be the most respected and successful media organisation in the West African sub-region," he added. Folio Communications Ltd had in July paid N1.25 billion after having emerged as core investors in a bidding exercise held June 14, 2004. <http://allafrica.com/stories/printable/200501310843.html>; January 30, 2005

Singapore

Media group Singapore Press Holdings (SPH) said that net profit in the three months to November more than doubled from a year earlier, boosted by the partial sale of its stake in cable and telecoms firm StarHub. The group posted a net profit of S\$221.6 million (US\$135 million), compared with S\$83.8 million in the same period in 2003. The partial sale of SPH's stake in StarHub netted the city-state's largest publishing group S\$128.5 million in investment income, the company said in a statement. Total operating revenues in the first quarter were up 10.3 per cent to S\$267.9 million. Revenues from its main business, newspapers and magazines, increased 10.6 per cent to S\$230.2 million in the November quarter, partly due to higher advertising income. However, the outlook for the rest of the financial year looked uncertain because of an expected economic slowdown which would have an impact on advertising revenues, the firm said. SPH's fortunes are closely tied to the health of the overall

economy as spending on advertising tracks corporate sentiment. "The group's newspaper advertising revenue is expected to move in tandem with the expected slowdown in economic growth for the year 2005," SPH said. "In view of the expected slowdown in economic growth and uncertainties over the economic and geopolitical environment, the directors are cautious about the operating performance of the group for the current financial year." Singapore's economy is expected to grow 3.0-5.0 per cent in 2005 after registering an 8.1 per cent expansion in 2004, its best result in four years. AFP, January 6, 2005

United Kingdom

British publishing group Pearson said that it made good progress in 2004 despite a weaker dollar and tough trading at its book publishing unit Penguin. Pearson, owner of the Financial Times, said it looked forward to a "significant acceleration" in its 2005 financial performance. But London stock market dealers were less impressed, pushing the group's share price down 1.86 per cent to 626 pence. In a trading update ahead of its full year results on February 28, the group said it remained on track for "underlying progress" in earnings, cash and return on invested capital in 2004. The group, which also publishes textbooks and novels, said that Pearson Education and the FT Group ended 2004 in line with the group's expectations. It added that the Financial Times broke even in the fourth quarter. But it added: "Penguin suffered as tough trading conditions persisted through the holiday season, particularly in US mass market and backlist titles." Pearson said that its expected earnings per share would be about 30 pence for 2004. The group announced also that it would vote in favour of Dow Jones's proposed acquisition of financial data company MarketWatch -- in which Pearson owns 22 per cent - and said it expected to receive approximately US\$100 million (€76 million) from the transaction. AFP; January 19, 2005

United Kingdom

Insatiable reader interest in the devastating effects of the south Asian tsunami has helped boost newspaper sales by up to 10 per cent. In a traditionally difficult time of the year for newspapers, hundreds of thousands of extra copies were sold between Christmas and the New Year as readers flocked to catch up on the latest news of the catastrophe. Sales were undoubtedly boosted by the slow unfolding of the story - the enormity of the disaster in Indonesia was not known until days after the earthquake struck. This was mostly due to the lack of TV or newspaper reports from Aceh, where more than 95,000 people, including around 100 staff on the region's only daily paper, were killed. One of the biggest beneficiaries was the Daily Mail, which is thought to have added an extra 150,000 sales last Friday when it donated 5p for each copy sold to its Flood Aid appeal to help victims of the disaster. Both broadsheet and tabloid figures have seen sales exceed expectations over the last week. The Times and the Daily Telegraph are understood to have sold an extra 30,000 copies a day, with the Guardian picking up another 20,000 sales. The circulation of the Daily Mirror is understood to have been boosted by around 50,000. This bucks the normal trend in newspaper circulation in December when many readers stop buying papers. But even one week after the tsunami struck, the appetite for newspapers was unseasonably strong. The News of the World, which splashed with the story that a Swedish mum pictured running into the tsunami had survived, had an extra 60,000 sales. The story of policewoman Karin Svard's extraordinary survival - she was dramatically pictured two days earlier running into the waves in Thailand to alert her family - first appeared in Stockholm's Expressen newspaper in Sweden. On the same day the Sunday Telegraph, boosted by an exclusive comment piece on the tsunami by Archbishop of Canterbury Rowan Williams sold an extra 40,000 copies. Sales began to build on bank holiday Monday (December 27), but the biggest gains were seen on Wednesday as the full scale of the natural disaster became apparent. They continued to buy papers in bigger

numbers over the following two days. "Sales were above expected across the market," said one source. "Everyone seems to have benefited. These are very strong numbers because this is a traditionally very difficult time of year." TV news audiences have also been boosted by the tsunami, with BBC1's Ten O'Clock News hitting a peak of nearly 8 million viewers last Tuesday.

<http://media.guardian.co.uk/presspublishing/story/0,7495,1383937,00.html>; January 6, 2005

United Kingdom

National daily newspapers were selling half a million fewer copies a day at the end of last year than in 2003, when they were again selling 500,000 fewer copies than in 2002. That is the bad news from the national newspaper industry: sales have fallen by a million copies a day in the space of two years. The good news, given the growth of 24-hour TV news and the internet, is that 12 million nationals are still being sold each day, according to the Audit Bureau of Circulations. The ABC's December report shows that with only one exception the trends of most previous years were repeated in 2004. Upmarket papers are faring better than the traditional tabloids. The Sundays are suffering less than the dailies. The greatest suffering is at the two mass-market red-tops, The Sun and Daily Mirror, victims of the erosion of the traditional Andy Capp working class. The best indication of newspaper trends comes from comparing average sales over the second half of last year. Sales of The Sun were down 150,000, or 4.4 per cent, and those of the Daily Mirror down by 162,000 or 8.4 per cent. Even Richard Desmond's Daily Star, the circulation success of the past three years, was down year-on-year. With the exception of the Sunday Mirror the worst performances were again from Trinity Mirror titles. Sales of the Daily Mirror and The People last month were both down year-on-year by 10 per cent, down to 1.7 million and 932,000 respectively. Although there is a sense of inevitability about the decline of print editions of newspapers, neither editors nor managers are complacent. New editorial sections are being launched. The Daily Mail started two over the past few months – Escape, a weekend travel section, and Lifestyle on Mondays. Saturday and Sunday readers are bombarded with free CDs or DVDs, which often attract up to 200,000 extra buyers – but who don't return on Mondays. There is serious investment in online editions to ensure newspapers don't miss out on the way most news will soon be delivered. And real, hard news still sells papers – sales of The Sun were up by between 60,000 and 70,000 in the aftermath of the Indian Ocean tsunami. Against this backdrop there was one editorial revolution that reversed declining sales. In terms of circulation, the two most successful papers last year were The Independent and The Times, the broadsheet-turned-compacts and the only dailies that achieved year-on-year sales increases. Using six-month averages, sales of The Independent were up 34,000, or 15 per cent, and those of The Times 27,000, or 4 per cent. Those successes had an impact in the broadsheet market, with year-on-year sales of both The Daily Telegraph and The Guardian down by 14,500. The Guardian will join the compacts as soon as it can by launching a European-style newspaper size that is midway between tabloid and broadsheet. There is no news of The Daily Telegraph's intentions. The table shows the market shares within the former broadsheet sector for March to August 2003 (before the launch of the Independent and Times compacts) with the second half of 2004 (when these two were compacts). The figures represent the number of copies sold by each paper per 10,000 copies sold in their market. The table shows that The Independent was up by 157 copies and The Times by 83, against falls by their respective rivals. Across all daily titles, the papers that increased their share as the red-tops dropped back were the Telegraph, Express, Star and, by the biggest margin, the Mail.

<http://www.timesonline.co.uk/printFriendly/0,,1-8427-1449366,00.html>; January 21, 2005

Newspaper Launches

Belgium

VUM Group announced the launch of a new newspaper in Belgium: De Standaard Espresso. The first issue is to be published on January 24, 2005. This new newspaper, which will appear from Monday to Friday, wants to reach the internet generation. "Compact news. Sharp opinions" is the mantra of this 24 page newspaper, in full colour. De Standaard Espresso will only be sold in single copies. There are no subscriptions It targets active, mobile and urban readers, whom nevertheless want to be informed quickly and thoroughly. VUM Regie/Belgium; http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 14, 2005

Canada

Toronto readers will wake up to a bright, bold new Star on Sunday, January 16, as the Toronto Star launches a newspaper unlike any other. Bold, lively and full of colour, the magazine-style broadsheet offers everything a Sunday paper should be, and readers have said they want: good reads, engaging columnists, thought-provoking ideas, lots of sports, entertainment, and, of course, breaking news. The striking visual package makes bold use of photography, graphics and typography throughout the paper's four sections: A-section, O.T. (sports), The Buzz (lifestyle and entertainment), and Ideas. The paper was designed around the premise that people have more time to read on Sundays and therefore, expect more from their newspaper. Sunday provides not only the immediate news of the day but features that readers can enjoy in a more leisurely way. "Increasingly people can get the basic news story of the day off the Web or from television or radio, so newspapers must relentlessly deliver more value, particularly on weekends. This Sunday magazine approach does that in spades - more depth, more context, different story angles - and all beautifully presented," said Editor-in-Chief Giles Gherson. Sunday's magazine-style sensibility marks a venture into new territory in journalism, according to Sunday Editor Alison Uncles, who headed the team of journalists and designers working on the project. "With features as the focus of the newspaper and colour on every page, it's like a hybrid magazine - truly unique," said Uncles. "We've put a heavy emphasis on great writing, photography and design, so the content will match the elegant look."

<http://www.newswire.ca/en/releases/archive/January2005/13/c2662.html>; January 13, 2005

China

A media group in Beijing has launched a daily newspaper to cover preparations for the 2008 Olympics. After months of preparation and a trial edition on December 17, the full-colour broadsheet called the Jing Bao hit the streets with an estimated nationwide Monday through Friday circulation of 320,000. 'Jin' is part of the word for competition in Chinese and 'bao' means newspaper. Page two of the trial edition was all about the Beijing Olympics, a source of national pride. The paper also covers local news and weather and carries a lifestyle section. It has 24 pages now and plans to increase the count to 32 next month. Owned by the Beijing Daily group, the paper has a staff of more than 100. The paper originally wanted to use the word "Olympics" in its name, but the Beijing Organising Committee for the Olympic Games forbid the use on trademark grounds. Neither the local committee nor the International Olympics Committee would comment on the name issue.

<http://www.abc.net.au/news/newsitems/200412/s1273308.htm>; December 28, 2004

Croatia

The Austrian publisher of Kleine Zeitung, Styria Medien AG, will launch a new daily newspaper in Croatia in mid-May. The newspaper is to offer clear and short information. The

group already publishes the daily Vecernji List with a circulation of 120,000 copies. This new project belongs to a new strategic offensive of Styria in South Europe. Styria Medien AG/Austria; http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 11, 2005

The Netherlands

A single newspaper for the entire Randstad area, the name given to the area comprising the main Dutch cities of Amsterdam, Rotterdam and The Hague, this is the plan presented by two major Dutch newspaper publishers PCM and Wegener. This would make the newspaper the second biggest in the Netherlands after De Telegraaf. The proposed merger will include, among others, Algemeen Dagblad, Rotterdams Dagblad, Utrechts Nieuwsblad and Haagsche Courant. Job cuts are to be expected as the eight newspapers currently employ 1,200 people. Not all the newspapers are willing to merge and some are protesting against the plan. In the end, the Dutch competition authority has to give the merger the go-ahead. In the Netherlands, a publisher is only allowed to control no more than 35 per cent of the market. <http://www.roundabout.nl/> - Roundabout; EJC, MediaNews of 10 January 2005

United Arab Emirates

The UAE's first evening newspaper is set to launch today in supermarkets and newspaper stands throughout the country. At \$0.27 (1AED) per copy, The Emirates Evening Post will have 24 pages and will be printed in broadsheet and full-colour. "The niche was not covered in the country," said Vijayan Kannampilly, chief operating officer of The Emirates Evening Post, when asked about what prompted the launching of the paper. With Bikram Vohra at the editorial helm, the newspaper will focus on the UAE as well as global News. However, Kannampilly asserted that the Evening Post will differ in segregating the local news, saying that the paper is "not ethnic-specific". The newspaper will be targeted towards "the next generation" according to Kannampilly, aimed at readers of 35 years and over. A subscription drive will take place within four days of the launch. This campaign will reach homes as well as offices. In addition, a dedicated website will also be set up soon after the launch of the newspaper. The Emirates Evening Post is published by the Press Centre and Art Production, under Qassim Mohamad Yousouf, who is the former managing director for the Khaleej Times. <http://www.gmr-online.com/newsDetail.asp?pageType=news&disciplineId=3&articlesId=1063>

United States of America

A new Spanish-language newspaper will debut in the New York region in February. Las Noticias will offer local, national and international news, sports and features specially packaged for the area's growing Spanish-speaking population. The tabloid-sized newspaper initially will be published on the first and third Tuesday of every month. The publication will be available free at selected area locations. Las Noticias is being published by the Daily Freeman of Kingston. "We are quite excited to launch Las Noticias after a considerable amount of discussion and planning," said Ira Fufeld, publisher of Las Noticias and the Daily Freeman. "The need for this kind of newspaper in our area is obvious. And the enthusiasm with which it has been greeted by those in the community with whom we've consulted and who've helped us shape it is extremely encouraging." Fufeld said if reader and advertiser support is as favourable as he expects, it's likely Las Noticias will publish more frequently and have wider distribution. Current plans call for a first-edition circulation of 5,000 copies. http://www.dailyfreeman.com/site/news.cfm?newsid=13832708&BRD=1769&PAG=461&dept_id=74969&rfti=6; January 27, 2005

Newspaper Closures / Absorptions

Azerbaijan

One of Azerbaijan's leading opposition newspapers, Yeni Musavat, has again suspended its publishing for uncertain term. Gabil Abbasoglu, the daily's editor-in-chief, told Turan news agency that the paper has financial problems caused by fines imposed by the court and closure of the newspaper's bank accounts. The newspaper has to pay more than \$100,000 worth of fines, as a result of more than 10 suits filed by state officials and businessmen that accused the newspaper of insulting reports. In December 2004 the newspaper already suspended its publishing for a short period, but then again resumed it.

<http://www.bakutoday.net/print.php?id=11852>; January 4, 2005

Poland

Publication of Polish daily Zycie was temporarily suspended on January 28 due to a "difference of opinion" between shareholders, Christopher Jasiak of US investment fund Forrest Equity Management, which holds a controlling stake in the paper, said. Jasiak said the row involved Forrest Equity and Britain's AIB Investments Limited, a minority stakeholder. "We are in the process of restructuring the (editorial) team. I'm certain Zycie will be back on the market soon, by the beginning of March at the latest," Jasiak was quoted by PAP news agency as saying. Zycie has a print run of 100,000 and is sold throughout Poland. It disappeared from newsstands in 2002 when it hit financial difficulties, but returned in January last year. AFP; January 28, 2005

Tajikistan

Tajik authorities have seized the latest edition of a weekly independent newspaper during a raid on its printing plant, the head of an association representing independent media in the central Asian republic said. "The tax authorities shut down the private printing plant claiming that it had failed to pay taxes and did not have the proper licence to print newspapers," Nuriddin Karchiboyev said. "If it were a tax issue, why did the tax authorities also shut down the editorial office of the weekly," he added. The newspaper Neroui Sukhan (The power of words) has been published since January 2003 by a special fund dedicated to defending media rights. It has a circulation of 3,000. "We believe that such actions by the tax authorities are a concerted effort to muzzle the independent press," Karchiboyev said. He also noted that press freedom was increasingly under attack in Tajikistan ahead of parliamentary elections on February 27. In November, the opposition daily Ruzi Nav, printed in neighbouring Kyrgyzstan, was also seized by authorities, several months after a private printing plant that published four independent weeklies was shut down by tax authorities. State printing plants have refused to deal with independent media. Tajikistan suffered through a civil war between 1992 and 1997 that pitted the Islamic opposition and government forces. The fighting left 50,000 people dead, according to local estimates, including 73 Tajik journalists. AFP; January 28, 2005

Zimbabwe

Zimbabwe's latest newspaper, the Weekly Times, is threatened with closure barely a week after hitting the streets as it comes face-to-face with the draconian Access to Information and Protection of Privacy Act (AIPPA). On January 5, 2005, the Media and Information Commission (MIC) wrote to the newspaper giving notice of its intention to suspend or cancel the Weekly Times' registration certificate. The paper would cease to operate once the registration certificate is cancelled. The MIC threat comes at a time when the questions of access to information and the right to free expression are an integral part of efforts to build

democracy all over the world. Information is widely seen as a tool of ensuring accountability on the part of governments as well as a vehicle for enriching democracy. The latest turn of events could deal another body blow to Zimbabwe's battered image internationally, where the government is accused of stifling democratic space through muzzling debate and dissension. Analysts said human rights watchdogs could brand the MIC's action as yet another attempt by the demonised Zimbabwean government to close the little democratic space left ahead of the March parliamentary polls. Should the commission push ahead with its plan, the Weekly Times would become the fourth newspaper to close shop inside 16 months under the restrictive AIPPA.

<http://www.fingaz.co.zw/fingaz/2005/January/January13/7486.shtml>; January 13, 2005

Broadcast Media

Middle East

The satellite news channel Al-Jazeera, which is financed by the state of Qatar, is to go public, its spokesman told AFP. "The form of privatisation is to be decided over the coming months, on the basis of the final results of a study being carried out by a US firm which specialises in privatisations," Jihad Ballut said. He said the emir of Qatar, Sheikh Hamad bin Khalifa al-Thani, had raised the issue of privatising Al-Jazeera, whose budget is covered by the Qatari authorities and partly by advertising revenues, in late 2003. The station's new board has now been tasked with drawing up a report within the next year on "the best method to transform the station into a company with private participation", he said. "There will be restrictions in the shares offer and we don't know (yet) if it will be on offer locally, regionally or internationally," said Ballut. He denied that the decision was not taken due to pressure on Doha concerning Al-Jazeera, which the United States accuses of inciting violence and which is banned from reporting in Iraq. The privatisation would also not be allowed to affect the editorial policies of Al-Jazeera, said the spokesman. Since its launch in 1996 and meteoric rise in the world of international news, "Al-Jazeera has come under pressure without that influencing its editorial line," he said. Al-Jazeera is to launch an English-language channel, Al-Jazeera International, later this year. It already has a sports channel and plans to also start up a documentary channel and another for children in 2005. Considered the most watched and trusted television station in the Arab world, Al-Jazeera ranked the fifth most influential global brand in an annual survey by Brandchannel.com. AFP; January 31, 2005

Belgium – France

Beginning mid-February, a French television channel aimed at homosexual viewers will extend its reach to Belgium. Pink TV, which began broadcasting as France's first gay television station in October 2004, will be available on Belgian cable network BeTV as of Valentine's Day. BeTV currently has some 140,000 subscribers. Largely financed by France's three existing commercial networks, PinkTV broadcasts 24 hours a day, seven days a week, and offers a wide menu of programmes ranging from porn to sports, culture and fashion. http://www.expatica.com/source/site_article.asp?subchannel_id=24&story_id=16342&name=Pink+TV+coming+to+Belgium+in+quest+for+pink+euro - Expatica; EJC, MediaNews of 31 January 2005

★ ADVERTISING

Advertising Statistics

Bahrain

For the first nine months of this year Bahrain recorded the highest growth in advertising expenditure among the GCC countries, increasing by 42.76 per cent, from \$65.9 million in 2003 to \$80.8 million this year, according to the Pan-Arab Research Centre (PARC). Print media in Bahrain has the biggest share of ad spend in the country, at 61 per cent. Of this share, 50 per cent went to four Arabic newspapers and two English dailies, while 11 per cent was spent in magazines. Of the remaining 39 per cent, 36 per cent went to television and 3 per cent was equally divided between cinema, radio and outdoor advertising. PARC indicates that among the companies in Bahrain telecoms such as Batelco and MTC-Vodafone have consistently contributed significantly to the growth of advertising expenditure. Other significant sectors include banks, financial firms, personal care products, cars, airlines, travel and tourism, home appliances, insurance, clothing, jewellery and accessories. "The growth of advertising expenditure for the period is a continuation of the trend started earlier this year," said Khamis Al Muqla, president of the International Advertising Association (IAA) and of Gulf Saatchi & Saatchi. "From 44.2 per cent growth in the first six months and being among the top three GCC markets, Bahrain rose to become the number one market for the nine months. This increase confirms the forecast that advertising expenditure in Bahrain will reach the \$100 million milestone by the end of the year, a notable increase compared with \$85.9 million last year and \$77 million in 2002." As for the rest of the list, Qatar comes a close second place with 42.16 per cent growth while UAE garners 39.99 per cent. Next are Saudi Arabia with 38.09 per cent, Kuwait with 26.34 per cent, and Oman with 21.72 per cent. Overall in the Gulf advertising expenditure has increased by 44.81 per cent compared with last year. In addition, pan-Arab media in the GCC, mainly consisting of TV satellite channels, has the largest share, with an increase of 54.91 per cent since last year. <http://www.gmr-online.com/newsDetail.asp?pageType=news&disciplineId=3&articlesId=901>; November 8, 2004

Germany

The advertising market in Germany, which has been down for the last three years, seems to be improving: gross income from advertising in media rose 5.8 per cent in 2004, and Nielsen Media Research expects a similar gain in 2005. Newspapers will nevertheless be the last to profit from the upswing. The German Newspaper Association BDZV expects ad space sold in 2004 to be about the same level as in 2003. Newsletter for Directors of WAN Member Associations, February 1, 2005

India

For the first time in years, the growth rate of the print medium's ad pie has surpassed that of television. This is despite the FMCG sector slashing print budgets by over 13 per cent to Rs2,750 million (US\$63 million) this year while increasing its TV spends marginally. Print as a whole has grown 14.7 per cent to Rs54,500 million in 2004, higher than TV's 13 per cent growth to Rs48,600 million, which has helped the former arrest a slide which saw it lose share to the electronic media over the years. In 2001-02, print grew at 4 per cent, nearly a third of what TV achieved during that period. In 2002-03, TV just about managed to beat print, whose

ad pie rose by 8 per cent. The total ad pie for 2004 has been estimated at Rs120,000 million (US\$2.7 billion) by TAM Media Research's division AdEx India, which has compiled the numbers. The figure is over Rs15,000 million more than what the industry achieved last year. According to AdEx, the print medium's success story has been enabled by a string of advertisers that are not known to favour TV. These include educational institutions, independent retailers, coaching centres, display retail shops, among others. These advertisers seem to have made a big difference to the overall print pie. For example, educational institutions spent Rs2,090 million to emerge as the top category in print. Display retail shops as a category moved up 104 places over the year to become the 11th top spender on print. Shampoos, toilet soaps and washing powders emerged as first, second and fourth biggest spenders on TV. The FMCG sector's spends on TV increased just over 7 per cent to Rs26,730 million though its ad share on TV reduced from 58 per cent a year earlier to 55 per cent now. The sector's share on print fell 2 per cent to 9 per cent.

<http://www.agencyfaqs.com/news/stories/2005/01/05/10577.html>; January 5, 2005

Russia

In 2004, advertising expenditure in media grew year on year by 33 per cent to US\$3.85 billion, according to the Expert Committee of the Communications Agencies' Association of Russia (AKAR). Experts said that the advertising market in Russia continues to grow at high pace. Press advertising revenue in 2004 grew by 28 per cent to US\$1.25 billion. Ad revenue of newspapers grew by 31 per cent and achieved US\$270 million (in comparison with magazines, 33 per cent growth, US\$480 million in ad revenue). Ad expenditure in regional media of more than US\$1bn accounted for 28 per cent of the total ad expenditure. The biggest regional advertising centre was St Petersburg (more than US\$200 million), followed by Yekaterinburg, Novosibirsk, Samara, Krasnoyarsk etc. www.gipp.ru; February 2, 2005

United Kingdom

Display advertising has led to a growth in the number of ad pages in the British newspapers, despite the ongoing slump in circulation. The number of pages set aside for advertising across all titles rose by 5.2 per cent in the 12 months to October 2004. The display category drove these figures, increasing by 5.6 per cent across daily and Sunday titles. The report, from planning and buying agency Mediaedge:cia, is in stark contrast to sales of national newspaper for the last year, where only The Times, The Independent and Metro have seen circulation increase. <http://www.mediaweek.co.uk/articles/folder2005/01/18/displayads-natpress> - Media Week; EJC, MediaNews of 19 January 2005

Online Advertising Statistics / Forecasts

Europe

The advertising online in banners grew 9 per cent in Spain last year, to pass from 6,789 announcements in November 2003 to a total of 7,379 in November 2004, according to a study carried out by AdRelevance (i) of Nielsen//NetRatings, specialised in the measurement and analysis of audiences on the Internet. The study, carried out by Nielsen//NetRatings in 12 European countries, reveals that Sweden and France are the countries that have experienced a greater increase of advertising online last year, with increases of 55 per cent and 41 per cent, respectively. The Netherlands came third with an increase of 34 per cent between November 2003 and November 2004, followed by Italy, with a rise of 29 per cent in the number of contracted banners. According to the director general of Nielsen//NetRatings Spain, Gustavo Núñez: "Currently there are 163 million Europeans with access to the Internet, which represents a very interesting potential audience for advertisers. The 9 per cent growth of

online advertising in Spain is also a reflection of advertisers' growing confidence in the importance of the network to reach its 'target' audience."

<http://www.prnoticias.com/prn/hojas/noticias/imprimirnoticia.jsp?noticia=2612>; January 4, 2005

United States of America

Local online advertising will hit \$3.9 billion in 2005, a 46 per cent growth rate over 2004; according to the analysis and estimate plus market-by-market estimates for 210 cities by Borrell Associates. Paid Search is expected to comprise 8.4 per cent of local online advertising budgets. Real Estate, General Merchandise Stores, Mortgage Services and Health Care are leading spenders on the local level. Press Release; <http://www.borrellassociates.com>; January 25, 2005

Advertising Forecasts

Europe / United States of America

Advertising market forecasts - 2005

	Aegis	Adbarometer	Zenith
UK	+4.6%	+4.1%	
Germany	+1.3%	+3.0%	
France	+2.2%	+3.1%	
Italy	+3.3%	+2.7%	
Spain	+4.5%	+3.1%	
Europe	+4.4%	+3.4%	+4.5%
USA	+4.5%	+3.5%	+4.2%

A.N.I.M.A.'s Newsletter, January 10, 2005

United States of America

Media forecaster Jack Myers of the Jack Myers Report released his latest ad spending forecast on January 5, and in it he's predicting a stronger 2005, with online and newspapers leading the growth. As for 2004, Myers says ad growth will increase by 6.3 per cent over last year, to \$181.5 billion, on track with what he had predicted back in September. Myer's 2005 forecast revises upward his September projections, and rather smartly. Just three months ago he was forecasting overall spending for the year to rise 2.2 per cent. Today's revised forecast has it rising by 4.8 per cent. It's a dramatic increase, and more dramatic coming from Myers, who ranks among the more pessimistic media forecasters. Myers 2005 figures are still below those of Robert Coen of Universal McCann, who a couple of weeks ago pegged 2005 ad growth at 6.4 percent. In upping his figures for 2005, Myers cites stronger than expected growth in internet advertising and for newspapers. Myers predicts online ad spending to grow at the late-'90s pace of 30.0 percent in 2005, up from the 25.0 percent he's seeing for 2004. That's an aggressive figure compared to other forecasts for the internet. "After several years of testing, most major national advertisers are now shifting budgets from web site development, research & development, and IT infrastructure into marketing budgets targeted to online media, including search engine and behavioral targeting," writes Myers. Myers sees newspaper advertising growing 4.1 per cent in 2005 after growth of 3.5 per cent in 2004.

Myers had earlier forecast newspaper ad spending would decline by 1 per cent in 2005. "Newspapers will be the beneficiaries of marketers' efforts to shift budgets to media where they can generate maximum short-term results and their growing concerns about use of digital video recorders to avoid commercial viewing," Myers says in his forecast, in explaining his rosier projection. Myers is forecasting that national and local spot TV will suffer the most in 2005, growing just 1.5 per cent compared to 9.0 per cent in 2004. Myers believes consumer magazine ad growth will slow in 2005, rising 4 per cent versus the pace of 8.5 per cent he is forecasting for this year. By contrast, Myers is forecasting that trade titles will at last rebound. "Trade magazines, which have been struggling with marginal growth for several years, are projected to see 5 per cent growth in 2005," he writes.

http://www.editorandpublisher.com/eandp/departments/ad_circ/article_display.jsp?vnu_content_id=1000746093; January 5, 2005

Social Announcements

United States of America

The New York Times now offers the opportunity to announce an engagement, wedding, anniversary or partnership via a new weekly bannered advertising section appearing in Sunday Styles. The section, called Social Announcements, can also feature a photograph with each announcement. In addition, the announcements can appear at www.nytimes.com/weddingsdirectory, a new online section that includes vendor listings and features from TheKnot.com, such as a gift registry locator and a wedding checklist. The New York Times/USA; http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 24, 2005

Newspaper Advertising

France

In 2004, the press sector ploughed €92 million into TV advertising following the lifting of a ban on TV advertising in place of the sector. At the beginning of 2004, French authorities lifted the ban after they came under pressure from Brussels. The new regulations allowed press, book and film advertising on terrestrial TV, but it is the press sector that has driven up advertising revenues for the channels. The SNPTV/TNS Media Intelligence study estimates that of the €5.2 billion spent on TV in 2004, €92 million was spent by the press sector. When the terrestrial ban was lifted, publishers were also allowed to advertise books on cable and satellite, and with cab/sat revenues added in, the overall figure for TV advertising hit a record combined sum of €5.7 billion. Publisher Prisma was among the first to take to terrestrial screens by investing €12 million into a heavyweight TV campaign for the launch of its fortnightly TV listings magazine *Télé 2 Semaines*. Within weeks, the title achieved sales of 1.5 million copies and spawned the launch of rivals, thereby changing the TV listings magazine sector. Marc Drillech, president of Publicis Dialog, said the success that publishers have had over the past year when using TV makes it hard to imagine any future launches not choosing the medium. *Media & Marketing Europe*, February 2005, p. 36

Ad Pricing – Strategies & Rates

Belgium

The multiplication of tabloid formats has resulted into a change in pricing rules for Belgian dailies. Advertising space used to be sold according to the real size of the display. It is now calculated through standard units based on the price of the full page and recognised by the

whole market. Advertisers fear it can be a source of rate inflation. A.N.I.M.A.'s Newsletter, January 10, 2005

Print As an Advertising Medium

Ireland

National Newspapers of Ireland (NNI) has launched a press advertising competition for agency and freelance creatives, entitled "What's so powerful about press ads?" The goal is to produce an advertisement or campaign that highlights the unique strengths of the newspaper medium. NNI Chairman Gavin O'Reilly said: "It's a simple idea, and it gives agency and freelance copywriters and art directors a chance to produce ads on their own behalf. The winning ads will be published across the 18 member titles of NNI, which represents media value to the tune of around €250,000. Even more than that, it's a pretty unique opportunity for creative people to see their work – carrying their own signature and agency name – up in lights." Contact: Frank Cullen, fcullen@cullencommunications.ie; Newsletter for Directors of WAN Member Associations, February 1, 2005

United States of America

Wal-Mart's belated strategy of advertising in newspapers to boost sales appears to have worked. In rare interviews granted to The New York Times, Wal-Mart executives said they saw immediate results when placing ads in newspapers after a bleak Black Friday. In one example, Doug Deyn, an executive vice president with the company, told the Times for today's story that the retailer turned to newspapers when it realized people were unaware that 17-inch flat screen TVs were selling for \$178.88 each. The product was featured in full-page ads in selected markets with the heading "Why Wait for Rebates?" Apparently the TVs subsequently sold well. December results for newspapers have yet to be reported but that month's statistics could get a lift from Wal-Mart's "unexpected schedule", according to a note released by Merrill Lynch yesterday. Wal-Mart started its ad blitz on Dec. 3. Deutsche Bank reported that the retailer placed buys in "15 major, undisclosed markets." http://www.editorandpublisher.com/eandp/departments/ad_circ/article_display.jsp?vnu_content_id=1000746093; January 5, 2005

★ CIRCULATION

Special Supplements / Sections / Editions / Titles / Websites; Tailored / Localised / Regional

India

The Hindi daily Dainik Jagran, published by Kanpur based Jagran Prakshan Pvt Ltd, is targeting a readership of 20 million. The latest Indian Readership Survey (IRS) has put its readership at 16.8 million. Mahendra Mohan Gupta, Dainik Jagran's managing editor, told Business Standard, that this growth is necessary to give its advertisers value for money. To achieve the 20 million target, Jagran is planning to launch several new editions. The three states it is immediately eyeing are Jammu & Kashmir, Himachal Pradesh and Madhya Pradesh. The newspaper is already present in some of these markets. "In MP we are already publishing the paper from two places and we propose to add one more centre to the existing two," said Gupta. Jagran is also planning to start printing the newspaper from J&K, and later from Chandigarh, which will be primarily for the Himachal market. Gupta also sees plenty of

opportunity in West Bengal. "We sell 25,000 copies of Dainik Jagran in a day in that state. These are fed from our Jamshedpur and Ranchi centres," he added. Currently, Dainik Jagran is printed from 25 centres covering eight states. The newspaper has a daily print order of 2.2 million copies. The group is targeting a turnover of over Rs4 billion in the current year ending March 2005, compared to Rs3.15 billion last year. The projected profit after tax is said to be Rs200 million compared to Rs140 million last fiscal. Commenting on the foreign direct investment in the newspaper by the Ireland-based publisher, Independent News and Media plc, Gupta said that the alliance is set to benefit both the newspaper groups. "The news bank of the two papers will be shared," he said. The Irish media group has picked up a 26 per cent stake in Jagran Prakashan for a sum of Rs1.5 billion.

<http://www.business-standard.com/iceworld/storypage.php?hpFlag=Y&chklogin=N&autono=176833&leftnm=lmnu9&leftindx=9&lselect=0>; December 31, 2004

India

Education Times, the educational supplement of the Times of India, will increase its frequency in Mumbai from weekly to bi-weekly on Monday and Thursday. Education Times started out as a monthly publication, circulated with The Times of India and has since grown into a weekly pull out with a total circulation of 1.7 million. Effective February 1, 2005, the publisher will modify the rate structure of the supplement. The Times of India;

http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 24, 2005

Spain

In order to increase circulation, representatives of Five Days decided to distribute the newspaper once a week as a supplement of other titles in Canary and Andalusia. Between September 2003 and August 2004, when this economic newspaper of the Grupo Prisa still was audited as a sole publication, its average circulation was 24,777 copies. Three months later, with its mixed distribution, an average circulation of 30,696 copies was registered, according to preliminary data of the ABC (OJD) as of November 2004.

<http://www.elmundo.es/elmundo/2005/01/18/comunicacion/1106064675.html>

Free Newspapers & Pick-Up Publications

International

The Swedish group Metro International, publisher of free newspapers around the globe, said that it would strengthen its ethical code of conduct after two of its executives were forced to step down for telling racist jokes. "The Board of Directors will form a committee which will oversee the implementation of the current policy, which is not new, on diversity and equal opportunities," company spokesman Henrik Persson told AFP. The decision comes less than a week after two company executives resigned from their positions following revelations in US media that they told racist jokes about blacks at internal company meetings and events in 2003. Hans-Holger Albrecht, who has been on Metro International's Board of Directors since 2002, opened an after-dinner speech in August 2003 with the words: "Good evening ladies, gentlemen and n*****s". When the joke came to light, Albrecht, who has claimed he was referring to an address thought to have been made by German president Heinrich Luebke during a visit to Africa in 1962, decided to step down. "I accept responsibility for my unfortunate statement and its unintended consequences," Albrecht said in a statement last Thursday. The news, which came soon after the New York Times announced plans to purchase 49 per cent of Metro's Boston paper, coincided with word that another company executive, Steve Nylund, had also been heard uttering racist slurs. When it was revealed that

he too had used the word "n*****", in a joke about the size of male sexual organs, Nylund apologized for his comments and resigned from his position as head of Metro USA. The two men are not leaving the company altogether however. Albrecht will remain chief executive of the Modern Times Group, which spun off Metro in 2000, and Nylund will remain vice president of Metro International. AFP; January 17, 2005

Canada

CanWest Global Communications Corp. will be launching a free commuter daily aimed at urban youth, The Globe and Mail reports. It will start in March with a circulation of 300,000 in five major Canadian cities and will be accompanied by a website, eventually expanding to news delivery via mobile phones. CanWest, which owns broadsheet papers in many Canadian cities, is thought to be starting the free paper in a move to defend its market, which has seen competition in Toronto from Metro and 24 Hours, and attract the 18 to 34 year-old demographic. The paper is expected to follow standard free format using concise, easy to read stories and lots of entertainment news. The Globe and Mail; January 24, 2005

France

Metro was launched in three more French cities: Rennes and Nantes (edition Ouest, circulation 35,000) and Strasbourg (15,000) on February 1, 2005. Total circulation for the nine editions of Metro France rises to 630,000. In the area where Metro is distributed, 15.5 million people live. France has 60 million inhabitants. Metro France also wants to publish more 'specials' like Metromania, devoted to electronics. Total circulation in France has increased to 1.5 million in four years. Metro has nine editions, 20 Minutes six up to now, while there are Plus-papers in five markets: Lille, Lyon, Marseille, Bordeaux and Toulon. Total French paid circulation is eight million.

<http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

France

Schibsted will launch 20 Minutes Nantes (circulation 30,000) in March 2005. It will be the seventh edition after Paris, Lille, Lyon, Marseille, Toulouse and Bordeaux. Total French circulation will be 775,000 after the Nantes launch. Editions in Montpellier and Strasbourg will be launched later in 2005. 20 Minutes France has now a daily readership of more than 2 million. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

Hungary

Metro Hungary was the third read paper in the country in the first half year of 2004 (506,000 readers), in the third quarter it was already the 2nd (after Blikk) with 600,000 readers. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; January 2005

Japan

While the market for mainstream magazines is heading downward, free newspapers and magazines are thriving, according to the Japan Free Newspapers Association (JAFNA). There are 225 million copies of these ad-crammed publications found nationwide, mostly distributed at train stations and mostly read by women. In an effort to gain male readership, the publisher of monthly Hot Pepper launched another magazine aimed at men between 25 and 35, an age group with a lot of money to spend, but also difficult to corner. Another free magazine, the weekly R25, contains original articles about entertainment and politics, each written in 800 characters to allow a reader to finish between train stops. R25's circulation soared from 100,000 to 600,000 since its start in July. Editorial director Daisuke Fujii says one purpose

of R25 magazine is to help prevent young people from fleeing paper media, essentially becoming a "portal" to the print world. The popularity of free papers among young generations is related to consumption patterns often associated with the Internet, adds JAFNA senior managing director Akira Tsukamoto. "Young people are living in a world where information can be obtained freely using mobile phones and personal computers," he says. Kyodo News via The Japan Times; <http://www.ojr.org/japan/digest/digest.php>; January 5, 2004

Latvia

The newspaper Atslegas will be launched in Latvian and Russian in February. The publisher, a government agency to support adoption of the Latvian language, has received a subsidy from the EU Phare programme of US\$72,600. The initial circulation has been projected at 30,000 copies. It is assumed that the newspaper will publish and examine Latvian government decisions and their impact on citizens' day-to-day life. The newspaper will be distributed free via Latvian Post Office outlets and municipal libraries. www.gipp.ru; January 21, 2005

The Netherlands

Free newspapers Spits and Metro rank 2nd and 3rd in readership survey November 2003 to October 2004 with 11.6 per cent and 9.3 per cent of all Dutch readers (13+ age group) reached. De Telegraaf is still leading newspaper (17.2 per cent) but the second paper in the Netherlands, de Volkskrant reaches only 5.6 per cent while Algemeen Dagblad (third in paid circulation) ranks fourth with 7.9 per cent. Owner De Telegraaf reported that Spits first showed a profit in 2004 – the paper was launched in June 1999. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; January 2005

Portugal

Metro International S.A. (Metro) announced that it has launched its first Portuguese edition in Lisbon. The Lisbon edition of Metro is being distributed free of charge this morning by hand and from racks at strategic locations in Portugal's capital city, including subway stations through an exclusive distribution contract with Metropolitano de Lisboa. The number of copies will gradually increase to 100,000 in the beginning of 2005. The first two issues, December 30th and 31st, will feature regular local, national and international news and a summary of the most important news of 2004. Metro International is the majority shareholder in the joint venture printing the Lisbon paper with a 65 per cent stake, while Grupo Media Capital, SGPS, SA will control the remaining 35 per cent. Metro will manage the operations while Media Capital will provide editorial content. <http://wpy.waymaker.net/client/waymaker1/WOLReleaseFile.aspx?id=61260&fn=wkr0001.pdf>; Metro International, December 30, 2004

Portugal

Shortly before Metro Lisbon was launched on December 30, 2004, free weekly Destak became Lisbon's first free daily with a circulation of 100,000. Destak (by Metro News Publicações, Lda) was launched as a weekly in September 2001. In November 2004 Grupo Cofina announced that they would buy 49% of the shares of Metro News Publicações with an option to buy the rest of the shares within three years. An additional investment of €1 million will be made for the launch of the daily version. Cofina publishes the dailies Record and Correio da Manhã. (www.publico.pt / www.clubedejornalistas.pt) With both Destak and Metro claiming a circulation of 100 thousand and a total Portuguese paid circulation of

570,000 (in 2003) free papers are now responsible for a market share of more than 25 per cent.

<http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

Singapore

The merger of the TV and free newspapers activities of MediaCorp and Singapore Press Holdings (SPH), already announced in August 2004 was completed on January 1, 2005, resulting officially in 'incorporating' *Streets* in *Today*. The operation however, looks more like the closure of *Streets*, only the name survives in the masthead (left) of *Today*. In the edition of 31 December 2004, *Today* happily announced: 'Goodbye to *Streets*'. The last farewell *Streets* edition counted no less than 92 pages. *Streets* had a staff of 44 people at the end. The 'merger' resulted also in pulling the plug from the afternoon edition that was only launched in March 2004. Government owned publisher MediaCorp will be the majority (60 per cent) shareholder in *Today*, SPH will have the remaining shares. *Streets* and *Today* were both launched in the fall of 2000. Metro International started talks in 1999 with subway operator SMRT but was either dropped by the consortium (MediaCorp, SMRT, Singtel) or was unable to get a newspaper licence in 2000. Another SPH newspaper Project Eyeball was dropped in 2001, less than a year after its launch.

<http://users.fmg.uva.nl/pbakker/freedailies/index.html>; January 2005

Spain

Spanish media company Recoletos Grupo de Comunicacion SA on January 18 launched a free newspaper called *Qué!* with a daily circulation of one million. The newspaper will be distributed in 12 Spanish cities, in direct competition with free dailies *Metro* and *20 Minutos*, already distributed in Spain. Recoletos didn't provide details on the cost of the launch. Recoletos is 79-per cent-owned by British media giant Pearson PLC. A group led by Recoletos management launched a bid for control of the Spanish company late last year. That bid is still pending approval. Source: <http://www.washingtonpost.com/wp-dyn/articles/A18279-2005Jan18.html> - Washington Post; EJC, MediaNews of 19 January 2005

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In *Periodistas21* the 1 million circulation of *Qué!* has been questioned. Also the content of the paper is criticised: too much sensation, bad typeface, and lack of sports, because the owners do not want any competition with their sports paper *Marca*. But as *20 Minutos* and *Metro* are officially audited, *Qué!* will have problems if the new title can not live up to its promises. Last readership audit is from November 2004 with *20 Minutos* and *Metro* ranking 3rd and 4th. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

Spain

Schibsted launched a Malaga edition (the seventh in Spain) of *20 Minutos*, with circulation 50,000. Total circulation of *20 Minutos* in Spain will be 720,000. Total Spanish free paper circulation will be more than 2.5 million (from 300,000 in 2000). Paid newspapers had a combined circulation of 4.2 million in 2003, meaning that almost 40% of the total Spanish circulation consists of free daily newspapers.

<http://users.fmg.uva.nl/pbakker/freedailies/index.html>; January 2005

Spain

Ahora (Now) will be published in Madrid from the first week of April on. In September 2005 the paper wants to extend to five more Spanish cities. Ahora will employ a staff of more than 40 people. The paper is financially backed by the Andalusian industrialist Jose Enrique Rosendo. Also behind the new paper is Luis Maria Ansón (former head of ABC, in 1999 founder of Spanish conservative daily La Razon). Joaquin Vila, former chief editor of La Razon will be heading Ahora. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

Spain

Carlos Oliva-Vélez, director general of Metro Spain said in an interview with PRNoticias that Metro wants to extend to 30 cities in Spain. No names were mentioned. Metro is now published in eight different editions in Spain. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

United Kingdom

The British Government has been asked to clarify new anti-litter legislation that gives local authorities power to control the distribution of free printed material on their land and highways, backed by criminal sanctions for failure to obtain the requisite consent. Free newspapers delivered through letter boxes and put inside buildings will escape regulation; other exemptions only apply to material distributed for charities or political or religious purposes. The Newspaper Society points out that state licensing of newspapers ended in 1695 and it would be absurd for the Government to re-introduce it by way of local government anti-litter laws. An account of the safeguards against the maverick misuse of the powers has been requested. Contact: David Newell, david_newell@newspapersoc.org.uk; Newsletter for Directors of WAN Member Associations, February 1, 2005

United Kingdom

The Manchester Evening News is mulling plans for a free late afternoon edition in the mould of London's Standard Lite, in a bid to protect its dominant position in the city. Paul Horrocks, the editor of MEN, is asking staff at the paper, which sells an average of just under 150,000 copies a day, for their views about a new edition. Executives at the paper, which is owned by Guardian Media Group, the owner of the Guardian and MediaGuardian.co.uk, are evaluating the business case for the radical move, but no decision has yet been made. "What we are doing is what a lot of newspaper companies will be doing: we're looking at and evaluating what the [London Evening] Standard are doing, why they are doing it and what impact it will have," Mr Horrocks said. "We're going through a dialogue both with staff and at board level... we'll be evaluating responses and putting together what we think would be a business case - or not - for a similar product in Manchester." He stressed that the paper was conducting an "evaluation exercise... These are not firm plans." A "MEN Lite" would probably go on sale in the centre of Manchester in the late afternoon, as people started to make their way home from work. It could run in tandem or replace the paper's fourth and final edition, which goes on sale after 4pm at the usual 30p price. Unlike the Evening Standard, which launched its free slimmed down edition at lunchtime, MEN is aiming for the final edition because sales are so low. According to the circulation figures for the first half of last year, its biggest sellers are its first (12.30pm) and second editions (2.30pm) which sell around 57,000 and 84,000 respectively. The final edition sells fewer than 4,000 copies - the opposite of the Standard, which sells more copies in the afternoon. In November MEN introduced a further edition

available as early as 6am. In common with other evening papers in the UK, the Manchester paper is trying to stem a long-term decline in sales. The MEN sold an average of 148,000 copies Monday to Friday in the first half of 2004, and has a readership of 378,000. The circulation of the paper has fallen in the last four years but not as dramatically as other national papers - down from around 180,000 in 1996. It believes its new 6am edition - which launched in November, after strike action was averted at the eleventh hour - has made a "promising" start. Mr Horrocks said all paid-for newspapers were in a "tough business" as readers increasingly lose the newspaper reading habit. "We have always got to ensure we remain dominant in our marketplace, Greater Manchester," he said. He said he expected other evening papers in the UK would be considering their options after the Standard's bold move last month. In London, Standard Lite is handed out at lunchtime and then swiftly withdrawn before later editions of the full Evening Standard. The 48-page paper, which presents news in an easy-to-read format shorn of features, star columnists such as Allison Pearson and critics including Fay Maschler, was launched on December 14 with a print run of around 50,000. Some commentators, including Peter Preston, the former Guardian editor, believe this spells the end of paid-for evening newspapers, which have been losing sales for decades. But Standard executives hope the Lite edition will attract new, younger readers to the Standard brand offering a "news snack" and whet the appetite for the longer read on a commute home, particularly on a big news day. The appeal of free newspapers has been demonstrated in recent years by Metro, which distributes more than 1m copies a day to commuters in eight circulation areas across Britain. It hands out 109,000 copies handed out in the Greater Manchester area, where it is a joint venture between GMG and Associated Newspapers, owner of the Standard and Metro in London. In Manchester, GMG is in charge of Metro's distribution, local classified advertising and some editorial, while Associated runs the national advertising sales and supplies the news content. Mr Horrocks said it was hard to quantify what the "Metro effect" had been on MEN, arguing that the freesheet had grown its own market of readers who had not previously read papers.

<http://media.guardian.co.uk/presspublishing/story/0,7495,1383932,00.html>; January 6, 2005

United Kingdom

London Mayor Ken Livingstone has announced the end of an exclusive distribution deal for Metro, the free daily published by Associated Newspapers. The demise of the agreement, reportedly worth £1 million (\$1.8m, €1.4m) a year to the capital's Transport for London authority, could pave the way for media magnate Richard Desmond to launch his long-threatened London afternoon freebie. Associated's monopoly of subway and rail station distribution has been under investigation by competition regulator, the Office of Fair Trading, prompted by Desmond's fierce lobbying. Livingstone believes the OFT is about to rule in favour of opening up distribution and says pragmatically: "It is a matter of record that other newspaper businesses would be willing to distribute a free afternoon paper and might pay even more than we are getting for the Metro deal." Promises a Desmond henchman: "If the Metro's monopoly is broken, we will launch a free evening paper." Associated, is apparently ready to spend up to £5m fighting such competition. It has recently launched a free, cut-down version of its 178 year-old Evening Standard, known as Standard Lite, to mop up commuters who no longer pay for newspapers. The company, if it chose, could certainly afford to outbid former porn baron Desmond for the Mayor's afternoon newspaper contract. Data sourced from Telegraph.co.uk; additional content by WARC staff; January 4, 2005

United Kingdom

Metro UK (Associated Newspapers) launched weekly MetroPLUS in London on January 24. The edition is aimed at young working women (slogan: Secs & The City). Initial circulation: 50,000. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

United Kingdom

Metro UK (Associated Newspapers) was one of the few (together with new tabloids The Times and the Independent) papers with rising circulation in the second half year of 2004. Metro's circulation rose 12%, to just over one million. Reason was the launch in June in two more markets. In general, UK circulation dropped with 3% compared to the same month (December) last year. (Media Week) Total circulation in the UK tripled in six years to 1.1 million. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

United Kingdom

The free Jersey newspaper, Metro, is no longer being published. The Guiton Group says a lack advertising revenue for the paper is one of the main reasons. The managing Director of the Jersey Evening Post (JEP) says resources will be concentrated on the main title, with elements of the Metro incorporated. Jerry Ramsden says the Metro was an experimental title and although it was popular with readers, advertisers were less responsive. <http://news.bbc.co.uk/1/hi/world/europe/jersey/4190595.stm>; January 20, 2005

United States of America

The New York Times Company, owner of The Boston Globe, and Metro USA announced on January 4 a joint venture in which the Times Company will own 49 percent of Metro Boston, Metro USA's free daily newspaper targeting well-educated young professionals. Under the terms of the joint venture, The New York Times Company will acquire a 49 per cent ownership position in Metro Boston for \$16.5 million. Metro USA will own the other 51 per cent and will continue to control and manage Metro Boston, which will be governed by a Board of Directors made up of Metro USA and New York Times Company executives. The transaction is expected to close in January 2005. Metro's editorial format will not change as a result of this transaction, and the Globe newsroom will not be involved in the editing of the paper. Since its debut in 2001, Metro Boston has attracted a young, active, well-educated audience of 300,000 daily readers. The Metro concept is unique in that it draws an equal number of male and female readers, 70 per cent of whom are under the age of 45. Approximately 1.3 million people read The Boston Globe each weekday. Duplication among readers is limited, making the partnership strategic for both entities and providing enhanced efficiency for advertisers. In 2004 Metro Boston generated approximately \$10 million in revenue. Press Release, Metro International; <http://biz.yahoo.com/pz/050104/70279.html>; January 4, 2005

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The Boston Herald, the city's scrappy tabloid, has launched a multi-pronged assault to block the New York Times Co. from buying a minority stake in Boston Metro, the free commuter daily. The Times already owns The Boston Globe, New England's top-selling broadsheet, and last week said it would buy 49 percent of the Metro for \$16.5 million -- a deal the Herald fears will undermine its position. For three straight days this week, the Herald has splashed juicy headlines across its front page detailing how Metro executives told racist jokes. At the same time, the tabloid has filed an antitrust complaint with the U.S. Justice Department that

says the transaction would lead to a monopoly in Boston's newspaper market. Already, the offensive has claimed a few casualties. In a front-page note to readers on January 13, Metro announced that two of its executives -- Steve Nylund and Hans Holger-Albrecht -- had quit for making "public statements quoting other people who had made racially disparaging remarks." For its part, The New York Times Co. said in a statement that it is "closely reviewing the steps that Metro International is taking to address recent reports of inappropriate comments by some of its staff and the process it pursues to ensure that it adheres to the highest standards of corporate behavior." Ken Chandler, the Herald's editorial director, said in an interview with Reuters that his paper thrives on competition, but that the Times-Metro deal would radically alter the landscape of Boston's newspaper market. In papers filed with the Department of Justice, the Herald said it had a 28 per cent share of the city's readership against 29 per cent for the Metro and 43 per cent for the Globe, and that if the deal went through it would lose out on advertising. "That's what it's all about," Chandler said. "This agreement will permit the Globe to cross-sell advertisement through the Metro." "We intend to fight as vigorously as we can," he added. "We'll stay right on top of this story because we think it's bad for Boston." Meanwhile, Globe publisher Richard Gilman has noted that Metro is a single free newspaper in the Boston media market, which includes 18 paid dailies. "In addition, there are a considerable number of free weekly newspapers, including the many owned by (the same company that owns the Herald.) This may well be the most competitive newspaper market in the country," Gilman said in a statement. Should the deal proceed, the Times would purchase the minority stake in Boston Metro from Metro USA, a division of London-based Metro International, which publishes 42 newspaper titles in 16 languages. Metro launched its first edition in Stockholm in the mid-1990s. The company says its free tabloids typically turn a profit within three years of launch.

<http://www.reuters.com/newsArticle.jhtml?type=industryNews&storyID=7322000>; January 13, 2005

United States of America

Publishers of the Washington Examiner plan to announce on January 12 the rollout of a free tabloid. It's set to land on doorsteps of Washington's upper-middle class on February 1. They plan to print 260,000 copies five days a week plus Sunday. The tabloid will be delivered to upscale addresses in DC, Northern Virginia, and suburban Maryland; it also will be available in 1,700 boxes. Backed by Denver billionaire Philip Anschutz, the Examiner is being marketed as the next "big idea" in newspapering. It hopes to combine lively reporting by a young staff, guided by veteran editors, with the benefits of a controlled-circulation daily that can target high-income residential areas. All the revenues will come from advertising. "We're going head-to-head with everyone," says James McDonald, publisher of the Journal Newspapers, the suburban chain that will serve as the Examiner's launching pad. If the Examiner is even mildly successful in luring readers and advertisers, Washington could have a bruising newspaper war. The Washington Post, which has been steadily losing readers, is likely to counterattack in the news pages and by slashing ad rates. "No one is immune to competition," says Post publisher Boisfeuillet Jones. "We just focus on what we do." In the past, the Post has dealt with many of its competitors by buying them. Anschutz is not likely to sell. The Washington Examiner looks to be the next step in the Denver mogul's media march across the country. Last year Anschutz bought the San Francisco Examiner and two other Bay Area newspapers. He also bought the rights to the Examiner name in at least 68 other cities, including Denver, Kansas City, and Boston. Anschutz, 65, is founder and largest shareholder of Qwest Communications, but his diversified empire includes part ownership of six US soccer teams and the Los Angeles Lakers; control of the Union Pacific Railroad; and ownership of Regal Entertainment Group, the largest movie-theatre chain in the United States.

Anschutz is known as a reclusive businessman. He hasn't given a substantive interview since 1974. But his interest in building a media empire is well known, and starting in Washington was well planned. "This will be our flagship market," says Examiner editor John Wilpers. If the concept is successful in the nation's capital, will it jump to other cities? Says Jim McDonald, "I hope so." <http://www.washingtonian.com/inwashington/buzz/011105.html>; January 11, 2005

United States of America

Free paper amNewYork (Tribune Company) increased its circulation to 325,000. The paper was launched in October 2003 with a circulation of 150,000 - increased that to 180,000 at the end of year and to 240,000 in 2004. Total circulation of daily free commuter papers in the US is now 1.7 million. Almost 20 local papers have a combined circulation of 500,000. <http://users.fmg.uva.nl/pbakker/freedailies/index.html>; February 2005

Selling Online Content – Payment Channels

United States of America

The New York Times Co. is considering subscription fees to the online version of its flagship newspaper, which now is available for free, but it has no immediate plans to do so, the company said on January 7. One of the paper's biggest rivals, Dow Jones & Co. Inc.'s Wall Street Journal, charges for its online edition. A New York Times spokeswoman said the company is reviewing whether it should make any business changes to the online version but that no shifts were imminent. "We are reviewing the site to see whether or not there would be any areas where we should change the business model," said the spokeswoman, Catherine Mathis, adding: "This is not new. We've been discussing this for some time." According to the upcoming issue of BusinessWeek magazine, whose cover story focuses on The New York Times Co., an internal debate has been raging at the newspaper over whether its online edition, which had about 18.5 million unique monthly visitors as of November, should adopt a subscription fee. N.Y. Times publisher Arthur Sulzberger Jr. was quoted in the article as saying: "It gets to the issue of how comfortable are we training a generation of readers to get quality information for free. That is troubling." The online edition of the newspaper is available for free to registered users, although some content, such as archived articles, are available only if readers pay a fee. Paid Web sites can help publishers draw new circulation revenue, but free online editions can be attractive to advertisers because they attract many more readers. Newspaper industry consultant John Morton, who heads Morton Research Inc., said he thinks many newspapers want to wean readers off free online content and transform their Web sites into paid-only publications. Free editions of newspapers on the Web are "quickly falling out of favour," he said. "I think you will see newspapers selling electronic subscriptions or print subscriptions, or a combination of both, which is what the Wall Street Journal does, and has been very successful at." The Journal had about 701,000 paid subscribers for its Web edition as of the third quarter. Online Journal subscribers pay \$79 a year, or \$39 if they also subscribe to the print version. In a statement, Dow Jones' president of electronic publishing Gordon Crovitz said his company "would be delighted" if the N.Y. Times began charging online subscription fees. "We have never understood why a publisher would charge for its news in one medium, such as print, then give it away for free in another medium, such as online," he said. Mathis said that when the online version of the New York Times was first launched in the mid-1990s, it experimented with charging readers outside the United States a subscription fee. She said that plan was dropped in 1998 in favour of a free site for all registered users. <http://www.msnbc.msn.com/id/6799710/>; Reuters; January 7, 2005

Readership & Marketing Research / Surveys

Germany

Germans watched more television last year than ever before, according to a study released this week. The average German spent three and one-half hours watching television each day, according to the study. That was seven minutes longer than 2003 and marked the fifth consecutive record. The study was conducted by SevenOne Media, a subsidiary of the private broadcaster ProSieben.

<http://www.faz.net/s/Rub9E75B460C0744F8695B3E0BE5A30A620/Doc~E94D18D70125249C2A8D484F952FC1EE8~ATpl~Ecommon~Scontent.html> - FAZ; EJC, MediaNews of 07 January 2005

United Kingdom

The Daily Telegraph, the UK's best-selling quality daily, has seen significant increases in its readership among young and also upmarket audiences, according to official industry readership research available this week. Latest figures from NRS (the all-industry National Readership Survey) for April to September 2004 against the same period in 2003 show that The Daily Telegraph readership increases for young people out-paced its most direct competitors. http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 13, 2005

United States of America

Spanish-language newspapers have 50 per cent more readers per copy than mainstream English-language papers, according to study results released by the National Association of Hispanic Publications (NAHP) Foundation. The study, by Western Publication Research (WPR), looked at 94 audited Spanish-language papers and found they had an average of 2.89 readers per copy. By contrast, the study said, English-language newspapers average in a range of 1.9 to 2.1 readers per copy. "Audited Hispanic newspapers are delivering a lot more readers to their advertisers than our mainstream competitors," NAHP Foundation Chair Eddie Escobedo Sr. said in a statement. The results were the latest from a study conducted during the summer and fall by WPR to call the attention of Hispanic newspaper publishers to the value of auditing and to show media buyers that the niche papers can prove their circulation boasts. In 1979, La Opinion, the Los Angeles daily, was first Hispanic publication to be audited, but it hardly started a trend. NAHP noted that in 1990 the number of audited Hispanic newspapers, magazines, or other print products was less than 20. It's 125 now, the organization says. The NAHP said audited Hispanic publications have a combined circulation of 9.9 million, and an estimated readership of 28.7 million. "The NAHP Foundation is engaged in an ongoing campaign to increase understanding of what Hispanic print can deliver and how circulation audits can help achieve ROI for media buyers and publishers," said foundation CEO Thomas Oliver.

http://www.editorandpublisher.com/eandp/departments/ad_circ/article_display.jsp?vnu_content_id=1000761025; January 18, 2005

Online Audience Research & Measurement

Spain

The digital branch of the Audit Bureau of Circulations (OJD), OJD Interactive has published circulation data of December for its 105 associates. The first rank continues to be occupied by El Mundo.es, with almost five million unique users. Marca.com, AS Digital, Los 40

Principales, ABC and Cadena Ser belong to the top 10 in the list including websites of all types. <http://www.prnoticias.com/prn/hojas/noticias/imprimirnoticia.jsp?noticia=2739>; January 13, 2005

United States of America

USATODAY.com audience traffic recorded an increase in year-over-year growth of 51 percent with 8.5 million unique visitors in December 2004, according to Nielsen//NetRatings' combined Home/Work Panel. USATODAY.com's coverage of the Scott Peterson trial and the tsunami in Asia were the most viewed topics in the month of December. USATODAY.com Travel, a unique web site filled with information and tools to help travellers take control of the travel experience, also experienced traffic growth. The site recorded an increase in month-over-month growth of 13 percent with more than 1.1 million unique visitors in December 2004 and is now ranked number 16 in Multi-category Travel Websites, according to Nielsen//NetRatings' Home/Work Panel. USA Today; http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 17, 2005

Promotions to Increase Circulation / Games / Gifts

Europe

After DVD and books, the new weapon in the newspaper circulation battle is the encyclopaedia. A 19- to 22-volume collection sold for an extra charge with the daily — €11.90 for Le Figaro — is expected to attract new readers. Mediasat Company has run the offer. It has already involved leading titles in several European countries. In Italy, La Repubblica sold a weekly average of 520,000 encyclopedias in 2003 and in Spain El Pais scored 310,000 copies. Among the other titles are The Daily Mail (UK), Le Figaro (France) and Gazeta Wyborcza (Poland). This latter, published by Agora Group, has found it to be a way to react to the leadership taken away by Axel Springer's Fakt. A.N.I.M.A.'s Newsletter, January 24, 2005

Ireland

According to the UK's Sunday Times, the growing amount of giveaways in Sunday papers has failed to increase circulation. In 2004, a total of 133 free gifts, varying between CD, DVDs, and books, were inserted in Sunday editions, a rise of more than 100 freebies since 2002. Despite these failed attempts to attract more readers, 150 giveaways are predicted for 2005. A good example is Ireland on Sunday, an Associated Newspapers' tabloid that has been using this marketing tool for over the past few years. The papers' circulation fell 9.6 per cent between June 2003 and June 2004, even though it inserted 17 CDs and four books during the year-long period. The Sunday Times, January 25, 2005

The Netherlands

A Dutch magazine was including an unusual freebie with its latest issue - two marijuana seeds in a small plastic bag. Nieuwe Revu editor in chief Mark Koster said the move was a publicity stunt accompanying the 26 January issue, which advocates legalising marijuana and other banned substances. Although the Netherlands is famous for tolerating the sale of small amounts of marijuana and hashish in coffee shops, both are technically illegal and the government prosecutes possession of more than several grams. "We're saying, stop the war on drugs, which costs a fortune and there are no results," Koster said. <http://www.stltoday.com/stltoday/news/stories.nsf/world/story/B53EE1FB211D688786256F9>

Audit Bureaux of Circulation / Standards

United States of America

Former Newsday officials last year secretly reimbursed outside contractors for tens of thousands of newspapers the contractors bought to distribute free as samples - in violation of the industry's auditing rules, the newspaper's management has confirmed. The practice of disguising these so-called "bulk sales" was one of several methods apparently used by former officials to inflate the newspaper's circulation, which plays a large role in setting advertising rates. Newsday has already acknowledged past improper practices and reduced its audited circulation numbers by about 100,000 copies daily and Sunday. Federal and local law enforcement agencies that are investigating the newspaper declined comment last week. The bogus sampling program took place last spring even as industry auditors were examining Newsday's records, according to one person who participated and has been interviewed by federal investigators. He said he was approached by a mid-level Newsday manager, who has since been dismissed, to purchase some 5,000 copies of the paper a day during March and April, for which he was required to pay more than \$25,000. The paper later fully reimbursed him through a series of credits and a check for around \$10,000. In another instance, Newsday contracted with a catering company whose principal is related to a mid-level Newsday manager who was also dismissed last year. More than 7,000 daily papers were said to have been "purchased" by the caterer. The papers were then passed along to Newsday carriers to deliver as free samples, according to a person who distributed them. Newsday spokesman Stuart Vincent, in response to reporters' questions, acknowledged that the paper conducted the bogus sampling programmes, including one with the caterer, Forest & Brook Food Corp. of Hauppauge, last March and April. "The programme referred to lasted for only six weeks - March 14, 2004 through April 25, 2004 - before it was uncovered and stopped," Vincent said in a statement. "Newsday is no longer doing business with Forest & Brook." Calls to Forest & Brook seeking comment were not returned. The programme was initiated by former Newsday managers, and Forest & Brook has not been accused of any wrongdoing. "A former manager of Newsday's circulation department who was fired last year is a cousin to the owner of Forest & Brook, but we do not know if the manager was involved in the sampling programme," stated Vincent, who did not name the manager. "All papers distributed through the programme were fully deducted from Newsday's circulation." Vincent added that Newsday's new management "did not sanction the program and has instituted procedures and safeguards to ensure that this type of programme will not be repeated." Selling bulk quantities of newspapers to third parties such as retailers has become a relatively common practice since the Audit Bureau of Circulations voted to allow it in 2001. Papers often turn to their own advertisers to buy the papers to give away during special promotions. That legitimate practice has been used by some papers to bolster their circulation amid increased competition from the Internet and sluggish home delivery sales. But the Newsday practice went outside the rules by reimbursing contractors under the table. "Reimbursing a third party who is identified as the purchaser is an attempt to violate the spirit" of industry rules, said John P. Murray, vice president of circulation marketing at the Newspaper Association of America, an industry trade group. He said audit rules governing third-party sales are as stringent as those governing home delivery or single-copy sales. Vincent said, "Newsday's internal investigation and ABC's audit uncovered this and other unacceptable circulation practices. In each and every case Newsday immediately terminated the questionable programme." He said several top Newsday officials must now certify circulation numbers quarterly. Any official found to

engage in fraudulent circulation reporting is subject to termination and must return any bonuses or related payments earned during the period, Vincent said. In addition, Newsday parent Tribune Co. said it will sharply curtail its use of third-party sales in reporting circulation numbers. In a conference call with analysts last November, Jack Fuller, the recently retired president of Tribune's newspaper division, said the company would "pull way back" from the practice of third-party bulk sales and "sponsored home-delivery" programmes. "Typically, for most of our advertisers that is very low-value circulation," he said. Newsday's circulation numbers for last year have yet to be released by the industry monitor, Audit Bureau of Circulations, which has censured the paper for inflated circulation data. It's not clear how much circulation these bulk programmes accounted for. But in 2003, the latest year available, Newsday initially reported third-party bulk sales of 12,165 copies on weekdays and 11,569 on Sundays. ABC auditors subsequently disallowed 10,457 of the weekday copies and 3,104 on Sunday. These third-party sales were described as "home delivered", "retail/business" and "other," the categories an ABC spokeswoman said were likely to encompass the types of sampling programs used by Newsday last year.
<http://www.newsday.com/business/ny-bzcirc274126606jan27,0,2326942.story?coll=ny-business-headlines>; January 27, 2005

Pricing Policy

United Kingdom

In an attempt to react to declining circulation for tabloid newspapers, Richard Desmond's Express Newspapers has decided to slash the Daily Star cover price from 35p to only 15p. The last – very expensive for publishers - price war was in 2002 when the Daily Star sold for only 10p. Since 2000, Daily Star circulation rose from 627,000 to 836,000, while News Corp's The Sun was declining, as was the Daily Mirror. But the Daily Star has been on a declining trend as well, since summer 2002, when its circulation peaked at 950,000 copies. A.N.I.M.A.'s Newsletter, January 17, 2005

United States of America

Gannett is experiencing a "good yield" on the USA Today price increase to 75 cents, instituted Sept. 7. Douglas McCorkindale, chairman, president, and CEO of the publishing company, told investors and analysts that losses from the price increase were "not as high as anticipated" and that the reduction in single-copy sales was less than executives expected. For Q4, circulation at the national paper was up roughly 1 per cent, to about 2.3 million copies, compared to the same period last year. Advertising revenues at the paper, however, dropped 5.3 per cent in Q4. Paid advertising pages totalled 1,315, compared with 1,580 for the same quarter in 2003. For the entire year, advertising revenue at USA Today rose 6.6 per cent and paid pages totalled 4,763, down 3.2 per cent. For Q4 the paper experienced drops in such categories as travel, down in the mid single digits; auto, down in the low teens; technology, down in the mid teens; and telecom, which was down more dramatically. Retail and entertainment were two categories that experienced gains. McCorkindale said that January is turning out "OK" for the paper (and for the company at large). He expects 2005 to be a "solid year" for the company with positive (but uneven) revenue growth.
http://www.editorandpublisher.com/eandp/departments/ad_circ/article_display.jsp?vnu_content_id=1000777584; January 26, 2005

Newspaper Wars

United States of America

That New York has three Hungarian newspapers is in itself amazing. The city's last major wave of Hungarians arrived nearly half a century ago, after the 1956 revolution, and many New Yorkers of Hungarian ancestry don't even speak Hungarian. According to the 2000 Census, 49,498 people claiming Hungarian ancestry live in New York, 12,406 of whom are foreign born. Yorkville, once the city's premier Hungarian neighbourhood, is a shadow of its old self, and its last purely Hungarian restaurant, Mocca, closed a few weeks ago. Few, if any, immigrant groups can boast an appetite for news that exceeds its appetite for its own cuisine. Yet even as Mocca was dying, a new Hungarian newspaper, called New York Express, was being born. Did it represent a rebirth of the city's Hungarian spirit? Actually, something far less exalted. The new paper was started by Julia Hajnal, a Rockaway hairdresser, and her husband, a musician named Laszlo Kovacs, to needle Istvan Peterman, the aggressive publisher of Magyar Szo-A Hid, Hajnal said. As both sides agree, the pair had clashed with Peterman over money after a party last June at the Hungarian House, an Upper East Side cultural center. As Peterman's newspaper expanded to 40 pages from 32, including well-organized sections on world, Hungarian and American news, New York Express tried to establish itself as the advertising newspaper for the Hungarian community. "This paper comes because Hungarians are not interested in politics," Hajnal said. "What they care about is where to live, where to find a good job, where is the party." Peterman disagrees, even if he has to execute his vision by lifting his content from Hungarian Internet sites without permission or credit. "Sue me," he said. "I'll close the company and walk away." He has aggressively expanded. In the case of his Christmas issue, he printed a record 5,600 copies and sent free papers to people whose names were on several new mailing lists he had acquired. Meanwhile, the owner of the city's more traditional Hungarian newspaper, and, most agree, its best-selling, watches the battle from afar. From his house in East Brunswick, New Jersey, Julius Kalnoky refuses to speak ill of either competitor. But there are signs that he is feeling the heat. His paper, Amerikai Magyar Nepszava-Szabadsag, or American Hungarian People's Voice/Liberty, which is 115 years old and sells 4,000 to 6,000 copies a week, is regarded by some younger Hungarians as a relic. As a result Kalnoky has been eyeing both the advertisers and readers of his competitors. But his paper, commonly referred to as Nepszava, is the only one with a national presence. Kalnoky is also unique in that he makes a living from the paper. (Peterman works for the city's Department of Design and Construction.) Nepszava is, by all accounts, the paper of choice for older Hungarians. One of its attractions are the lengthy essays by writers like Peter Halasz, who has contributed to the paper for more than 40 years. The paper also carries a regular column on Social Security issues. Yet another issue is the paper's political cast. Some critics dismiss it as "communist." Kalnoky, for his part, describes it as "slightly left of centre." Peterman's paper, Magyar Szo-A Hid (Hungarian Word-The Bridge), was originally called A Hid, until his purchase last year of the century-old Magyar Szo. Magyar Szo was a beloved but outdated eight-page weekly, assembled by an aging staff using old-fashioned cut-and-paste layout techniques, until Peterman bought it out for \$3. Peterman's paper is growing, and with much fanfare; several times, the cover headline has simply reported that the newspaper has more pages than ever before. New York Express, the Rockaway-based paper that is the baby of the group and the only one that is bilingual, has yet to gain wide acceptance, and vendors in Manhattan and Queens report that it sells less well than its two competitors. Hajnal has accused Peterman of having his staff put copies of his paper atop copies of New York Express on newsstands so it can't be seen. Although Peterman denied the charge, Hajnal responded by covering up copies

of his newspapers. "For two weeks I did it," she admitted, "and after two weeks, he complained like a baby." Peterman openly mocks New York Express. "If you don't have an original idea, and start a newspaper out of spite and anger," he said, "do you think you're going to have a chance to succeed?" Although Kalnoky seems relaxed in his position as senior Hungarian newspaper man, he has recently taken steps to enhance his publication. He has hired the Magyar Szo layout editor part time, recruited younger contributors, and like Peterman, sends notices to his competitor's advertisers seeking their business. http://www.iht.com/bin/print_ipub.php?file=/articles/2005/01/27/features/gary.html; January 28, 2005

Distribution in General

France

New rules on handling titles at newspaper sales outlets will be put into effect on February 1, aiming to clear these stores, according to the Nouvelles Messageries de la Presse Parisienne (NMPP). Three "major measures" will be implemented: curbs on copies supplied by publishers, withdrawing titles that do not sell, and early returns to clear the stores. For example, if it is obvious at a sale point that a weekly X does not sell six consecutive times, it will be automatically withdrawn from the store. "The individual rights of every publisher are preserved as well as the collective framework responsibility, as defined by the Bichet law," the NMPP said. The Bichet law of 1947 stipulates access, equality and impartial treatment of all titles. AFP; January 31, 2005

★ PRINTING & PRODUCTION SYSTEMS

Broadsheet / Tabloid Formats

The Netherlands

The major change in reformatting Nieuwsblad Transport is the change in size from broadsheet to tabloid. This size is similar to other titles of Reed Business Information (RBI) such as Distrifood, Logistiek Krant or Pakblad. A second important change is that the ad-sizes are no longer based on the newspaper system (mm x number of columns), but now there are fixed display sizes. With these changes, the adaptation of advertising material used in the other titles has been simplified. The name of the supplement "NT-Dossier" will be changed to "NT-Focus". Reed Business Information/The Netherlands;

http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 28, 2005

United Kingdom

The Guardian is spending £50 million on new printing presses as it prepares to follow its broadsheet rivals and launch a compact edition of the paper. Guardian Newspapers will launch both The Guardian and The Observer in what it calls a mid-size format – based on Germany's Berliner – in 2006. An order has been placed for presses that produce full colour newspapers by the time bosses hope to re-launch both titles. Investment in printing centres in both the north and south of England has also been confirmed. GNL is building a new print centre in the Bow Industrial Park in East London, where southern printing of The Guardian and The Observer will take place. One of its new presses will also be installed in Trafford Park Printing – jointly owned with Telegraph Newspapers – in Manchester, as part of the company's continued long-term investment there. GNL's existing printing contract with West

Ferry printers in London will not extend beyond January 2007. Carolyn McCall, chief executive of Guardian Newspapers, said: "This investment will enable us to publish the first of the new generation of full-colour newspapers. "We will have the most modern presses in the newspaper industry, allowing us to produce better quality, more convenient, full-colour newspapers in an exciting format, never before seen in the UK national newspaper market." <http://www.mediaweek.co.uk/articles/folder2005/01/guardian-printingplans>; January 13, 2005

United States of America

Knight Ridder is considering launching tabloid editions of its papers to boost readership, Tony Ridder, the company's chairman and CEO, said this afternoon, according to a Reuters report. A Knight Ridder circulation task force is examining two leading industry trends: more free dailies and converting broadsheets to tabs, which is becoming popular in Europe. "We think that a tabloid size has a lot of appeal, and there's a track record in various places that indicates that really works and can boost circulation," Ridder said in a conference call with analysts following the release of the company's fourth-quarter profit report, Reuters reported. "Even though we haven't made a final decision, we will probably be testing that in a few markets," he said. The task force also will review whether it makes sense to plunge deeper into the free daily market, Ridder said. Earlier this month, the company shut down a free weekly, StreetMiami, which had published since 1999. http://www.editorandpublisher.com/eandp/news/article_display.jsp?vnu_content_id=1000778211; January 26, 2005

★ ONLINE / DIGITAL PUBLISHING

Mobile Telephony & Newspapers

Jordan

Seventy-one per cent of Jordanian households now have a cellular line, only 5 per cent short of the fixed-line household penetration (76 per cent), said The Arab Advisors Group. The survey also indicates that the boom in satellite TV ownership in the country (91 per cent of households) has damaged the traditional channels - as only 49 per cent continue to watch terrestrial TV. 83 per cent of Jordanians watch news programmes, followed by family entertainment programmes at 78 per cent. Furthermore, the survey revealed that the predominant way to make international calls is via fixed lines (41.7 per cent of households) as opposed to cellular lines (28.4 per cent). <http://www.gmr-online.com/newsDetail.asp?disciplineId=3&articlesId=1203>; January 31, 2005

★ EDITORIAL CONTENT

Image, Credibility, Perception of Newspapers

Europe – United States of America

Compared trust in media EU/USA

		E.U.	U.S.A.
Press	Trust	47%	22%
	Do not trust	46%	62%
Radio	Trust	62%	43%
	Do not trust	29%	33%
TV	Trust	54%	22%
	Do not trust	39%	58%

EU: Eurobarometer – 25 countries – February - March 2004

U.S.A.: National Harris poll; 2,092 adults, on-line interviews - 12/8-15/8 2004

(From Media Network Weblog); A.N.I.M.A.'s Newsletter, January 17, 2005

Romania

A Romanian tabloid fired a reporter for making up a story about a couple who named their son Yahoo as a sign of gratitude for meeting over the Internet. Earlier this month, major Bucharest daily Libertatea published a story saying two Romanians had named their baby Yahoo and printed a picture of his birth certificate. "It was the reporter's child's birth certificate, which he modified," said Simona Ionescu, Libertatea's deputy editor-in-chief. She said Ion Garnod, who had worked for the paper for several years, had admitted inventing the story to look good.

<http://edition.cnn.com/2005/WORLD/europe/01/24/yahoo.baby.reut/index.html> - CNN; EJC, MediaNews of 25 January 2005

Acquiring / Sharing Editorial Content

Belgium

The Belgian personal finance publication, UW Vermogen, published by Magnet in Flemish, and the business financial daily L'Echo, published in French by Editeco, will publish six supplements in 2005 at a joint-venture. Topics such as taxation, vacations and investments will be covered. A 10 per cent combination discount will be available. Magnet/Belgium;

http://www.publicitas.com/default.asp?key=6.2&cpny=*; January 31, 2005

Buying Stories / Chequebook Journalism

Iraq

Officials associated with the election bloc that includes the party of interim Prime Minister Iyad Allawi have admitted that they routinely hand out envelopes containing \$100 notes to journalists attending press conferences, London's "The Daily Telegraph" reported on January 12. Some 20 envelopes were handed to local and international reporters after one recent campaign meeting, the daily said. The paying of journalists was common practice under the Hussein regime. <http://www.rferl.org/newsline/fulltext.asp> - Radio Free Europe; EJC, MediaNews of 14 January 2005

Graphic Design / Infographics

Europe

The Belgium daily De Morgen has been named Europe's Best Designed Newspaper in 2004 in the national newspaper category. The daily, with a circulation of 51,000 and a relatively small staff, beat out much larger newspapers for the prize. The European Newspaper Award is organized by the newspaper designer Norbert Küpper and the trade magazines Medium Magazin (Germany) and Österreichischer Journalist (Austria). Newsletter for Directors of WAN Member Associations, February 1, 2005

★ YOUNG READERS

Newspapers In Education – Newspaper Literacy

Canada

The Canadian Newspaper Association has created a special website dedicated to NIE. The site features materials for teachers in grades 7 to 9, including classroom lessons using newspapers. To access the NIE site, go to the CNA website at <http://www.cna-acj.ca>. Materials for grades 5 & 6 will be added in 2005. Contact: Anne Kothawala, akothawala@cna-acj.ca; Newsletter for Directors of WAN Member Associations; February 1, 2005

United States of America

A new study shows that using the newspaper in school leads directly to reading the newspaper as a young adult. The study conducted for the Newspaper Association of America concludes that structured, well-designed NIE programmes create loyal newspaper readers. The key, according to the study, is for newspapers to make the commitment to create effective programs that students will remember. One of the most significant findings is that 62 per cent of young adults aged 18-34 who had newspapers distributed as part of their school curriculum now read a weekday newspaper. Of those who say they had no exposure to newspapers in school, only 38 per cent say they are regular newspaper readers. More on the study at <http://www.naa.org/artpage.cfm?aid=6657>; Contact: John Sturm, sturj@naa.org; Newsletter for Directors of WAN Member Associations, February 1, 2005

Pages / Publications for Children / the Young

France

Mon Quotidien, My Daily, the national daily making money and drawing in new readers with a colourful mix of hard news and human interest, was launched 10 years ago on January 5. It has a print-run of 60,000, is delivered every morning across the country and like every other paper has splashed this week with harrowing images of the Asian tsunami aftermath. The only difference with the rest of the pack is the market: Mon Quotidien is a newspaper for children. "At the start no-one thought it would work, because - let's face it - France is not a country where a lot of people read newspapers," says founder and editor-in-chief Francois Dufour. "But after two years it suddenly took off. Today we benefit from what I call a virtuous triangle: children who like to read news that is directed at them; parents who just like their children to read; and teachers who welcome material which feeds into the school curriculum." Directed at 10 to 14 year-olds, Mon Quotidien describes itself as the "only newspaper for kids in the western world." Not only is it read by children, it is also partly produced by them - with a panel of pupils taking part in the morning editorial meeting in Paris. Such is its success that it has spawned three spin-offs for other age groups: "Le Petit Quotidien" for eight to 10 year-olds; "l'Actu" for teenagers of more than 14; and most recently "Quoti" for very young readers. Altogether the publishing house Play-Bac produces 200,000 copies every day and has an annual turnover of €15 million (US\$20 million) on which it makes a small profit. Two-thirds of subscribers are families, who pay €0.46 (0.61 US cents) for eight heavily-illustrated pages of brief news stories, captions and cartoons. The rest are schools. The paper is designed to give a child just 10 minutes reading every day, which education experts say is realistic. "Our motto is 'show the truth,'" says Dufour, who started the paper in 1995 with profits from the highly successful "Brainquest" educational quiz cards in the United States. "We do not do Walt Disney and we do not paint in pink. We show the reality. Now reality is often shocking enough - so we do not use the most shocking pictures. But after the tsunami we did show dead bodies. For the younger readers we just had a line of empty coffins." Indeed Mon Quotidien does not shy away from sensitive issues - in November it led with the 15-year prison sentence given to a paedophile school-teacher and it regularly treats subjects such as homosexuality and violence in schools. For its tenth birthday, Mon Quotidien was published in a special edition Wednesday, and available exceptionally in newspaper kiosks. Proceeds go to the tsunami relief fund. At a time when illustrious names in the French news businesses like Le Monde, Liberation and L'Humanite are haemorrhaging readers to free-sheets and the Internet, the success of a simple, lively and well-targeted paper like Mon Quotidien may provide a useful lesson to editors. "It is an incredible fact that 70 per cent of the parents who subscribe to one of our papers for their children do not take an adult newspaper themselves. And it turns out that a lot of parents actually read Mon Quotidien as well," says Dufour. "If I were to advise the owners of the big nationals I would say make yourselves more appetising, and more interesting. No-one wants to read the doings of this or that minister. People want to read about people. It's like the old expression: 'Speak to me of me'." AFP, January 5, 2004

★ MEDIA LAWS

Media / Press Laws

Zimbabwe

Zimbabwe's President Robert Mugabe has signed into law a measure that sets prison terms of up to two years for any journalist found working without accreditation from the government-controlled Media and Information Commission. Other new legislation includes the Criminal Law (Codification and Reform) Act, which could be used to jail journalists for up to 20 years for publishing or communicating to any other person "false" information deemed prejudicial to the state. The Criminal Law (Codification and Reform) Act awaits Mugabe's signature.

<http://www.cpj.org/news/2005/zimbabwe10jan05na.html#more> - CPJ; EJC, MediaNews of 11 January 2005

Licensing / Registration of Publications

Belarus

Belarusian Information Minister Uladzimir Rusakevich told the ministry's board that the ministry will tighten requirements for print and electronic media outlets. Mr Rusakevich also vowed to "take specific steps" with regard to non-state press-retail networks, which the agency described as a signal that the government wants to bring this sphere under its control. Rusakevich called on state-controlled media outlets to improve their efforts to counter "anti-Belarusian activities planned both inside the country and abroad."

<http://www.rferl.org/newsline/fulltext.asp> - Radio Free Europe; EJC, MediaNews of 1 February 2005

Protection of Sources

France

An examining magistrate led some 10 police on a search of the weekly Le Point offices in Paris on 13 January in a probe into "violation of the confidentiality of an investigation" involving an alleged doping scandal within cycle team Cofidis. A virtually simultaneous search was carried out by another examining magistrate at the offices of the sports daily l'Equipe. Reporters Without Borders said, "We offer our support to the journalists and the management of Le Point and l'Equipe, and call on the legal authorities to respect the right to protection of sources, guaranteed by Article 109 of the criminal code and Article 10 of the European Convention on Human Rights." The first search, at Le Point, was led by magistrate Katherine Cornier from the Paris suburb of Nanterre. Police with her noted all the newspaper's fax numbers and seized two computers belonging to journalists Olivia Recasens and Jean-Michel Décujs, in a bid to identify their sources on the doping story. Police and the magistrate questioned journalist Christophe Labbé the same afternoon while Décujs will be interviewed on 14 January. The Nanterre prosecutor's office launched a legal action at the start of 2004 for violating the confidentiality of an investigation after Le Point on 22 January carried extracts of phone-tapped conversations ordered by Judge Richard Pallain in the doping scandal involving cycling competitors in the Cofidis case. Divulging the results of phone-tapping can be seen as a violation of confidentiality of an investigation. The courts on 14 December ordered Le Point's management to quickly produce full details of the newspaper's

hierarchy with details of all staff phone and fax numbers. Chief Executive Officer Franz-Olivier Giesbert, only sent the judge the same details that are published in the newspaper itself. L'Equipe had on 9 April 2004 carried extensive extracts of official interviews with several Cofidis riders, some of whom were under investigation in the alleged doping scandal within the cycle team. A Nanterre judge decided after the management of Cofidis had issued a writ against L'Equipe that the confidentiality of the investigation did not bind the daily's journalists. RSF; 13 January 2005

Civil Laws – Defamation – Libel & Slander

Kenya

Prosecutors have dropped a charge of criminal libel against a Kenyan investigative journalist over a report alleging widespread government graft, court sources said on January 20. The Kenyan Attorney-General ordered the case closed because it was not worth holding the trial, they said. Last week the Nairobi Chief Magistrate's Court charged Kamau Ngotho of the Standard newspaper with defamation of character and the reporter was released on 20,000 Kenyan shillings (almost 260 dollars / 195 euros) bond, the newspaper said. The charge had prompted strong protests from western embassies, human rights and legal groups. "The trial was not worth the trouble and it was established that the indictment violated certain aspects of the constitution ...so the Attorney-General ordered the case to be withdrawn," the sources said. Ngotho, who could have faced up to three years jailed if convicted, had obtained the right to be tried before the constitutional court and not before a court of common law. The well-known investigative journalist was charged with "publishing defamatory matter" under a colonial-era law, according to the charge sheet. The Standard derided the law in question as "archaic and repressive" and said it had "never been used in independent Kenya." Kenya gained independence from Britain in 1963. The government's pursuit of the case provoked protest from the diplomatic corps, human rights groups and legal organizations who registered serious concern about perceived violation of press freedom. The charge against Ngotho accused him of defaming Kenyan businessman John Macharia and "others to be stated," whom the Standard identified as being involved in corruption. National Security Minister Chris Murungaru and a top aide to President Mwai Kibaki, among other officials, were also implicated by the paper in an alleged corruption network and had threatened to sue for defamation. Standard associate editor Kwamchetsi Makokha said last week the paper stood by its story. "We are not going to be intimidated by the police gagging us," Makhoha said. "We stand by the story, but if it is proven wrong we are ready to own up and apologise." The embassies of nine western nations - Britain, Canada, Denmark, Germany, Finland, Norway, Sweden, Switzerland and the United States - said they were deeply concerned by the ramifications of the prosecution. In a joint statement, they accused Kibaki's government, elected in late 2002 on an anti-graft and corruption platform, of backsliding on campaign pledges to ensure media freedom by pursuing the case. AFP, January 20, 2005

Russia

The January 31 edition of the Russian newspaper Kommersant consisted of only five almost entirely blank pages in protest against damages of US\$11 million (€8.44 million) it must pay a bank for damaging its reputation. Kommersant said last Friday it had paid 310.5 million rubles (\$11 million) in damages to Alfa Bank over an article it had published saying Alfa bank counters had been besieged by savers trying to withdraw their money over a feared banking crisis. Monday's front page contained only the text of the court damages ruling, together with a photograph of Mikhail Fridman, head of the Alfa banking group, shaking hands with Russian President Vladimir Putin. The rest of the page was blank. The newspaper

promised readers it would appear as normal Tuesday, even if that did not "please some people shown above," a reference to the picture. "There has been a hypothesis in certain circles that the Kremlin was behind the legal action against Kommersant," the photo caption read: "The editors do not think that this is accurate," it added with heavy irony. Kommersant, a frequent critic of government policy, is owned by exiled Russian tycoon Boris Berezovsky, wanted by Russian authorities on fraud charges. Berezovsky fell out with President Vladimir Putin after the latter came to power in 2000. Kommersant was taken to court over an article that appeared last July at the time of what looked temporarily like a new banking crisis, after Russia's 22nd largest bank closed because of liquidity problems, causing fears of a bank crisis similar to that in the year 1998. Alfa management issued a statement Monday saying the ruling against Kommersant was "an important precedent for the protection of the professional reputation of companies." Kommersant editor Andrei Vassiliev has said the paper will appeal the court ruling, and was willing to go even as far as the Court of Human Rights in Strasbourg, according to a report in another newspaper Gazeta. Alfa Bank also said it was ready to go all the way legally even as far as international courts. The bank said it would donate the entire 11 million dollars to charities and freedom of speech watchdogs, and would provide assistance to families of Russian journalists who have been victims of assassinations. At the time of the large-scale withdrawals by its depositors, Alfa Bank, which says it has more than 900,000 customers, temporarily imposed a 10 percent commission, denounced what it said was a campaign of lies by its rivals, and filed suit against Kommersant. The newspaper said in its defence had published only firm facts. AFP; January 31, 2005

Right to Witness Executions

United States of America

As New England's first execution in 45 years draws closer, pending further delays, those set to cover the event are dealing with a slew of issues most have never before had to address. Even though the execution of convicted serial killer Michael Ross, now set for Monday night in Connecticut, is the first in the region since 1960, only five media representatives will witness it. In addition, because of a provision in Connecticut state law that requires witnesses to be chosen via a lottery system, the state's two largest news organisations, The Hartford Courant and The Associated Press, have been excluded.

http://www.editorandpublisher.com/eandp/news/article_display.jsp?vnu_content_id=1000780094 - Editor and Publisher; EJC, MediaNews of 31 January 2005

Internet & Phone Tapping

Romania

The Romanian intelligence services SRI said it had tapped the phones of two journalists working for foreign media companies, and accused of spying, news agency Mediafax reported. "Two Romanian journalists who do not work for local media and who collaborate with foreign secret services have had their telephones tapped," SRI director Radu Timofte told Mediafax. It is the first time the SRI has admitted phone-tapping journalists, since its creation in 1990 to replace the feared Securitate police of the former communist regime, which was often accused of phone tapping the media. "Inquiries are ongoing," Timofte added, saying the individuals under surveillance were "putting national security in danger". SRI spokesperson Marius Bercaru told AFP the allegations concerning the two journalists were based on "reliable information". These two people "have contact with foreign secret service organisations, are involved in the collection of information for these services and are paid by them," Bercaru said. The SRI statements come two days after the publication by the daily

newspaper Ziua of a request for telephone taps of two private press agencies, Mediafax and AM Press. This request, made by the interior minister's information director, Virgil Ardelean, was part of an investigation of a police officer suspected of "providing information to non-authorised people about ongoing investigations". However the explanations of Ardelean have been rejected by a number of media freedom organisations and two parliamentary commissions, which have called for an official inquiry into the affair. Interior Minister Vasile Blaga said Ardelean will be fired if it is proved that he has broken the law. AFP; January 26, 2005

Poland

The publisher of Polish satirical newspaper Nie (No) was fined 20,000 zlotys (€4,900) by a court in Warsaw for an article that insulted Pope John Paul II, court officials said. Jerzy Urban, a former spokesman of the communist government under General Wojciech Jaruzelski, was charged with "insulting the head of state of the Vatican" in an article published in August 2002, following John Paul II's most recent visit to his native Poland. He pleaded not guilty to the charges, saying in his defence that he had the right to "regard the Pope with the eye of a non-believer" and that he had not intended to insult the Pope in the article, entitled "A walking sado-masochist". In the article, Urban called the Pope an "old man who's going downhill fast" and "his Divine Senility." The article said the Pope, now 84 and confined to a wheelchair by Parkinson's Disease, "should stay in bed and eat caviar and ice cream, pick his nose and scratch his feet rather than putting on a horror show for the public." Urban's trial, which began last year, has brought a string of protests from international media rights groups, including Paris-based Reporters Without Borders, which on Monday said that "legal proceedings undertaken following a simple, satirical article could set a dangerous precedent in a European Union member state." The International Press Institute, based in the Austrian capital, Vienna, sent a letter to Polish President Aleksander Kwasniewski condemning Urban's trial, saying the charges against him "represented a serious violation of freedom of the press." AFP, January 25, 2005

★ MANAGEMENT

Newspaper Innovations, Strategy & Visions – Generally Global

Fragmentation of rival media and the rise of compact editions paint a rosy picture for newspapers. Doom-mongers, spurred on by evidence of circulation declines, have been predicting newspapers' demise ever since the term 'world wide web' entered the lexicon. A report published last week by accountants PricewaterhouseCoopers (PwC), however, turns this pessimistic analysis on its head. Recent developments within the press and wider media, it argues, present newspapers with the rosier of futures, manifested in projected strong revenue and profit growth. It is a heady prognosis, perhaps brought on by one too many shandies at the Beancounters Christmas Ball, but much of PwC's case stands up to scrutiny. It asserts that the introduction of more accessible tabloid formats and Metro-style free papers are converting more young people and women to newspaper-reading, offering advertisers additional ways to target them. Few would argue with this, although PwC's prediction that readers of free newspapers will eventually trade up to paid-for ones is less convincing. Similarly, a suggestion that there is ample scope for cover-price rises, based largely on the cheapness of UK newspapers compared with their European counterparts, fails to recognise

that the UK market is also by far the most competitive. There is more merit in PwC's forecast that newspapers stand to benefit from a big increase in advertising revenue as a result of investments in extra colour-press capacity. PwC points out that colour ad rates can be two-thirds higher than mono, and demand for colour ads currently exceeds supply, leading to papers regularly turning down advertising. PwC also predicts that newspapers will benefit from the audience fragmentation of other media, with advertisers finding it hard to reach a mass audience using TV and radio. The redtops can deliver bigger audiences than most TV shows, with The Sun recording an average daily readership of more than 9m.

http://www.brandrepublic.com/mediabulletin/news_story.cfm?articleID=232873&Origin=MB25012005; January 19, 2005

★ OWNERSHIP

Takeover Bids

Finland – Norway – Sweden

The Swedish private investment firm Proventus Industrier on January 10 said it had purchased 15.2 per cent of Finnish media company Alma Media, thus creating potential problems for Norwegian media giant Schibsted's takeover bid for the Finnish company. Schibsted, the Nordic region's fourth largest media group, launched a €705 million (\$923 million) takeover bid for Alma Media last month, in what observers predicted would cause a hostile bidding war with Swedish rival Bonnier, which is the region's largest media company. Schibsted's tender, scheduled to end on January 31, prompted Alma to hint at the possibility of "restructuring" its TV assets, believed to be the main attraction for both Schibsted and Bonnier. Bonnier, which owns about a third of Alma's stock and which few expect to remain on the sidelines, for instance increased its ownership in Swedish TV4 to nearly 28 per cent from 21.7 percent a week after Schibsted made its announcement. With its existing 21-percent stake in TV4, Schibsted would become the Nordic region's largest commercial broadcaster if it does purchase Alma Media, which owns 23.4 per cent of the network, but only if the Alma empire is still intact when the dust settles. Schibsted meanwhile warned last month that it would pull out of the deal if Alma Media began selling off its assets. Proventus, which bought its shares in Alma Media from three separate Finnish insurance companies on January 7 for an undisclosed sum, did not own any shares in the Finnish media company prior to the purchase. "Following the acquisition on Friday we have initiated discussions with the other large owners of Alma Media regarding how to cooperate in the restructuring of Alma Media in such a way that the interest of all shareholders is considered," Proventus chief executive Daniel Sachs said in a statement. "Proventus does not have any media operations of its own and plans, as an independent investor, to contribute actively to develop Alma Media and TV4," he added. AFP, January 10, 2005

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Finnish news group Alma Media, the subject of what is panning out to be a hostile bidding war between Nordic publishing giants Bonnier and Schibsted, said on January 13 it would call an extraordinary general meeting to decide the fate of its coveted broadcasting division. The division, which owns Finland's largest commercial television network MTV3 and a chunk of Sweden's popular TV4, is seen as the main prize in the struggle over Alma. Both Swedish Bonnier and Norway's Schibsted already have sizable television holdings and are eager to consolidate the Nordic broadcasting market. "The company's Board of Directors is asking

authorization to the sale of its broadcasting division or (to) participate in other measures related to restructuring of the television sector," Alma said in a statement on January 13. The extraordinary general meeting, scheduled for January 31, should determine whether to divest the division in whole or in part, or to merge it with other regional players, the company said. Schibsted, the Nordic region's fourth largest publishing house, launched a €705 million (US\$932 million) surprise offer for Alma last month, setting off a tug of war over the Finnish group with its archrival Bonnier, northern Europe's largest media group. On launching its bid, Schibsted said it would break up Alma if its offer were accepted, only retaining its prized broadcasting assets and national dailies, while selling off its many regional and local papers. The Norwegian company warned however that it would pull out of the deal if Alma Media began selling off assets. Alma's move on Thursday could therefore effectively secure its survival as an independent media group, albeit a smaller one, market observers noted. AFP; January 13, 2005

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Norwegian media giant Schibsted hinted on January 14 it might retract its €705 million (US\$923 million) takeover bid for Finnish rival Alma Media after Alma said it was considering selling off its broadcasting division. Alma Media announced on Thursday that it would call an extraordinary general meeting to decide the fate of the broadcasting division, which owns Finland's largest commercial television network MTV3 and a chunk of Sweden's popular TV4, and which is seen as the main prize in the struggle to gain control of the Finnish company. AFP; January 14, 2005

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Swedish media giant Bonnier and venture capital firm Proventus Industrier launched on January 24 a counter takeover bid for the broadcasting division of Finnish media group Alma Media. The bid is in response to an offer from Norwegian publishing group Schibsted. Alma responded positively to the offer. Under the terms, the Finnish firm would remain an independent newspaper chain. However, its profitable broadcasting division would be sold to Bonnier, the Nordic region's largest media group, and to Proventus for €460 million (US\$601 million). "The alternative proposed by the Board of Directors is distinctly better for the shareholders than the public offer made by Schibsted on 3 January," Kari Stadigh, deputy chairman of Alma's board of directors, said in a statement. "The alternative will create a strong media company with diversified ownership and with good prospects for the future," he added. The two Swedish companies have offered, via their newly-established Almanova venture, a mix of cash and equity - €14 (\$18) for each of Alma's Series I shares and €12 (\$16) for every Series II share. AFP; January 24, 2005

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Norwegian media group Schibsted will not retract its takeover bid for Finnish rival Alma Media, despite Swedish media giant Bonnier's offer for Alma's broadcasting division, according to press reports on January 25. "We will maintain our offer for the time-being depending on how the situation develops," Schibsted finance director Trond Berger told the online edition of media trade publication Kampanje. AFP, January 25, 2005

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Norwegian media group Schibsted is pulling out of the bid battle for Finnish rival Alma Media following Swedish media giant Bonnier's offer for Alma's broadcasting division, media reported on January 29. "The plan was never to start a bidding war with the Swedes," Finnish

daily Helsingin Sanomat quoted Schibsted's chairman Kjell Aamot as saying. AFP; January 29, 2005

France

Staff at the French newspaper Libération – a beacon for left-wingers and intellectuals - voted on January 20 in favour of a bid from a member of the Rothschild banking dynasty to become its main shareholder. The 370 journalists and other staff cast their vote on the offer from Edouard de Rothschild, 47, to inject €20 million (US\$26 million) into the ailing paper and take over a 37 per cent share of its capital. Rothschild has given a guarantee that he will not interfere with the newspaper's editorial content. Founded in 1973 by the philosopher Jean-Paul Sartre and Maoist militant Serge July, the paper remains the daily of choice for the French left, but it is suffering from a drastic decline in readership and advertising receipts. Circulation dropped during 2003-4 to 149,218 from 160,622 in 2000. Under the accord - approved by Libération's management on Monday – the paper's staff would retain a blocking minority on the board, and July's job as editor-in-chief would be guaranteed till 2012. Rothschild, best-known in France as president of the horse-race organiser France-Galop, told staff that he wanted to turn the paper into a "truly independent and coherent press group." In separate ballots Thursday, printing room staff voted against the offer, but journalists and administrative and commercial personnel voted in favour, producing an overall positive majority. "It's the end of this newspaper's special adventure," commented one journalist: "A new era has begun." AFP, January 20, 2005

Mergers / Acquisitions

Bulgaria

German publishing group Verlagsgruppe Handelsblatt has acquired a 50 per cent stake in the Bulgarian newspapers Capital and Dnevnik, the newspapers announced. "The deal was finalised last week after three years of cooperation with the biggest German group of business media," Dnevnik wrote. Verlagsgruppe Handelsblatt acquired the two newspapers through a 50 per cent stake in their Bulgarian publisher, Economedia. Before last week's deal Economedia was a wholly owned subsidiary of the Bulgarian Agency for Investment Information (AII), which still retains the other 50 per cent in the two newspapers. According to Dnevnik, the acquisition is the fourth "east European" undertaken by Handelsblatt, following ventures in the Czech Republic, Slovakia and Serbia. AFP, January 10, 2005

Italy

The family of Italian Prime Minister Silvio Berlusconi has bought into its first major radio group to bolster an empire already embracing television, book publishing, movies and magazines. Leading publisher Mondadori says it has closed a deal to buy national radio group Radio 101 for €39.6 million. The Milan-based firm, controlled by Mr Berlusconi's family holding company Fininvest, says it had also bought a 10 per cent stake in Rock FM. Rock FM is the owner of two local radio licences. <http://medianetwork.blogspot.com/> - Media Network Weblog; EJC, MediaNews of 24 January 2005

Russia – Finland

Finnish media house SanomaWSOY said it had acquired Russian magazine group Independent Media, publisher of Moscow Times and Vedomosti as well as local editions of Cosmopolitan, Good Housekeeping and FHM. The takeover is valued at €142 million

(US\$186 million) and is subject to the approval of Russian and Ukrainian competition authorities and several owners of the magazine titles Independent publishes, Sanoma said. "With Independent Media, we will become the leading consumer magazine publisher in Russia and obtain a position in Ukraine. With its 52 million households, Russia offers great growth opportunities," Hannu Syrjaenen, chief executive of SanomaWSOY, said in a statement announcing the deal. "Independent Media is the market leader in Russia and is an excellent fit for us. The company has a good portfolio of known brands," he added. In total Independent Media controls three newspapers and 31 consumer and business magazines in Russia and Ukraine. SanomaWSOY, owner of Finland's newspaper-of-record Helsingin Sanomat and a leading magazine and book publisher in the Nordic region, has operations in 17 countries and posted a turnover of 2.4 billion euros in 2003. AFP; January 19, 2005

Singapore - Thailand

The magazine arm of media group Singapore Press Holdings (SPH) said it will acquire 49 per cent of Thailand's Traffic Corner Publishing in a bid to solidify its status as a regional player. SPH Magazines will also acquire nine percent of parent company Traffic Corner in a deal worth S\$6.3 million (US\$3.9 million), expected to be completed in February, SPH said in a statement. The Singapore media giant, which last year launched its flagship title "Her World" in Indonesia, Malaysia, China and Thailand, will now be able to publish new periodicals in Thailand. "The combination of SPH Magazines' publishing expertise and Traffic Corner's local knowledge and experience will be powerful," chief executive officer of Traffic Corner, Suraphong Triamchanchai, said in the statement. Traffic Corner Publishing produces several lifestyle and entertainment magazines in the Thai language, such as Bangkok Today, MTV Trax and A Day, while SPH Magazines publishes over 60 titles. "Together with our base in the Singapore market and solid platform in Malaysia, I am excited about the prospects for SPH Magazines," chairman of SPH Magazines, Arthur Seet, said. "Our strategy to develop SPH Magazines into a leading regional magazines business is taking shape." AFP; January 20, 2005

Equity Stakes

Brazil

Folha Group, the publisher of Brazil's biggest newspaper by circulation, said it will create the country's second largest media company by consolidating four units in a plan to sell shares to the public. Brazil's Frias family will control 79 per cent of the company, known as Folha-UOL SA, while Portugal Telecom SGPS will own the remaining 21 percent, the group said in an e-mailed statement today. Portugal Telecom acquired 18 per cent of UOL, Latin America's biggest Internet service provider, in 2001. "The reorganization of the group's stakes is aimed at selling shares to the public on the stock market in the near future," Luis Frias, president of the new holding company said in the statement. Folha is following other Brazilian companies such as Gol Linhas Aereas Inteligentes SA, the country's third biggest carrier, and Natura Cosméticos SA, the country's biggest cosmetics company, which took advantage of falling interest rates and faster economic growth to go public last year. Seven companies listed shares in the stock market last year, the biggest year for initial public offerings since 1986, according to data from the country's securities regulator. Brazil's Bovespa benchmark index has risen 46 per cent since May 10 when it reached its lowest level last year. The new holding company will fully control UOL, which has 1.3 million subscribers, and Empresa Folha da Manhã SA, the publisher of Folha de S. Paulo newspaper and owner of Datafolha polling company. Folha-UOL will also control a 50 per cent stake in Valor Economico newspaper, one of the country's biggest financial newspapers, and a 51 per cent stake in printing company Plural

Editora e Grafica Ltda, the statement said. Folha said its consolidation plan is pending approval by regulators.

http://www.bloomberg.com/apps/news?pid=10000086&sid=aBz9WndWO.wo&refer=latin_america; January 4, 2005

Foreign Ownership

United Kingdom

One day Axel Springer will be back. Germany's biggest newspaper publisher -the owner of the tabloid Bild- may have failed to capture The Daily Telegraph, but the company is keeping an eye on the British media. Mathias Dopfner, the company's 41-year-old chief executive, wants to expand the business outside his home country, where the scope for growth is limited, and confesses that his strategy is "opportunistic". If another British newspaper becomes available, Mr Dopfner will be in the hunt. <http://business.timesonline.co.uk/article/0,,9071-1449363,00.html> - Times online; EJC, MediaNews of 24 January 2005

Concentration / Pluralism

Republic of Korea

A revised bill, which was approved by a parliamentary subpanel on December 30, is aimed at regulating the market share of the country's newspaper companies. The bill, originally proposed by the ruling Uri Party, stipulates that any company with 30 per cent of the total market share or more, or the top three whose combined market share exceeds 60 percent, would involve sanctions such as penalty money as monopolistic businesses under the Fair Trade Act. The market share is supposed to be calculated based on print circulation instead of sales distribution by the Korea Audit Bureau of Circulations (ABC). The subject of the revised bill includes 138 nationally distributed newspapers as general interest, economic, sports and English-language dailies. Three dailies - Chosun Ilbo, Dong-A Ilbo and JoongAng Ilbo - currently account for 44 per cent of the market share and hence are not subject to sanctions under the revision. If a newspaper is found to have violated the law, it will be fined corresponding to 3 per cent of sales. The governing party had originally pushed for plans that aim to control the market shares of 11 national dailies only, which was construed as a "biased-policy" targeting at the three conservative vernacular dailies. According to the original plan, the combined market share of the "big three" would have been 68 per cent. Under the revised bill endorsed by a subpanel of the National Assembly Culture and Tourism Committee, newspaper companies are recommended to sign editorial contracts and form editorial and readership committees under a discretionary provision of the bill, which was one of the disputed articles between the ruling party and main opposition Grand National Party (GNP). The ruling party had pressed for it being a mandatory rule while the GNP accused it of being a fundamental violation of the freedom of the press. The bill also requires that newspaper companies report print circulation, fixed-price sales circulation, subscription rates and advertising rates to the Ministry of Culture and Tourism. The ruling party initially wanted the report of newspaper companies' internal management materials, including financial statements, business reports and details on stock share changes. The ruling and opposition parties also edited out the controversial article for limiting advertisement on the total pages of a paper to 50 per cent. The GNP and major dailies had opposed the provision, saying the article would be against the Constitution in terms of enterprise rights. The proposal of the GNP to allow a newspaper company to run broadcasting stations was not included to the revised newspaper bill and the plan calling for a government-funded newspaper distribution corporation was also erased. But the latter will be replaced with a plan to establish a public

service corporation, funded by newspaper companies, to jointly distribute newspapers. Reasonable levels of free distribution and gift giving are also permitted under the proposed bill. According to the Korea Free Trade Commission's newspaper regulations, newspaper companies are allowed to engage in free distributions and gift giving within a limit of 20 per cent of sales. Despite the agreement on the bill, however, many experts have raised questions over its constitutionality, as the regulation on newspapers is much stricter than that on other businesses. Currently, corporations are allowed to hold a 50 per cent market share, or three companies with a combined share of 75 per cent under the Fair Trade Act. <http://www.asiamedia.ucla.edu/article.asp?parentid=19093>; The Korea Times, December 31, 2004

Sell-off

Fiji

The Fiji government has decided to sell its 46.4 per cent shareholding in the Daily Post newspaper. Chief Executive Officer for the Ministry of Public Enterprise, Parmesh Chand, says the move follows a government decision that the media is not one of its core activities. Mr Chand says another reason for the sell-off is because of the Daily Post's poor performance over the last four to five years. <http://www.abc.net.au/ra/news/stories/s1284182.htm>; January 18, 2005

Israel

The sale of The Jerusalem Post by Hollinger International Inc. to Eli Azur and CanWest Global Communications Corp, controlled by the Asper family of Canada, for \$13.2 million, has run into trouble. Azur apparently wants to acquire full control of the English-language newspaper, rather than the two parties owning equal shares. CanWest has a market cap of \$5 billion. The buyers of The Jerusalem Post intend to sell the site the newspaper occupies in the Romema neighborhood of Jerusalem for \$7 million, and move the paper's offices and printing works to new premises. The newspaper's 9.5-dunam (2.375-acre) site is considered desirable. The sale of the newspaper was concluded two months ago, and Hollinger International notified the New York Stock Exchange to this effect. Sources close to Azur said today that the deal had not broken down, but that unexpected difficulties had arisen. Azur was unavailable for comment. <http://www.globes.co.il/serveen/globes/docview.asp?did=877762&fid=942>; January 25, 2005

State / Private Ownership

Morocco

The Moroccan government has approved a new law that would open up state-owned news operations to private investment, the Moroccan Times reported on December 29. The law, which came into effect in late 2004, allows private investment in the state-run Radio-Television Marocaine (RTM), the 2M public TV channel and the Maghreb Arab Presse (MAP) news agency. The law also opens the media market to a greater number of private broadcasters. Speaking at a media conference last November, Ahmed Ghazali, president of the Moroccan High Authority on Audiovisual Communication (HACA), said his group was already processing 90 applications for new stations. While these provisions open up the Moroccan broadcast industry, the law also includes several programming restrictions for private stations. Among the forbidden topics: "propaganda that implies racism, ethnicity, violence, humility and agitation" or programmes that glorify certain political, ethnic or philosophical groups. This Week in IJNet - Issue #292 ; January 24, 2005

★ TAXES

VAT

Russia

Russian government has been considering a VAT reduction from 18 per cent to 13 per cent, according to the business daily Vedomosti. The previous VAT reduction from 20 per cent to 18 per cent in 2004 did not incite the intended investment growth and budget revenue increase. Administration assumes that the reduced VAT might result in bigger investments and additional annual GDP growth by 1.5 per cent to 2 per cent. www.gipp.ru; January 14, 2005

Other Taxes

Japan

Nihon Shimbun Kyokai set up a special ad hoc task force last year on Measures to Cope With the Tax System to continue discussions on how the newspaper industry should respond to a consumption tax hike. There has already been six months of broad research and investigation covering the tax system, the Constitution and cultural policy. Taking into account US and European precedents, the task force in December released a report titled, "Low Newspaper Taxes Is Common Sense." The report says: 1) Newspapers are a root source of all kinds of information media. Public access to varied information through newspapers is indispensable for a democratic state and a stable society; 2) Raising the consumption tax for newspapers would discourage many people from subscribing, thereby worsening an existing trend. The end result will be lower literacy and a weakening of the national fabric, hurting the people as a whole; and 3) Most EU countries, known for their freedom and democracy, and over half of the US states charge no tax or a reduced rate for newspapers. This is a common international approach. The newspaper industry has long opposed any tax hikes that would impede newspapers from performing their role in sustaining freedom of speech and reporting. The industry also maintains that eliminating taxes and offering other tax relief are appropriate ways to recognize the public service provided by newspapers. Task force members consulted taxation and constitutional law experts, as well as government officials in the U.S. and some European countries. They also talked with media executives, scholars and tax officials. The task force concluded that newspapers constitute a vital "social infrastructure" needed to maintain and develop a democratic society and that cutting taxes to help newspapers is a reasonable approach. <http://www.pressnet.or.jp/newsb/index.htm>; NSK News Bulletin Online, January 2005

United States of America

A morning stop at the coffee shop for a cup of joe and the local paper could get a little more expensive under an initial public school finance plan that would reinstate a Texas sales tax on newspapers and magazines. The proposed legislation, filed by Rep. Jim Keffer, a Republican from Eastland, is a "shell bill" meant to start debate about fixing the state's \$30-billion public education system. It calls for slashing local property taxes by a third, increasing the cigarette tax by \$1 per pack, and eliminating the state's current franchise tax, which most businesses avoid paying. Overhauling public school finance is the top priority for legislators. Republican Gov. Rick Perry has declared the item an emergency issue. The state is under court pressure

to change the system that many school districts claim doesn't provide enough money to adequately educate all students. Expanding the sales tax base is just one measure suggested to recoup an estimated \$5.5 billion for education the state would lose if school property taxes are reduced from \$1.50 to \$1 per \$100 property valuation. According to a report by the State Comptroller's office, state sales taxes on newspapers and magazines would generate about \$30 million. The bill would repeal a 1981 law that made newspapers exempt from sales tax and a similar 1987 law exempting magazines. Sales taxes on newspapers were collected in 1980, but the Texas Comptroller's office asked the Legislature to create the exemption because it created an "administrative nightmare" for the industry, said Billy Hamilton, deputy comptroller. Because newspapers use individual distributors, vending machines, and a variety of other methods to dispense newspapers, Hamilton said, the collecting the tax is difficult. Newspapers oppose the sales tax because it is hard to collect and unfair to customers, said Donnis Baggett, Texas Daily Newspaper Association executive committee chair and publisher of the Bryan-College Station Eagle. "It's an unwieldy and difficult tax to administer," Baggett said. "Another element is you don't get taxed for getting information from the television or the Internet. It hardly seems fair to tax readers of newspapers and magazines." At the current state sales tax rate of 6.25 percent, a 50-cent newspaper like the Houston Chronicle or The Dallas Morning News would cost at least 3 cents more during the week. Sales tax on more expensive Sunday papers would cost about 10 cents. Baggett said he didn't expect an increase in cost would significantly impact newspaper sales. A spokesman for Keffer, who chairs the tax-writing House Ways and Means Committee, said the language in the bill is just filler and may not be included at the end of the legislative process. Texas newspapers are prepared to fight to make sure that language finds its way out of the bill before it becomes law. "We will oppose that," Baggett said. "It's just a bad idea."

http://www.editorandpublisher.com/eandp/news/article_display.jsp?vnu_content_id=1000780196; AP; January 31, 2005

★ LABOUR & EMPLOYMENT

Job Cuts / Redundancy Schemes

Israel

The Hebrew-language daily Maariv plans to fire more than 100 employees, including 50 journalists, and Haaretz has learned that a number of well-known reporters and commentators identified with the newspaper have received invitations to pre-layoff hearings, including Meir Uziel, Amir Gilar, Yehuda Golan and longtime assignments editor Yoram Avger and Kalman Liebskind. "What is happening here is inconceivable - these are wholesale dismissals," one Maariv journalist said. The Tel Aviv Journalists Association plans to join Maariv staff in fighting the firings. "The number and identities of dismissals is still in the hearing process," Maariv editor in chief Amnon Dankner said yesterday. "We will do everything in our power to reduce the damage to journalists and staff members." Haaretz revealed last week that businessman Vladimir Gusinsky - who has a 27 per cent stake in the mass-circulation newspaper - appointed an accountant to look at the newspaper's expenses. The accountant is determining, together with publisher Ofer Nimrodi, Dankner and deputy editor Avi Bettelheim, which costs can be cut and who are the candidates for pink slips. In addition to the layoffs, Maariv will implement 10 per cent to 30 per cent salary cuts for all its senior reporters. The cost cutting measures also apply to employees of Internet site NRG, in which the paper invested NIS 25 million when it was launched last June. Their English web site was taken down December 22. The cuts are the result of heavy pressure on Nimrodi by Gusinsky,

as Maariv has lost 75 per cent of its value since Gusinsky invested seven years ago.
<http://www.haaretz.com/hasen/spages/531456.html>; January 25, 2005

United Kingdom

At least 20 journalists are expected to leave the UK newspaper Financial Times following a voluntary redundancy programme at the loss-making newspaper. The redundancies follow a cost-cutting programme at the FT, which broke even in the final quarter of last year after losing money for two-and-a-half years. A spokeswoman said yesterday that most of those leaving had decided to accept early retirement. Roger Beale, the paper's award-winning cartoonist, is also expected to leave.

<http://media.guardian.co.uk/presspublishing/story/0,7495,1403009,00.html> - Media Guardian; EJC, MediaNews of 01 February 2005

United States of America

Early January, the Seattle Times announced it was \$12 million in the hole in 2004, and two weeks ago, the paper said it would lay off as many as 110 of its 1,500 employees in February. "We have to restructure," says Times spokesperson Kerry Coughlin. Besides what it calls an unfavourable joint operating agreement with the smaller Seattle Post-Intelligencer, the most recent Times red ink, Coughlin says, is a result of a changed marketplace, including a precipitous drop in classified advertising revenue. But whatever workforce reduction the Times wants to make will be complicated by a labour contract with employees represented by the Pacific Northwest Newspaper Guild, the union that struck the Times and P-I in 2000. As with most union agreements, layoffs would be based on seniority—last hired, first fired. And under the contract that ended the strike in early 2001, the paper would likely be forced to lay off several high-profile reporters who were hired in the past year, recruited from papers like the Chicago Tribune. Last week, the company said it was willing to offer severance pay to guild workers who voluntarily left the paper, in exchange for changes to job classifications that would somewhat affect the hierarchy of seniority. Coughlin says the move is an attempt to maintain journalistic quality while the paper struggles to adapt to new marketplace realities, such as the drop in classified revenue. Besides a generally poor economy, big newspapers everywhere are struggling with the emergence of classified advertising competitors on the Internet like Monster.com. Coughlin declined to specify the amount of losses in the years before 2004, but the locally controlled Times has said the 2000–01 strike was a major blow and that the joint operating agreement (JOA) with Hearst Corp., the P-I's owner, has been onerous. Hearst is a multibillion-dollar company, and the P-I has said it has no plans for layoffs. The Times is part of the privately held Seattle Times Co., a small Washington and Maine newspaper chain controlled by publisher Frank Blethen and other Blethen family members. (The Knight-Ridder chain has 49.5 percent stake.) The Times, with a weekday circulation of about 231,000, handles advertising, production, and distribution for the 156,000-circulation P-I and gives Hearst 40 percent of revenue from both papers after business expenses. (A mostly Times-produced Sunday edition has a circulation of 473,000.) Since 2003, the Times Co. has been engaged in a legal struggle, initiated by Hearst, over the Times' desire to end or amend the JOA. Blethen has said the Times can't operate profitably under the arrangement, and he thinks Hearst is trying to bleed his family's paper with legal expenses so it's forced to sell—to Hearst. The collision of circumstances—the economy, the marketplace, the JOA litigation—makes the Seattle Times predicament hard to sort out, but whatever the source of ills, the paper will be laying off some 110 people.

<http://www.seattleweekly.com/features/printme.php3?eid=60490>; January 26 - February 1, 2005