



Broadcasting Council of the
Republic of Macedonia

ANALYSIS OF THE MARKET OF
BROADCASTING ACTIVITY
for 2008

Drafted by the
Sector for research and long-term development of the
Broadcasting Council of RM

Skopje, November 2009

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Preface

For the purpose of obtaining full-scale information on the current situation of the broadcasting industry, the Broadcasting Council conducts an annual analysis of the market of broadcasting activity.

As a basis for building the regulatory policy in licensing, in stimulation and protection of the competition, as well as when taking measures for consolidation and stimulation of the market development, the Council has the need for precise data regarding the economic affairs of the broadcasters, their share in the advertising market, as well as their share in the total radio and TV audience ratings. The need to draft a market analysis is a result of the basic role of the Broadcasting Council, set in article 21, paragraph 3 of the Law on Broadcasting Activity (The Broadcasting Council, in the course of performance of its competences, ... shall ensure the ... economic and technological development of broadcasting activity). The basic goals of this law are defined in article 2 of the Law on Broadcasting Activity, among which "the improvement and stimulation of competition and development of broadcasting activity". To implement the competences from Chapter 3 of the Law on Broadcasting Activity – related to protection of pluralism and diversity of the programme offer, i.e. preventing illegal media concentration, the Council needs precise indicators on the share in the advertising market and the share in the audience ratings, which, as a criterion, is set in paragraph 6, line 1 and 2 of article 17 of the Law on Broadcasting Activity.

The first full-scale analysis of the market of broadcasting activity was conducted by the Broadcasting Council, within the frames of drafting the Strategy for Broadcasting Activity Development, and it covered the period from 2004 until 2006. The analysis of the market of broadcasting activity for 2007 was drafted during the previous year, 2008.

Here presented, the third analysis of the broadcasting market in a row, elaborates the conditions in 2008 and it uses the same methodology as the one used when drafting the two aforementioned analyses. The Analysis is composed of four sections: Television market, Radio market, advertising market and Ownership structure of the broadcasters.

The data on the economic-financial affairs were submitted by the broadcasters themselves. Anyhow, in accordance with the Law on Broadcasting Activity and with the bylaws¹, they were obliged to submit the data on an adequate form that is designed by the Broadcasting Council.

¹ in April 2008, the Broadcasting Council adopted an Instruction on the form and contents of the reports and requests of the broadcasters related to the changes in the ownership structure and the type and form of the data on economic-financial affairs that the broadcasters are obliged to submit to the Broadcasting Council (Official Gazette of RM no.53/2008).

The validity of the data from the form was compared to the data from the annual financial statement that the broadcasters submit to the Central Registry of the Republic of Macedonia, and a copy is submitted to the Council. Almost every broadcaster has fulfilled its obligation, except two televisions and three radios on local level, which have an insignificant participation in the total values of the market².

The data on the audience ratings of the television stations, as well as the values of the television advertising market, were obtained from the research agency AGB Nielsen Media Research from Skopje. For the purpose of doing a comparative analysis of the conditions in the country with the conditions in the other countries, we have used the data from the international publication "Television 2008 International Key Facts", edition of IP International Marketing Committee from Germany³. The data on the segmentation of the audience of the radio stations were received from the research agency SMMRRI from Skopje.

The Broadcasting Council would like to express its gratitude towards all the broadcasters that have submitted the needed data in a timely manner, as well as all other entities that have shown their readiness for cooperation in the course of drafting this analysis.

For all additional information regarding the data and insight stated in this analysis, you can address the Sector for Research and long-term development within the Council, on the following e-mail addresses: research@srd.org.mk; m.dovleva@srd.org.mk.

² The participation of the two TV stations (TV Uskana from Kichevo and NTV from Ohrid) in the total income of the TV market in 2006 was 0,24 %, and the participation of the three radio stations (Radio Aktuel and Radio Delfin from Bitola and Radio Besa from Prilep) is 0,14 % in the total income of the radio market.

³ http://www.ip-deutschland.de/ipdeutschland/Service/Publikationen/Mediennutzung/index_4598.jsp

Chapter 1

Summary of the analysis

2.1 Advertising market

- In 2008, the gross income from advertising⁴ in the television industry was in the amount of 23.715.237.343,00 denars (389 million Euros). With reference to the previous year, there is a growth of the gross income of 115,64 %.
- The net income from advertising⁵ was in the amount of 1.667.361.080,00 denars (27 million Euros), which is 51 % more than the previous year.
- The gross income from advertising is 14 times higher than the net income. Even though the discrepancy between these two indicators is usual, still, in the more developed countries it is significantly lower. There are numerous reasons⁶ why there is such a discrepancy in Macedonia.
- The potential of the Macedonian advertising industry is very low. In 2007, 87,89 Euros per capita were spent for advertising in the television industry. The value of this indicator is lower only in Bulgaria and Belarus.
- In 2008, main advertising industries were: telecommunication industry, industries for production of soft drinks and food, automobile industry, chemical industry (detergents and shampoos), banking sector, and a significant part is taken by the political advertisings and humanitarian actions.
- The top-ten advertisers for 2008 are: T-Mobile, Government of RM⁷, Coca-Cola, Procter & Gamble, Cosmofon, VIP, Makpetrol, Wrigley's, Avtonova and Automotive Group.
- The largest share in the net income from advertising belongs to the television stations on state level (92%). The ten regional televisions have 3% and the local televisions have 5% share in the net income from advertising in the television industry.

⁴ The gross income is calculated as a product of broadcasted advertising spots and the prices per second advertising time from the official pricelists of the television stations. The deduction, which is regularly provided when concluding an advertising contract, is not taken into consideration during the calculation of the gross income from advertising.

⁵ the net income represents the funds that according to the contract of sale of advertising time, the television stations have invoiced to the advertisers.

⁶ The most common reasons are: frequent deductions, because the prices in the official pricelists are unrealistically increased and even with the deduction, which is between 30% and 60%, you get the real price for second of advertising time; the deductions, in some cases, are in the amount of 90% of the official price; often, the products of the other businesses of the owner of the medium are advertised on the programme, and these broadcasted advertisements are not charged by the broadcaster; the advertisements that are broadcasted during the shows that are produced by independent producers, according to the contract with the broadcasters, are charged on the account of the independent producer; part of the income probably is not registered in the bookkeeping in order to avoid some taxes.

⁷ The Government of RM, for television advertising, in gross amount, has spent 1.056.453.899,00 denars. 6422 spots were broadcasted, in total duration of over 185 hours, and the Government of RM has ordered them.

- Same as the previous year, the segmentation of the audience is much bigger than the segmentation of the advertising income, which is a result of the presence of numerous foreign TV channels on the market.

This year, the biggest audience ratings belongs to A1 Television (21,07%), followed by Sitel (11,60%), Kanal 5 (7,37%), Telma (4,78%) and Alsat-M (3,28%). The three MTV programme services (MTV1, MTV2 and the Parliamentary Channel) had the shared audience ratings of 11,61%. The regional and the local televisions stations have 11,5% participation in the total audience ratings. The foreign channels that can be seen via the cable networks and the individual satellite antennas have high audience ratings (26,4%).

- The largest share in the net income from advertising in radio industry belongs to the radio station Antenna 5 (20,83%). The other two private national radio stations have significantly lower share. The share of the radio station Metropolis is 4,71%, and Kanal 77 is only 3,53%. The sixteen regional radio stations have 47,93% share in the net advertising income, and the local radio stations have 23%. The Macedonian radio, this year as well, has no income from selling the advertising time.
- The radio station with highest audience ratings, in 2008, is Antenna 5 (14,57%), followed by Kanal 77 (8,51%), then Metropolis (2,49%). The shared audience ratings of the Macedonian radio 1 and Macedonian radio 2 is 8,64%. The regional radio stations had the input of 29,73% in the total audience ratings, and the local stations had 36,06%.

2.2 Television industry

- On the television market, until June 2008, as an addition to the public broadcasting service – Macedonian Television, there were 51 commercial televisions. After the allocation of new licenses to pursue broadcasting activity, the number of commercial broadcasters has increased to 78, out of which 5 had the permit to broadcast on state level via a terrestrial transmitter, and 16 entities had the permit to broadcast on national level via a satellite, 10 regional televisions and 47 local televisions stations.

- In 2008, the television industry has earned the highest total income (2.341.114.753,00 denars), in the last five years. All segments of television industry have increased the total income compared to the previous year.

The largest part, i.e. 71,22% of the total income, is earned by selling the advertising time.

- The Macedonian Television earned the total income in the amount of 611.852.830,00 denars⁸. The largest part of these funds are from the Budget of RM, approved with a Recovery programme, and a very small part (0,35%) from the broadcasting fee.
- The five commercial televisions that broadcast programme on national level, have earned 63,3% of the total income in the television industry. i.e. 1.482.292.137,00 denars. All five televisions have increased their income compared to the previous year. The largest part of these funds (96,22%) were earned by selling the advertising time.
- The television stations that broadcast programme via satellite earned 2% of the total income. Only six satellite televisions have earned income during the analysed year.
- The regional televisions have shared participation of 3,5%, and the total income earned is 81.080.555,00 denars.
- The televisions on local level have earned the total income in the amount of 116.335.71,00 denars, i.e. 4,97% of the total income in the television industry.
- In 2008, the total accrued expenses in the television industry are in the amount of 2.179.207.193,00 denars. Compared to the previous year, the expenses have increased by 29,79%. Same as the income, the expenses have increased within all segments of the television industry.
- The private televisions on state level, which broadcast programme via a terrestrial transmitter, made almost 60% of the total expenses in the television industry, in the amount of 1.305.674.921,00 denars. The largest part of the funds, 66,84% were projected for production and purchasing programme.
- The total expenses of the satellite televisions were in the amount of 44.439.213,00 denars or 2% of the expenses in the industry. 84,90% of these funds were projected for production and purchasing programme.

⁸ These amounts are an estimate of the share of the MTV in the total income earned from the broadcasting fee and the Budget of RM.

- The accrued expenses of the regional televisions are in the amount of 163.758.125,00 denars, which represents 7.51% of the expenses in the industry. Almost 72% of these expenses are for production and purchasing programme.
- 5% of the expenses in the television industry are mutual expenses of the local televisions, in the total amount of 108.890.509,00 denars. 69,08% of these funds were for production and purchasing programme.
- The total payables of all entities in the television industry were in the amount of 2.203.641.812,00 denars. The payables of the Macedonian Television, A1 and television Sitel are 77,71% of this amount.
- In 2008, both the public and the private sector achieved a positive financial result. The Macedonian Television, for the first time in the last four years, made profit (43.363.810,00 denars). Only the regional televisions have a negative financial result in the amount of 84.472.297,00 denars, which is a result of the great losses of Television Skopje.
- The total number of engaged individuals in the television industry is 1753, out of which 1387 are in full-time employment, and 366 are part-time employees. The largest part of those individuals are journalists (31,4%).
- The televisions on state level employ 1188 individuals, out of which 520 are in the Macedonian Television and 668 in the private television stations.

2.3 Radio industry

- The total number of entities in the radio industry, until July 2008 was 61 (the public broadcasting service Macedonian radio and 69 private radio stations). 3 private stations on state level, 10 private stations on regional level and 49 private local radio stations have worked on the market. Seven licenses to pursue broadcasting activity on local level were allocated in July 2008, one local public enterprise completed the process of transformation and the number of commercial radio stations increased to 68 .
- In 2008, the total income in the radio industry is in the amount of 434.434.421,00 denars, i.e. 18,90% more than the previous year. Only the three radio stations on state level have decreased income and the other segments earned more than the previous year.
- The total income of the Macedonian radio is 294.595.805,00 denars, the funds, almost in its entirety, are from the Budget of RM approved with a Recovery programme,

and a very small part (4.370.566,00 denars) from the broadcasting fee. In 2008, the Macedonian radio does not have any earnings from advertising.

- The total income earned by the three private radio stations on state level is in the amount of 47.066.517,00 denars, i.e. 10,83% of the income earned in the radio industry. All three radio stations earned less income than in the previous year.
- The regional radio stations earned 14,45% of the total income, i.e. 62.768.332,00 denars. The dominant source of income was from selling the advertising time, 86,10% of the funds were earned in that manner.
- The local radio stations participate with 6,91% in the total income. They have earned the total sum of 30.003.767,00 denars, which is more than 20% more than the previous year. The biggest part of the total income (86,44%) is advertising income.
- The accrued expenses in the radio industry, in 2008, are in the amount of 367.744.131,00 denars and that is the lowest amount in the last five years. The expenses were decreased both within the private and within the public sector.
- The expenses of the three private stations on state level were in the amount of 39.025.828,00 denars, i.e. 20,4% less than the previous year. 40,37% of these funds were used for production and purchase of programme.
- The accrued expenses of the sixteen regional radio stations are in the amount of 58.078.528,00 denars, which is 1,36% more than the previous year. 60% of these expenses were for production and purchase of programme.
- The accrued expenses of the local radio stations are in the amount of 25.110.242,00 denars, which represents an increase of 1,02% compared to the previous year. 68,16% of the accrued expenses were for production and purchase of programme.
- The total payables of all entities in the radio industry were in the amount of 436.705.115,00 denars, the largest part (65%) are debts of the Macedonian radio.
- In 2008, the radio industry achieved a positive financial result in the amount of 56.964.919,00 denars.

All segments made profit, i.e. the profit of the Macedonian radio is in the amount of 43.266.970,00 denars, the private radio stations on state level made profit in the amount of 6.616.839,00 denars, the regional radio stations made profit in the amount of 4.019.665,00 denars, and the local radios stations made profit in the amount of 3.061.445,00 denars.

- In 2008, the total number of engaged individuals in the entire radio industry is 525, out of which 444 are in full-time employment, and 81 are part-time employees. The largest part of those individuals are journalists (44%).

The Macedonian radio has 295 individuals in full-time employment, and the private radio stations have 19 individuals in full-time employment.

2.4 Ownership structure

- The largest part of the commercial broadcasters are in the ownership of physical entities.

Out of the total number of 78 television stations, 55 were founded by physical entities, 18 were in the ownership of legal entities and 5 are in mixed ownership.

Only 2 radio stations were founded by legal entities and one is in mixed ownership. The other 66 radio stations were founded by one or more physical entities.

- The television stations Alsat-M, TV Era Sat and TV Era from Skopje are the only broadcasters with foreign capital in the ownership structure.

Chapter 2

Television industry

2.1 Key changes on the television market

Image 2.1. Key indicators on the changes on the TV market

Indicators	2004	2005	2006	2007	2008
Average weekly range of television (% of the audience ages from 10 to 70)	99,8	99,8	99,8	95,66	79,47 ⁹
Average time of watching television (minutes)	268	262	276	276	310
Share of the audience ratings of the public service MTV1, MTV2, Parliamentary Channel (% of the total ratings)	16,1	10,9	11,9	10,01	11,61
Share of the audience ratings of the private TV on state level A1, Sitel, Kanal 5, Telma, Alsat M (% of the total ratings)	51,6	53,4	49,2	51,5	48,1
Total income in TV industry (millions of denars)	1.083	968	1.352	1.675	2.341
Income of the public service (millions of denars)	524	418	428	473	612
Income of the private TV on state level (millions of denars)	402	384	751	1.058	1.482
Number of entities on the TV market	59	56	56	52	79 ¹⁰

Source: Broadcasting Council/AGB Nielsen Media Research Macedonia

In 2008, the Macedonian audience watched more TV than during the previous years

In 2008, almost 80% of the population, ages 4 and up, watched television for at least one minute once a week.

⁹ The difference in the values, to a certain extent, is due to the fact that in 2008, the new method for measuring TV ratings (peplemeter) was used, for the first time, on the territory of the entire country, while until 2007, there was the register method. The data on 2008 referred to the audience from ages 4 and up, and the weekly range is calculated for at least one minute of watching, as a difference from the register method which was used until 2007, and it referred to the audience from ages 10 until 70, and the weekly range was for at least 15 minutes of watching.

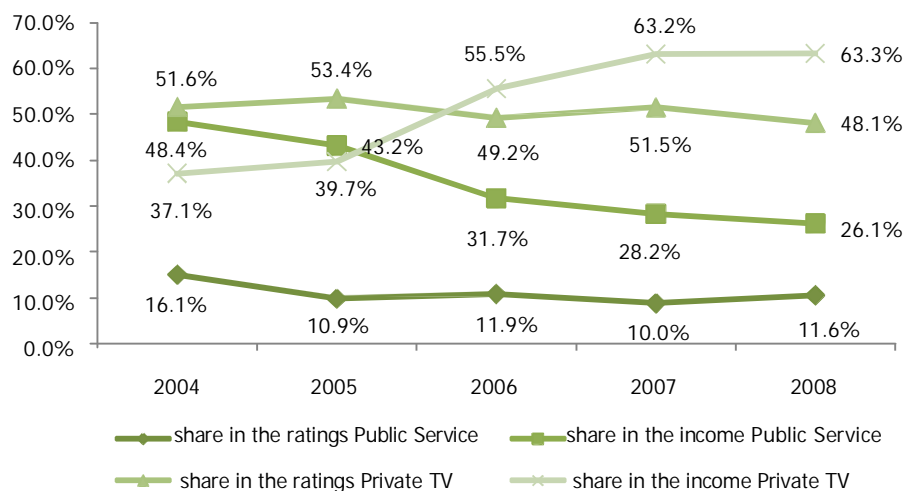
¹⁰ The data refers to the number of entities that had a license to pursue broadcasting activity. Realistically, the number of entities was smaller, taking into consideration the fact that some of the entities that received the license in 2008 have only broadcasted programme for several months during the year or have not broadcasted at all.

The average time that the Macedonian audience spent watching television is 310 minutes. In the last five years, this is the highest value of that indicator.

The dominant source of income for the public service were the funds from the Budget of RM; The audience ratings of the three programme services of the Macedonian Television are extremely low

Even though the 2008 income that is earned by the Macedonian Television is the highest in the last five years, for the largest part those are funds received from the Budget of RM. The problem with the collection of the broadcasting fee, which should be the basic source of income for the public service, remained unsolved in the course of this year. There is a small increase in the shared audience ratings of the three programme channels of the public service (MTV1, MTV2 and the Parliamentary Channel) compared to the previous year.

Image 2.2 Share in the total in income and in the audience ratings of the public service and the private TV stations on state level



Source: Broadcasting Council/SMMRI Skopje/ AGB Nielsen Media Research Macedonia

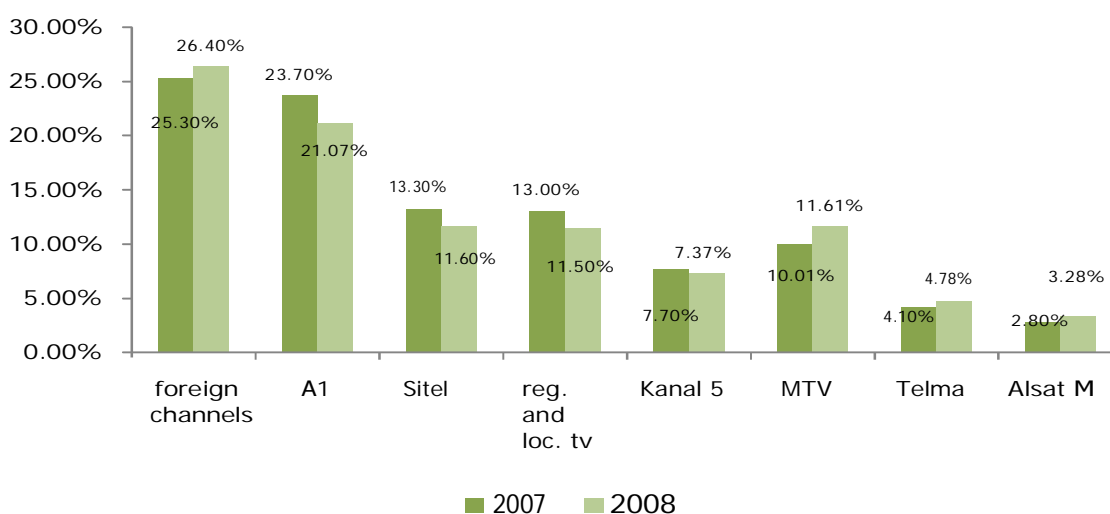
Despite the fact that the total audience ratings of the five private televisions on state level have decreased for 3,4%, this year, they have earned the largest part of the income (63,3%). The total income of these five televisions is continuously growing in the last three years, with a relatively high growth rate.

This year, A1 television has the highest audience ratings; and there is an increase in the audience ratings of the foreign channels

The total audience ratings of the televisions on state level were 59,71%, and the largest audience ratings for this year, again, belong to A1 Television (21,07%), which is still lower than the previous year (23,70%). The audience ratings for Sitel have decreased also (for 1,7%), for Kanal 5 (for 0,33%), as well as the total audience ratings for the regional and local broadcasters (for 1,5%). There are higher ratings, with reference to the previous year, for Telma (0,68%) and Alsat-M (for 0,48%).

The total audience ratings for the foreign channels, which the audience receives through a cable or satellite connection, are growing, year after year, reaching 26,4% in 2008.

Image 2.3 Share in the audience ratings in 2007 and 2008



Data: AGB Nielsen Media Research Macedonia

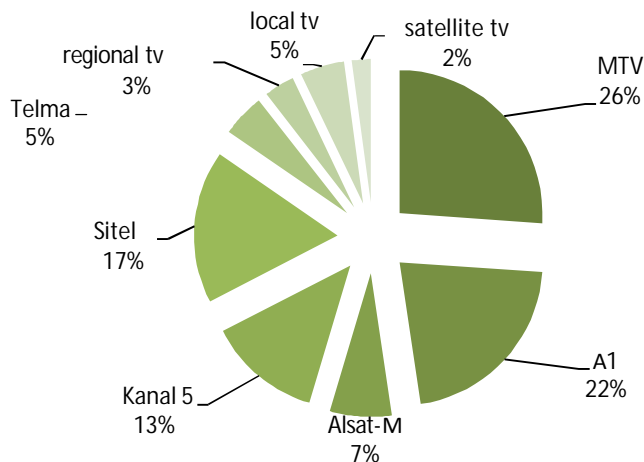
The total income has increased by 39,81%, compared to the income from the previous year... the largest part was earned by the televisions on state level

The total income earned in the television industry, as a whole, (2.341.114.753,00 denars), is the highest in the period of the last five years.

The highest share in the total income belongs to the televisions on state level (92%). The regional televisions earned the smallest share (3%), and the local televisions have earned 5% of the total income.

All five private televisions on stat level have increased their income, compared to the previous year, with the shared growth rate of 40%. There is an increase within the regional televisions (for 64,23%) and the local televisions (for 23,67%).

Image 2.4 Share in the total income of TV industry in 2008



Source: Broadcasting Council

The expenses in the television industry were almost 30% higher, compared to the previous year... 68% of those expenses were direct costs for programme production

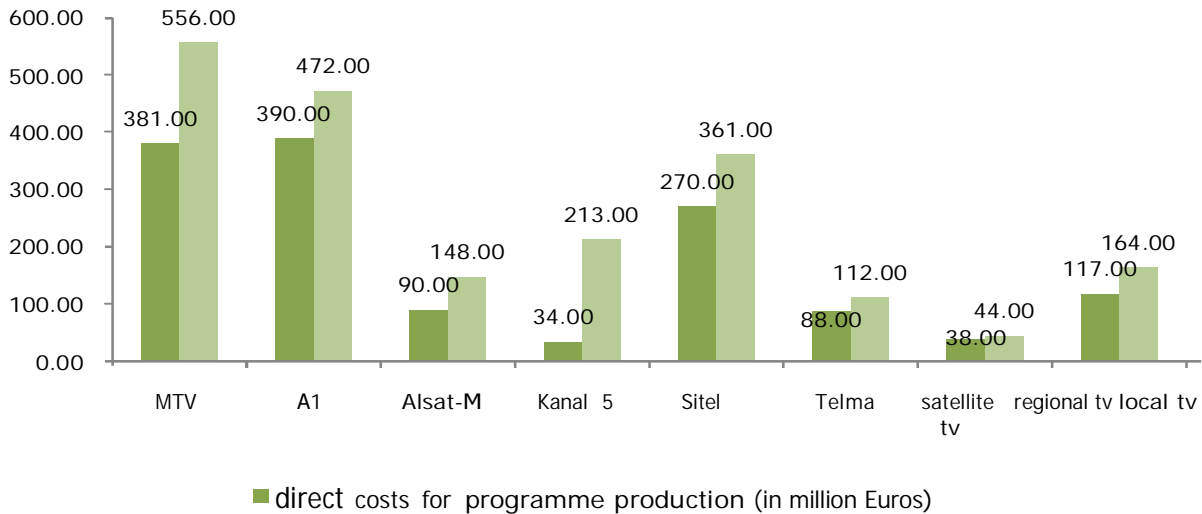
In 2008, the accrued expenses in the television industry are in the amount of 2.179.207.193,00 denars, i.e. 29,79% more than the previous year. The largest part of these funds were used for production and purchasing programme.

Almost 60% of the accrued expenses were made by the five private televisions on state level, 2% by the televisions that broadcast programme via satellite, 7,5% by the regional televisions, and the local televisions made 5% of the accrued expenses. The expenses of the Macedonian Television represent 25,5% of the accrued expenses in the television industry.

The accrued expenses of the Macedonian Television were in the amount of 556.444.315,00 denars. 68,53% of this sum were used for programme production for the three programme services (MTV1, MTV2 and the Parliamentary Channel).

The direct costs for programme production vary in the commercial televisions. The largest part of the funds for production and purchasing programme was spent by A1 television (389.869.118,00 denars), or 82,63% of the accrued expenses made by that television (471.807.972,00 denars) and Sitel (270.380.957,00 denars), or 74,79% of the accrued expenses of this television (361.075.539,00 denars).

Image 2.5 Accrued expenses and expenses for programme production

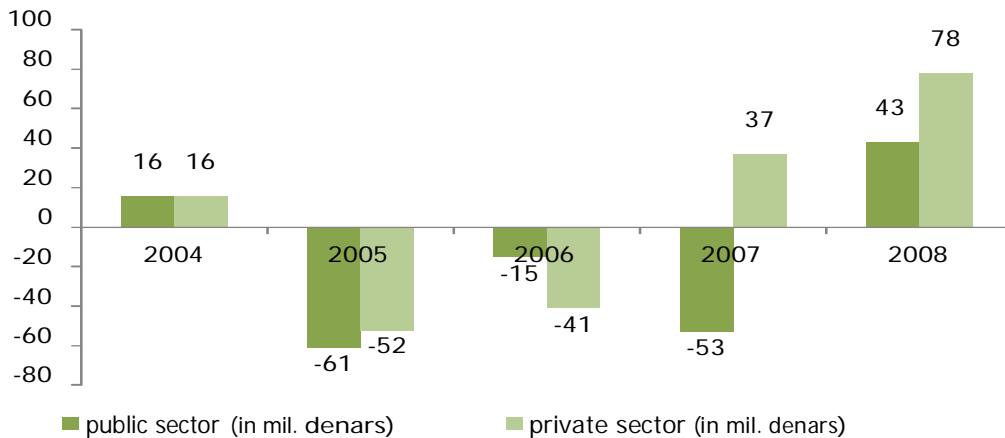


Source: Broadcasting Council

The share of the direct costs for programme production in the accrued expenses of the regional televisions is 71,23%, and 69,08% of the local televisions.

Both the public and the private sector have a positive financial result... the only segment with losses are the regional televisions

Image 2.6 Working results of the public and the private TV sector



Source: Broadcasting Council

In 2008, the earned income in the television industry in the amount of 121.252.993,00 denars. The Macedonian Television, for the first time since 2004, achieved a positive financial result from the work and the private sector has doubled its income compared to the previous year. In total, 42 television stations have a positive financial result and 24 television stations have losses.

The total number of employees in the television industry was 1753 persons; 1387 were full-time employees and 366 individuals were engaged part-time

In 2008, the television industry had 1753 employees, out of which 520 are in the Macedonian Television and 1233 are in the private sector. The biggest part of engaged persons are journalists (31,4%).

Image 2.7 Number and structure of the employees in the TV sector

Type of personnel	Number	Education			Status	
		UNI	HS	other	full time	Part-time
Journalists	550	391	155	4	435	115
Tech personnel (engineers and technicians)	284	55	215	14	225	59
Control room personnel (directors, cameramen, editors etc.)	457	100	338	19	377	80
Other personnel	462	126	286	50	350	112
TOTAL	1753	672	994	87	1387	366

Source: Broadcasting Council

2.2 Television industry

2.2.1 Models of reception of the TV-signal and entities on the market

The data on the type of reception of the television signal in the Macedonian households are obtained from the Research Agency AGB Nielsen Media Research Macedonia, which conducts the measurement of the TV audience in the Republic of Macedonia¹¹.

Image 2.8 Type of connection on the main television set in the households

Type of connection	Total (%)
Cable connection	52.4
Regular antenna	37.3
Satellite antenna	10.3

Source: AGB Nielsen media Research Macedonia,
April/May 2008

In 2008, the reception of the TV signal via a cable network was the dominant method of television reception in Macedonia: 52,4% of the households that own a television set were connected to some of the public communication networks that broadcast TV programmes. The number of connections to a regular terrestrial antenna is 37,3%, and 10,3% of the TV households had a satellite connection.

In the first half of 2008, the total number of entities on the television market was 52 television stations, including the Macedonian television.

Image 2.9 TV stations in the public and private sector until

	June 2008
Public sector	1
Private sector	51
Total	52

Source: Broadcasting Council

Out of the commercial televisions, five broadcasted programme on state level, 10 on regional level (the area of the city of Skopje) and 36 television stations had the license to broadcast on local level.

Image 2.10 Commercial television stations according to the coverage
until June 2008

State level	5
Regional level	10
Local level	36
Total	52

Source: Broadcasting Council

¹¹ The research was conducted in April and May 2008 on an exemplary specimen of 3700 households (that possess at least one television set).

With the allocation of the new licenses, the number of commercial televisions has increased to 78. However, large part of the entities that obtained licenses in 2008, still have not started to broadcast programme, in that year, taking into consideration the fact that according to the conditions in the license, they were obliged to start pursuing broadcasting activity one year after the day the license was issued, at the latest.

On 26 March 2008, the Council launched a competition for allocation of 10 licenses to pursue broadcasting activity – television via satellite (Decision no. 07-675/1 “Official Gazette of RM 40/08”), out of which 5 licenses were for television programme service of general format and 5 licenses for television programme service of specialised format.

With the Decision no. 07-1820/1 from June 11th, 7 licenses to pursue broadcasting activity for transmitting television programme service via satellite were allocated, out of which 4 were for television programme service of mostly entertainment general format (TV Kanal 5 Plus, TV Alfa, TV Era Sat and TV A2) and one license for television programme service of general format where the represented types of programme perform all three media functions (Perspektiva TV), one license for a television programme service of specialized format that has an entertainment function (TV Jungle) and one license for television programme service of specialized format that has an information function (TV MNC Media).

Image 2.11 TV stations in the public and the private sector

	until June 2008	after June 2008
Public sector	1	1
Private sector	51	78
Total	52	79

Source: Broadcasting Council

On June 11th, 2008, the Council launched an additional competition for allocation of 13 licenses to pursue broadcasting activity – television via satellite (Decision no. 07-1821/1 “Official Gazette of RM” 73/08), out of which 8 licenses were for television programme service of general format and five licenses for television programme service of specialized format.

With the Decision no. 02-2595/1 from 19 August, 10 licenses were allocated, three for television programme service of mostly entertainment general format (TV K-15 minus, TV Sitel 3 and Tinex¹²), four licenses for television programme service of general format where the represented types of programme perform all three media functions (TV Nova,

Nasha TV, TV AB Kanal and TV Sonce) and three licenses for television programme service of

¹² On a request of this entity, the Broadcasting Council, on its 14th session held on 26 May 2009, passed the Decision to amend the Decision on allocation of licenses to pursue broadcasting activity (television via satellite) where Tinex-MT DOOEL export-import from Skopje, is deleted as an entity to which the license was allocated to.

specialized format of entertainment function (TV BM, TV Zajdi-zajdi and TV Jug).

From the indicators, it is clear that in 2008, compared to the previous years, the number of commercial televisions that broadcast programme on state level has significantly increased.

Image 2.12 Commercial television stations according to the coverage

	until June 2008	After June 2008
State level	5	5
State level via satellite	0	16
Regional level	10	10
Local level	36	47
Total	52	78

Source: Broadcasting Council

As an addition to the five terrestrial TV stations, sixteen new entities obtained licenses to broadcast television programme services on state level, which shall transmit the TV signal to the Macedonian audience first to a satellite and then to the public communication networks.

Image 2.13 Television stations on state level

	Sector	Programme services	Method of transmission of the TV signal
MRT	Public	3	terrestrial
A1	Private	1	terrestrial
Alsat-M	Private	1	terrestrial
Kanal 5	Private	1	terrestrial
Sitel	Private	1	terrestrial
Telma	Private	1	terrestrial
Sonce	Private	1	Satellite/cable
AB Kanal	Private	1	Satellite/cable
BM	Private	1	Satellite/cable
JUG	Private	1	Satellite/cable
NASHA TV	Private	1	Satellite/cable
Sitel 3	Private	1	Satellite/cable
MNC MEDIA	Private	1	Satellite/cable
en Zajdi-zajdi	Private	1	Satellite/cable
JUNGLE	Private	1	Satellite/cable
ERA SAT	Private	1	Satellite/cable
ALFA	Private	1	Satellite/cable
Kanal 5 Plus	Private	1	Satellite/cable
A2	Private	1	Satellite/cable
K-15 minus	Private	1	Satellite/cable
Perspectiva	Private	1	Satellite/cable
NOVA	Private	1	Satellite/cable

Source: Broadcasting Council

During the analysed year, the number of regional television stations remained unchanged, i.e. the total number of 10 televisions broadcasted programme in Skopje.

Image 2.14 Commercial TV stations on regional level

Municipality	No.	TV stations
Skopje	10	Skynet, MTM, K-15, TV Skopje, Era, BTR, Shutel, Amazon, Edo and Krt

Source: Broadcasting Council

During 2008, the number of commercial television stations with license to broadcast programme on local level, has increased for 11 televisions.

Image 2.15 Commercial television stations on local level

Municipality	Until June 2008		After June 2008	
	No.	TV stations	Number	TV stations
Kumnovo	4	Festa, Dalga-Krt, Hana, Nova	4	Festa, Dalga-Krt, Hana, Nova
Bitola	3	Tera, Orbis, Medi	3	Tera, Orbis, Medi
Tetovo	5	Art, Kiss, Koha, Menada, Super Sky	5	Art, Kiss, Koha, Menada, Super Sky
Gostivar	1	Due	2	Due, Chegrani Media
Struga	2	Art Kanal, Kaltrina	3	Art Kanal, Kaltrina, Spektra
Ohrid	3	Moris, NTV, TVM	3	Moris, NTV, TVM
Veles	2	Kanal 21, Zdravkin	2	Kanal 21, Zdravkin
Strumica	2	Intel, Vis	2	Intel, Vis
Shtip	2	Iris, Star	2	Iris, Star
Kavadarci	1	KTV-41	2	KTV-41, Tikveshija
Kichevo	3	Boem, Gurra, Uskana	3	Boem, Gurra, Uskana
Radovish	2	Emi, Ko-Bra	2	Emi, Ko-Bra
Gevgellija	1	Nova	1	Nova
Sveti Nikole	1	Svet	1	Svet
Probishtip	1	Protel	1	Protel
Valandovo	1	VTV	1	VTV
Mak. Brod	1	Anisa	1	Anisa
Centar Zhupa	1	Zhupa	1	Zhupa
Kriva Palanka	0	-	1	Zlaten Kanal
Berovo	0	-	1	Top TV
Kochani	0	-	2	Kochani-LD, Kanal 8
Doleneni	0	-	1	Lazhani
Kratovo	0	-	1	Sitel 2
Delchevo	0	-	1	D1
Prilep	0	-	1	Kanal Vizija

Source: Broadcasting Council

The competition for allocation of 13 licenses on local level was launched on 26 March 2008, for the area of Berovo, Debar, Delchevo, Dolneni, Kratovo, Kriva Palanka, Makedonska Kamenica, Prilep, Kavadarci, Gostivar, Kochani, Resen and Struga (Decision no. 07-673/1 “Official Gazette of RM” 40/08).

On June 26th, by a Decision of the Council (07-2035/1) license to pursue broadcasting activity for broadcasting and transmission of television programme services on local level, was allocated to 10 entities (TV Chegrani Media from Gostivar, TV Zlaten Kanal from Kriva Palanka, Top TV from Berovo, TV Tikveshija from Kavadarci, TV Kochani-LD from Kochani, TV Lazhani from Dolneni, TV Sitel 2 from Kratovo, TV Spektra from Struga, TV D1 from Delchevo and TV Kanal Vizija from Prilep).

On June 26th, by a Decision no. 07-2037/1 (“Official Gazette” 81/08), competition to allocate 4 licenses to local television stations for the area of Debar, Makedonska Kamenica, Resen and Kochani was launched. After this competition, only one license was allocated, to TV Kanal 8 from Kochani (Decision no. 07-2914/1 from 6 October 2008).

2.2.2 Income in the television industry

In 2008, there was a continuation of the growth of the total income in the TV industry

The total income earned in the TV industry, during the analysed year, is in the amount of 2.341.114.753,00 denars. From the comparison data in the period of the last five years (image 2.16), it can be noticed that the last year was the most favourable year for the TV industry. Compared to the previous year, the total income has increased by 39,81%.

Image 2.16 Total income for the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
State	925.399.405,00	801.293.139,00	1.179.002.507,00	1.531.101.894,00	2.143.698.488,00
Regional	0,00	0,00	0,00	49.371.624,00	81.080.555,00
Local	157.721.491,00	166.393.822,00	172.766.061,00	94.068.295,00	116.335.710,00
Public sector (MTV)	523.846.455,00	417.673.170,00	428.058.824,00	472.519.365,00	611.852.830,00
Private sector	559.274.441,00	550.013.791,00	923.709.744,00	1.202.022.448,00	1.729.261.923,00
TOTAL	1.083.120.896,00	967.686.961,00	1.351.768.568,00	1.674.541.813,00	2.341.114.753,00

Source: Broadcasting Council

During each of the analysed years, the broadcasters on state level have the dominant share, reaching values from 85,4% in 2004, 82,8% in 2005, 87,2% in 2006, 91,4% in 2007 and 91,57% in 2008.

It can be noticed that all sectors have increased their income compared to the previous year. The biggest growth rate is made by the regional televisions (64,23%), slightly lower by the television stations on state level (40,01%), and the lowest by the local televisions (23,67%). The entire private sector has increased the total income by 43,86%, and the Macedonian Television by 29,49%.

Image 2.17 represents the advancement of some types of income in the last five years. Compared to the previous year, all television stations earned less only from donations, while all other types of income have a positive growth rate.

In the absolute amount, the biggest increase is in the income resulting from advertising and teleshopping (for 563.359.919,00 denars), due to several reasons: increase of the advertising budget by the major advertisers themselves, emergence of new advertisers on the market (VIP started its marketing activity in September 2007, but really intensified it in 2008 which was an incentive for the other two mobile operators, T-Mobile and Cosmofon to increase their advertising budgets), the increased campaign volume promoted through the Government and financed by the Budget of RM (the Government emerges as a second advertiser according to the gross advertising expenses) and the funds of the political parties for paid political advertising during the premature parliamentary elections.

Image 2.17 Structure of the income in the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
Broadcasting fee	392.380.807,00	347.282.653,00	178.802.962,000,	6.018.184,00	8.116.765,00
Advertisements	507.741.410,00	461.897.205,00	859.504.213,00	1.104.001.161,00	1.667.361.080,00
Sponsorship	1.638.404,00	1.027.479,00	3.906.648,00	2.421.638,00	3.187.897,00
Donations	32.097.648,00	39.571.463,00	32.617.169,00	23.066.857,00	11.501.310,00
Programme selling	1.127.970,00	3.201.953,00	1.028.278,00	2.574.601,00	10.762.065,00
Other income	148.134.657,00	114.706.208,00	275.909.298,00	536.459.372,00	640.185.636,00
TOTAL	1.083.120.896,00	967.686.961,00	1.351.768.568,00	1.674.541.813,00	2.341.114.753,00

Source: Broadcasting Council

From the data on the structure of the income (image 2.18) it can be seen that the major source of income for the TV industry is the income resulting from advertisements and teleshopping¹³, with a share of 71,22%.

It can be noticed that the category "other undistributed income" has a significant share in the total income (25,1%). That is a result of the high amount of this type of income (538.884.215,00 denars) represented by the Macedonian Television. The funds the Macedonian Television received from the Budget of RM, approved by a Recovery programme, are represented in this category, as well as the funds from the Budget of RM intended for financing of special programmes, income from leasing and other income earned by the public service. On the other hand, as a result of the still unresolved problem of collecting the broadcasting fee, which should be the main source of income for the public service, the share of this type of income in the total sum is quite insignificant (0,35%).

Image 2.18 Structure of the income on the TV-market in 2008 (MKD)

Type of income	2008	share
Broadcasting fee	8,116,765.00	0.35 %
Advertisements and teleshopping	1,667,361,080.00	71.22 %
Sponsorship	3,187,897.00	0.14 %
Income from other programmes	13,122,356.00	0.56 %
Donations and grants	11,501,310.00	0.49 %
Programme selling	10,762,065.00	0.46 %
Public interest projects	683,496.00	0.03 %
Other undistributed income	587,693,474.00	25.10 %
Income from primary activity	2,302,428,443.00	98.35 %
Income from other activities	34,515,279.00	1.47 %
Extraordinary income	4,171,031.00	0.18 %
Total income	2,341,114,753.00	100.00 %

Source: Broadcasting Council

The income from sponsorship, donations and grants, from other programmes (broadcasting greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc.), selling of programmes and income from the funds paid for financing radio and television programmes of public interest via the Broadcasting Council, have the joint share of 1,68% of the total income. The income from other activities and the extraordinary income have almost the same share (1,65%).

¹³ This is the income earned from broadcasting commercials, advertisements and messages, commercial presentations and promotions, teleshopping windows and teleshopping spots.

The five private televisions that broadcast programme on the territory of the state via a terrestrial transmitter earned 63,3% of the total income in the television industry

In 2008, the five private televisions on state level have earned the total income of 1.482.292.137,00 denars, i.e. 63,3% of the total income of the television market. Largest part of this income, i.e. 96,22%, was earned by these TV stations from selling advertising and teleshopping time. Only 0,4% of the income is a result of the funds intended for financing programmes of public interest through the Broadcasting Council (this type of income was reported only by television Telma), and 2,15% are "other undistributed income" (this type of income was reported by A1 – 88% of the total amount, Kanal 5 – 7% and Telma – 5 %).

Image 2.19 Structure of the income of the private terrestrial TV on state level (MKD)

Type of income	2008	share
Advertisements and teleshopping	1.426.236.325,00	96.22 %
Sponsorship	0,00	0.00 %
Income from other programmes	0,00	0.00 %
Donations and grants	0,00	0.00 %
Programme selling	0,00	0.00 %
Public interest projects	540.000,00	0,04 %
Other undistributed income	31.872.009,00	2.15 %
Income from primary activity	1.458.648.334,00	98.4 %
Income from other activities	23.413.221,00	1.58 %
Extraordinary income	230.582,00	0.02 %
TOTAL	1.482.292.137,00	100.00 %

Source: Broadcasting Council

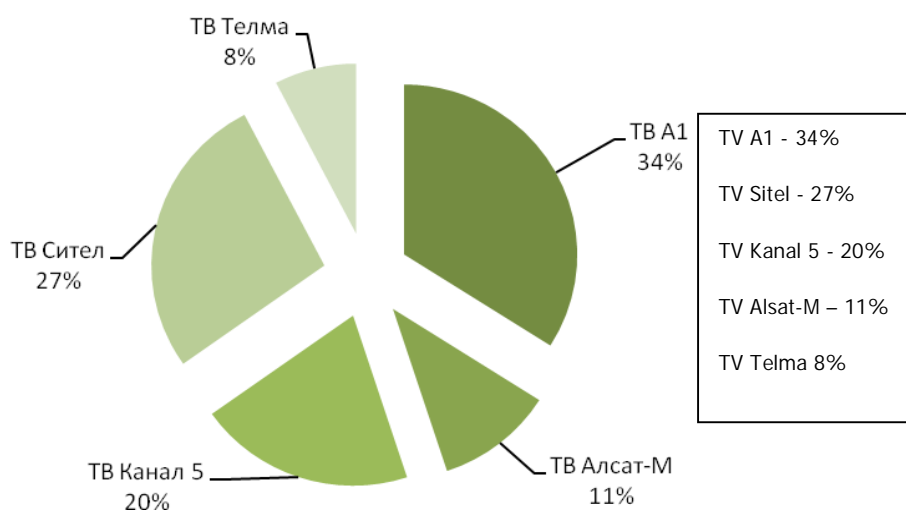
Even though it was registered that there were sponsored contents on the programmes of these televisions, still none of the five televisions reported income from sponsorships. This situation was seen when drafting the market analysis for 2007, and it is a result of the fact that the broadcasters do not register these funds as separate in the bookkeeping, but as income earned from advertisements.

None of the five television reported income from other programmes, such as income from broadcasting greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc, nor income from programme selling, as well as donations and grants.

All five televisions earned income from other activities, mostly TV Telma (80% of the total amount of this type of income). The extraordinary income has smallest share, i.e. only 0,02% of the total income.

Image 2.20 represents the share of each of these television stations in the total income earned. It can be seen that the largest share in the total income belongs to A1 Television (34%), and the smallest share belongs to TV Telma (8%).

2.20 Share of the five private televisions on state level in the total income earned by this segment of the television industry



From the comparative image 2.21 of the income earned by each of the five televisions on state level, in the last 5 years, it can be seen that the last year was the most favourable one, i.e. every television earned the most income during this year.

The largest growth rate of the total income, compared to the previous year, belongs to Alsat-M (88,94%), followed by Kanal 5 (59,56%), Sitel (58,86%), A1 (18,67%), and the lowest to Telma (6,39%).

Image 2.21 Advancement of the total income of the private TV stations on state level (MKD)

TV station	2004	2005	2006	2007	2008
A1 television	146.592.008,00	99.850.810,00	315.844.905,00	424.592.626,00	503.884.936,00
Alsat M	9.909,00	6.871.306,00	26.968.959,00	85.974.635,00	162.444.202,00
Kanal 5	40.902.788,00	74.639.624,00	127.251.813,00	187.974.718,00	299.932.804,00
Sitel	133.020.669,00	109.816.820,00	182.606.900,00	253.448.086,00	402.621.882,00
Telma	81.027.576,00	92.441.409,00	98.271.106,00	106.592.464,00	113.408.313,00
TOTAL	401.552.950,00	383.619.969,00	750.943.683,00	1.058.582.529,00	1.482.292.137,00

Source: Broadcasting Council

In the absolute amount, Sitel television has the biggest increase of the income, (for 149.173.796,00 denars), and the smallest increase belongs to TV Telma (for 6.815.849,00 denars).

The television stations that broadcast programme via satellite have earned 2% of the total income in the television industry

In 2008, the total income earned by the television stations that broadcast programme via satellite is in the amount of 49.553.521,00 denars. In the analysed year, only six televisions reported income: Nasha TV, A2, Sky Net plus, Era Sat, Kanal 5 Plus and Jungle TV.

Image 2.22 Structure of the income of the private satellite TV on state level (MKD)

Type of income	2008	share
Advertisements and teleshopping	43,358,912.00	87.50 %
Sponsorship	0.00	0.00 %
Income from other programmes	0.00	0.00 %
Donations and grants	0.00	0.00 %
Programme selling	1,807,902.00	3.65 %
Public interest projects	0.00	0.00 %
Other undistributed income	4,383,369.00	8.85 %
Income from primary activity	49,550,183.00	99.99 %
Income from other activities	3,338.00	0.01 %
Extraordinary income	0.00	0.00 %
TOTAL	49,553,521.00	100.00 %

Source: Broadcasting Council

From the data on the structure of income of this segment in the TV industry (image 2.22), it can be seen that the biggest part of the income (87,5%) is earned from selling of the advertising and teleshopping time.

The income earned by Nasha TV, on this basis, (34.340.342,00 denars) represents almost 80% of the total income from advertising of the satellite televisions. Income from advertising was reported by television A2 (8.400.000,00 denars), Kanal 5 Plus, (313.486,00 denars) and Jungle TV (305.084,00 denars).

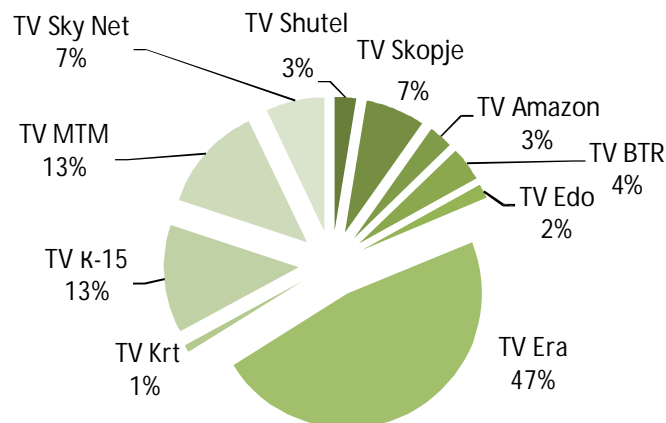
Television Sky Net plus earned the entire income from the category "other undistributed income" (4.383.369,00 denars), and its share in the total income is 8,85%.

Income earned from programme selling is 3,65%, amount reported by television Era Sat.

The ten regional televisions have the lowest share in the total income of the television industry

The total income earned by the ten televisions that broadcast programme in the area of the city of Skopje, in 2008, is in the amount of 81.080.555,00 denars, i.e. 3,5% of the total income of the television industry. Impressively, 73% of this amount was earned by three televisions only (Era, MTM and K-15¹⁴).

Image 2.23 Share of the regional TV stations in the total income on regional level (MKD)



Source: Broadcasting Council

¹⁴ Almost 85% of the income of K-15 television is income earned from other activities.

The data from image 2.24 show that in 2008, only two regional televisions (Shutel and BTR) earned less income compared to the previous year, while the other eight have increased their income.

Image 2.24 Advancement of the total income of the TV stations on regional level (MKD)

TV station	2007	2008	Growth rate
Shutel	3,628,222.00	2,080,804.00	-42.65 %
Amazon	1,939,805.00	2,375,995.00	22.49 %
Krt	494,493.00	739,228.00	49.49 %
Edo	1,141,317.00	1,474,343.00	29.18 %
BTR	3,889,755.00	3,437,042.00	-11.64 %
Sky Net	4,609,637.00	5,734,692.00	24.41 %
K-15	1,762,787.00	10,608,920.00	501.83 %
MTM	6,925,050.00	10,411,834.00	50.35 %
Skopje	1,611,689.00	5,807,172.00	260.32 %
ERA	23,368,869.00	38,410,525.00	64.37 %
TOTAL	49,371,624.00	81,080,555.00	64.23 %

Source: Broadcasting Council

However, the income growth rate has different values, i.e. it is significantly higher with K-15 (501,83%) and television Skopje (260,32%). In the absolute amount, the largest growth is earned by TV Era, i.e. in 2008, it has earned 15.041.665,00 denars more than the previous year.

From the structure of the income of the regional televisions (image 2.25), it can be seen that the only source of income which is not reported is the sponsored programmes.

The most significant source of income is the selling of advertising and teleshopping time and its share is 57,29% of the total income. Compared to the other nine televisions, Television Era earned significantly higher income on this basis (29.512.222,00 denars), which is almost 64% of the advertising income of the regional televisions. Higher advertising income was reported by Television Skopje (5.127.704,00 denars), MTM (4.807.923,00 denars) and BTR (2.109.776,00 denars).

Significant source of income is the "other undistributed income" with the share of 12,11%. Almost 80% of this income was reported by the Televisions MTM (for this television it is income from associated entities, i.e. loans by the founder) and Sky Net (income earned from renting equipment, cameras, studios, pillars and transmitters).

Image 2.25 Structure of the income of the private TV on regional level (MKD)

Type of income	2008	share
Advertisements and teleshopping	46,453,171.00	57.29 %
Sponsorship	0.00	0.00 %
Income from other programmes	5,786,778.00	7.14 %
Donations and grants	6,300,132.00	7.77 %
Programme selling	2,347,589.00	2.90 %
Public interest projects	100,000.00	0.12 %
Other undistributed income	9,820,755.00	12.11 %
Income from primary activity	70,808,425.00	87.33 %
Income from other activities	9,459,777.00	11.67 %
Extraordinary income	812,353.00	1.00 %
TOTAL	81,080,555.00	100,00 %

Source: Broadcasting Council

The income earned from donations and grants (7,77%) and income from other programmes (7,14%) have almost the same share. The income from donations and grants was earned only by the televisions that broadcast programme for the smaller ethnic communities, i.e. televisions ERA (5.313.812,00 denars), Shutel (341.445,00 denars) and BTR (644.875,00 denars). The largest part of income from other programmes¹⁵ was reported by the televisions MTM (2.737.442,00 denars) and Amazon (1.187.997,00 denars).

The income from programme selling is 2,9% of the total income. This type of income was earned only by television ERA, by selling the rights for transmission of sport events.

Small part of the income (0,12%) are the broadcasting fee funds intended for financing radio and television projects of public interest. The entire income was earned by TV Edo.

Significant share (11,67%) in the total income of the regional televisions belongs to the income from other activities, due to the high amount earned on this basis by the television K-15 (8.975.053,00 denars).

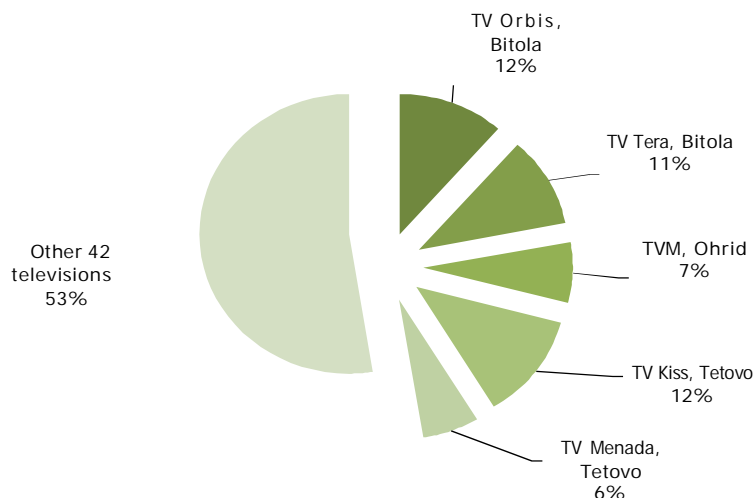
Extraordinary income was reported only by television Skopje, Era and MTM, and their share in the total income is 1%.

¹⁵ This category covers the income earned from broadcasting greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc.

All local televisions earned 4,97% of the total income in the television industry

The total income which was earned by the televisions that broadcast programme on local level, in 2008, is in the amount of 116.335.710,00 denars, i.e. 4,97% of the total income earned in the television sector.

Image 2.26 Share of the local TV stations in the total income on local level (MKD)



Source: Broadcasting Council

The data presented with image 2.26 show that almost half of the income, of this segment in the television industry, was earned only by five televisions: Tera and Orbis from Bitola, Kiss and Menada from Tetovo and TVM from Ohrid.

During the analysed year, the local television stations have earned income on all grounds.

The most important source of income, which represents 74,32% of the total income, was the selling of the advertising and teleshopping time. The largest part of this income was earned by television Kiss from Tetovo (14.146.425,00 denars) and Orbis from Bitola (11.604.342 denars). High amount was earned by the televisions Menada from Tetovo (4.895.009,00 denars), Vis from Strumica (4.712.116,00 denars), Star from Shtip (4.524.410,00 denars) and Koha from Tetovo (4.058.882,00 denars).

Second important source of income for the local television is the income from other programmes, which has a share of 6,31%. It is income from broadcasting greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc. This type of income was earned by five televisions only:

Tera (5.136.366,00 denars) and Orbis from Bitola (1.125.471,00 denars), TVM from Ohrid (607.920,00 denars), Nova from Gevgelija (379.200,00 denars) and Art Kanal from Struga (86.651,00 denars).

Image 2.27 Structure of the income of the private TV on local level (MKD)

Type of income	2007	share
Advertisements and teleshopping	86,460,822.00	74.32 %
Sponsorship	2,647,897.00	2.28 %
Income from other programmes	7,335,578.00	6.31 %
Donations and grants	5,201,178.00	4.47 %
Programme selling	6,606,574.00	5.68 %
Public interest projects	583,496.00	0.50 %
Other undistributed income	2,733,126.00	2.35 %
Income from primary activity	111,568,671.00	95.90 %
Income from other activities	1,638,943.00	1.41 %
Extraordinary income	3,128,096.00	2.69 %
TOTAL	116,335,710.00	100.00 %

Source: Broadcasting Council

The income resulting from programme selling represents 5,68% of the total income. The entire amount was earned by TVM from Ohrid.

4,47% of the total income was earned from donations and grants. This year, income from donations and grants was earned by the televisions Tera from Bitola, Hana from Kumanovo, Vis from Strumica, Art and Menada from Tetovo.

The share of "other undistributed income" is 2,35% in the total income. Only TV Tera from Bitola earned income from sponsorship, and only TV Hana from Kumanovo earned income from the funds for financing programmes of public interest.

The income from other activities has an insignificant share (1,41%), and the extraordinary income has a slightly higher share (2,69%).

2.2.3 Structure of the expenses

Compared to the previous year, the accrued expenses of the television industry have increased by almost 30%

In 2008, the accrued expenses in the entire television industry are in the amount of 2.179.207.193,00 denars, which is the highest amount in the last five years. The increase compared to 2004 is 101,58%, compared to 2005- 102,01%, compared to 2006-55,47%, and compared to the previous year-29,79%.

Image 2.28 Accrued expenses in the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
State level	898.961.421,00	895.734.254,00	1.214.844.445,00	1.519.592.806,00	1.906.558.449,00
Regional	0,00	0,00	0,00	65.127.739,00	163.758.235,00
Local	182.047.369,00	183.022.810,00	186.816.148,00	94.299.060,50	108.890.509,50
Public sector (MTV)	507.844.457,00	479.003.640,00	443.414.222,00	525.242.960,00	556.444.315,00
Private sector	573.164.333,00	599.753.424,00	958.246.371,00	1.153.776.645,50	1.622.762.878,00
TOTAL	1.081.008.790,00	1.078.757.063,00	1.401.660.593,00	1.679.019.605,50	2.179.207.193,00

Source: Broadcasting Council

It can be seen, from the comparative data (image 2.28) that the expenses in the analysed year were increased for all segments in the television industry. The growth rate of the expenses of the Macedonian television is 5,94%, and 40,65% for the entire private sector.

The expenses of the broadcasters that broadcast programme on state level have dominant share in all four years, but for the last year there is a decrease, compared to the previous year. In 2004, 83,16% of the accrued expenses in the television industry were made by the broadcasters on state level, in 2005 - 83,03%, in 2006 - 86,67%, in 2007 - 90,5%, and during the last year - 87,49%.

In 2008, the television stations spent the largest part of the funds (68,08%) for production and purchasing programme. This category of expenses covers the material costs (expenses for the set, costumes, accoutrements, other set necessities and stage effects, materials for recording and postproduction), intangible expenses (travel expenses, accommodation expenses, per-diems for field work, renting of facilities, accoutrements, costumes and similar),

the services of the specific production (renting technical devices: technique for recording image and sound, technique for postproduction – reproduction, editing, finalization, technique for broadcasting, lights, car pool etc.), as well as salaries and other compensations for individuals directly connected to the programme production.

Image 2.29 Structure of the expenses on the TV market in 2008 (MKD)

Type of expenses	2008	share
Material costs	235,600,871.00	10.81 %
Expenses for programme purchase	588,798,311.00	27.02 %
Intangible expenses (services)	311,449,522.00	14.29 %
Salaries and other compensations for individuals directly connected to programme production	347,864,465.00	15.96 %
Direct costs for programme production	1,483,713,169.00	68.08 %
Salaries and other compensations for individuals that are not directly connected to programme production	197,968,564.00	9.08 %
Amortization of the equipment	177,076,259.00	8.13 %
Amortization of rights and licenses	1,159,349.00	0.05 %
Rents and other operating expenses	60,110,601.00	2.76 %
All other working expenses which are not included	236,747,918.00	10.86 %
Accrued working expenses	2,156,775,860.00	98.97 %
Expenses from other activities	18,712,745.00	0.86 %
Extraordinary expenses	3,718,588.00	0.17 %
Accrued working expenses	2,179,207,193.00	100.00 %

Source: Broadcasting Council

Almost 11% of the accrued expenses were from the category “all other working expenses which are not included”. The high share of the expenses for salaries and other compensations for individuals that are not directly connected to programme production (9,08%) is a result of the high amount reported by the Macedonian Television (133.645.766,00 denars). The share of the expenses for amortization of the equipment is 8,13%, and the other expenses as amortization of rights and licenses, rents and other operating expenses, the expenses from other activities and extraordinary expenses, have the joint share of 3,84% in the structure of expenses of the TV market.

The five private televisions on state level, which broadcast programme via a terrestrial transmitter, made almost 60% of the accrued expenses in the television sector

The accrued expenses that were made by the five televisions that broadcast programme on state level, in 2008, were in the amount of 1.305.674.921,00 denars, which represents 59,9% of the accrued expenses in the TV industry. Compared to the previous year, these five televisions have increased their expenses by 31,31%.

The data in image 2.30 show that the expenses that were made by each television in 2008, were the highest in the last five years.

Image 2.30 Advancement of the accrued expenses of the private TV stations on state level (MKD)

TV station	2004	2005	2006	2007	2008
A1	136.198.140,00	92.655.466,00	311.043.293,00	404.377.996,00	471.807.972,00
Alsat M	962.232,00	39.294.619,00	73.998.554,00	85.062.415,00	148.203.236,00
Kanal 5	45.122.359,00	84.565.521,00	132.564.074,00	187.242.815,00	212.648.588,00
Sitel	127.913.781,00	107.906.397,00	155.738.880,00	211.413.622,00	361.075.539,00
Telma	80.920.452,00	92.308.611,00	98.085.422,00	106.252.998,00	111.939.586,00
TOTAL	391.116.964,00	416.730.614,00	771.430.223,00	994.349.846,00	1.305.674.921,00

Source: Broadcasting Council

Sitel is the only television that has a higher growth rate of the expenses than the income. For A1, Alsat M and Telma, the growth rate of the expenses falls just a little behind the growth rate of the income, while for television Kanal 5 the variance is higher.

Image 2.31 Growth rate of the income and expenses of the TV stations on state level (MKD)

TV station	Growth rate of the income 2008/2007	Growth rate of the expenses 2008/2007
A1 television	18.67 %	16.67 %
Alsat M	88.94 %	74.23 %
Kanal 5	59.56 %	13.57 %
Sitel	58.86 %	70.79 %
Telma	6.39 %	5.35 %
TOTAL	40.03 %	31.31 %

Source: Broadcasting Council

In the structure of the expenses (image 2.32), the largest share belongs to the direct expenses for programme production (66,84%). Out of those, 54% are used for production of personal programme¹⁶, and 46% are expenses for programme purchase.

¹⁶ The expenses for production of personal programme are the material and intangible expenses, as well as salaries and other compensations for employees that are directly involved in programme productions.

A1 Television spent 203.773.500,00 denars for programme purchase and Sitel television spent 118.847.011,00 denars.

Image 2.32 Structure of the expenses of the private TV on state level (MKD)

Type of expenses	2008	share
Material costs	133,287,289.00	10.21 %
Expenses for programme purchase	400,412,578.00	30.67 %
Intangible expenses (services)	159,314,089.00	12.20 %
Salaries and other compensations for individuals directly connected to programme production	179,685,123.00	13.76 %
Direct costs for programme production	872,699,079.00	66.84 %
Salaries and other compensations for individuals that are not directly connected to programme production	57,074,604.00	4.37 %
Amortization of the equipment	146,907,088.00	11.25 %
Amortization of rights and licenses	69,063.00	0.01 %
Rents and other operating expenses	50,968,315.00	3.90 %
All other working expenses which are not included	165,521,534.00	12.68 %
Accrued working expenses	1,293,239,683.00	99.05 %
Expenses from other activities	12,435,238.00	0.95 %
Extraordinary expenses	0.00	0.00 %
Accrued working expenses	1,305,674,921.00	100.00 %

Source: Broadcasting Council

Of the other expenses, the amortization of the equipment has a more significant share (11,25%). The share of "all other working expenses which are not included" in the accrued expenses is 12,68%, which is a result of the high amount of these expenses that was reported by Kanal 5 (109.542.153,000 denars).

The share of the expenses of the satellite televisions in the accrued expenses of the television sector is 2 %

The television stations that broadcast programme via satellite have accrued expenses in the amount of 44.439.213,00 denars.

The largest part of these funds (84,90%) was spent for production and purchasing programme. The following televisions spent the most funds for programme purchasing: Nasha TV (20.338.002,00 denars) and A2 (3.282.527 denars).

The expenses for salaries and other compensations for individuals directly connected to programme production were reported by A2 (4.147.134,00 denars), AB Kanal (95.887,00 denars), Era Sat (265.453,00 denars) and Kanal 5 Plus (418.048,00 denars).

Image 2.33 Structure of the expenses of the private TV on state level (MKD)

Type of expenses	2008	share
Material costs	2,107,379.00	4.74 %
Expenses for programme purchase	26,124,877.00	58.79 %
Intangible expenses (services)	4,390,253.00	9.88 %
Salaries and other compensations for individuals directly connected to programme production	5,107,187.00	11.49 %
Direct costs for programme production	37,729,696.00	84.90 %
Salaries and other compensations for individuals that are not directly connected to programme production	156,768.00	0.35 %
Amortization of the equipment	85,823.00	0.19 %
Amortization of rights and licenses	0.00	0.00 %
Rents and other operating expenses	1,248,704.00	2.81 %
All other working expenses which are not included	3,692,392.00	8.31 %
Accrued working expenses	42,913,383.00	96.57 %
Expenses from other activities	1,525,830.00	3.43 %
Extraordinary expenses	0.00	0.00 %
Accrued working expenses	44,439,213.00	100.00 %

Source: Broadcasting Council

The share of the expenses covered by the category "all other working expenses which are not included" is 8,31%, and the share of the expenses from other activities is 3,43% in the accrued expenses.

The other expenses, as salaries and other compensations for persons that are not directly connected to programme production, amortization of the equipment and rents and other operating expenses have the joint share of 3,35%.

The share of the regional televisions in the accrues expenses is 7,51%; compared to the previous year the expenses have increased by 151,44%

In 2008, the ten regional televisions that made accrued expenses in the amount of 163.758.125,00 denars, which is 7.51% of the accrued expenses in the television industry.

Compared to the previous year, the accrued expenses of this segment of the television industry have increased by 151,44%. Almost 62% of the accrued expenses was made by one television only (TV Skopje).

Image 2.34 Structure of the expenses of the private TV on regional level (MKD)

Type of expenses	2008	share
Material costs	6,192,488.00	3.78 %
Expenses for programme purchase	46,133,843.00	28.17 %
Intangible expenses (services)	23,118,636.00	14.12 %
Salaries and other compensations for individuals directly connected to programme production	41,193,807.00	25.16 %
Direct costs for programme production	116,638,774.00	71.23 %
Salaries and other compensations for individuals that are not directly connected to programme production	4,446,527.00	2.72 %
Amortization of the equipment	3,760,555.00	2.30 %
Amortization of rights and licenses	868,301.00	0.53 %
Rents and other operating expenses	4,752,522.00	2.90 %
All other working expenses which are not included	29,562,968.00	18.05 %
Accrued working expenses	160,029,647.00	97.72 %
Expenses from other activities	1,958,060.00	1.20 %
Extraordinary expenses	1,770,528.00	1.08 %
Accrued working expenses	163,758,235.00	100.00 %

Source: Broadcasting Council

The direct costs for programme production have the dominant share in the structure of the expenses (71,23%). Largest part of these funds were used for production of personal programme (material and intangible expenses and expenses for salaries and other compensations for individuals directly connected to programme production). The following televisions spent the most funds for purchasing programme: TV Skopje (37.357.341,00 denars) and Era (4.129.549,00 denars). It is impressive that five television stations did not report this type of expenses (Amazon, BTR, Edo, Krt and Sky Net).

The share of the so-called "all other working expenses" is 18,05%, which is due to the high amount of this type of expenses reported by TV Skopje (25.540.932,00 denars).

Almost equal is the share of the expenses for salaries and compensations for individuals that are not directly connected to programme production (2,72%), amortization of the equipment (2,30%) and expenses for rents and other operating costs (2,90%).

The local televisions have 5% share in the accrued expenses of the television industry; of all sectors, they spent the least funds for purchasing programme

The accrued expenses, that the local televisions made in 2008, were in the amount of 108.890.509,00 denars or 5% of the accrued expenses in the television industry. Compared to the previous year, this segment of the television industry has increased its expenses by 15,47%.

The biggest part of the expenses (69,08%) were made for production and purchasing programme. It can be noticed that, compared to the televisions on state and regional level, the local televisions spent significantly less funds for purchasing programme, i.e. only 4,29% of the accrued expenses. This type of expenses was reported only by nine televisions (Tera from Bitola, Hana from Kumanovo, TVM from Ohrid, Emi from Radovish, Menada from Tetovo, Zdravkin from Veles, Tikveshija from Kavadarci, D1 from Delchevo and Kanal Vlzija from Prilep).

Image 2.35 Structure of the expenses of the private TV on local level (MKD)

Type of expenses	2007	share
Material costs	25,325,766.00	23.26 %
Expenses for programme purchase	4,671,834.00	4.29 %
Intangible expenses (services)	25,360,130.00	23.29 %
Salaries and other compensations for individuals directly connected to programme production	19,863,736.00	18.24 %
Direct costs for programme production	75,221,466.00	69.08 %
Salaries and other compensations for individuals that are not directly connected to programme production	2,644,899.00	2.43 %
Amortization of the equipment	10,667,221.00	9.80 %
Amortization of rights and licenses	221,985.00	0.20 %
Rents and other operating expenses	3,141,060.00	2.88 %
All other working expenses which are not included	12,252,201.00	11.25 %
Accrued working expenses	104,148,832.00	95.65 %
Expenses from other activities	2,793,617.00	2.57 %
Extraordinary expenses	1,948,060.00	1.79 %
Accrued working expenses	108,890,509.00	100.00 %

Source: Broadcasting Council

Higher share in the accrued expenses belongs to the so-called "other working expenses" (11,25%) and amortization of the equipment (9,80%%).

2.2.4 Liabilities in the television industry

The liabilities of the Macedonian Television, A1 and Television Skopje represent 77,71% of the total debts in the television industry

In 2008, the total liabilities in the television industry were in the amount of 3.357.209.810,00 denars. The data in image 2.36 show that this is the highest amount in the last five years. Compared to 2004, the total liabilities are higher by 117,98%, to 2005 by 107,73%, to 2006 by 85,42%, and compared to 2007 by 28,61%.

Image 2.36 Total liabilities in the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
National	462.292.439	1.357.038.827,67	1.580.663.222,15	2.360.696.673,00	2.954.649.810,00
Regional	0,00	0,00	0,00	106.916.697,00	241.714.442,00
Local	254.619.151,00	259.067.572,00	229.900.775,00	142.676.375,00	160.845.558,00
Public sector (MTV)	462.292.439,00	425.085.540,00	398.361.906,00	954.734.164,00	1.007.672.601,00
Private sector	1.077.865.296,00	1.191.020.860,00	1.412.202.091,00	1.655.555.581,00	2.349.537.209,00
TOTAL	1.540.157.735,28	1.616.106.399,67	1.810.563.997,15	2.610.289.745,00	3.357.209.810,00

Source: Broadcasting Council

All sectors of the television industry have increased the total liabilities, compared to the previous year. In percentages, the biggest increase is seen with the regional televisions (by 126,08%), the national televisions by 25,16%, and the local televisions by 12,73%. The public service has increased the total liabilities by 5,54%, and the private sector by 41,92%.

On different grounds, the total liabilities of all entities of the television industry, including the Macedonian Television, were in the amount of 2.203.641.812,00 denars. 63,20% are short-term liabilities, and 36,80% are long-term liabilities. The biggest part of the short-term liabilities are the liabilities towards the suppliers (45,48% of the total liabilities), and biggest part of the long-term liabilities are the liabilities for credits (32,99% of the total liabilities).

The total liabilities of the Macedonian television (589.814.745,00 denars), A1 (888.514.465,00 denars) and TV Skopje (234.079.240,00 denars) compose 77,71% of the total liabilities in the television industry.

Image 2.37 Liabilities and capital in 2008 (MKD)

Type of liability	2008	MTV	Private sector
Liabilities towards suppliers	1,002,283,208.00	324,945,977.00	677,337,231.00
Liabilities for bills of exchange and checks	2,898,090.00	0.00	2,898,090.00
Other short-term liabilities	387,611,252.00	107,617,768.00	279,993,484.00
Total short-term liabilities	1,392,792,550.00	432,563,745.00	960,228,805.00
Long-term liabilities for credits	727,003,037.00	157,251,000.00	569,752,037.00
Long-term liabilities for bonds	27,443.00	0.00	27,443.00
Other liabilities	83,818,782.00	0.00	83,818,782.00
Total liabilities	2,203,641,812.00	589,814,745.00	1,613,827,067.00
Capital	1,141,924,491.00	325,333,362.00	816,591,129.00
Retained profit on 31.12	-134,794,627.00	0.00	-134,794,627.00
Total reserves on 31.12	146,438,134.00	92,524,494.00	53,913,640.00
Total capital and reserves	1,153,567,998.00	417,857,856.00	735,710,142.00
Total liabilities	3.357.209.810,00	1,007,672,601.00	2,349,537,209.00

Source: Broadcasting Council

2.2.5 Working results of the television industry

In 2008, both the public and the private sector achieved a positive financial result

In 2008, the income of the entire television industry is in the amount of 121.252.993,00 denars. The Macedonian television, for the first time since 2004, achieved a positive financial working result, and the private sector has doubled the income, compared to the previous year.

Image 2.38 Achieved working result in the public and private sector (MKD)

	2004	2005	2006	2007	2008
Public sector	16.001.998,00	-61.330.470,00	-15.355.399,00	-52.723.595,00	43.363.810,00
Private sector	15.899.346,00	-51.914.299,00	-41.429.672,00	37.037.056,00	77.889.183,00
Result	104.656,00	-113.242.764,00	-56.783.065,00	-15.686.539,00	121.252.993,00

Source: Broadcasting Council

The total number of 42 television stations achieved a positive financial result, and 24 television stations had losses.

Image 2.39 Working results on the TV-market in 2008 (MKD)

Achieved result	2008
Income from primary activity	2,302,634,577.00
Total working expenses	2,158,268,252.00
Profit (loss) from the primary activity	144,366,325.00
Income from other activities	34,515,279.00
Expenses from other activities	18,730,408.00
Profit (loss) from other activities	15,784,871.00
Extraordinary income	4,009,674.00
Extraordinary expenses	3,718,588.00
Profit (loss) prior to taxation	160,442,282.00
Profit (loss) after taxation (net profit/loss)	121,252,993.00

Source: Broadcasting Council

All five private national televisions have a positive financial working result. The best financial result was achieved by Kanal 5 television, with profit in the amount of 76.957.292,00 denars.

Only two televisions that broadcast programme via satellite have reported profit made, Nasha TV (9.541.955,00 denars) and Era Sat (9.200,00 denars). The other seven televisions that worked during 2008, worked with losses.

The regional televisions are the only segment that has a negative financial result. Five regional televisions made profit (Shutel, BTR, Era, K-15 and MTM) and five have losses (TV Skopje, Amazon, Edo, Krt and Sky Net). Still, as a result of the losses of TV Skopje that are in the amount of 94.738.477,00 denars, the total working results represent a loss in the amount of 84.472.297,00 denars.

Image 2.40 Working result on the TV-market in 2008 (MKD)

	profit	loss
Macedonian television	43.363.810,00	
Private TV on state level	159.751.347,00	
Regional TV		-84.472.297,00
Local TV	2.610.133,00	
Total	207.239.180,00	-84.472.297,00
Result	121.252.993,00	

Source: Broadcasting Council

The local television stations earned income in the amount of 2.610.133,00 denars. The total number of 12 televisions had a negative financial result (Medi from Bitola, Zhupa from Centar Zhupa, Boem and Gurra from Kichevo, Dalga Krt from Kumanovo, Nova from Kumanovo, Moris from Ohrid, Protel from Probishtip, Art Kanal from Struga, Zlaten Kanal from Kriva Palanka, Tikveshija from Kavadarci and D1 from Delchevo). The best financial result was achieved by television Orbis from Bitola (income of 2.093.376,00 denars), and the biggest losses were reported by Nova from Kumanovo (848.222,00 denars).

2.2.6 Employees

The total number of employees in the television industry was 1753 persons; 1387 were full-time employees and 366 individuals were engaged part-time

In 2008, the television industry had 1753 employees, 1387 were full-time employees and 366 individuals were engaged part-time.

Image 2.41 Number and structure of the employees in the TV sector

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	550	391	155	4	435	115
Tech personnel (engineers and technicians)	284	55	215	14	225	59
Control room personnel (directors, cameramen, editors etc.)	457	100	338	19	377	80
Other personnel	462	126	286	50	350	112
TOTAL	1753	672	994	87	1387	366

Source: Broadcasting Council

The largest part of the employees were journalists (31,4%), and the smallest part was the tech personnel (16%), and the editorial personnel and other personnel have almost the same share. More than half of the employees had high-school education, while 71 journalists had university degree.

The total number of employees in the televisions on state level was 1188 individuals; out of which 520 in the Macedonian television and 668 in the commercial television stations

Image 2.42 shows the structure of the employees in the terrestrial national televisions, including the Macedonian television. The total number of employees was 1188 individuals, out of which 520 in the public service and 668 in the private televisions.

Image 2.42 Number and structure of the employees in the televisions that broadcast programme on state level via a terrestrial transmitter

Type of personnel	Number	Education			Status	
		UNI	UNI	other	full-time	part-time
Journalists	369	257	108	4	343	26
Tech personnel (engineers and technicians)	173	41	116	16	162	11
Control room personnel (directors, cameramen, editors etc.)	317	76	228	13	301	16
Other personnel	329	78	202	49	281	48
TOTAL	1188	452	654	82	1087	101

Source: Central Registry of RM /Broadcasting Council

Of the total number of employees, the largest part were journalists (369), out of which 205 in the private televisions and 164 in the public service. The total number of the so-called other personnel (administrative-expert personnel, employees for maintenance and hygiene, security etc.) was 329 employees, 203 in the private sector, and 126 in the public service.

Image 2.43 Full-time employees

	2004	2005	2006	2007	2008
A1	8	8	72	150	186
Alsat-M	1	8	37	81	117
Kanal 5	63	72	80	87	92
Sitel	76	76	79	89	103
Telma	60	63	63	64	69
TOTAL	208	227	331	483	567

Source: Central Registry of RM / Broadcasting Council

138 individuals were employed in the Macedonian television as control room personnel (directors, cameramen, editors etc.), and 179 were employed in the private televisions. The smallest number of employees are in the tech personnel, which in the Macedonian television is 92 individuals, and 81 individuals in the commercial sector. More than half of the employees in this sector of the television industry are with high-school education and almost 70% of the journalists have a university degree.

In 2008, there is a continuation of the tendency to increase the number of full-time employees. The television stations A1 and Alsat M hired 36 employees, respectively, Kanal 5 and Telma - 5, and Sitel hired 14 employees.

The total number of employees in the television stations on regional level was 224 individuals; out of which 124 were full-time employees and 100 individuals worked part-time

During the analysed year, the ten regional televisions employed the total number of 224 individuals, out of which 124 were full-time employees and 100 worked part-time.

Image 2.44 Number and structure of the employees in the televisions on regional level

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	76	65	11	0	34	42
Tech personnel (engineers and technicians)	43	2	41	0	28	15
Control room personnel (directors, cameramen, editors etc.)	56	11	45	0	37	19
Other personnel	49	17	32	0	25	24
TOTAL	224	95	129	0	124	100

Source: Central Registry of RM /Broadcasting Council

The biggest share in the total number of employees belongs to the journalist personnel (34%). 85,5% of the journalists have a university degree. The biggest part of the employees (58%) are with high-school education.

Compared to the previous year, the total number of employees has doubled, which is mostly due to the newly employed individuals in TV Skopje (50). Three more television stations have increased the number of employees (K-15, Shutel and Era), and only one (MTM) has decreased the number of employees.

Image 2.45 Number of the employees in the TV stations on regional level (Skopje)

TV station	2007	2008	TV station	2007	2008
TV K-15	10	18	TV Shutel	2	4
TV Sky Net	1	1	TV Skopje	10	60
TV MTM	21	19	TV Krt	1	1
TV BTR	4	4	TV Era	6	12
TV Amazon	2	2	TV Edo	3	3
TOTAL				60	124

Source: Central Registry of RM/Broadcasting Council

All local televisions have engaged the total number of 251 individuals, out of which 132 are full-time employees and 119 worked part-time

The local television stations have engaged the total number of 251 individuals. 132 individuals were full-time employees, and 119 worked part-time. In the structure of the employees, the biggest share belongs to the journalist personnel (30%), and from the point of view of the education, the number of the personnel with high-school education is the highest (68%).

Image 2.46 Number and structure of the employees in the televisions on local level

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	76	47	29	0	46	30
Tech personnel (engineers and technicians)	60	11	49	0	31	29
Control room personnel (directors, cameramen, editors etc.)	63	4	56	3	29	34
Other personnel	52	13	36	3	26	26
TOTAL	251	75	170	6	132	119

Source: Central Registry of RM / Broadcasting Council

Compared to the previous year, 12 local television stations have increased the number of the employees: Orbis from Bitola (5), Nova from Kumanovo (4), there were two new employments, respectively, in Kiss from Tetovo, Nova from Gevgelija and Due from Gostivar, and one new employment was made in TVM from Ohrid, KTV41 from Kavadarci, Kaltrina from Struga, Kanal 21 from Veles, Zhupa from Centar Zhupa, Boem and Gurra from Kichevo.

The total number of employees was decreased in television Tera from Bitola (for seven employees), then Zdravkin from Veles (4), Svet from Sveti Nikole (2), Hana from Kumanovo (2), and the televisions Art, Koha and Super Sky from Tetovo, Emi and Kobra from Radovish, Medi from Bitola and Moris from Ohrid have decreased the number of their employees by 1.

Image 2.47 Number of employees in the private TV stations on local level

TV station	2007	2008	TV station	2007	2008
TV Kiss, Tetovo	15	17	TV Medi, Bitola	2	1
TVM, Ohrid	11	12	TV Hana, Kumanovo	3	1
TV Tera, Bitola	15	8	TV Gurra, Kichevo	0	1
TV Vis, Strumica	7	7	TV Moris, Ohrid	2	1
TV Emi, Radovish	8	7	TV Anisa, Plasnica	1	1
TV Star, Shtip	7	7	TV Dalga KRT, Kumanovo	1	1
TV Menada, Tetovo	7	7	TV Lazhani	0	1
TV Art, Tetovo	6	5	TV Vision-BM (TV Kanal Vision)	0	1
TV Nova, Kumanovo	1	5	TV Super Sky, Tetovo	1	0
TV Orbis, Bitola	0	5	TV NTV, Ohrid	5	HP
TV KTV-41, Kavadarci	4	5	TV Chegrani Media	0	0
TV Koha, Tetovo	5	4	TV Zlaten kanal	0	0
TV Intel, Strumica	4	4	TV Top TV	0	0
TV Kobra, Radovish	4	3	TV Tikveshija	0	0
TV Nova, Gevgelija	1	3	TV Kochani-LD	0	0
TV Kaltrina, Struga	2	3	TV Kanal 8	0	0
TV Kanal 21, Veles	2	3	TV Sitel 2	0	0
TV Spektra	0	3	TV D1	0	0
TV Zdravkin, Veles	6	2	TV Iris, Shtip	10	HP
TV Protel, Probishtip	2	2	TV Uskana, Kichevo	2	HP
TV Zhupa, Centar Zhupa	1	2	TV Festa, Kumanovo	2	HP
TV VTV, Valandovo	2	2			
TV Svet, Sveti Nikole	4	2			
TV Boem, Kichevo	1	2			
TV Due, Gostivar	0	2			
TV Art Kanal, Struga	3	2			
TOTAL				147	132

Source: Central Registry of RM / Broadcasting Council

Chapter 3

Radio industry

3.1 Key changes on the radio market

Image 3.1 key indicators on the changes on the radio market

Indicators	2004	2005	2006	2007	2008
Average weekly range of radio (%of the audience ages from 10 to 70)	61,5	61,9	62,1	59,1	84
Average time of listening to the radio (minutes)	105	101	97	93	162
Share of the audience ratings of the public service MRA (% of the total ratings)	9,4	8,3	8,7	6,2	8,6
Share of the audience ratings of the private RA on state level					
Antenna 5, Ros Metropolis, Kanal 77 (% of the total ratings)	40,8	34,7	29,2	27,7	25,6
Total income in RA industry (millions of denars)	377	345	371	365	434
Income of the public service (millions of denars)	253	217	225	228	295
Income of the private RA on state level (millions of denars)	54	52	60	51	47
Number of entities on the RA market	106	98	98	62	68

Source: Broadcasting Council/SMMRI Skopje

The audience ratings of the radio stations has increased; the Macedonian audience listened to the radio for 2 and half hours, in average, during the day

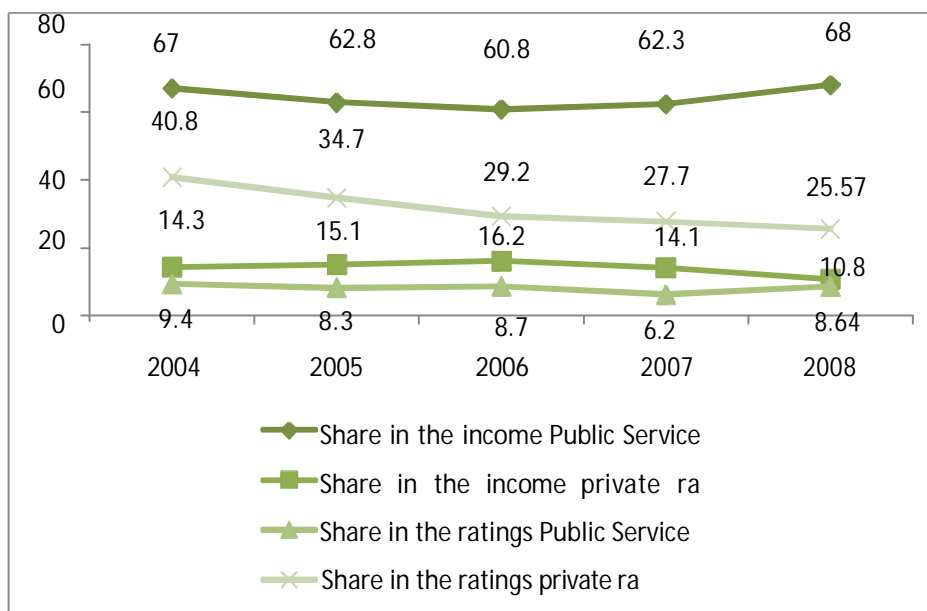
In 2008, the Macedonian audience listened to the radio more than during the previous years. The average weekly range of the radio is 84, which means that 84% of the population have listened to the radio for 15 minutes, at least once during the week.

The average time of listening to the radio is also increased. In 2008, the Macedonian audience listened to the radio during the day for 2 and half hours, in average, one hour more compared to the previous year.

The share of the Macedonian radio in the total income of the radio industry continued to grow, and the share of the private radio stations on national level, continued to decrease

The total income of the Macedonian radio continues to grow, as well as its share in the total income in the radio industry. Still, the growth is a result of the fact that the largest part of these funds were obtained from the budgetary intervention of the Government of RM. A very small part of the income was earned from the broadcasting fee, as a result of the unresolved problem of collection. Even though the ratings of the Macedonian radio have increased for 2,4%, compared to the previous year, they are still low.

Image 3.2 Share in the total income and in the audience ratings of the public service and of the private radio stations on state level



Source: Broadcasting Council/SMMRI Skopje

The decreasing tendency of the income and of the share in the total ratings of the three private radio stations that broadcast programme on state level, continued in 2008. The share in the total income decreased by 3,3%, and the share in the total ratings by 2,2%. Compared to 2004, the share in the total ratings, of these three stations, has decreased by 15,23%.

The local and regional stations had high audience ratings; the share of the public service has increased, and the share of the private radio stations continued to decrease

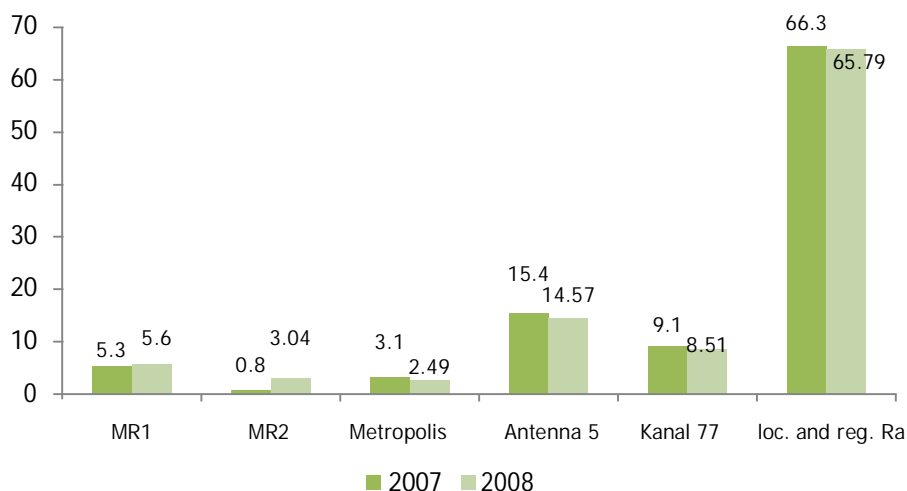
The radio station with highest audience ratings, for this year again, is Antenna 5 with the share of 14,57% in the total audience ratings. Kanal 77 was the second on that list, with the

share of 8,51%, followed by the Macedonian radio 1, with the share of 5,6%, and radio station Metropolis was fourth, with the share of 2,49%.

The regional and local radio stations have the joint share of 65,79% in the total audience ratings.

The audience ratings of the Macedonian radio have increased, and the share in the total audience ratings of the commercial radio stations has decreased.

Image 3.3 Average share in the audience ratings in 2007 and 2008



Source: SMMRI Skopje

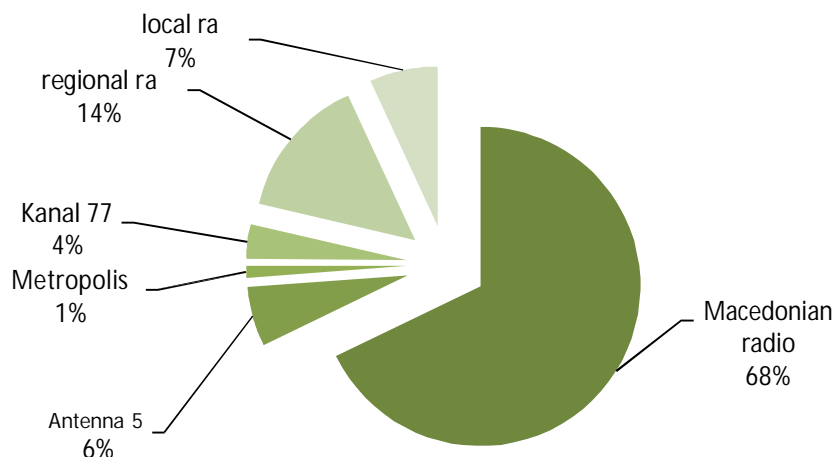
In 2008, in the entire radio industry, there is an increase in the earned income, 18,9% more than the previous year...

The income earned by all entities in the radio industry in 2008 is in the amount of 434.434.421,00 denars (7 million Euros). The income of the Macedonian radio (294.595.805,00 denars, almost the full amount is from the Budgetary intervention of the Government) represents 67,81% of the a/m sum. Same as last year, the Macedonian radio did not report income from the selling of the advertising time.

The only segment in the radio industry that earned less income during this year, compared to the previous year, are the three private radio stations on state level. In the last three years, the total income of these radio stations continues to decrease.

The regional radio stations have increased their income by 3%, and the local radio stations by almost 20%.

Image 3.4 Share in the total income in the radio industry in 2008



Source: Broadcasting Council

The total income of the private radio stations on state level is in the amount of 47.066.517, 00 denars or 10,83% of the total income in the radio industry. The regional radio stations earned total income in the amount of 62.768.332,00 denars or 14,45% of the total income in the radio industry, and the local radio stations earned 30.003.767,00 denars, which is 6,91% of the total income.

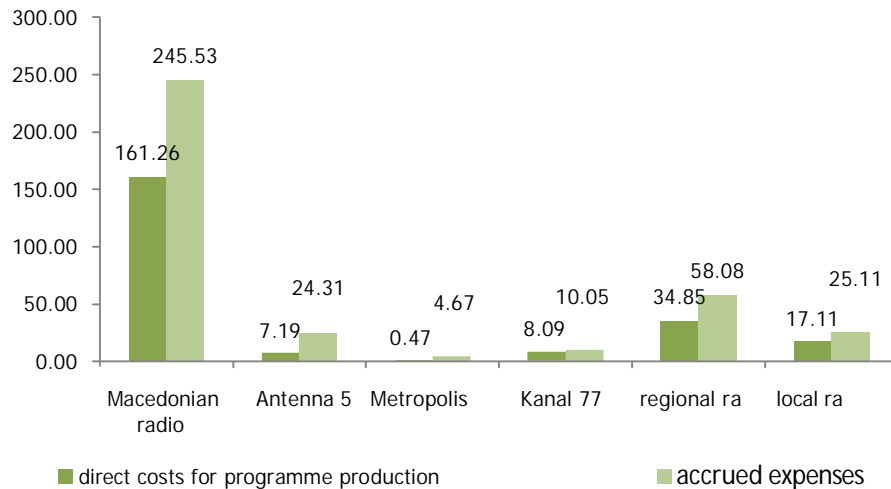
The expenses made in 2008 are the lowest in the last five years; 62,27% of the expenses were made for production and purchasing programme

The accrued expenses, which were made in 2007, in the entire radio industry, are in the amount of 367.744.131,00 denars. The largest part of those expenses are the expenses of the Macedonian radio (245.529.533,00 denars). More than a half of the expenses of the public service (65,68%) were spent for programme production.

Highest expenses were reported by the radio station Antenna 5 (24.312.885,00 denars), out of which 29,59% were direct costs for production and purchasing programme. The accrued expenses of Kanal 77 were in the amount of 10.046.468,00 denars, and 80,57% of those expenses were spent on programme production. The least funds spent on production and purchasing programme were reported by the radio station Ros Metropolis, i.e. only 10 % of the accrued expenses (4.666.475,00 denars).

The sixteen regional radio stations have expenses in the amount of 58.078.528,00 denars. The largest part of those expenses (60,01%) were spent on programme production and purchasing. All of the local radio stations, made the accrued expenses in the amount of 25.110.242,00 denars, out of which 68,16% were direct costs for programme production.

Image 3.5 Accrued expenses and expenses for programme production in 2008



Source: Broadcasting Council

In 2008, all the segments in the radio industry achieved a positive financial result, for the first time in the last five years

The achieved working result of all entities in the radio industry is the profit in the amount of 56.964.919,00 denars.

Image 3.6 Working results of the public and private RA sector



The Macedonian radio, for the first time in the last five years, achieved a positive financial result, and the private radio stations have almost doubled their income.

From the total number of 68 radio stations, 50 have a positive financial result and the other have losses.

There were 525 engaged individuals in the entire radio industry; out of which 444 were full-time employees and 81 worked part-time

In 2008, the total number of employees in the radio industry is 525 individuals, out of which 295 are in the Macedonian radio and 230 are in the private radio stations.

Image 3.7 Number and structure of the employees in the radio industry

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	232	147	74	11	204	28
Tech personnel (engineers and technicians)	108	30	71	7	81	27
Control room personnel (directors, cameramen, editors etc.)	100	23	71	6	80	20
Other personnel	85	21	52	12	79	6
TOTAL	525	221	268	36	444	81

Source: Broadcasting Council

The biggest part of the employees were journalists (44%), and almost 21% were tech personnel, 19% were control room personnel and 16% were other personnel (administrative-expert personnel, employees for maintaining the hygiene, security etc.).

3.2 Radio industry

3.2.1 Number of entities on the market

In the first half of 2008, there were 81 radio stations on the market of terrestrial broadcasting. The broadcasting activity, as an addition to the public broadcasting service Macedonian radio, was pursued by 60 commercial radio stations and 20¹⁷ local public broadcasting enterprises.

Image 3.8 Radio stations in the public and private sector

	until July 2008	after July 2008
Public sector	21	20
Private sector	60	68
Total	81	88

Source: Broadcasting Council

Image 3.9 shows the commercial radio stations, according to the level they broadcast programme.

Image 3.9 Commercial radio stations according to the range

	Until July 2008	After July 2008
State level	3	3
Regional level	16	16
Local level	41	49
Total	60	68

Source: Broadcasting Council

In the course of the analysed year, the total number of 4 broadcasters transmitted programme on the territory of the entire country (image 3.11). The three private radio stations Antenna 5, Kanal 77 and Ros Metropolis and the public service Macedonian radio, with its three programme services: Macedonian radio – First programme (MR1), Macedonian radio – Second programme (MR2) and Macedonian radio – Programme on the languages of the six non-majority ethnic groups: Albanian, Turkish, Romany, Vlach, Serbian and Boshnjak language.

¹⁷ According to article 173 of the Law on Broadcasting Activity (Official Gazette of RM 100/05) the local public broadcasting enterprises were obliged to perform transformation through a process of privatization. According to the information from the Ministry of Economy, until November 2008, 9 of those enterprises have not even started the transformation procedure, 19 were in different stages of the transformation process and one (radio Sveti Nikole) finished the transformation and from 09.09.2008 continued to function as a commercial broadcaster (decision no. 07-2754/1 Official Gazette of RM 1148/08).

Image 3.10 Radio stations on state level

	Sector	Programme services
MRA	Public	3
Antenna 5	Private	1
Kanal 77	Private	1
Ros Metropolis	Private	1

Source: Broadcasting Council

The image 3.11 shows the 16 broadcasters that broadcast programme on regional level, i.e. the area of the city of Skopje. Their number has not changed in the course of the analysed year.

Image 3.11 Radio stations on regional level

Municipality	No. RA	Radio
		Zona M-1, Folk, City, Sky, Rosa AB, Jazz FM,
Skopje	16	Life, Sport radio Kanal 4, Buba Mara, Vat,
		Classic, Arachina, F-M 90.3 – Sport radio,
		Fortuna, Club FM, Ravel

Source: Broadcasting Council

The total number of radio stations that broadcasted programme on local level, in the first half of 2008, was 41 radio stations. With the allocation of the new licenses in the second half of the year, their number has increased to 49 (image 3.12).

On 26 March, with Decision no. 07-674/1, the Council launched a competition for allocation of eight licenses to pursue broadcasting activity on local level for the area of Berovo, Delchevo, Kratovo, Makedonska Kamenica, Makedonski Brod, Sveti Nikole, Negotino and Plasnica.

With Decision no. 2036/1 from 26 June (Official Gazette of RM 81/08), the Council has allocated six new licenses to: Sky radio plus from Berovo, Modea from Sveti Nikole, Production-LGN from Negotino, radio Zora from Delchevo, radio Miss 2008 from Plasnica and radio Moris plus from Makedonski Brod.

On 7 July, the Council launched a competition to allocate two licenses to pursue broadcasting activity for broadcasting and transmission of radio programme service on local level for the area of Kratovo and Makedonska Kamenica.

After this competition, only one license was allocated to radio Makedonska Kamenica, with Decision no. 07-2915/1 from 6 October (Official Gazette of RM 125/08).

In September 2008, the local public broadcasting enterprise Radio Sveti Nikole finished the process of transformation and with Decision no. 07-2754/1 (Official Gazette of RM 140/08) continued to pursue broadcasting activity as a commercial broadcaster.

Image 3.12 Private radio stations on local level

Municipality	Until July 2008		After July 2008	
	No	Radio	No	Radio
Bitola	4	106, B-97, Aktuel, Delfin	4	106, B-97, Aktuel, Delfin
Veles	3	C-D, Merak 5 FM, Goldi	3	C-D, Merak 5 FM, Goldi
Vinica	1	La Kosta	1	La Kosta
Gevgelija	1	Time	1	Time
Gostivar	1	Kometa 2000	1	Kometa 2000
Debar	1	Merlin	1	Merlin
Kavadarci	1	Galaxy-2002	1	Galaxy-2002
Kichevo	1	Aleksandar Makedonski	1	Aleksandar Makedonski
Kochani	1	Rosa AB	1	Rosa AB
Kumanovo	5	KMR, Bravo, Jehona	5	KMR, Bravo, Jehona
Negotino	1	Miks	1	Miks
Ohrid	3	MH, Super, Lav	3	MH, Super, Lav
Pehchevo	1	Pehchevo	1	Pehchevo
Prilep	6	5 Choki, Besa, Rinia 2000, Ternipe, Meff, Holiday,	6	5 Choki, Besa, Rinia 2000, Ternipe, Meff, Holiday,
Radovish	1	Alfa	1	Alfa
Rostushe	1	Emi	1	Emi
Struga	3	DJ, Rapi, Kiki	3	DJ,Rapi, Kiki
Strumica	2	Hit, Express,	2	Hit, Express,
Tetovo	4	Plus Forte, Kiss, Fama, Bleta	4	Plus Forte, Kiss, Fama, Bleta
Centar Zhupa	1	Semi	1	Semi
Shtip	1	Cherenja	1	Cherenja
Plasnica	0		1	Miss 2008
Berovo	0		1	Sky
Delchevo	0		1	Zora
Makedonski	0		1	Moris plus
Prod Negotino	0		1	Production-LGN
Makedonska Kamenica	0		1	Makedonska Kamenica
Sveti Nikole	0		2	Modea, Sveti Nikole

Source: Broadcasting Council

3.2.2 Income in the radio industry

The total income in the radio industry has increased for 18,90%

The total income earned in the radio industry, in 2008, is in the amount of 434.434.421,00 denars. From the data in image 3.13 it can be seen that during the period from 2004 to 2008, the last year was the most favourable for the entire radio industry.

Image 3.13 Total income in the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
National	306.764.799,00	268.616.884,00	285.113.394,00	279.214.311,00	341.662.322,00
Regional	0,00	0,00	0,00	61.145.241,00	62.768.332,00
Local	70.658.562,00	76.264.812,00	85.396.428,00	25.016.188,00	30.003.767,00
Public sector (MRA)	252.873.275,00	216.680.861,00	225.176.971,00	227.783.774,00	294.595.805,00
Private sector	124.550.086,00	128.200.835,00	145.332.851,00	137.591.966,00	139.838.616,00
TOTAL	377.423.361,00	344.881.696,00	370.509.822,00	365.375.740,00	434.434.421,00

Source: Broadcasting Council

The total income earned in 2008 is higher by 15,11%, compared to the total income earned in 2004, by 25,97% compared to 2005, by 17,25% compared to 2006 and by 18,90% compared to the total income earned in 2007. All sectors in the radio industry earned higher income, compared to the previous years.

The broadcasters that broadcast programme on state level have the dominant share in the total income (78,65%). The regional radio stations earned 14,45% and the local radio stations earned 6,91% of the total income. It can be noticed that 67,81% of the total income is the income of the Macedonian radio (only 1% from broadcasting fee and 99% from the budgetary funds), and 32,19% is the income of the private sector.

Image 3.14 shows the comparative indicators of the total income earned by the radio stations in the last five years, by sources of income. It can be seen that compared to the previous year, there is less income earned from sponsorship (decrease by 69,51%) and donations (decrease by 53,44%).

The radio stations have earned higher income from the other types of income; the broadcasting fee income is higher by 44,89%, advertisements by 5,92%, the income from programme selling by 11,38% and other income by 26,88%.

Image 3.14 Structure of the income in the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
Broadcasting fee	230.248.211,00	203.784.711,00	104.921.193,00,	3.016.481,00	4.370.566,00
Advertisements	88.700.113,00	101.669.203,00	118.357.223,00	106.448.065,00	112.746.891,00
Sponsorship	4.301.886,00	2.110.412,00	4.162.150,00	2.092.911,00	638.125,00
Donations	12.424.968,00	9.823.145,00	5.704.889,00	5.282.924,00	2.459.972,00
Programme selling	3.947.150,00	3.777.669,00	3.760.895,00	7.150.340,00	7.963.837,00
Other income	37.801.033,00	23.716.556,00	133.603.472,00	241.380.018,50	306.255.030,00
TOTAL	377.423.361,00	344.881.696,00	370.509.822,00	365.375.740,00	434.434.421,00

Source: Broadcasting Council

From the data showing the share of the separate types of income in the total income earned in 2008 (image no. 3.15), it can be seen that the highest share (98,92%) belongs to the income from primary activity. Here, the so-called "other undistributed income" has the dominant share (68,22%). This is a result of the high amount of this type of income reported by the Macedonian radio (290.225.239,00 denars), almost the entire income is from budgetary funds. Second important source, with the share of 25,95% in the total income is the selling of advertising time. Same as last year, the entire amount of advertising income is earned by the commercial radio stations, and the Macedonian radio did not report any advertising income.

Image 3.15 Structure of the income on the radio market 2008 (MKD)

Type of income	2008	share
Broadcasting fee	4,370,566.00	1.01 %
Advertisement and teleshopping	112,746,891.00	25.95 %
Sponsorship	638,125.00	0.15 %
Income from other programmes	1,476,434.00	0.34 %
Donations and grants	2,459,972.00	0.57 %
Programme selling	7,963,837.00	1.83 %
Public interest projects	3,737,411.00	0.86 %
Other undistributed income	296,357,018.00	68.22 %
Income from primary activity	429,750,254.00	98.92 %
Income from other activities	1,308,617.00	0.30 %
Extraordinary income	3,375,550.00	0.78 %
Total income	434,434,421.00	100.00 %

Source: Broadcasting Council

The other types of income, as the income from selling of programme, broadcasting fee, funds from the broadcasting fee intended for financing projects of public interest, donations and grants, income from other programmes (broadcasting greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc.), income earned by sponsoring an entire show or parts of the show, income from other activities and extraordinary income have the joint share of 5,84%.

In 2008, the income of the three private radio stations that broadcast programme on state level continued to decrease

In 2008, the three commercial radio stations on state level earned the total income in the amount of 47.066.517,00 denars, which represents 10,83% of the total income in the radio industry.

The dominant share in the structure belongs to the income earned from advertisements (69,62%). The biggest part of this income, almost 72% was earned by the radio station Antenna 5 (23.480.936,00 denars), 12% by Kanal 77 (3.981.919,00 denars), and 16% by the radio station Ros Metropolis (5.305.306,00 denars).

The income from programme selling has the share of 16,92% in the total income. During the analysed year, only Kanal 77 has earned this type of income.

Image 3.16 Structure of the income of the private radio stations on state level (M)

Type of income	2008	share
Advertisement and teleshopping	32,768,161.00	69.62 %
Sponsorship	0.00	0.00 %
Income from other programmes	0.00	0.00 %
Donations and grants	790,982.00	1.68 %
Programme selling	7,963,837.00	16.92 %
Public interest projects	1,050,000.00	2.23 %
Other undistributed income	4,450,944.00	9.46 %
Income from primary activity	47,023,924.00	99.91 %
Income from other activities	42,593.00	0.09 %
Extraordinary income	0.00	0.00 %
TOTAL	47,066,517.00	100.00 %

Source: Broadcasting Council

Third most significant source of income is the so-called "other undistributed income" from primary activity, that has the share of 9,46% in the total income. Only the radio station Antenna 5 earned income from the broadcasting fee funds intended for financing projects of public interest, and its share in the total income is 2,23%. During the analysed year, only the radio station Kanal 77 earned income from donations and grants in the amount of 790.982,00 denars.

Small part of the total income (0,09%) was earned from income from other activities.

Same as the previous year, none of the radio stations reported income from sponsorship, even though the programme offer of all three entities contains sponsored shows or parts of the shows. None of the radio stations reported income from other programmes (broadcasting greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc.).

Image no. 3.17 shows the advancement of the income of these three radio stations during the last five years. It can be noticed that the total income continued to decrease during 2008. During 2008, all three radio stations earned less income compared to the previous year: Antenna 5 by 4%, Kanal 77 by 2% and Metropolis by 34%.

Image 3.17 Advancement of the total income of the commercial stations on state level (MKD)

TV station	2004	2005	2006	2007	2008
Antenna 5	31.787.364,00	31.248.172,00	32.704.365,00	27.533.306,00	26.297.296,00
Ros Metropolis	6.057.765	4.255.404,00	9.968.383,00	8.095.359,00	5.305.457,00
Kanal 77	16.046.395,00	16.432.447,00	17.263.675,00	15.801.872,00	15.463.764,00
TOTAL	53.891.524,00	51.936.023,00	59.936.423,00	51.430.537,00	47.066.517,00

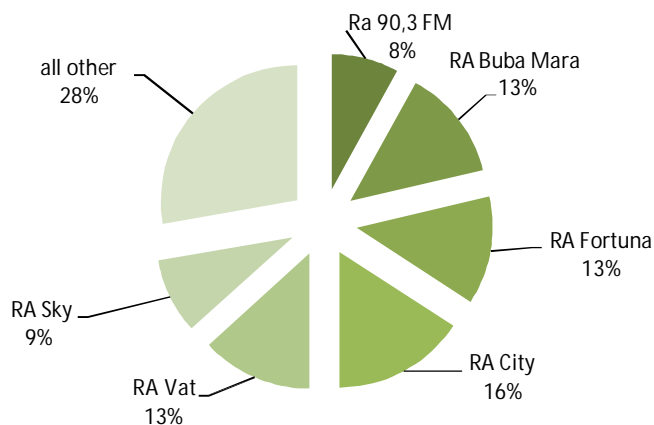
Source: Broadcasting Council

The share of the sixteen regional radio stations in the total income of the radio industry is 14,45%

The total income earned by the regional radio stations in 2008 is in the amount of 62.768.332,00 denars which, compared to the previous year, represents an increase of almost 3%.

Almost 72% of this amount was earned only by six radio stations (City, Buba Mara, 90,3 FM, Fortuna, Vat and Sky radio).

Image 3.18 Share of the regional radio stations in the total income on regional level (MKD)



Source: Broadcasting Council

During the analysed year, eight radio stations earned higher income, compared to the previous year, and the same number (8) earned less income.

Image 3.19 Growth rate of the total income on regional level (MKD)

RA station	2007	2008	Growth rate
Folk	555,547.00	1,242,610.00	124 %
Classic	788,648.00	1,351,439.00	71 %
Ra 90,3 FM	3,799,594.00	5,018,787.00	32 %
City	7,553,438.00	9,917,487.00	31 %
Rosa AB	2,284,825.00	2,890,580.00	27 %
Club FM	985,825.00	1,244,314.00	26 %
Zona M-1	1,115,943.00	1,265,545.00	13 %
Buba Mara	8,008,502.00	8,319,692.00	4 %
Life FM	1,364,601.00	1,350,229.00	-1 %
Vat	8,610,384.00	8,313,727.00	-3 %
Sky radio	6,417,548.00	5,657,314.00	-12 %
Fortuna	9,326,059.00	8,122,795.00	-13 %
Sport Kanal 4	3,645,629.00	2,998,277.00	-18 %
Ravel	3,972,273.00	3,266,895.00	-18 %
Jazz FM	1,063,009.00	858,678.00	-19 %
Arachina	1,653,416.00	949,963.00	-43 %
TOTAL	61,145,241.00	62,768,332.00	3 %

Source: Broadcasting Council

The highest growth rate of the total income belongs to Folk radio, for 124%, but in the absolute amount the highest increase can be seen in the income of City radio (for 2.364.049,00 denars) and radio 90,3 FM (1.219.193,00 denars). The income of the radio station Arachina has decreased by 43%.

Image 3.20 Structure of the income of the private radio stations on regional level (MKD)

Type of income	2008	share
Advertisement and teleshopping	54,043,281.00	86.10 %
Sponsorship	335,000.00	0.53 %
Income from other programmes	1,247,951.00	1.99 %
Donations and grants	175,620.00	0.28 %
Programme selling	0.00	0.00 %
Public interest projects	2,295,911.00	3.66 %
Other undistributed income	959,889.00	1.53 %
Income from primary activity	59,057,652.00	94.09 %
income from other activities	612,183.00	0.98 %
Extraordinary income	3,098,497.00	4.94 %
TOTAL	62,768,332.00	100.00 %

Source: Broadcasting Council

Image 3.20 shows the structure of the income of the regional radio stations. The dominant source of income, i.e. 86,10% of the income, is the selling of advertising time. The following radio stations earned the most from advertising: the radio station City radio (8.963.753,00 denars), Buba Mara (8.316.447,00 denars), radio Vat (8.203.075,00 denars) and Fortuna (6.913.309,00 denars).

The other types of income have a significantly smaller share in the total income. The share of the broadcasting fee funds intended for financing projects of public interest is 3,66% of the total income. This type of income was earned by only four radio stations (Ravel, City, Sport radio Kanal 4 and the radio station 90,3 FM).

The income from other programmes (income from greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc.) represent 1,99% of the total income. The radio station Club FM has earned almost the entire sum.

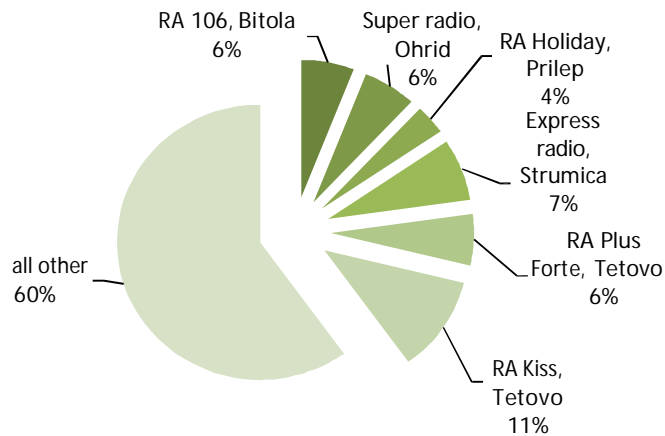
Income from sponsorship was reported only by the radio station Sport radio Kanal 4, and income from donations and grants was reported only by Ravel and Vat.

The high share of the extraordinary income, 4,94% in the total income, is a result of the high amounts earned on this basis by radio Fortuna (1.190.022,00 denars) and Classic FM (1.321.439,00 denars).

The local radio stations earned only 6,91% of the total income in the radio industry

During the analysed year, the local radio stations earned the total income in the amount of 30.003.767,00 denars, which, compared to the previous year, is an increase of almost 20%.

Image 3.21 Share of the local radio stations in the total income on local level



Source: Broadcasting Council

The income earned by six radio stations (Radio 106 from Bitola, Super radio from Ohrid, Holiday from Prilep, Express radio from Strumica, Plus forte and Kiss from Tetovo) represents 40% of the total income of the local radio market.

The data on the structure of the income of the local radio stations (image 3.22), show that the most significant source of income is the selling of advertising time, with a share of 86,44% in the total income. Most income from advertising was made by radio Kiss from Tetovo (3.366.946,00 denars), Express from Strumica (2.185.959,00 denars), Super radio from Ohrid (1.786.893,00 denars) and Radio 106 from Bitola (1.770.579,00 denars).

Image 3.22 Structure of the income of the private radio stations on local level (MKD)

Type of income	2008	share
Advertisement and teleshopping	25,935,449.00	86.44 %
Sponsorship	303,125.00	1.01 %
Income from other programmes	228,483.00	0.76 %
Donations and grants	1,493,370.00	4.98 %
Programme selling	0.00	0.00 %
Public interest projects	391,500.00	1.30 %
Other undistributed income	720,946.00	2.40 %
Income from primary activity	29,072,873.00	96.90 %
Income from other activities	653,841.00	2.18 %
Extraordinary income	277,053.00	0.92 %
TOTAL	30,003,767.00	100.00 %

Source: Broadcasting Council

The share of the income from donations and grants is 4.98% in the total income, even though only four radio stations earned this type of income (Ternipe from Prilep, Rapi from Struga, Bleta and Plus forte from Tetovo).

Income from sponsorship was reported only by radio Semi from Centar Zhupa, Merlin from Debar, Kiki from Struga and Bleta from Tetovo, and its share in the total income is 1,01%.

The share of the income from other programmes (income from greetings and compliments, shows and music blocks with SMS (text messages), telephone interactive games, special-tariff phone services etc.), is only 0,76% of the total income, and none of the local radio stations earned income from programme selling..

The relatively high share of the income from other activities (2,18 отсто) is a result of the income earned, on this basis, by the radio station Cherenja from Shtip (628.299,00 denars).

3.2.3 Expenses in the radio industry

In 2008, the expenses in the radio industry are the lowest in the last five years

The accrued expenses, which were made by all entities in the radio industry during 2008, are in the amount of 367.744.131,00 denars. It is the lowest amount of expenses in the last five years.

The biggest part of the accrued expenses were made by the radio stations that broadcast programme on state level (77,38%). The share of the regional radio stations is 15,79% and the share of the local radio stations in only 6,83% of the accrued expenses..

The expenses of the public broadcasting service Macedonian radio represent 66,77% of the accrued expenses, while the expenses of the private sector are 33,23%.

Image 3.23 Accrued expenses in the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
State level	332.503.492,00	317.860.634,00	310.109.414,00	302.212.922,50	284.555.361,00
Regional	0,00	0,00	0,00	56.645.039,00	58.078.528,00
Local	68.740.333,00	76.549.382,00	85.802.080,00	22.777.292,50	25.110.242,00
Public sector (MRA)	298.002.032,00	281.078.302,00	260.194.509,00	253.199.831,00	245.529.533,00
Private Sector	103.241.793,00	113.331.714,00	135.716.985,00	128.435.423,00	122.214.598,00
TOTAL	401.243.825,00	394.410.016,00	395.911.494,00	381.635.254,00	367.744.131,00

Source: Broadcasting Council

The data in image 3.23 show that, compared to the previous year, the expenses were decreased both in the private (by 4,84%) and in the public sector (by 3,03%).

From the aspect of the level of coverage, it can be seen that the decrease of the expenses is only noticed within the national radio stations, while the regional and the local radio stations have increased the expenses in 2008.

The biggest part of the accrued expenses are direct costs for production of programme (62,27%). Out of those, the share of the expenses for salaries and compensations for individuals directly connected to programme production is the highest (25,17%). Least funds were spent for purchasing programme (3,80%), and almost equal amount for material and intangible costs (services).

From the expenses that are not directly related to programme production, significant share (18,47%) belongs to salaries and other compensations for individuals that are not directly connected to programme production and "all other working expenses which are not included" (11,81%). The share of the expenses for amortization of the programme is 4,35% of the accrued expenses.

Image 3.24 structure of the expenses of the radio market in 2008 (MKD)

Type of expenses	2008	share
Material costs	57,014,443.00	15.50 %
Expenses for programme purchase	13,986,519.00	3.80 %
Intangible expenses (services)	65,425,793.00	17.79 %
Salaries and other compensations for individuals directly connected to programme production	92,555,052.00	25.17 %
Direct costs for programme production	228,981,807.00	62.27 %
Salaries and other compensations for individuals that are not directly connected to programme production	67,915,115.00	18.47 %
Amortization of the equipment	15,979,957.00	4.35 %
Amortization of rights and licenses	772,684.00	0.21 %
Rents and other operating expenses	7,881,594.00	2.14 %
All other working expenses which are not included	43,430,881.00	11.81 %
Accrued working expenses	364,962,038.00	99.24 %
Expenses from other activities	1,735,239.00	0.47 %
Extraordinary expenses	1,046,854.00	0.28 %
Accrued working expenses	367,744,131.00	100.00 %

Source: Broadcasting Council

The expenses of the three private radio stations on state level have decreased by 20,4%

In 2008, the accrued expenses of the three commercial national radio stations were in the amount of 39.025.828,00 denars, which, compared to the previous year, is a decrease of 20,4%.

Image 3.25 Advancement of the accrued expenses of the private radio stations on state level (MKD)

RA station	2004	2005	2006	2007	2008
Antenna 5	18.346.692,00	19.748.127,00	26.549.061,00	23.006.889,00	24.312.885,00
Ros Metropolis	5.980.446,00	4.106.184,00	9.865.358,00	11.100.362,50	4.666.475,00
Kanal 77	10.174.322,00	12.928.021,00	13.500.486,00	14.905.840,00	10.046.468,00
TOTAL	34.501.460,00	36.782.332,00	49.914.905,00	49.013.091,50	39.025.828,00

Source: Broadcasting Council

Извор: Совет за радиодифузија

The expenses were decreased by the radio stations Kanal 77 (by 32,60%) and Metropolis (by 57,96%). In 2008, the expenses of the radio station Antenna 5 are higher by 5,68% compared to the expenses in 2007.

The image 3.26 shows the structure of the expenses of these three entities.

Image 3.26 Structure of the expenses of the private radio stations on state level (MKD)

Type of expenses	2008	share
Material costs	6,994,809.00	17.92 %
Expenses for programme purchase	167,048.00	0.43 %
Intangible expenses (services)	4,926,224.00	12.62 %
Salaries and other compensations for individuals directly connected to programme production	3,666,713.00	9.40 %
Direct costs for programme production	15,754,794.00	40.37 %
Salaries and other compensations for individuals that are not directly connected to programme production	1,182,538.00	3.03 %
Amortization of the equipment	2,766,024.00	7.09 %
Amortization of rights and licenses	0.00	0.00 %
Rents and other operating expenses	2,840,394.00	7.28 %
All other working expenses which are not included	15,739,676.00	40.33 %
Accrued working expenses	38,283,426.00	98.10 %
Expenses from other activities	664,792.00	1.70 %
Extraordinary expenses	77,610.00	0.20 %
Accrued working expenses	39,025,828.00	100.00 %

Source: Broadcasting Council

The share of the expenses directly connected to programme production is 40,37% of the accrued expenses. Of those, the biggest share belongs to the material costs (17,92%). Almost 98% of these expenses were made by the radio station Kanal 77 (6.480.622,00 denars). The entire amount of intangible expenses (services) and the expenses for programme purchase was reported by the radio station Antenna 5. These three radio stations spent 9,40% of the accrued expenses on salaries and other compensations for individuals directly connected to programme production.

It can be noticed that in the structure of the expenses, the biggest share (40,33%) belongs to "other working expenses which are not included, due to the high amount of this type of expenses reported by the radio station Antenna 5 (12.986.523,00 denars).

The regional radio stations have increased the expenses by 1,36%; the expenses for programme production have the dominant share

In 2008, the accrued expenses of the sixteen radio stations that broadcast programme on the territory of the city of Skopje are in the amount of 58.078.528,00 denars. Compared to the previous year, the accrued expenses have increased by 1,36%.

The data on the structure of the expenses of the regional radio stations (image 3.27), show that 60,01% of the accrued expenses belong to programme production. The biggest part (21,96%) were used for salaries and other compensations for individuals directly connected to programme production. All radio stations, without an exception, reported this type of expenses.

The share of the material costs in the accrued expenses is 18,97%. The amount of these expenses made by the radio stations Buba Mara, Fortuna and 90,3 FM represents 72% of the entire sum. The share of the intangible expenses (services) is 17,23%. Only three radio stations (Arachina, Fortuna and Classic FM) did not reported this type of expenses.

Image 3.27 Structure of the expenses of the private radio stations on regional level (MKD)

Type of expenses	2008	share
Material costs	11,017,490.00	18.97 %
Expenses for programme purchase	1,076,741.00	1.85 %
Intangible expenses (services)	10,005,043.00	17.23 %
Salaries and other compensations for individuals directly connected to programme production	12,752,954.00	21.96 %
Direct costs for programme production	34,852,228.00	60.01 %
Salaries and other compensations for individuals that are not directly connected to programme production	1,017,455.00	1.75 %
Amortization of the equipment	4,139,069.00	7.13 %
Amortization of rights and licenses	542,404.00	0.93 %
Rents and other operating expenses	4,827,175.00	8.31 %
All other working expenses which are not included	11,493,623.00	19.79 %
Accrued working expenses	56,871,954.00	97.92 %
Expenses from other activities	289,253.00	0.50 %
Extraordinary expenses	917,321.00	1.58 %
Accrued working expenses	58,078,528.00	100.00 %

Source: Broadcasting Council

Извор: Совет за радиодифузија

Expenses for programme purchase were only reported by the radio stations Folk radio, Sport radio Kanal 4, Jazz FM and Zona M-1. Significant share in the accrued expenses (19,79%) belongs to the so-called "all other working expenses which are not included". It is a result of the high amount which was reported in this category of expenses by the radio stations Fortuna (4.080.941,00 denars) and City (4.219.704,00 denars).

In 2008, seven radio stations (Club FM, Arachina, Ravel, Sport radio Kanal 4, Life, Vat and Jazz FM) have decreased their expenses compared to the previous year. The other nine radio stations, in the analysed year, have bigger expenses compared to the previous year (Fortuna, Sky, Zona M-1, Buba Mara, City, Rosa AB, 90,3 FM, Classic FM and Folk radio).

The local radio stations have increased their expenses by 1,02%; the largest share of the expenses belongs to programme production

In 2008, the accrued expenses of the local radio stations are in the amount of 25.110.242,00 denars, which, compared to the previous year, it is an increase of 1,02%.

Image 3.28 Structure of the expenses of the private radio stations on local level (MKD)

Type of expenses	2008	share
Material costs	5,930,168.00	23.62 %
Expenses for programme purchase	358,822.00	1.43 %
Intangible expenses (services)	2,699,586.00	10.75 %
Salaries and other compensations for individuals directly connected to programme production	8,125,643.00	32.36 %
Direct costs for programme production	17,114,219.00	68.16 %
Salaries and other compensations for individuals that are not directly connected to programme production	1,367,160.00	5.44 %
Amortization of the equipment	1,536,996.00	6.12 %
Amortization of rights and licenses	230,280.00	0.92 %
Rents and other operating expenses	214,025.00	0.85 %
All other working expenses which are not included	3,814,445.00	15.19 %
Accrued working expenses	24,277,125.00	96.68 %
Expenses from other activities	781,194.00	3.11 %
Extraordinary expenses	51,923.00	0.21 %
Accrued working expenses	25,110,242.00	100.00 %

Source: Broadcasting Council

In the structure of the expenses (image 3.28), the biggest share belongs to the direct costs for programme production (68,16%). During 2008, most funds were spent on salaries and other compensations for individuals directly connected to programme production (32,36%). Significant share belongs to material costs (23,62%), and 10,75% of the expenses were spent on intangible expenses (services). The smallest amount of the funds, only 1,43%, were spent for programme purchase.

The share of "all other working expenses which are not include" is significant (15,19%).

The other types of expenses have the joint share of 16,65% in the accrued expenses.

3.2.4 Liabilities in the radio industry

All subjects in the radio industry have increased their liabilities

In 2008, the total liabilities of all entities in the radio industry were in the amount of 734.211.918,00 denars.

Image 3.29 Total liabilities in the period 2004 - 2008 (MKD)

	2004	2005	2006	2007	2008
National	369.252.303,00	365.750.635,00	363.376.650,00	605.028.109,00	629.810.687,00
Regional	0,00	0,00	0,00	61.581.687,00	62.492.667,00
Local	63.566.696,00	81.598.567,00	90.961.343,00	36.147.482,00	41.908.564,00
Public sector (MRA)	271.272.205,00	249.439.277,00	233.757.907,00	459.686.818,00	485.175.696,00
Private sector	161.546.793,00	197.909.925,00	220.580.086,00	243.070.460,00	249.036.222,00
TOTAL	432.818.998,00	447.349.202,00	454.337.993,00	702.757.278,00	734.211.918,00

Source: Broadcasting Council

Compared to the previous year, the total liabilities were increased in all segments of the radio industry; for 4,10% for all national radio stations, for 1,48% for the regional radio stations, and for 15,94% for the local radio stations. In 2008, the total liabilities of the public service Macedonian radio are higher by 5,54%, compared to 2007, and by 2,45% for the private sector.

Image 3.30 Liabilities and capital in 2008 (MKD)

Type of liabilities	2008
Liabilities towards suppliers	260,342,505.00
Liabilities for bills of exchange and checks	205,118.00
Other short-term liabilities	87,736,263.00
Total short-term liabilities	348,283,886.00
Long-term liabilities for credits	80,781,253.00
Long-term liabilities for bonds	21,250.00
Other liabilities	7,618,726.00
Total liabilities	436,705,115.00
Capital	197,065,243.00
Retained profit on 31.12	42,985,324.00
Total reserves on 31.12	57,456,236.00
Total capital and reserves	297,506,803.00
Total liabilities	734,211,918.00

Source: Broadcasting Council

In 2008, the amount of total liabilities in the radio industry was 436.705.115,00 denars.

Image 3.31 Liabilities and capital in 2008 (MKD)

Type of liability	МРА	Приватни РА на државно ниво	Регионални	Локални
Liabilities towards suppliers	156.455.470,00	69,105,155.00	16,065,439.00	18,716,441.00
Liabilities for bills of exchange and checks	0,00	0.00	0.00	205,118.00
Other short-term liabilities	51.815.962,00	24,622,060.00	8,238,336.00	3,059,905.00
Total short-term liabilities	208.271.432,00	93,727,215.00	24,303,775.00	21,981,464.00
Long-term liabilities for credits	75.713.445,00	0.00	1,371,988.00	3,695,820.00
Long-term liabilities for bonds	0,00	0.00	0.00	21,250.00
Other liabilities	0,00	0.00	6,660,571.00	958,155.00
Total liabilities	283.984.877,00	93,727,215.00	32,336,334.00	26,656,689.00
Capital	156.641.989,00	11,968,470.00	11,720,676.00	16,734,108.00
Retained profit on 31.12	0,00	28,154,532.00	17,148,095.00	-2,317,303.00
Total reserves on 31.12	44.548.830,00	10,784,774.00	1,287,562.00	835,070.00
Total capital and reserves	201.190.819,00	50,907,776.00	30,156,333.00	15,251,875.00
Total liabilities	459.686.818,00	144,634,991.00	62,492,667.00	41,908,564.00

Source: Broadcasting Council

Almost 80% were short-term liabilities, for the most part liabilities towards suppliers (59,62%). Of the long-term liabilities, the liabilities for credits have the highest share of 18,50% of the total liabilities.

The biggest share of the debts belongs to the Macedonian radio (65% of the total liabilities).

The highest liabilities in the private sector on national level are of the radio station Kanal 77. The total liabilities of this radio station, all are short-term liabilities, are in the amount of 64.598.168,00 denars, i.e. 69% of the total liabilities of this segment of the radio industry.

Regarding the regional radio stations, the highest liabilities belong to City radio (11.880.812,00 denars), Ravel (4.717.492,00 denars), Buba Mara (3.672.180,00 denars) and Sport radio Kanal 4 (3.020.090,00 denars). The liabilities of all four radio stations make 72% of the total liabilities of the regional radio stations.

Almost 42% of the total liabilities of the local radio stations are the liabilities of the radio station Kiss (8.990.411,00 denars) and radio Plus Forte (2.187.803,00 denars).

3.2.5 Working results of the radio industry

In 2008, both the public and the private sector have achieved a positive financial result

In 2008, the achieved working result of all entities in the radio industry is profit in the amount of 56.964.919,00 denars. For the first time, during the period from 2004 until 2008, the entire radio industry achieved a positive financial result for the last year.

Image 3.32 Working results in the public and private sector (MKD)

	2004	2005	2006	2007	2008
Public sector	- 45.128.757,00	-64.397.441,00	-35.017.538,00	-25.416.057,00	43.266.970,00
Private sector	11.361.868,00	12.344.982,00	7.649.820,00	7.013.643,00	13.697.949,00
Result	-33.766.889,00	-52.052.459,00	-27.367.718,00	-18.402.414,00	56,964,919,00

Source: Broadcasting Council

The data in image 3.32 show that, during the analysed year, both the public service Macedonian radio and the private sector made profit.

In the last five years, the private sector made profit in continuity, but it was highest in 2008. The Macedonian radio achieved a positive financial result, for the first time, during last year.

Image 3.33 Working result of the radio market in 2008 (MKD)

Achieved result	2007
Income from primary activity	429,751,459.00
Total working expenses	366,370,082.00
Profit (loss) from the primary activity	63,381,377.00
Income from other activities	1,308,614.00
Expenses from other activities	1,736,351.00
Profit (loss) from other activities	-427,737.00
Extraordinary income	3,375,550.00
Extraordinary expenses	1,046,854.00
Profit (loss) prior to taxation	65,282,336.00
Profit (loss) after taxation (net profit/loss)	56,964,919.00

Source: Broadcasting Council

All three private national radio stations made profit, Kanal 77 in the amount of 4.895.037,00 denars, Antenna 5 in the amount of 1.202.394,00 denars and Metropolis in the amount of 519.408,00 denars.

Image 3.34 Working result of the radio market in 2008 (MKD)

	profit	loss
Macedonian radio	43.266.970,00	-
private RA on state level	6.616.839,00	-
Regional radio stations	4.019.665,00	-
Local radio stations	3.061.445,00	-
total	56.964.919,00	
result		

Source: Broadcasting Council

Only three regional radio stations had a negative financial result at the end of the year (Club FM, Ravel and Jazz FM). The other thirteen radio stations made profit in the work. The best financial result was achieved by Sky radio (profit in the amount of 2.135.444,00 denars), and the worst – Ravel (loss in the amount of 265.758,00 denars).

The profit of all local radio stations was in the amount of 3.061.445,00 denars. Out of 49 entities, 34 made profit and 15 worked with losses.

The highest profit was made by radio 106 from Bitola (933.062,00 denars), and the biggest losses were made by radio Cherenja from Shtip (449.327,00 denars).

3.2.7 Number and structure of the employees in the radio industry

The total number of employees in the entire radio industry is 525 individuals; 444 were full-time employees and 81 individuals were engaged part-time

In 2008, the total number of employees in the radio industry was 525¹⁸ individuals, 444 were full-time employees and 81 individuals were engaged part-time. The biggest part of the employees were journalists (44%), almost 21% were tech personnel, 19% control room personnel and 16% other personnel (administrative-expert personnel, employees for maintaining the hygiene, security etc.).

More than half of the employees have high-school education (51%), and 42% of the employees have university degree.

It can be noticed that most of the employees (the journalists) have university degree (63% of the journalists). The employees with high-school education were most present in the tech personnel (66%) and the control room personnel (71%) and other personnel (61%).

Image 3.35 Number and structure of the employees in the radio industry

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	232	147	74	11	204	28
Tech personnel (engineers and technicians)	108	30	71	7	81	27
Control room personnel (directors, cameramen, editors etc.)	100	23	71	6	80	20
Other personnel	85	21	52	12	79	6
TOTAL	525	221	268	36	444	81

Source: Broadcasting Council

¹⁸ The data on the number and structure of the employees are obtained from Form C2, which the commercial broadcasters have submitted to the Broadcasting Council, and their validity is checked with the forwarded copies of the forms M1/M2, the data on the final financial statements and the Information on the economic-financial work of the entity, issued by the Central Registry of RM. For the needs of this analysis, the Macedonian radio submitted a special form with data on the number and structure of employees, which were compared to the data from the Report on the financial affairs of MRTV for 2008.

The total number of employees in radio stations on state level was 326 individuals; 295 in the Macedonian radio and 31 in the commercial radio stations

During the analysed year, the total number of employees in the national radio stations was 326 individuals; 295 in the Macedonian radio and 31 in the commercial radio stations on state level.

According to the structure, the biggest part of the employees were journalists (48%). 143 journalists were employed in the Macedonian radio and 12 journalists were employed in the three private radio stations. Out of the 48 individuals working in the tech personnel, 40 were employed in the public service and 8 in the private radio stations. Of the other personnel (administrative-expert personnel, employees for maintenance and hygiene, security etc.), 54 individuals were employed in the Macedonian radio and 4 in the private radio stations.

The biggest part of the journalists have university degree (68%), and most of the employees in the tech, control room and other personnel are with high-school education.

Image 3.36 Number and structure of the employees in the radio stations on state level

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	155	105	39	11	149	6
Tech personnel (engineers and technicians)	48	8	33	7	45	3
Control room personnel (directors, cameramen, editors etc.)	65	10	49	6	62	3
Other personnel	58	12	35	11	58	0
TOTAL	326	135	156	35	314	12

Source: Central Registry of RM/ Broadcasting Council

The number of employees in the three private national radio stations, compared to the previous year, was decreased by 13. Only Antenna 5 has increased the number of employees by 2, while Kanal 77 has decreased the number by 14, and Metropolis by 1.

Image 3.37 Full-time employees in the private radio stations on state level

	2004	2005	2006	2007	2008
Antenna 5	11	12	12	11	13
Ros Metropolis	5	4	2	2	1
Kanal 77	18	20	20	19	5
TOTAL	34	36	34	32	19

Source: Central Registry of RM/ Broadcasting Council

The number of employees in the radio stations on regional level was 84 individuals; 69 were full-time employees and 15 were part-time associates

In 2008, from the total number of 84 employees in the regional radio stations, 69 were full-time employees and 15 worked part-time.

Image 3.38 Number and structure of the employees in the radio stations on regional level

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	33	21	12	0	30	3
Tech personnel (engineers and technicians)	20	8	12	0	16	4
Control room personnel (directors, cameramen, editors etc.)	16	10	6	0	11	5
Other personnel	15	8	7	0	12	3
TOTAL	84	47	37	0	69	15

Source: Central Registry of RM/ Broadcasting Council

The biggest part of the employees were journalists (39%), 24% were tech personnel, and almost the equal number worked in the control room personnel and other personnel (administrative-expert personnel, employees for maintenance and hygiene, security etc.).

From the total number of employees, 56% had university degree and 44% were with high-school education.

Compared to the previous year, the number of the full-time employees was decreased by 3. Three radio stations have increased the number of employees (Vat, Sky radio and Zona M-1), and four radio stations have decreased the number of employees (Sport radio Kanal 4, Classic FM, 90, 3 FM and City).

Image 3.39 Number of employees in the radio stations on regional level (Skopje)

RA station	2006	2007	2008	RA station	2006	2007	2008
				RA Sky	1	3	4
RA Ravel	9	9	9	RA Club FM	5	3	3
RA Fortuna	7	7	7	RA Zona M1	0	2	3
RA City	13	9	6	RA Jazz FM	2	2	2
RA FM 90,3	7	8	6	RA Life	2	2	2
RA Sport radio Kanal 4	1	6	5	RA Folk	1	1	1
RA Buba Mara	4	4	4	RA Classic FM	2	2	1
RA Rosa AB	2	4	4	RA Arachina	1	1	1
TOTAL					63	72	69

Source: Central Registry of RM/ Broadcasting Council

The total number of employees in the local radio stations was 115 individuals; 61 were full-time employees and 54 worked part-time

In the analysed year, the number of employees in all local radio stations was 115 individuals, out of which 61 were full-time employees and 54 worked part-time.

Image 3.40 Number and structure of employees in the radio stations on local level

Type of personnel	Number	Education			Status	
		UNI	HS	other	full-time	part-time
Journalists	44	21	23	0	25	19
Tech personnel (engineers and technicians)	40	14	26	0	20	20
Control room personnel (directors, cameramen, editors etc.)	19	3	16	0	7	12
Other personnel	12	1	10	1	9	3
TOTAL	115	39	75	1	61	54

Source: Central Registry of RM/ Broadcasting Council

The biggest number of the employees were with high-school education (65%), 34% were with university degree and only one person had some other type of education. Almost equal number of people with university degree and people with high school education worked as journalists, and biggest part of the employees in the other services were with high-school education.

The total number of employees in the local radio stations has increased by 13.

Only three radio stations have decreased the number of their employees (Radio Kiki from Struga, Delfin from Bitola and Miks from Negotino).

Thirteen radio stations have increased the number of employees by 1 (Holiday from Prilep, Plus Forte from Tetovo, Super radio from Ohrid, 5 Choki from Prilep, Galaxy from Kavadarci, CD from Veles, Rinia 2000 from Prilep, Jehona from Lipkovo, Fama from Kumanovo, Lav from Ohrid, Hit from Strumica, DJ from Struga and AB from Kochani).

In 2008, four radio stations that began to work in the course of that year, have increased the number of employees by 1 full-time employee (Modea from Sveti Nikole, Production LGN from Negotino, Sky from Berovo and Sveti Nikole from Sveti Nikole).

Image 3.41 shows the data on the number of the employees in the local radio stations during the last three years. It can be seen that the biggest number of employees were in radio Kiss from Tetovo (5), and four employees were in the radio stations Express from Strumica, Holiday from Prilep and Plus Forte from Tetovo.

The total number of 12 radio stations did not have any full-time employees, and 23 radio stations hired only 1 full-time employee.

Image 3.41 Number of employees in the private radio stations on local level

Radio station	2006	2007	2008	Radio station	2006	2007	2008
RA Kiss, Tetovo	5	5	5	RA Production LGN, Negotino	-	-	1
RA Express, Strumica	4	4	4	RA Fama, Kumanovo	1	0	1
RA Holiday, Prilep	1	3	4	RA Lav, Ohrid	0	0	1
RA Plus Forte, Tetovo	0	3	4	RA Hit, Strumica	0	0	1
RA Super, Ohrid	3	2	3	RA DJ, Struga	0	0	1
RA 106, Bitola	3	3	3	RA Bleta, Tetovo	1	1	1
RA Time, Gevgelija	0	3	3	PA B-97, Bitola	1	1	1
RA 5 Choki, Prilep	6	1	2	RA Sky, Berovo	-	-	1
RA MH, Ohrid	2	2	2	RA Aleksandar Makedonski, Kichevo	1	1	1
RA Merak 5 FM, Prilep	2	2	2	RA AB, Kochani	0	0	1
RA Rapi, v. Veleshta	1	2	2	RA Sveti Nikole, Sv.Nikole	-	-	1
RA Galaxy 2000, Kavadarci	1	1	2	RA Zora, Delchevo	-	-	0
RA CD, Veles	1	1	2	RA Makedonska Kamenica, M. Kamenica	-	-	0
RA Pehchevo, Pehchevo	2	1	1	RA Goldi, Veles	1	0	0
RA Kiki, Struga	2	2	1	RA Delfin, Bitola	1	1	0
RA Bravo, Kumanovo	2	1	1	RA Miks, Negotino	0	2	0
RA Cherenja, Shtip	2	1	1	RA Merlin, Debar	0	0	0
RA Ternipe, Prilep	1	1	1	RA Kometa 2000, Gostivar	0	0	0
RA Semi, Centar Zhupa	1	1	1	RA Emi, Rostushe	0	0	0
RA Rinia 2000, Dolneni	1	0	1	RA Alfa, Radovish	0	0	0
RA Meff, Prilep	1	1	1	RA Aktuel, Bitola	0	0	0
RA La Kosta, Vinica	1	1	1	RA Besa, Dolneni	1	0	0
RA KMR, Veles	1	1	1	RA Miss 2008, Plasnica	-	-	0
RA Jehona, Lipkovo	1	0	1	RA Moris plus, M.Brod	-	-	0
RA Modea, Sveti Nikole	-	-	1	TOTAL	46	48	61

Source: Central Registry of RM/ Broadcasting Council

Chapter 4

Advertising Market

4.1. Advertising market in the television industry

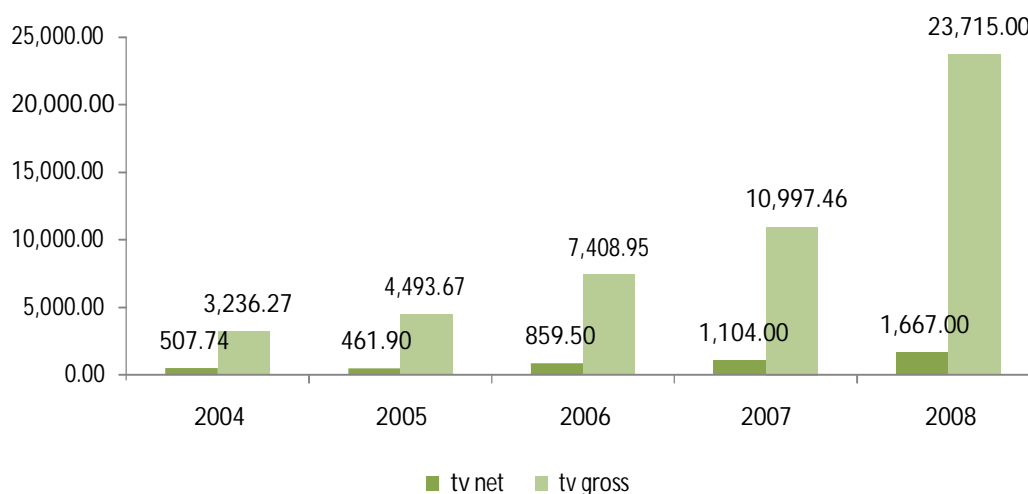
4.1.1. Gross and net income from advertising

The gross income from advertising in the television industry is in the amount of 23.715.237.343,00 denars¹⁹ (389 million Euros). This amount was calculated so all broadcasted advertising spots were multiplied by the prices per second of advertising time from the official pricelists of the television stations.

During this year, the amount of the net income from advertising is 1.667.361.080,00 denars (27 million Euros). Those are funds that were collected by the broadcasters from the advertisers for selling the advertising time. The data on the net income from advertising were obtained from the broadcasters themselves and were checked with the data from the annual financial statement for 2008, which they have submitted to the Central Registry of RM and to the Broadcasting Council.

The discrepancy between the gross and net income from advertising is expected and common, as a result of the deduction which is allowed by the broadcasters to the advertisers and the advertising agencies. In the countries where the broadcasting industry is more developed, the gross income is two to three times higher compared to the net income from advertising. In Macedonia, and in some countries from the region, the discrepancy is significantly higher.

Image 4.1 Gross and net income from advertising in the TV sector (mil. MKD)



Data: Broadcasting Council/ SMMRI from Skopje/AGB Nielsen Media Research Macedonia

¹⁹ The data is obtained from the Research Agency AGB Nielsen Media Research Macedonia

In 2008, the gross income is 14 times higher than the net income. This is not only a result of the allowed deductions, but it has to do to some other reasons. The most common reasons for this type of discrepancy, mentioned by the advertising agencies and by the broadcasters, are the following:

- frequent deductions, because the prices in the official pricelists are unrealistically increased and even with the deduction, which is between 30% and 60%, you get the real price for second of advertising time;
- the deductions, in some cases, are in the amount of 90% of the official price;
- often, the products of the other businesses of the owner of the medium are advertised on the programme, and these broadcasted advertisements are not charged by the broadcaster;
- the advertisements that are broadcasted during the shows that are produced by independent producers, according to the contract with the broadcasters, are charged on the account of the independent producer;
- part of the income probably is not registered in the bookkeeping in order to avoid some taxes.

Image 4.2 Gross and net income from advertising in the TV sector (mil.Euros)

	2004	2005	Growth 2005/2004	2006	Growth 2006/2005	2007	Growth 2007/2006	2008	Growth 2008/2007
gross	53,05	73,66	38,85 %	121,46	64,89 %	180,29	48,44 %	388,77	115,64
net	8,32	7,57	-9,91 %	14,9	86,13 %	18,1	28,46	27,33	50,99 %

Data: "TV Key Facts", IP International Marketing Committee (CMI) / AGB Nielsen Media Research Macedonia

In the last five years, the gross income from advertising in the television industry has continued to grow. The highest growth rate can be seen in 2008, when the gross income compared to the previous year has increased by 115,64%. Despite the increase of the selling prices of advertising time, the growth is a result of the increase of the advertising budgets of the major advertisers, appearance of new advertisers on the market and to paid political advertising during the premature parliamentary elections. Namely, VIP started its campaign in September 2007, but really intensified it in 2008 and T-Mobile and Cosmofon increased their budgets; the Government of RM emerged as a second advertiser, with a gross amount of 1.056.417.246,00 denars (17,3 million Euros), while in 2007 the gross amount of broadcasted advertising spots, where the Government is the one that ordered those spots, is 72.930.230,00 denars (1,2 million Euros).

Growth can also be seen in the net income from advertising. In the last five years, only in 2005 the earned net income is lower than the one earned in 2004. Every subsequent year, this amount has increased: in 2006 by 14,9%, in 2007 by 18,1%, and in 2008 reaching an increase of 50,99%.

4.1.2. Comparative indicators on gross and net income from advertising in the television industries

The comparative insight in the indicators of the situation in the advertising industry in the Republic of Macedonia, compared to the neighbouring countries and to some other EU countries, is presented in image 4.3.

The most realistic image of the potential of the advertising industries can be obtained by making a comparison between the expenses that every country has spent on television advertising calculated per capita. It can be seen that, compared to Macedonia where the value of this indicator is 87,89 Euros, less funds for television advertising per capita were spent only in Bulgaria (41,34 Euros) and Belarus (24,6 Euros).

The countries that have similar number of population as Macedonia, for example Slovenia and Latvia, the values of both the expenses for television advertisement per capita as well as the gross expenses for television advertising are significantly higher.

Image 4.3 Advertising expenses in 2007 (comparative indicators)

Country	Gross-expenses for advertising (mil.Euros)	Gross-expenses in the TV-sector (mil.Euros)	Net-expenses in the TV-sector (mil.Euros)	Expenses for TV advertisements (% of GDP)	Expenses for TV advertising (per capita €)
Macedonia	221.48	180.3	14,1	3.25	87.89
Bulgaria	429.05	315.84	n/a	1.09	41.34
Serbia	941,26	783,25	n/a	2,93	103,05
Croatia	709,09	461,47	n/a	1,23	103,99
Romania	4.871,35	4.426,13	254.89	4,00	205.06
Slovenia	452,55	243,62	n/a	0,73	120,35
Greece	2.654,73	941,52	n/a	0,43	89,87
Hungary	2.157,13	1.352,23	n/a	1,35	134,62
Czech Republic	1.765,76	852,67	n/a	0,64	82,14
Slovakia	1.210,29	953,49	n/a	1,73	176,54
Latvia	441,73	334,06	46,67	1,68	147,10
Italy	нп	нп	4.653,49	нп	нп
France	23.317,98	6.741,36	n/a	0,41	105,24
Belarus	нп	238,35	48,22	нп	24,60
Estonia	нп	221,33	30,61	нп	164,88

Data: "TV Key Facts", IP International Marketing Committee (CMI)

Difference can be seen between all countries with available data both for gross and net income from advertising. However, the highest difference can be seen in Romania where the gross income is 17 times higher than the net income. In Macedonia, during the same year, the gross income from advertising are almost 10 times higher than the net income, in Latvia and Estonia 7 times, and in Belarus 5 times. For comparison, in 2006 in the Czech Republic and in Italy, this difference was 2,5 times, and in France the gross expenses for advertising were only 1,87 times higher than the net expenses.

In 2007, the dominant media for advertising, in all of the mentioned countries, was the television, except in Greece, where more funds were spent on advertising in the magazines (39,5%) than for television advertising (35,5%).

The share of the expenses for television advertising in the accrued expenses for advertising was highest in Romania (90,86%) and Serbia (83,21%). Macedonia is on the third place with a share of 81,41%. In the more developed countries, there is a tendency for more funds to be spent on advertising in other type of media and it results with decrease of the share of the expenses for television advertising. In 2007, in France, only 28,91% of the total funds for advertising were used for television advertising. In the Czech Republic it is less than a half (48,29%), and in Slovenia is 53,883%.

4.1.3. Main advertising industries and companies in the TV sector

Image 4.4 shows the ten main advertising industries in the TV sector in the last four years. In 2008, the biggest part of the funds for television advertising were from the telecommunications industry (12,4%), industry for soft drinks (12,23%), automobile industry (11,8%), followed by the food industry, political advertisements and humanitarian actions, chemical industry (detergents), services, cosmetics, hobbies and spare time and the banking sector. The total share of these industries in the expenses for television advertising was 77,17%.

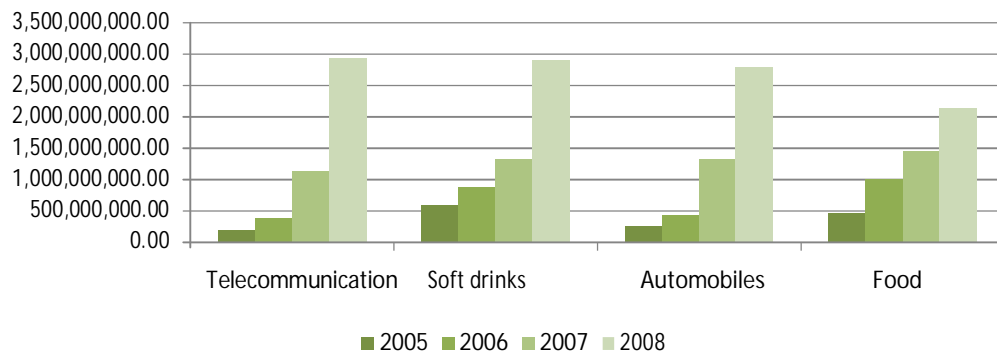
Image 4.4 Main ten advertising industries in the TV sector

2005		2006		2007		2008	
Industry	%	Industry	%	Industry	%	Industry	%
Soft drinks	13.00	Food	13.75	Food	13.06	Telecommunications	12.40
Food	10.00	Soft drinks	11.97	Soft drinks	11.96	Soft drinks	12.23
Automobiles	6.00	Political advertising	7.32	Automobiles	10.50	Automobiles	11.80
Coffee	5.00	Coffee	6.06	Telecommunications	9.36	Food	9.02
Detergents	5.00	Automobiles	5.78	Coffee	3.68	Political advertisement and humanitarian actions	8.93
Media	4.00	Telecommunications	5.31	Banks	3.27	Detergents	5.27
Telecommunications	4.00	Detergents	4.54	Detergents	3.14	Services	4.94
Chewing gums	4.00	Media	3.31	Mineral water	2.50	Cosmetics	4.52
Mineral water	4.00	Cosmetics	3.00	Shampoos	2.08	Hobbies and spare time	4.05
Beer	4.00	Beer	2.87	Media	1.88	Banks	4.01
Other	40.00	Other	36.08	Other	38.58	Other	22.83
Total	100.0	Total	100.0	Total	100.0	Total	100.0

Data: SMMRI from Skopje/AGB Nielsen Media Research Macedonia

It can be noticed that during 2008, the telecommunication industry appears as the main advertiser for the first time, in front of the food industry and the soft drinks industry. Due to the premature parliamentary elections in 2008, a significant part of the funds spent on television advertising were for representation of the political entities.

Image 4.5 Industries that invest the most funds for advertising in the TV sector



Data: SMMRI from Skopje/ AGB Nielsen Media Research Macedonia

The highest growth rate of the advertising budget can be seen in the telecommunication industry, which in 2008 spent 157,73% more funds for television advertising compared to the previous year. The automobile industry and the soft drinks industry have almost an equal increase of the budgets.

Image 4.6 Industries that invest the most funds for advertising in the TV sector

	2005	2006	2007	2008	Growth rate 2008-2007
Telecommunications	194.420.000,00	393.668.871,00	1.140.677.467,00	2.939.842.376,00	157.73 %
Soft drinks Industry	592.480.000,00	887.062.389,00	1.327.052.122,00	2.901.290.503,00	118.63 %
Automobiles	261.760.000,00	428.604.192,00	1.331.922.380,00	2.798.946.283,00	110.14 %
Food	460.600.000,00	1.018.514.359,00	1.448.994.941,00	2.139.248.530,00	47.64 %

Data: SMMRI from Kconje / AGB Nielsen Media Research Macedonia

Image 4.7 shows the ten biggest advertising companies in the television sector for the last four years. In the comparative analysis of the data it can be noticed that only Coca-Cola and Procter & Gamble appear in continuity among the top ten in all four years. T-Mobile and Cosmofon are among the first ten advertisers in the last three years, and VIP is appearing for the first time during the last year (it is a new advertiser that started its marketing campaign in 2007). In 2008, for the first time, the Government of RM emerged as a second advertiser.

Image 4.7 Main ten advertising companies in the TV sector (2005 – 2008)

2005		2006		2007		2008	
Company	%	Company	%	Company	%	Company	%
Coca-Cola	5.73	Unilever	4.26	Coca-Cola	4.60	T-Mobile	4.46
Prilep Brewery	4.46	Nektar	3.69	Procter & Gamble	4.40	Government of RM	4.45
Procter & Gamble	3.54	Coca-Cola	3.34	T-Mobile	4.20	Coca-Cola	3.85
Stratus	3.49	Danone	3.00	Unilever	3.90	Procter&Gamble	3.28
Makpetrol	3.05	T-Mobile	2.72	Hedi's Market	3.32	Cosmofon	2.77
Unilever	3.03	Prilep Brewery	2.68	Nektar	2.94	VIP	2.61
Wrigley's	2.41	Wrigley's	2.24	KIA motors	2.21	Makpetrol	2.00
Grand coffee	2.31	Cosmofon	2.23	Automobile SK	2.13	Wrigley's	1.85
Fikosota	2.17	Procter & Gamble	2.20	M&A beverages	2.16	Avtonova	1.84
Ohis	1.92	Rio DOOEL	2.02	Cosmofon	2.03	Automotive group	1.71
Other	67.89	Other	71.62	Other	68.12	Other	71.17
Total	100.00	Total	100.00	Total	100.00	Total	100.00

Source: SMMRI from Skopje /AGB Nielsen Media Research Macedonia

The 50 main advertising companies in 2008 are presented in image 4.8. The advertisers on this list are ranked according to the gross expenses for advertising. This amount was obtained as a product of the tenable advertising seconds multiplied by the prices of the separate slots set in the official pricelists of the televisions. The funds that are paid by each advertiser to the television stations are much lower, taking into consideration that the gross expenses do not include the deductions that are approved in the contacts on leasing advertising time that sometimes reach 90%.

According to the gross expenses for advertising, the Government of RM emerges as a second advertiser. However, according to the time leased by every advertiser the Government is on the first place. Those are the campaigns of public interest financed by the Budget of RM, ordered by the Government. The biggest part of the gross expenses are made for broadcasting advertising spots on television A1 (366.473.027,00 denars), followed by Sitel (239.565.563,00 denars) and Kanal 5 (190.057.509,00 denars).

According to the data obtained from the Research Agency AGB Nielsen from Skopje, related to the broadcasted advertisements in some television stations, it can be noticed that some advertisers were determined to use the entire or part of the television advertising budget only on one television. For example Unilever, Hedi's, Foundation Ramkovski, Rio kafe, Saravita and Vreme advertised only on A1 Television, Magroni only on Sitel, and almost 90% of the advertising spots of Makpetrol were broadcasted on television Telma.

Image 4.8 Fifty main advertisers in the TV sector in 2008

No.	Advertiser	denars	spots	time	No.	Advertiser	denars	spots	time
1	T-MOBILE	1,058,737,347	16,772	139:19:24	26	Studio Moderna	227,138,135	3,834	25:48:19
2	Government of RN	1,056,453,899	6,422	185:25:16	27	Nektar	215,169,005	5,510	31:45:46
3	Coca-Cola	912,039,210	11,630	88:08:51	28	UNILEVER FOOD	212,912,385	2,060	12:59:09
4	PROCTER & GAMBLE	777,506,186	10,005	76:18:20	29	Macedonian Telecom	208,572,316	3,522	28:50:22
5	Cosmofon	657,590,116	7,718	69:11:44	30	Stopanska Banka	177,970,329	4,011	24:47:30
6	VIP	618,574,959	11,284	73:18:06	31	Paskalin	164,297,766	2,184	18:42:09
7	Makpetrol	473,828,145	8,086	66:27:50	32	On net	158,024,774	1,202	10:58:20
8	Avtonova	463,806,675	6,119	49:39:09	33	Komercijalna Banka	152,563,156	2,310	15:01:55
9	WRIGLEY'S	439,844,433	4,976	29:02:29	34	Brilijant	152,433,468	1,817	13:18:27
10	Automotive Group	405,082,707	3,103	23:08:07	35	Fonko	149,357,916	1,454	10:44:10
11	Vreme DOOEL	399,280,571	4,149	24:54:18	36	Skopski Pazar	149,073,500	2,568	18:34:45
12	Automobile SK	393,994,055	5,077	41:53:28	37	EVN	148,114,046	3,230	25:10:57
13	Hedi's	393,554,675	7,675	39:41:02	38	VMRO-DPMNE	145,982,181	1,581	18:59:00
14	Droga Kolinska	387,551,962	9,349	60:32:08	39	Koding	140,136,399	3,460	23:07:09
15	M&A BEVERAGE	372,250,583	5,615	45:12:08	40	Tehnomarket	134,898,159	1,628	13:38:08
16	Foundation Ramkovski	363,520,166	2,364	28:17:18	41	NESTLE	131,813,265	3,637	22:42:56
17	S.C JOHNSON & WAX	326,651,100	5,264	36:09:40	42	Lozar Pelisterka	131,474,653	3,562	18:16:21
18	Brewery Skopje	321,420,347	5,227	32:19:53	43	SWED MILK	125,935,790	2,564	17:10:52
19	Magroni	306,143,310	4,267	30:47:43	44	Kozhuvchanka	117,764,481	2,547	14:50:47
20	UNILEVER	302,245,994	3,160	19:31:56	45	Euriimpex	110,623,632	2,980	21:16:08
21	KIA motors	298,225,062	2,487	20:36:20	46	NLB Tutunska Banka	110,424,808	1,506	9:15:22
22	MI-DA motors	295,960,925	1,994	17:09:20	47	Gudalat	107,922,722	4,153	18:55:31
23	Korea Autotrade	291,892,100	2,472	14:56:19	48	Saravita	106,259,700	1,390	16:41:29
24	RIO Skopje	285,902,738	2,519	22:01:33	49	MNT	105,997,202	1,464	13:56:31
25	Vivaks	247,339,500	6,237	40:21:21	50	Herbal +	104,586,285	1,335	10:10:31

Source: AGB Nielsen Media Research Macedonia

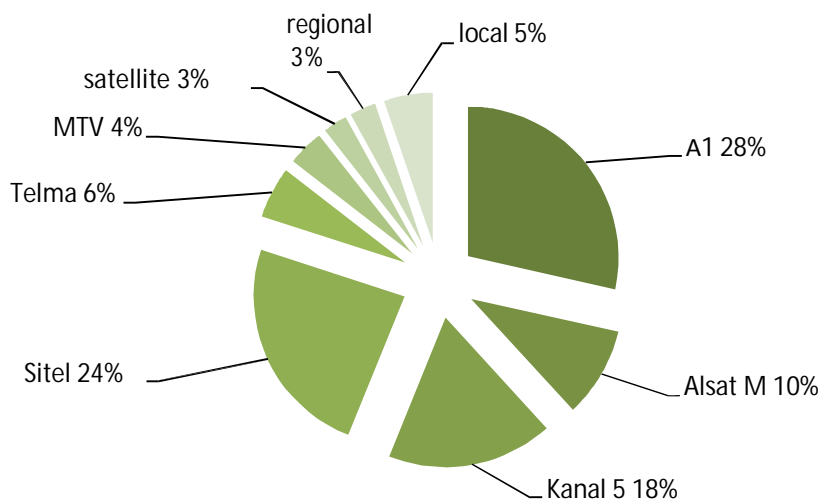
4.1.4. Share in the net income from advertising and share in the audience ratings

The total net income from advertising, earned in 2008 in the television industry, is in the amount of 1.667.361.080,00 denars (27 million Euros). As it was mentioned above, the net income is the funds that the televisions collected from the advertisers for selling the advertising time.

The biggest part, i.e. 89% of this income was earned by the televisions that broadcast programme on state level via a terrestrial transmitter. Out of those 89%, the biggest income from selling the advertising time was reported by television A1 (475.093.133,00 denars), followed by Sitel (398.573.045,00 denars), Kanal 5 (297.581.817,00 denars), Alsat-M (162.389.813,00 denars), Telma (92.598.517,00 denars), Macedonian television (64.851.850,00 denars).

The televisions that broadcast programme on state level via a satellite transmitter have the joint share of 3% in the net income from advertising. Only four of the televisions reported income from selling the advertising time: Nasha TV (34.340.342,00 denars), Jungle TV (305.084,00 denars), Kanal 5 Plus (313.486,00 denars) and A2 television (8.400.000,00 denars). These entities obtained their licenses to pursue broadcasting activity in 2008, and started to work in the second half of that year: Nasha TV in September, Jungle TV in October and A2 television in July 2008. Television Kanal 5 Plus officially started to work in January 2009, and the sum that is reported as an income from selling the advertising time is advance payment by a contract on broadcasting advertisements in January 2009.

Image 4.9 Share in the net income from advertising in the TV sector



Data: Broadcasting Council

The total income from advertising that was earned by the regional televisions in the course of the analysed year was in the amount of 46.453.171,00 denars, i.e. 3% of the net income from advertising. The biggest income from advertising was earned by television Era (29.512.222,00 denars), followed by TV Skopje (5.127.704,00 denars) and television MTM (4.807.923,00 denars), BTR (2.109.776,00 denars), Amazon (1.187.998,00 denars), TV K-15 (1.120.408,00 denars), Shutel (974.133,00 denars), Sky Net (819.256,00 denars), Edo (424.201,00 denars), and the least by television KRT (369.550,00 denars).

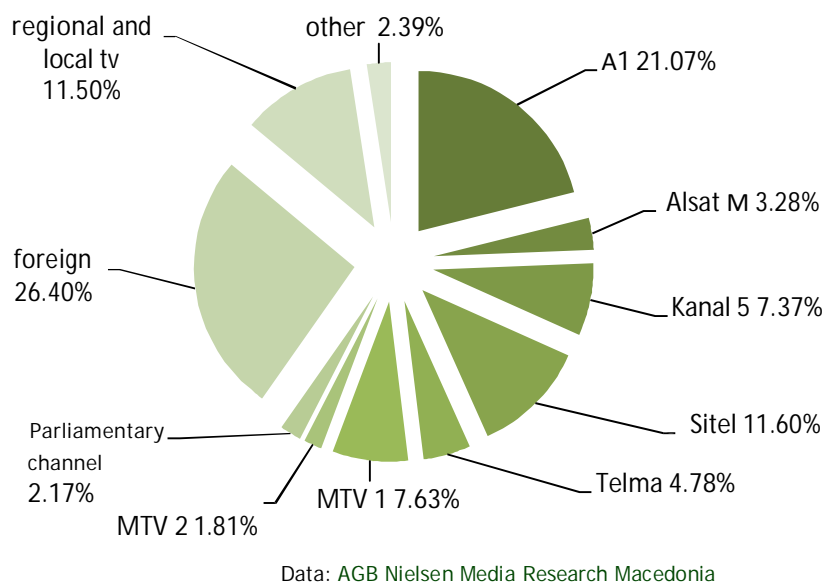
The local television stations earned the amount of 86.460.822,00 denars from selling the advertising time, i.e. 5% of the net income. The television stations that reported most income from advertising are:

television Kiss from Tetovo (14.146.425,00 denars), TV Orbis from Bitola (11.604.342,00 denars) and TV Menada from Tetovo (4.895.009,00 denars).

The data on the audience ratings of the television stations in 2008 are obtained from the Research Agency AGB Nielsen Media Research Macedonia. The data are obtained by way of electronic measuring of the television audience ratings, by using special devices – peplemeters.

The image 4.10 shows the televisions' shares in the total audience ratings in 2008 and it can be seen that the biggest ratings belong to television A1 (21,07%), followed by Sitel (11,6%), MTV 1 (7,63%), Kanal 5 (7,37%), Telma (4,78%) and Alsat-M (3,28%).

Image 4.10 Shares in the ratings in 2008



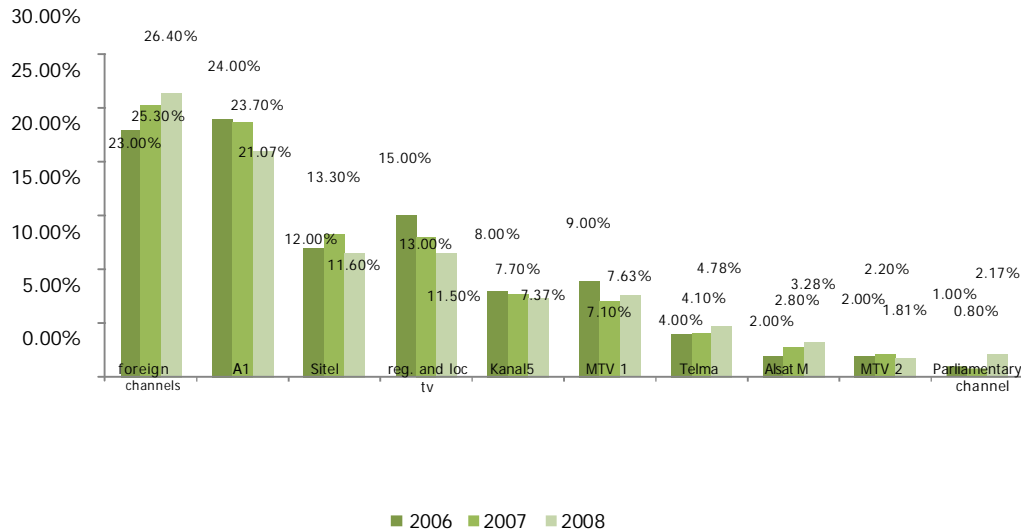
The regional and local televisions have the joint share of 11,5% in the total audience ratings. The foreign channels, which the Macedonian households receive via cable or satellite connection, have the total audience ratings of 26,4%, and for 2,39% of the time the audience is watching content on VCR, DVD player or other.

In a criss-cross analysis, the data on the share in the audience ratings and the share in the net income, it can be seen that the first three places, by both criteria, belong to Television A1, Sitel and Kanal 5.

Same as last year, the share in the net income from advertising of television Telma (6%) is lower than the share of Alsat-M (10%), even though the audience ratings of television Telma (4,78%) is higher than the audience ratings of Alsat-M (3,28%). The total audience ratings of the three programme services of the Macedonian Television (MTV1, MTV2 and Parliamentary Channel) is 11,61%, while the share in the total income from advertising is 4%.

Image 4.11 shows the comparison of the data on the audience ratings of the television stations in the last three years.

Image 4.11 Share in the audience ratings in 2006, 2007 and 2008



Data: SMMRI from Skopje /AGB Nielsen Media Research Macedonia

The audience rating of the foreign channel is continuously growing and it reached 26,40% in the last year. This positive tendency is noticed in the audience ratings of Telma and Alsat-M.

Decrease of the audience ratings, compared to the previous years, can be seen for television A1, Kanal 5 and the total audience ratings of the regional and local televisions.

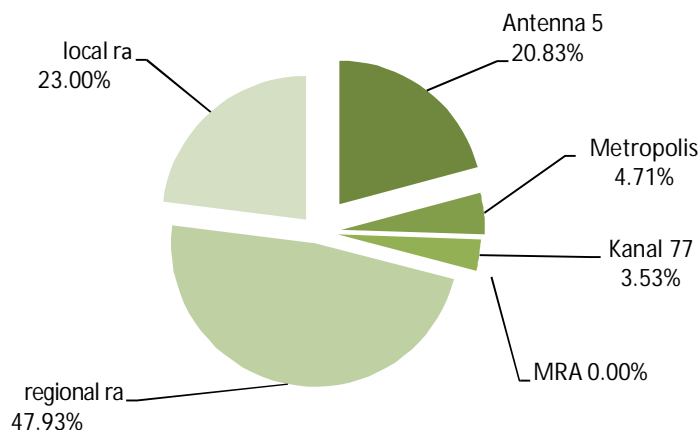
4.2. Advertising market in the radio industry

4.1.4. Share in the net income from advertising and share in the audience ratings

In 2008, the entire earned income from selling the advertising time of all radio stations was in the amount of 112.746.891,00 denars (1,85 million Euros).

The biggest part of this income, i.e. 20,83 %, was earned by the radio station Antenna 5 (23.480.936,00 denars). The other two radio stations that broadcast programme on state level have significantly lower income from advertising, Metropolis (5.305.306,00 denars) and Kanal 77 (3.981.919,00 denars). As in the previous year, the Macedonian radio did not report any income from selling the advertising time.

Image 4.12 Share in the net income from advertising in 2008



Data: Broadcasting Council

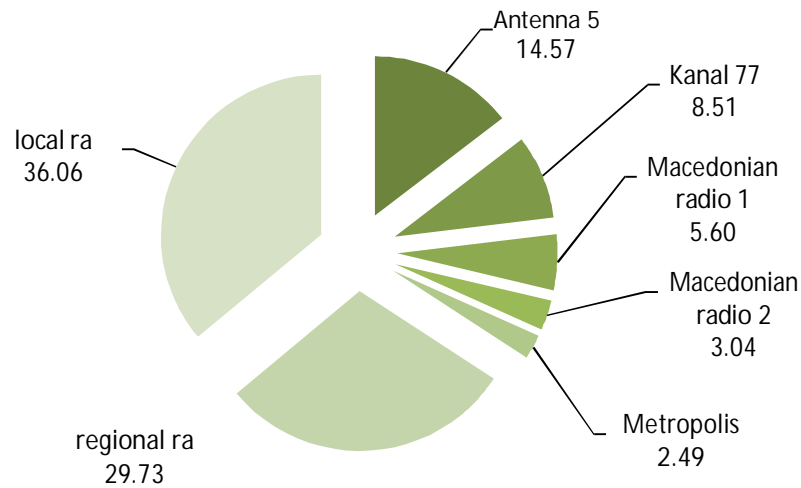
The total income reported by the regional radio stations (54.043.281,00 denars), represents almost a half of the net income from advertising in the radio industry. Only six radio stations earned 80% of this amount: City (8.963.753,00 denars), Buba Mara (8.316.447,00 denars), Vat (8.203.075,00 denars), Fortuna (6.913.309,00 denars), Sky (5.641,380,00 denars) and Sport radio 90,3 FM (4.708.639,00 denars). The radio station Club FM did not report any income from broadcasting advertisements and the radio station Classic FM reported a very small sum of 30.000,00 denars.

The local radio stations earned income from advertising in the amount of 25.935.449,00 denars, i.e. 23% of the total income from advertising. In this segment of the radio industry the biggest part of the income is concentrated in several radio stations. The total amount of the income from advertising of radio Kiss from Tetovo (3.366.946,00 denars), Express radio from Strumica (2.185.959,00 denars), Super radio from Ohrid (1.786.893,00 denars), radio 106 from Bitola (1.770.579,00 denars), MH from Ohrid (1.139.418,00 denars), Plus Forte from Tetovo (1.069.480,00 denars), Merak 5 FM (1.058.591,00 denar) and Holiday from Prilep (998.927,00 denars), represents 52% of the income of all 49 regional radio stations.

Image 4.13 shows the data on the segmentation of the radio audience. The radio station with the highest audience ratings, same as the previous years, was Antenna 5 (14,57%). Kanal 77 had lower audience ratings (8,51%) and Metropolis only 2,49%.

The shared audience ratings of the Macedonian radio 1 and Macedonian radio 2 was 8,64%.

Image 4.13 Share in the audience ratings in 2008



Data: SMMRI Skopje

The radio stations that broadcast programme in Skopje (regional radio stations) have the share of 29,73% in the total audience ratings, and the local radio stations have the share of 36,06%. It can be noticed that the total share in the audience ratings of the local radio stations is much higher than the share of the local TV stations. There are two reasons for this: first, the number of radio stations on national level is lower, and second, for the time being there is no competition by some foreign radio stations that the audience is receiving via some other transmission platform, since the Macedonian audience mainly listens to the national radio stations which are received via a terrestrial antenna.

Chapter 5

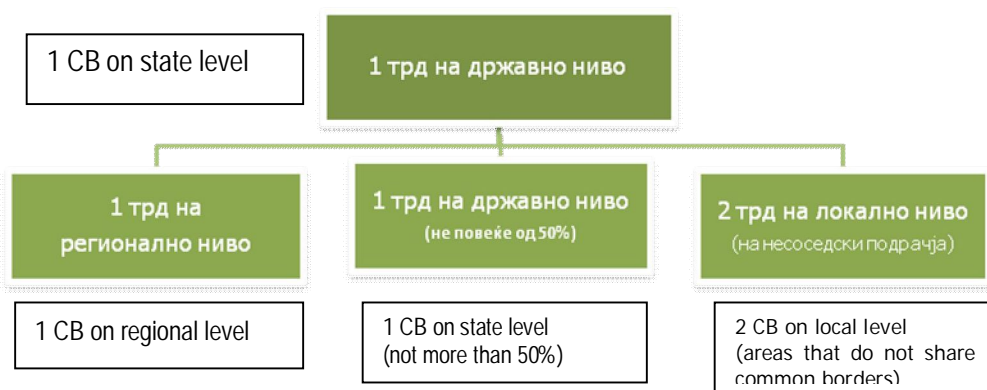
Ownership structure

5.1 Types of integration of the capital in the broadcasting sector

The basic goal of the control of the media ownership and the different legal measures and mechanisms for preventing media concentration is to provide presence of pluralism in the media and content diversity, and on one hand to stop violating the functioning of the market and the competition on the other hand. The measures to control the ownership of the broadcasters and to determine the illegal media concentration are mentioned in Chapter III of the Law on Broadcasting Activity. Taking into consideration the different types of integration of the capital in the broadcasting sector and in the other sectors, these measures might refer to the control of the share in the ownership of the broadcasters and in other trade companies, as the so-called limits of the share of the broadcasters in the income from advertising, the share in the audience ratings and the level of coverage of the population of RM.

The horizontal integration means share in the ownership or integration of the capital of the broadcasters that are entities on one same market, i.e. in one same sector (radio or television industry). The Law on Broadcasting Activity allows horizontal integration, but foresees limitations regarding the share in the founding capital, as well as regarding the number of broadcasters that one physical or legal entity may own. Namely, according to paragraph 1 and 2 of article 14 of the LBA, one physical or legal entity may participate in the ownership of five commercial broadcasters, at the most, in the following manner:

Image 5.1 Horizontal integration according to article 14 paragraph 1 and 2 of Law



Paragraph 3 of article 14 of the Law refers to the horizontal integration of the broadcasters that transmit programme on regional and local level. Limitation of the share in the ownership is not foreseen, only of the number of broadcasters that may be in the ownership of one legal or physical entity.

Image 5.2 Horizontal integration according to article 14 paragraph 3 of the Law



According to paragraph 4 of article 14, one legal or physical entity may appear, at the same time, as a founder of three broadcasters at the most, that broadcast programme on local level, but only in areas that do not share common borders.

Image 5.3 Horizontal integration according to article 14 paragraph 4 of the Law

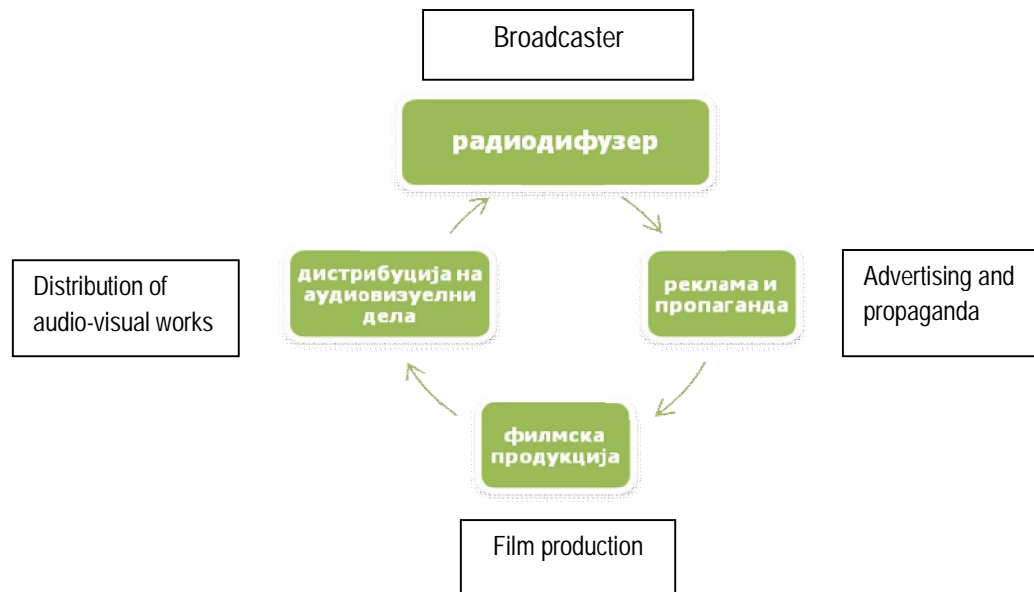


Article 17 of the Law foresees so-called limits of the share of the broadcasters in the income from advertising, the share in the audience ratings and the level of coverage of the population, above which the specific merger shall be considered as an illegal media concentration. Specifically, illegal media concentration is considered to exist when the broadcasters that are subject to the merger obtain a dominant position in a situation when:

- the merger of the capital brings the broadcasters in a dominant position on the advertising market, i.e. their share in the total sales of advertising time exceeds 30%;
- the merger of the capital brings the broadcasters in a dominant position in the creation of public opinion, to the effect that their share in the total audience ratings exceeds 40%;
- the merger of the capital of the broadcasters on regional and local level results in covering, in terms of broadcasts, a maximum of 50% of the total population of the Republic of Macedonia.

The vertical integration implies share in the ownership or integration of the capital of the broadcaster and trade companies of related activity. Article 13 of the Law on Broadcasting Activity lists the related activities, i.e. the merging of these activities results in illegal media concentration. The following refer to the vertical integration: advertising and propaganda, film production, audiovisual works distribution and telecommunication services. The broadcaster and/or founder of the broadcaster may not own a share in the founding capital of the companies registered for these activities.

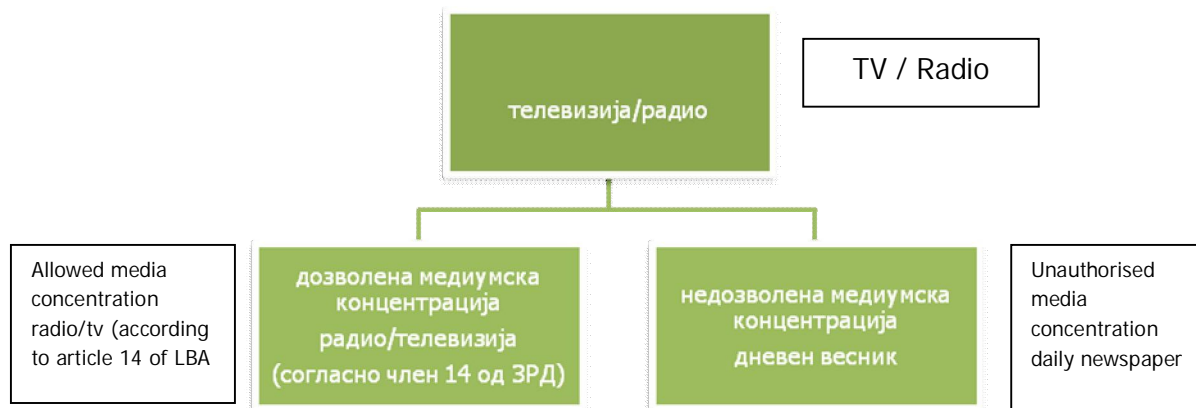
Image 5.4 Illegal vertical integration according to articles 13 and 14 of the Law



In the course of the monitoring of the ownership structure of the broadcasters, the Council observed existence of illegal vertical integration in Radio Ros Metropolis and City Radio and Radio Ravel from Skopje, in the sense that the physical entities that are owners, i.e. managers, own companies for advertising and propaganda, i.e. film production companies. The Council sent forewarnings to these radios stations to harmonize with the provisions from the Law.

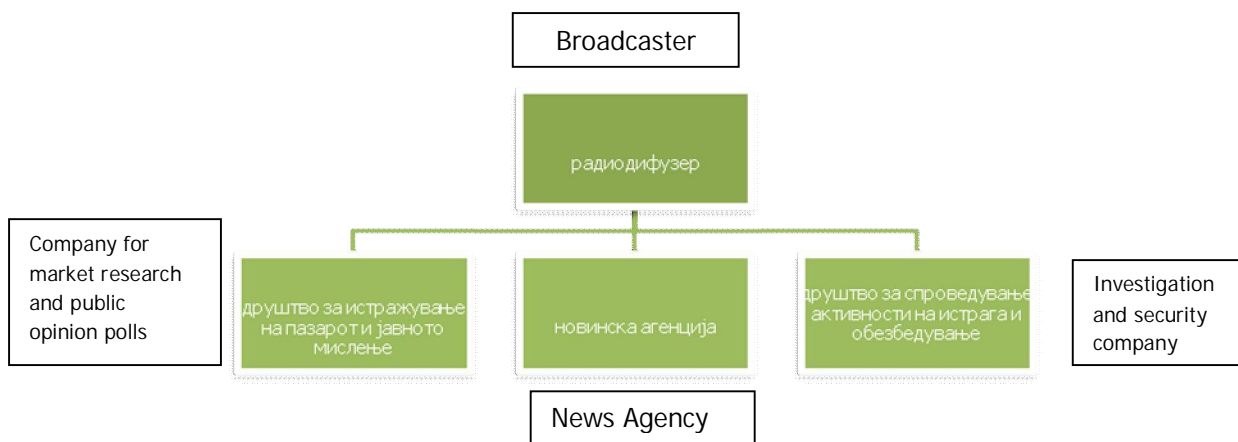
Diagonal integration means share in the ownership or integration of the capital between legal entities that do not belong to the same market, for ex. broadcasters that transmit television programme, radio stations and printed media. With reference to the integration of broadcasters with printed media, the limitation refers only to daily newspapers, or more precisely no broadcaster or its founder may have a share in the ownership of a press company that publishes a daily newspaper. With reference to the diagonal integration between the television and the radio sector, the same limitations apply as for the horizontal integration, set in article 14 of the Law.

Image 5.5 Illegal diagonal integration according to article 13 and 14 of the Law



The Law mentions other activities that are incompatible with pursuing broadcasting activity. In the sense of this Law, illegal media concentration exists when a broadcaster or a founder of a broadcaster has a share in the founding capital of a Company for market research and public opinion polls, Investigation and security company as well as News Agency.

Image 5.6 Illegal integration with other activities according to articles 13 and 14 of the Law

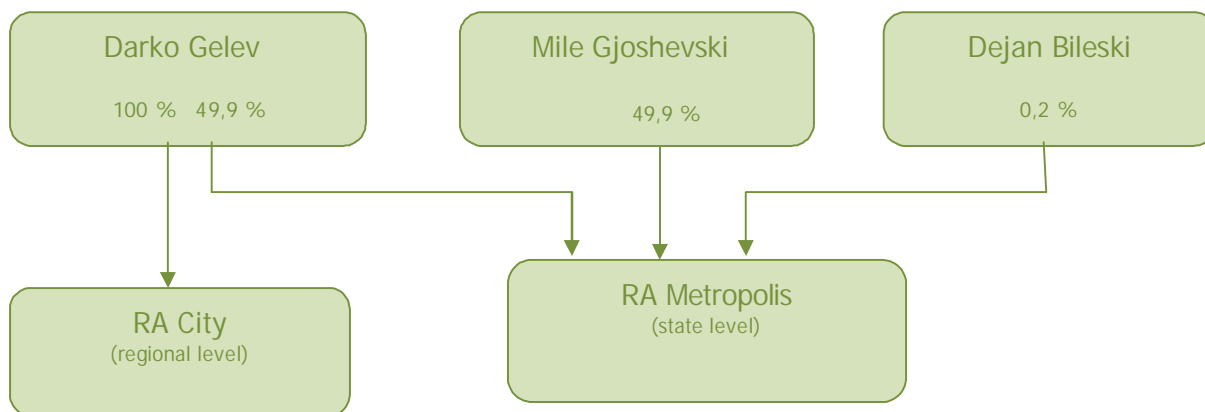


In the course of the monitoring of the ownership structure of the broadcasters, no illegal integration of capital with companies registered for these activities was observed.

The schematic representation of several cases of concentration of capital between the broadcasters is shown on the subsequent pages.

Regarding the entities of the radio industry, there is concentration of capital only between the radio station Metropolis and the radio station City from Skopje. The physical entity Darko Gelev, who is the sole founder of the regional radio station City from Skopje, has a share of 49,9% in the ownership structure of the radio station Metropolis that has a license to broadcast programme on state level.

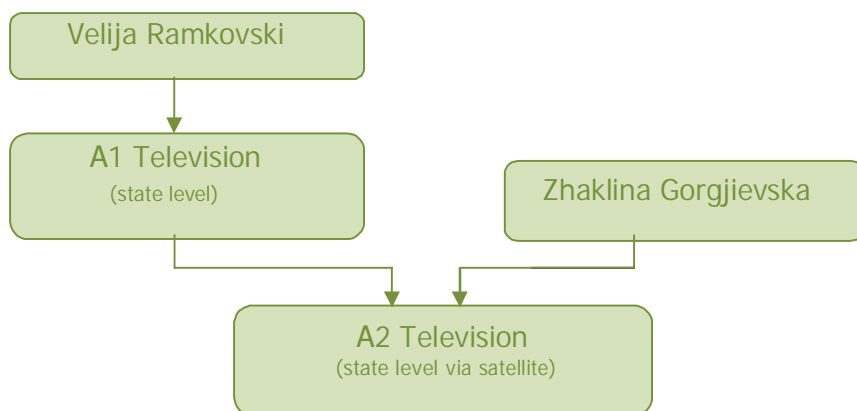
Image 5.7 Ownership connection between the radio stations City and Metropolis



Regarding the television industry, there are several cases of concentration of capital.

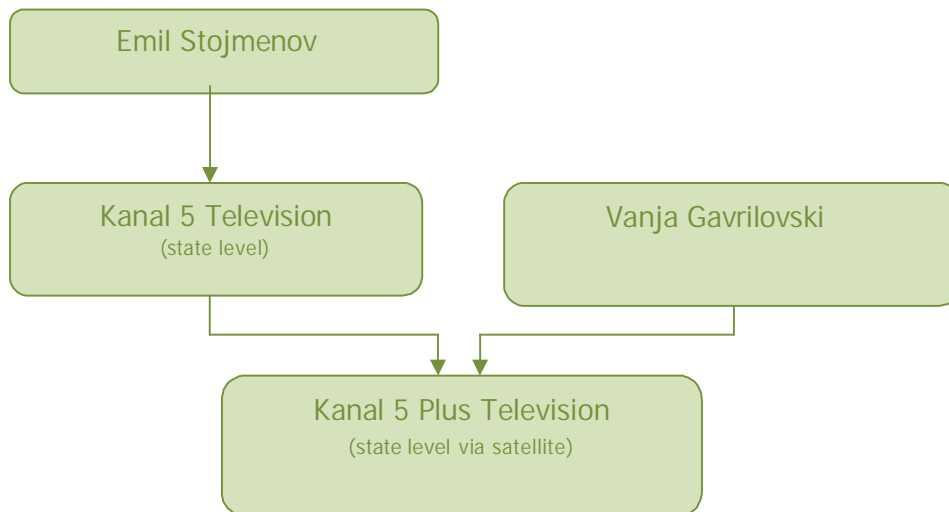
The physical entity Velija Ramkovski is the sole founder of television A1 that broadcasts programme on state level. Television A1 has a share of 50% in the founding capital of television A2, which broadcasts programme on state level via a satellite.

Image 5.8 Ownership connection between the televisions A1 and A2



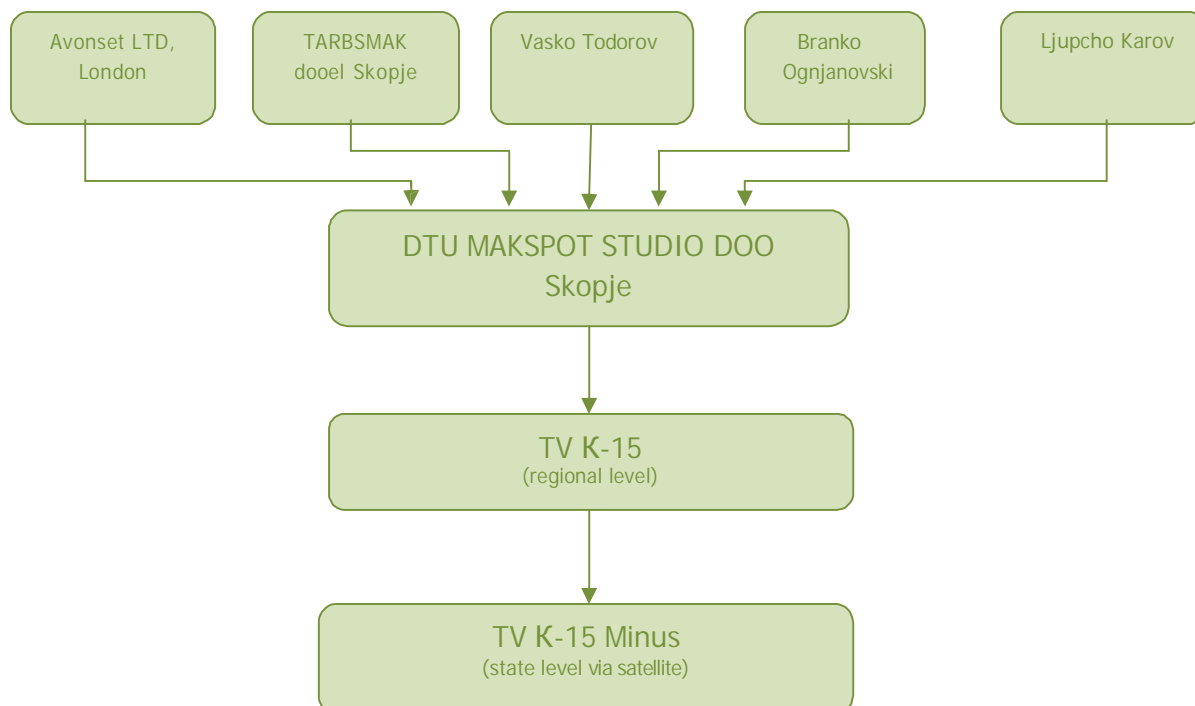
The sole founder of television Kanal 5 from Skopje, which broadcasts programme on state level, is the physical entity Emil Stojmenov. This television appears as a founder of the satellite television Kanal 5 Plus, with a share of 50% in the capital.

Image 5.9 Ownership connection between the televisions Kanal 5 and Kanal 5 Plus



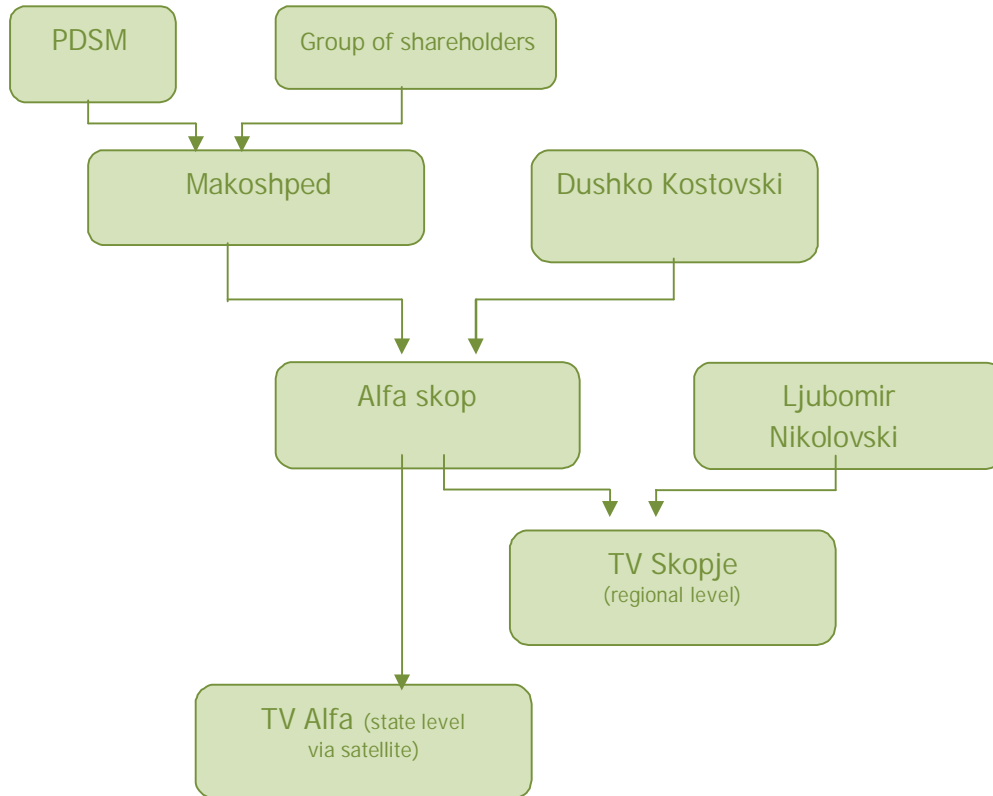
The television K-15 has a license to broadcast programme on regional level, and it is the sole founder of the television K-15 Minus, which broadcasts programme on state level via satellite.

Image 5.10 Ownership connection between the televisions K-15 and K-15 Minus



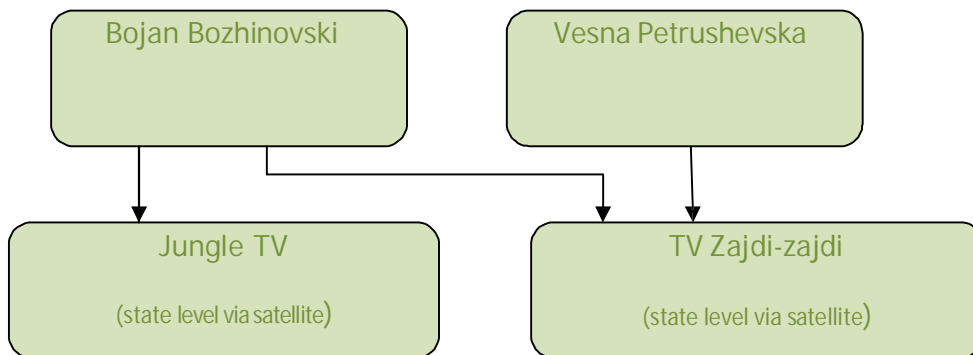
The dominant founder of the regional television station TV Skopje is the legal entity "Alfa skop" from Skopje which owns 96,2% of the capital of the television and that legal entity also appears as a sole founder of the satellite television Alfa.

Image 5.11 Ownership connection between the televisions TV Skopje and TV Alfa



The physical entity Bojan Bozhinovski, who is the sole owner of the satellite television Jungle TV, owns 50% of the capital of the satellite television Zajdi-zajdi.

Image 5.12 Ownership connection between the televisions Jungle TV and Zajdi-zajdi



5.2. Changes in the ownership structure in 2008

In 2008, eight commercial broadcasters had changes in their ownership structure. According to the provisions from article 17 of the Law on Broadcasting Activity, those broadcasters where the change exceeded the 10% limit in the founding capital, have submitted a request for approval to the Council for change in the ownership structure, and the broadcasters where the change was below this limit submitted an information for change of the ownership structure.

Four requests for approval were submitted to the Council for change of the ownership structure: TV Svet from Sveti Nikole, TV Alsat-M from Skopje, TV Kanal 5 Plus from Skopje and radio Bravo from Kumanovo.

TV Svet from Sveti Nikole requested an approval for withdrawal of the physical entity Jordan Gjorchev from Sveti Nikole, with a share of 51,26% in the founding capital, and the physical entity Dragan Dechkov from Sveti Nikole acceded in the founding capital with a share of 51,26%. The Council concluded that there were no impediments with reference to Chapter III of the Law and the requested change was approved on 03.12.2008 with a Decision no. 02-3536/1.

TV Alsat-M from Skopje requested an approval for the physical entity Mira Mexi, citizen of the Republic of Albania, to accede with a share of 15% in the founding capital. The change was approved with a Decision of the Council no. 02-1498/1 from 26.05.2008.

TV Kanal 5 Plus from Skopje submitted a request for approval for withdrawal of the physical entity Sasho Aleksovski from Skopje, with a share of 50% in the founding capital, and for the physical entity Vanja Gavrilovski from Skopje to accede, with a share of 50% in the founding capital.

The requested change was approved with the Decision of the Council no. 02-3683/1 from 18.12.2008.

Radio Bravo from Kumanovo requested an approval for full withdrawal of the sole founder, the legal entity "Company for trade and services Komtex" DOO export-import from Skopje and for the physical person Toni Jakimovski from Kumanovo to accede with a share of 100% in the founding capital. This change was approved by the Council with a Decision no. 02-1499/1 from 26.05.2008.

In the course of 2008, four commercial broadcasters made changes in the ownership structure where the 10% limit of the founding capital was not exceeded. These broadcasters have submitted information for change of the ownership structure to the Council.

TV Kanal Vis from Strumica submitted information that the physical entities Vase Piperevaliev and Mile Milovanovikj from Strumica withdrew from the ownership structure, and Janko Micev from Strumica remains the sole owner of the broadcaster.

TV Skopje from Skopje submitted information that the physical entity Ljubomir Nikolovski from Skopje acceded to the ownership structure with the share of 3,8% in the founding capital.

TV Era from Skopje informed the Council that one of the founders, the legal entity "Era Company" from Skopje withdrew from the ownership structure and the legal entity "Balkan Media Group Limited" from London remains as the sole founder.

TV Gurra from Kichevo submitted information that the physical entities Mustafa Ahmeti, Naim Zenku and Merita Adilji from Kichevo withdrew from the ownership structure and the physical entity Nexhat Mustafi from Kichevo remains a sole founder of the broadcaster.

5.3. Ownership structure of the broadcasters

The need for transparency of the media ownership is a result of the influence that the media have on the creation of public opinion. The transparency of the ownership enables the public to make an adequate analysis of the information, ideas and opinions presented by the media and to build its own attitude towards them, avoiding the influence of the persuading communication.

According to the recommendations of the Council of Europe [Rec. (94)13 on measures for promoting media transparency] and [Rec. (2007)2 on media pluralism and diversity of media content], the provisions that guarantee the transparency of the media ownership were implemented in the Law on Broadcasting Activity. According to article 20 of the Law, the broadcasters are obliged to publish the data on the ownership structure and the changes in the ownership structure, at least once a year and by March 31st at the latest, in one daily newspaper and on their own programme, at least three times per year, during a specific period set by the Broadcasting Council. The fulfilment of this obligation is monitored by the Council.

The data on the ownership structure of the broadcasters for 2008 were obtained from the statements on the current situation of the broadcasters issued by the Central Registry of the Republic of Macedonia, which the broadcasters are obliged to submit to the Broadcasting Council.

During 2008, from the total number of five televisions that broadcast programme on state level via terrestrial transmitter, two televisions (A1 Television and Kanal 5) are in the ownership of physical entities, two televisions (TV Sitel and TV Telma) are in the ownership of legal entities, and one television (Alsat-M) is in mixed ownership, with the legal entity having the dominant share.

Only television Alsat-M has foreign capital, with a dominant share of the legal entity "International Energy Engineering & Petroleum Consulting (IEEPC) LLC, USA" (84,75%) and the physical entity Mira Mexi, citizen of the Republic of Albania (15% of the founding capital).

Image 5.13 Ownership structure of the televisions on state level

CB	Full name of the trade company	Data on the founder and participation percentage in the capital
TV A1	CB A1 TELEVISION DOOEL	Velija Ramkovski 100%
TV Alsat-M	CB ALSAT-M DOOEL Skopje	Ferik Velija 0,25%, Mira Mexi (R.Albania) 15% and International Energy Engineering & Petroleum Consulting (IEEPC) LLC, USA 84,75%
TV Kanal 5	CB KANAL 5 DOO	Emil Stojmenov 100%
TV Sitel	CB Television SITEL DOOEL Skopje	MONTEKO 100%
TV Telma	CB TELEVISION MAKPETROL DOOEL Skopje	Makpetrol AD Skopje 100%

Source of the data: Broadcasting Council

16 licenses to broadcast television programme on state level via satellite were allocated in 2008. Out of that number, six televisions (TV Sonce, TV AB Kanal, TV BM, TV MNC Media, TV Zajdi-zajdi and Jungle TV) are in the ownership of physical entities, seven (TV Jug, TV Sitel 3, TV Era Sat, TV Alfa, TV K-15 Minus, TV Perspektiva and TV Nova) were founded by legal entities, and three (TV A2, TV Kanal 5 Plus and Nasha TV) are in mixed ownership.

Image 5.14 Ownership structure of the satellite televisions on state level

CB	Full name of the trade company	Data on the founder and participation percentage in the capital
TV Sonce	Commercial Broadcaster TELEVISION SONCE DOOEL, Prilep	Gjorgjia Atanasovski 100%
TV AB Kanal	Commercial Broadcaster AB KANAL DOOEL, Skopje	Bojo Andreski 100%
TV BM	Commercial Broadcaster BM TELEVISION DOOEL Skopje	Nikolina Spasova 100%
TV JUG	Company for satellite broadcasting JUG TV DOOEL Skopje	Company for production, trade and services ERA COMPANY DOO Skopje 100 %
TV NASHA TV	Commercial Broadcaster NASHA TV DOO - Skopje	Metodi Majnov, Vesna Blazheska, Bogoja Blazheski, Company for consulting and IT Engineering NET-BIT DOO Skopje, SEE INVEST Fund managed by MAK ASSETS MANAGEMENT DOO Skopje, Company for trade and services OUR CONCEPT DOO Skopje and Broker House MY BROKER AD Skopje
TV Sitel 3	Commercial Broadcaster Television SITEL 3 DOOEL Skopje	Company for production, trade and services LUKO TRADE DOO Skopje 100%
TV MNC MEDIA	Commercial Broadcaster MNC MEDIA DOOEL Skopje	Dragan Churlinovski 100%
TV Zajdi-Zajdi	Commercial Broadcaster ZAJDI-ZAJDI DOO Skopje	Vesna Petrushevska 50 % and Bojan Bozhinovski 50 %
TV JUNGLE	Commercial Broadcaster JUNGLE MEDIA DOOEL Skopje	Bojan Bozhinovski 100 %
TV ERA SAT	Company for satellite broadcasting ERA SAT DOOEL Skopje	Diema Vision EAD Sofia 100 %
TV ALFA	Commercial Broadcaster ALFA TV DOOEL Skopje	ALFA SKOP DOO export-import Skopje 100%
TV Kanal 5 Plus	Commercial Broadcaster KANAL 5 PLUS DOO Skopje	Vanja Gavrilovski 50% and Kanal 5 DOOEL Skopje 50%
TV A2	Commercial Broadcaster A2 TELEVISION DOO Skopje	Zhaklina Gjorgjievaska 50% and CB A1 TELEVISION DOOEL Skopje 50%
TV K-15 minus	Commercial Broadcaster K-15 MINUS DOOEL, Skopje	K-15 TELEVISION DOOEL Skopje 100%
TV Perspektiva	Commercial Broadcaster PERSPEKTIVA TV DOOEL Skopje	Company for trade and services PRODUCTION PERSPEKTIVA DOOEL Skopje 100%
TV NOVA	Commercial Broadcaster TELEVISION NOVA DOOEL Skopje	Assiciation for business services NOVA TV DOOEL Skopje 100 %

Source of the data: Broadcasting Council

Share of foreign capital is only present in TV Era Sat, which sole founder is “Diema Vision EAD” from Sofia, while the other fifteen televisions were founded by domestic legal and physical entities.

Of the three radio stations on state level, only Kanal 77 is in ownership of a legal entity (GBC Communications), while Antenna 5 and Metropolis Radio are founded by physical entities.

Image 5.15 Ownership structure of the radio stations on state level

CB	Full name of the trade company	Data on the founder and participation percentage in the capital
RA Antenna 5	CB RADIO ANTENNA 5 Petrov, Janevski and Gushev DOO Skopje	Zoran Petrov 33,3%, Marian Gushev 33,3% and Kosta Janevski 33,3%
RA Metropolis	CB ROS METROPOLIS RADIO DOO Skopje	Darko Gelev 49,9% Dejan Bileski 0,01% Mile Gjoshevski 49,9%
RA Kanal 77	CB RADIO CHANNEL 77 DOOEL Shtip	GBC Communications DOOEL 100%

Source of the data: Broadcasting Council

In the course of the analysed year, ten televisions broadcasted programme on regional level, i.e. the area of the city of Skopje. Six of those televisions were founded by physical entities and the other four are in the ownership of legal entities.

Only one television (TV ERA) is founded by a foreign media company (Balkan Media Group Limited), which appears as a founder of some other mediums in the Balkan region.

Image 5.16 Ownership structure of the regional televisions

CB	Full name of the trade company	Data on the founder and participation in the capital
TV Shutel	CB TV SHUTEL Kjamil DOOEL Skopje	Kjamil Mustafa 100%
TV Amazon	CB TV AMAZON DOOEL Skopje	Dragan Gorgievski 100%
TV Krt	CB TELEVISION KRT DOOEL Skopje	Biljana Zafirovska 100%
TV Edo	CB TV EDO DOOEL v.Ljubin,Saraj	Enes Babachikj 100%
TV BTR	CB TV BTR NACIONAL Zoran DOOEL Skopje	Zoran Dimov 100%
TV Skynet	Broadcasting Company SKY NET – Manchev - DOO Skopje	Todorche Kocev 95%, Manchev Mitko 5%
TV MS	CB K-15 TELEVISION DOOEL Skopje	Makspot studio DOO export-import Skopje 100%
TV MTM	CB TV MTM DASTO DOOEL Skopje	DASTO DOOEL 100%
TV Alfa (Skopje)	CB TV SKOPJE DOOEL Skopje	ALFA-SKOP DOOEL export-import Skopje 96,2% and Ljubomir Nikolovski 3,8%
TV Era	CB TV Era Skopje	Balkan Media Group Limited 100%

Source of the data: Broadcasting Council

Image 5.17 shows an overview of the ownership structure of the radio stations on regional level. Out of the sixteen radio stations on the territory of Skopje, only Radio Ravel is founded by a legal entity (DRP Raola), and the other 15 are in the ownership of one or more physical entities.

Image 5.17 Ownership structure of the regional radio stations

CB	Full name of the trade company	Data on the founder and participation in the capital
RA Zona M-1	CB RADIO ZONA M-1 Svetlana DOOEL Skopje	Svetlana Tasevska 100%
RA Folk	CB FOLK-RADIO DOOEL Skopje	Pero Risteski 100%
RA City	CB CITY RADIO DOOEL Skopje	Darko Gelev 100%
RA Sky	CB SKY RADIO Teodor DOOEL Skopje	Teodor Maneski 100%
RA Rosa AB	CB RADIO ROSA-AB DOO Skopje	Aleksandar Dimitrov 73,15%, Borche Nechovski 25%, Mile Shulevski 1,85%
RA Jazz FM	CB JAZZ FM Ljupcho DOOEL Skopje	Ljupcho Hadzi-Stefanov 100%
RA Life (Star) FM	CB LIFE RADIO DOOEL export-import Skopje	Kreshnik Ajdini 100%
RA Sport Channel 4	CB SPORT RADIO KANAL 4 DOOEL Skopje	Borche Lukanovski 100%
RA 90,3 FM	FM 90.3-SPORT RADIO DOOEL export-import Skopje	Toni Mitev 100%
RA Fortuna	CB RADIO FORTUNA Violeta DOOEL	Violeta Bozhinoska 100%
RA Club FM (Uno)	CB CLUB FM DOO	Gjorgji Savev 34%, Ljupcho Petreski 64%
RA Ravel	CB RADIO RAVEL DOOEL Skopje	DRP Raola DOO Skopje
RA Arachina	CB ARACHINA, Xhavid DOOEL, village Arachinovo, Arachinovo	Xhavit Sulejmani 100%
RA Classic	CB GAUDEAMUS RADIO CLASSIC FM, Martin DOOEL Skopje	Martin Treneski 100%
RA Vat	CB RADIO VAT, Vat-Inos DOOEL Skopje	Rahim Kadri 50% and Ekrem Kadri 50%
RA Buba Mara	CB BUBA MARA Ranko DOOEL Skopje	Ranko Petrovikj 100%

Source of the data: Broadcasting Council

The total number of 47 televisions had license to broadcast programme on local level in 2008. The biggest part of those televisions (41) were founded by one or more physical entities, five televisions (TV Nova from Kumanovo, TV Emi from Radovich, TV Art Kanal from Struga, TV Kochani-LD from Kochani and TV Sitel 2 from Skopje) are in the ownership of legal entities, and only one television (TV Iris from Shtip) is in mixed ownership, with the legal entity (Bargala AD) having the dominant share in the founding capital.

Image 5.18 Ownership structure of the TV stations on local level

City	Radio station	Full name of the trade company	Data on the founder and participation in the capital
Bitola	TV Tera	CB TV STUDIO TERA Mangovski Zoran Bitola DOOEL	Zoran Mangovski 100%
Bitola	TV Orbis	CB RTV ORBIS Bitola DOOEL	Tomislav Novakovikj 100%
Bitola	TV Medi	CB TV MEDI Bitola DOOEL	Kircho Krstevski100%
Valandovo	TV VTV	CB TV VTV Toni DOO Valandovo	Toni Donev 100%
Veles	TV Zdravkin	CB TV Zdravkin Angelche Zdravkin, DOOEL, Veles	Angelche Zdravkin 100%
Veles	TV Kanal 21	CB KANAL 21 DOOEL Veles	Zoran Stavrev 100%
Gevgelija	TV Nova	CB TV NOVA DOO	Valentina Djundova 33% and Jovan Jovanov 67%
Gostivar	TV Due	CB TV DUE NAZMI DOOEL Gostivar	Nazmi Elezi 100%
Kavadarci	TV KTV-41	CB TV KTV 41, Delta-m electronic DOOEL Kavadarci	Marjan Todorov 100%
Kichevo	TV Uskana	CB TELEVISION USKANA Munir Mehdiu, Kichevo DOOEL	Munir Mehdiu 100%
Kichevo	TV Boem	CB TV BOEM Slobodan Menoski Kichevo DOOEL	Slobodan Menoski 100%
Kichevo	TV Gurra	CB TV GURRA DOO Kichevo	Nexhat Mustafi 100%
Kumanovo	TV Festa	CB TV KANAL FESTA Nexhati DOOEL Kumanovo	Nexhati Aqifi 100%
Kumanovo	TV Dalga-Krt	CB DALGA KRT Gordana DOOEL Kumanovo	Gordana Milkovska 100%
Kumanovo	TV Nova	CB NOVA DOOEL Kumanovo	Glowing Flame DOO Skopje 100%
Kumanovo	TV Hana	CB TV HANA Mevljan DOOEL Kumanovo	Mevljan Ljatifi 100%
Mak. Brod	TV Anisa	CB TV ANISA DOOEL v.Plasnica-Plasnica	Gjulinaza Jaoska 100%
Ohrid	TV Moris	CB Jovan Trpeski TV MORIS DOOEL Ohrid	Jovan Trpeski 100%
Ohrid	TV M	CB TV M Arnaudov Mihajlo DOOEL Ohrid	Mihajlo Arnaudov 100%
Ohrid	TV NTV	CB Zoran Stefanovski Nezavisna TV Ohrid DOOEL	Zoran Stefanovski 100%
Probishtip	TV Protel	CB PROTEL DOOEL Probishtip	Ilija Petrov 100%
Radovish	TV Ko-Bra	CB Television KOBRA DOOEL Radovish	Branko Litajkovski 100%
Radovish	TV Emi	CB TV EMI DOOEL Radovish	Emi Petrol DOO Radovish 100%
Struga	TV Kaltrina	CB TV KALTRINA Mazar Tateshi Struga DOOEL	Mazar Tateshi 100%
Struga	TV Art Kanal	CB TV ART KANAL Struga DOOEL	A7 Company 100%
Strumica	TV Intel	CB INTEL DOO Strumica	Anche Zaprova 50% and Georgje Zaprov
Strumica	TV Vis	CB TV-KANAL VIS DOO Strumica	Janko Micev 100%
Sveti Nikole	TV Svet	CB TV SVET DOO Sveti Nikole	Dimitar Dechkov 50% and Dragan Dechkov 50%
Tetovo	TV Koha	CB TV Koha Mevail DOOEL Tetovo	Mevail Abdiu 100%
Tetovo	TV Kiss	CB TV Kiss,Zlate DOOEL Tetovo	Zlate Todorovski 100%
Tetovo	TV Art	CB TV ART Artan DOOEL Tetovo	Artan Skenderi 100%
Tetovo	TV Menada	CB Menada Tetovo DOO Tetovo	Tosho Markovski 99% and Darko Ristoski 1%
Tetovo	TV Super Sky	CB TELEVISION SUPER SKY,Muslim DOOEL v.Mala Rechica, Tetovo	Musljam Aziri 100%
Centar Zhupa	TV Zhupa	CB TV ZHUPA Elezovski Elez DOOEL v.M.Papradnik Centar Zhupa	Eles Elezovski 100%

Shtip	TV Star	CB TV-STAR DOO Shtip	Simjoncho Marijanov 90% and Rozetka Monevska 10%
Shtip	TV Iris	CB Television ISRIS DOO Shtip	Bargala AD 97,57% and Vladimir Miljanovikj 2,43%
Gostivar	TV Chegrani Media	CB TV CHEGRANI MEDIA DOOEL v. CHEGRANE-Gostivar	Emrula Chegrani 100%
Kriva Palanka	TV Zlaten kanal	CB ZLATEN KANAL DOOEL export-import Skopje	Zlatko Kostadinov 100%
Berovo	TV Top TV	CB TOP TV DOOEL Berovo	Dragan Krzhovski 100%
Kavadarci	TV Tikveshija	CB TELEVISION TIKVESHIIJA DOOEL Kavadarci	Zlatko Gjorchev 100%
Kochani	TV Kochani-LD	CB TELEVISION KOCHANI-LD DOOEL Kochani	VIZIJA-LD Kochani 100%
Kochani	TV Kanal 8	CB TELEVISION KANAL 8 DOOEL Kochani	Angel Petrov 50% and Toshe Janev 50%
Dolneni	TV Lazhani	CB TV LAZHANI DOOEL v.Lazhani, Dolneni	Ruzhdija Hasanovikj 100%
Kratovo	TV Sitel 2	CB Television SITEL 2 DOOEL, Skopje	Commercial broadcaster Television SITEL DOOEL, Skopje 100%
Struga	TV Spektra	CB SPEKTRA, municipality Labunishta DOOEL	Demish Karimanovski 100%
Delchevo	TV D1	CB for television activities TELEVISION D1 DOOEL, Delchevo	Slobodan Damjanov 100%
Prilep	TV Vision-BM	CB VISION-BM DOOEL, Prilep	Brankica Mavcheva 100%

Source of the data: Broadcasting Council

Image 5.19 shows the ownership structure of the radio stations on local level. It can be noticed that only one radio station (Radio Sveti Nikole) is in mixed ownership, and the other 48 are in the ownership of one or more physical entities.

Image 5.19 Ownership structure of the radio stations on local level

City	Radio station	Full name of the trade company	Data on the founder and participation in the capital
Bitola	RA 106	CB RADIO 106 Bitola DOOEL	Kire Hristovski 100%
Bitola	RA B-97	CB B-97 DOOEL Bitola	Sonja Mladenovska 100%
Bitola	RA Aktuel	CB RADIO AKTUEL DOOEL Bitola	Vladimir Nikoloski 100%
Bitola	RA Delfin	CB BI-KI-AL DOOEL Bitola	Biljana Taleva 100%
Veles	RA Ce-De	CB Radio CE DE Valentina Mihajlovska DOOEL Veles	Valentina Mihajlovska 100%
Veles	RA Merak 5 FM	CB RADIO MERAK 5 FM, Ljupcho and Vladimir DOO Veles	Vladimir Tevchev 50% and Ljupcho Nestorov 50%
Veles	RA Goldi	CB GOLDI Ilija Chadiev DOOEL Veles	Ilija Chadiev 100%
Vinica	RA La Kosta	CB RADIO LA KOSTA Petre DOOEL Vinica	Petre Kostadinov 100%
Gevgelija	RA Tajm	CB RADIO TAJM,Pavle DOOEL Gevgelija	Pavle Jovanovski 100%
Gostivar	RA Kometa	CB KOMETA 2000 Rade DOOEL Gostivar	Rade Isajloski 100%
Debar	RA Merlin	CB RADIO-MERLIN,Fatmir, DOOEL Debar	Fatmir Karameti 100%

Kavadarci	RA Galaxy-2002	CB GALAXY -2002 DOOEL Kavadarci	Nada Angelova 100%
Kichevo	RA Aleksandar Makedonski	CB Radio ALEKSANDAR MAKEDONSKI Ilija Tanevski Kichevo DOOEL	Ilija Tanevski 100%
Kochani	RA AB	CB RADIO AB DOOEL Kochani	Aleksandar Bozhinov 100 %
Kumanovo	RA KMR	CB MUSIC RADIO KMR Ljubisha and Boban DOO Kumanovo	Jovanovski Ljubisha 50% and Jovanovski Boban 50 %
Kumanovo	RA Bravo	CB RADIO BRAVO DOOEL Kumanovo	Toni Jakimovski 100%
Kumanovo	RA Jehona	CB JEHONA 2003 DOOEL v.Matejche Lipkovo	Besim Shabani 100%
Negotino	RA Mix	CB RTV MIX Julija DOOEL Negotino	Julija Dubrovska Maneva 100%
Ohrid	RA MH	CB Zoran Zdravkovikj MH - RADIO Ohrid DOOEL	Zoran Zdravkovikj 100%
Ohrid	RA Super	DOO for broadcasting Mitanoski Vele SUPER RADIO Ohrid DOOEL	Sasho Mitanoski 100%
Ohrid	RA Lav	CB Ivancho Pashoski RADIO LAV DOOEL Ohrid	Ivancho Pashoski 100%
Pehchevo	RA Pehchevo	CB RADIO PEHCHEVO Vancho DOOEL Pehchevo	Vancho Jovanovski 100%
Prilep	RA 5 Choki	CB RADIO 5 CHOKI DOOEL Prilep	Ilija Boshkoski 100%
Prilep	PA Besa	CB RADIO BESA DOOEL v. Crnilishte	Safet Mejdioski 100%
Prilep	RA Rinia 2000	CB RADIO RINIA -200, DOOEL v.Crnilishte,mun.Dolneni	Sevgania Ibrahimimi 100%
Prilep	RA Ternile	CB Qani Ismailoski RADIO TERNIPE (Mladost) DOOEL Prilep	Qani Ismailoski 100%
Prilep	RA Meff	CB Jovevski Petko Dimitar MAPEDITO-RADIO MEFF DOOEL Prilep	Dimitar Joveski 100%
Prilep	RA Holiday	CB HOLIDAY Prilep DOOEL	Dime Andonoski 100%
Radovish	RA Alfa	CB ALFA DOOEL Radovish	Suzana Nasteva 100%
Zhironica	RA Emi	CB for production and broadcasting EMI- Xhevdet DOOEL v. Zhironica Rostushe	Xhevdet Mehmedi 100%
Struga	RA DJ	Broadcasting Company DJ Slave DOOEL Struga	Cane Kenchevski 100%
Struga	RA Rapi	Company for broadcasting, radio on local level RADIO RAPI, municipality Veleshta DOOEL	Fisnik Bekteshi 100%
Struga	RA Kiki	CB KIKI Ilija, DOOEL Struga	Ilija Totovski 100%
Strumica	RA Hit	CB HIT RADIO DOOEL Strumica	Blazhe Masalkovski 100%
Strumica	RA Ekspres	CB EKSPRES-RADIO DOOEL Strumica	Gjorgji Pojrazovski 100%
Tetovo	RA Plus Forte	CB PLUS FORTE DOOEL Tetovo	Nebojsa Karapejovski100%
Tetovo	RA Kiss	CB RADIO KISS DOOEL Tetovo	Gabriela Gjurchinoska 100%
Tetovo	RA Fama	CB RADIO FAMA DOO Tetovo	Ajet Demiri 50% and Muhamer Asani 50%

Tetovo	RA Bleta	CB BLETA DOOEL Tetovo	Afrim Ramadani 100%
Centar Zhupa	RA Semi	CB Suri RADIO SEMI - DOOEL, Centar Zhupa, v.G.Papradnik	Shaip Rakipovski 100%
Shtip	RA Cherenja	CB Cherenja DOOEL Shtip	Enise Demirova 100%
Plasnica	RA Mis 2008	CB RADIO MIS 2008 DOOEL v.Preglovo,Plasnica	Ermin Salifoski 100%
Berovo	Sky radio, Berovo	CB SKY RADIO PLUS DOOEL, Berovo	Veselka Radinska 100%
Delchevo	RA Zora	CB for radio-activities RADIO ZORA DOOEL, Delchevo	Stojancho Antovski 100%
Makedonski Brod	RA Moris plus	CB RADIO MORIS PLUS DOOEL Makedonski Brod	Peco Simjanoski 100%
Negotino	RA Production-LGN	CB PRODUCTION-LGN export-import DOO	Goran Arsovski 50% and Ljupcho Cvetkov 50 %
Makedonska Kamenica	RA Makedonska Kamenica	CB RADIO MAKEDONSKA KAMENICA DOOEL,Makedonska Kamenica	Miran Mitrevski 100%
Sveti Nikole	RA Sveti Nikole	CB RADIO SVETI NIKOLE DOO Sveti Nikola	Valentina Arsova 15%, Riste Panov 15%, Pension and Disablement insurance Skopje 15% and International Slavs Institute Moscow DOOEL Sveti Nikole 55%
Sveti Nikole	RA Modea	CB MODEA DOOEL Sveti Nikole	Boban Efremov 100%

Source of the data: Broadcasting Council