



Broadcasting Council of the Republic of Macedonia

## ANALYSIS OF THE BROADCASTING ACTIVITY MARKET for 2009

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# Preface

The following pages show the situation of the Macedonian market for broadcasting activity for 2009. The analysis was conducted by the Broadcasting Council, on the basis of the data submitted by the radio and television stations, which refer to their economic-financial affairs. The outcome of the analysis of the data is compiled in four sections: Television market, Radio market, Advertising market and Ownership structure of the broadcasters. The text is easily comparable to the analyses for 2008 and 2007, as well as to the data in the Strategy for broadcasting activity development, which contains the analysis of the market of broadcasting analysis for the period from 2004 until 2006.

Every year, the Broadcasting Council drafts an analysis of the market of broadcasting activity that provides full-scale information on the situation of the broadcasting industry. The same methodology is used every year: the broadcasters submit the data in standardized forms<sup>1</sup> and their validity is checked using the information from the annual financial statement that the radio and television stations submit to the Central Registry of the Republic of Macedonia, and a copy is submitted to the Council. 137 broadcasters have fulfilled the obligation to submit data. Only three local television stations and four local radio stations failed to submit data to the Council, and as a result measures were pronounced in accordance to the provisions of the Law on Broadcasting Activity.<sup>2</sup>

The broadcasting regulatory authority has multiple use of this type of analysis of the broadcasting market that offers precise data on the economic work of the broadcasters, on the share that they have in the advertising market and in the total TV and radio ratings. It is extremely helpful when formulating the broadcasting development policy because it provides information relevant for licensing, for stimulation and protection of the competition. It enables the Council to realize its legal competencies to ensure economic and technological development of the broadcasting activity (article 21 paragraph 3 of the Law on Broadcasting Activity), to improve and stimulate the competition and the development of the broadcasting activity (article 2 paragraph 1 line 4), as well as to apply the competences in implementing the provisions from Chapter 3 of the Law – related to protection of pluralism and diversity of the programme offer, i.e. preventing illegal media concentration.

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<sup>1</sup> 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).

<sup>2</sup> In 2009, the following TV and radio stations failed to submit data on the financial affairs for 2009: TV Uskana from Kichevo, TV VTV from Valandovo and TV Kanal 8 from Kochani; and the radio stations BI-KI-AI from Bitola, Semi from Centar Zhupa, Besa from Prilep and Alfa from Radovich.

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 other countries, we have used the data from the international publication "Television 2009 International Key Facts", edition of IP International Marketing Committee from Germany<sup>3</sup>.

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](mailto:research@srd.org.mk); [m.dovleva@srd.org.mk](mailto:m.dovleva@srd.org.mk).

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<sup>3</sup> [http://www.ip-deutschland.de/ipdeutschland/Service/Publikationen/Mediennutzung/index\\_4598.jsp](http://www.ip-deutschland.de/ipdeutschland/Service/Publikationen/Mediennutzung/index_4598.jsp)

## Chapter 1

# Summary of the analysis

## 2.1 Advertising market

- In 2009, the gross income for advertising in the television industry<sup>4</sup> was in the amount of 28.781.263.358,00 denars (472 million Euros), which is 21,36% higher compared to the previous year.
- The net income from advertising<sup>5</sup> was in the amount of 1.562.890.819,00 denars (25,6 million Euros). Compared to the previous year, the net income from advertising is lower by 6,24%.
- During the analysed year, the gross income from advertising is 18,4 times higher than the net income. There are several reasons for this situation<sup>6</sup>.
- In 2008, in Macedonia, 189,79 Euros per capita were spent for advertising in the television industry.
- Industries that spent most funds for television advertising were the industries for production of soft drinks and food, transporting industry and the telecommunication industry. According to the calculated gross amount of broadcasted advertising spots for the price per second from the official pricelists of the televisions, the fourth position is occupied by political advertising and humanitarian actions.
- The top-ten advertisers for the analysed year were: Coca-Cola, T-Mobile, Vreme, Hedy's, the Government of RM, VIP, Procter & Gamble, Automotive Group, Rio Skopje and Makpetrol.

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<sup>4</sup> 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.

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

<sup>6</sup> The most common reasons are: frequent deductions, because the prices in the official pricelists are unrealistically increased and even with the approved 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.

- The television stations that broadcast programme on state level earned 89% of the total net income from advertising on the television market. The share of the ten regional televisions in the net income from advertising is 5%, and of the local television stations is 6%.
- This year, the biggest audience ratings belong to A1 Television (20,96%). Television Sitel is on the second place, with audience ratings of 13,94, followed by the first channel of the Macedonian Television (6,83%), Kanal 5 Television (4,95%), Telma (3,91%) and Alsat-M (3,49%). The joint share of the satellite, regional and local television stations in the total audience ratings is 15,89%.

The foreign channels, which the audience receives via the operators of public communication networks and the individual satellite antennas, have the joint share of 24,98% in the total audience ratings.

- One quarter of the total income from advertising in the radio industry was earned by the radio station Antenna 5. The radio station Metropolis earned 5% of the total income, and the radio station Kanal 77 earned only 4%. The share in the advertising income of the Macedonian radio is very insignificant (0,03%). The sixteen regional radio stations have the joint share of 44%, and the local radio stations earned 22% of the total income from advertising in the radio industry.

## 2.2 Television industry

- In 2009, the total number of commercial television stations in Macedonia was 78, out of which 5 broadcasted programme on state level via a terrestrial transmitter, 16 had permit to broadcast programme on state level via a satellite transmitter, 10 television stations broadcasted on regional level (on the territory of Skopje) and the total number of 47 on local level.
- The total income which was earned by all entities in the television industry, during the analysed year, was in the amount of 2.032.508.410,00 denars, which is 13,18% lower compared to the previous year.
- The largest share in the total income belongs to the income earned by selling the advertising time (76,89%).
- The Macedonian television earned the total income in the amount of 348.806.307,00 denars<sup>7</sup>. The largest part of the income is funds from the Budget of RM, approved by the Government of RM with a Recovery programme. The

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<sup>7</sup> 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.

share of the income from advertising is 8,44%, and the income from the broadcasting fee is 11,39% of the total income of the public service.

- The five commercial televisions that broadcast programme on state level via a terrestrial transmitter, have earned the total income in the amount of 1.337.488.062,00 denars, i.e. 7% less than the previous year.

Only A1 Television earned higher income in comparison to 2008. The other four televisions have decreased the income.

The most important source of income in this segment of the market are the advertisements, with a share of 94,24% in the total income.

- The satellite television stations earned income in the amount of 87.850.532,00 denars.
- The total income that was earned by the regional televisions, in the course of this year, is in the amount of 88.225.541,00 denars.
- The local television stations earned the total income in the amount of 130.137.968,00 denars.
- The expenses that were made by all entities of the television industry, during 2009, were in the amount of 2.340.058.888,00 denars. For the last six years, these are the highest expenses in the television industry. Only the public service reported lower expenses, compared to the previous year, and all other segments on the television industry have increased the accrued working expenses.
- The Macedonian television reported the accrued expenses in the amount of 444.350.096,00 denars, and the largest share is for the salaries of the employees.
- The private televisions on state level, which broadcast programme via a terrestrial transmitter, have the accrued expenses in the amount of 1.395.451.291,00 denars. Most of these funds (65%) are direct expenses for production and purchasing programme.
- The accrued expenses of the satellite televisions were 194.581.038,00 denars. More than half of those funds (60,60%) were used for production and purchasing programme.
- The ten regional televisions have accrued expenses in the amount of 191.231.224,00 denars. Almost 58% of these funds were spent for production and purchasing programme.
- The joint expenses of the local televisions are in the amount of 114.445.239,00 denars. 64,87% of these funds were spent for production and purchasing programme.



- In 2009, the joint payables of all television stations were in the amount of 2.645.787.158,00 denars. The biggest part (78,25%) were short-term liabilities.
- In 2009, the working result of all entities in the television industry is loss in the amount of 314.362.672,00 denars. In the last six years, this is the biggest loss for the entire television industry. Out of the total number of 77 entities, only 34 made a positive financial result. The others, including the Macedonian television, worked with losses.
- In 2009, the total number of 2120 individuals was employed in the entire television industry, out of which 1676 are in full-time employment and the other 444 are part-time employees. The Macedonian television had the total number of 487 employees, and the commercial television stations had 1633 employees.

The largest part of the employees (28%) were journalists.

## 2.3 Radio industry

- In 2009, as an addition to the public service-Macedonian radio, 3 commercial radio stations on state level, 16 commercial radio stations on regional level, 49 commercial local radio stations and three non-profit broadcasting institutions worked on the radio market.
- The total income earned, in the analysed year, by all entities in the radio market was in the amount of 285.993.266,00 denars, which compared to the previous year is a decrease by 34,17%. This situation is a result of the decrease of the income of the public service (by 53,52%), while the entire private sector earned higher income compared to the previous year.
- The total income of the Macedonian radio was in the amount of 136.925.020,00 denars. Almost 79% of this amount were funds from the Budget of RM, approved with a Recovery programme. The share of the income from advertisements in the total income is very insignificant (0,03%).
- The three commercial national radio stations earned the total income in the amount of 57.838.247,00 denars. The total income of each of these entities represents a positive growth rate. The most significant source of income was the selling of the advertising time, which represents 74% of the total income.
- The sixteen regional radio stations earned the total income in the amount of 59.858.154,00 denars. 93% of these funds were earned by selling of the advertising time.
- The total income of the local radio stations was in the amount of 31.371.845,00 denars, and the biggest part (88%) is income from advertisements.
- During the last six years, the lowest accrued expenses in the radio industry were made during the last year (304.2231.590,00 denars). Only the local radio

stations have increased the expenses, all other segments of the radio industry spent fewer funds than the previous year.

- The accrued expenses of the Macedonian radio were 190.021.456,00 denars. During the analysed year, the public service spent 22,61% fewer funds than in 2008.
- The three commercial radio stations on state level have mutually spent the total sum of 35.953.610,00 denars. The largest part of these funds (76%) were spent for production and purchasing programme.
- In 2009, the accrued expenses of the regional radio stations were in the amount of 50.871.003,00 denars. 60% of these expenses were spent for production and purchasing programme.
- The local radio stations have accrued expenses in the amount of 27.385.511,00 denars, and almost 69% of these funds were spent for production and purchasing programme.
- The total payables of all entities in the radio industry were in the amount of 400.334.413,00 denars. The largest part of the liabilities (93%) were short-term liabilities.
- The working result of all entities in the radio industry is loss in the amount of 18.865.186,00 denars, which is a result of the losses made by the public service. The entire private sector made a positive financial result in the amount of 34.2341.250,00 denars.
- The total number of employees in the radio industry is 526 individuals, out of which 445 are full-time employees, and 81 are part-time employees. The Macedonian radio has the total number of 299 employees, and the private sector has 227 employees.

The largest part of the employees (32,51%) were journalists.

## **2.4 Ownership structure**

- The biggest part of the commercial broadcasters were in the ownership of physical entities.

Out of the total number of 78 television stations, 54 were founded by physical entities, 19 were in the ownership of legal entities, and five 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	2009
<b>Average weekly range of television</b> ( % of the audience ages from 10 to 70)	99,8	99,8	99,8	95,66	79,47	75,52 <sup>8</sup>
<b>Average time of watching television</b> (minutes)	268	262	276	276	310	377
<b>Share of the audience ratings of the public service</b> MTV, MTV2, Parliamentary Channel ( % of the total ratings)	16,1	10,9	11,9	10,01	11,61	9,81
<b>Share of the audience ratings of the private TV on state level</b> A1, Sitel, Kanal 5, Telma, Alsat M ( % of the total ratings)	51,6	53,4	49,2	51,5	48,1	47,27
<b>Total income in the TV industry</b> (millions of denars)	1.083	968	1.352	1.675	2.341	2.033
<b>Income of the public service</b> (millions of denars)	524	418	428	473	612	349
<b>Income of the private TV on state level</b> (millions of denars)	402	384	751	1.058	1.482	1.377
<b>Number of entities on the TV market</b>	59	56	56	52	79	76

Source: Broadcasting Council/AGB Nielsen Media Research Macedonia

### The Macedonian audience watched television in the average of 6 hours, 17 minutes and 2 seconds

In 2009, almost two thirds of the audience, ages 4 and up, watched television for at least one minute during the week. Compared to the previous year, this indicator has decreased by 3,95%, which may be a result of the increased number of channels that are offered to the audience by the operators of public communication networks.

The average time that the audience spent watching television, during the analysed year, is the highest in the period of the last six years, and it is 377 minutes, or 6 hours 17 minutes and 2 seconds watching television.

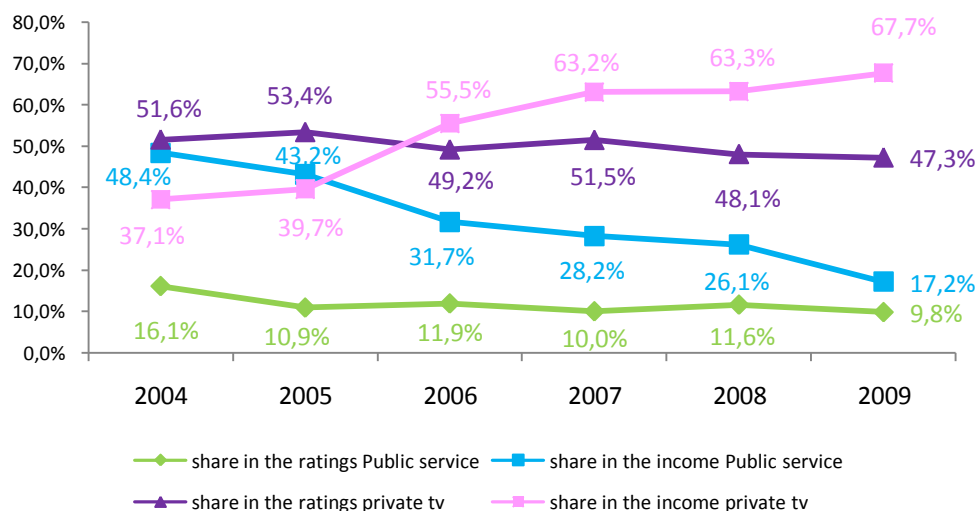
### In 2009, the share of the Macedonian television in the total income and the total audience ratings has decreased

<sup>8</sup> 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 for 2008 and for 2009 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 up to 70, and the weekly range was for at least 15 minutes of watching.

During the analyzed year, the Macedonian Television earned 42,99% less income, compared to the previous year. The largest part of the income is funds given with the Recovery programme that the Government has transferred from the Budget of RM to the account of the Public service.

The audience ratings of the three programme services of the Macedonian Television (MTV1, MTV2 and Parliamentary channel) have decreased by 1,8%.

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



Source: Broadcasting Council/AGB Nielsen Media Research Macedonia

The share of the total income of the five commercial televisions that broadcast programme on national level via a terrestrial transmitter, in the total income of the television industry has increased by 4,4%, and the joint share in the audience ratings has decreased by 0,8%.

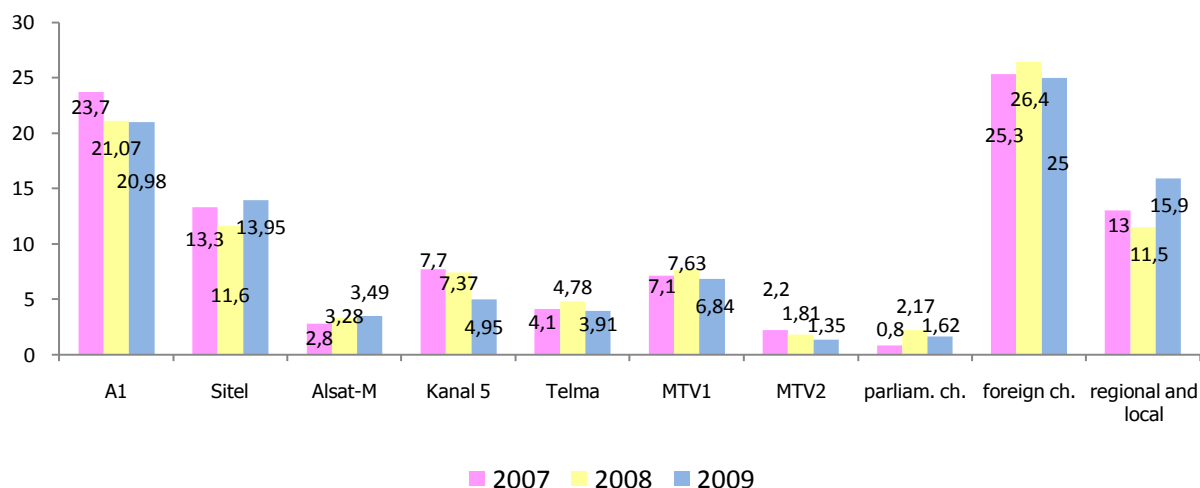
## A1 television remains as most watched television

Even though, compared to the last two years, the share of the audience ratings of A1 Television in the total audience ratings continued to decrease; it remains to be the most watched television in Macedonia.

The audience ratings of Television Sitel have increased by 2,35%, compared to the previous year. The audience ratings of Alsat-M are slightly higher (by 0,21%).

Compared to the previous year, there is a significant decrease of the audience ratings of Television Kanal 5 (by 2,42%). The audience ratings of Television Telma have also decreased, but only by 0,87%.

**Image 2.3 Share in the audience ratings in 2007, 2008 and 2009**



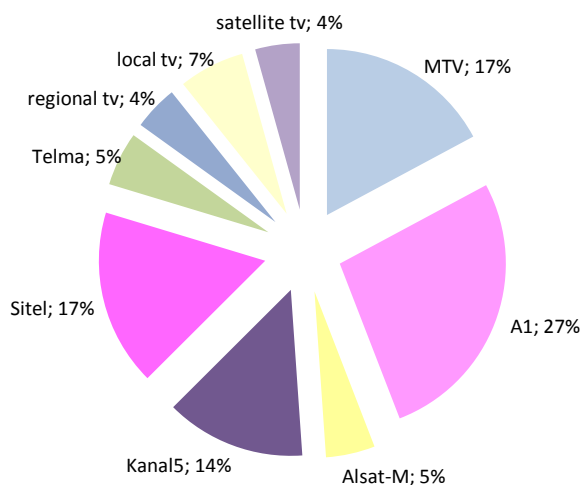
Data: SMMRI from Skopje /AGB Nielsen Media Research Macedonia

In 2009, the total audience ratings of the foreign channels, which the audience receives via a cable or a satellite connection, has decreased by 1,4%.

**During the analysed year, the earned total income is by 13,18% less, compared to the previous year**

The total income earned in 2009, by all television stations, was in the amount of 2.032.508.410,00 denars, which is by 13,18% less, compared to the previous year.

**Image 2.4 Share in the total income in the TV industry in 2009**



Source: Broadcasting Council

This is a result of the decrease seen with television stations that broadcast programme on national level via a terrestrial transmitter (Macedonian television and the

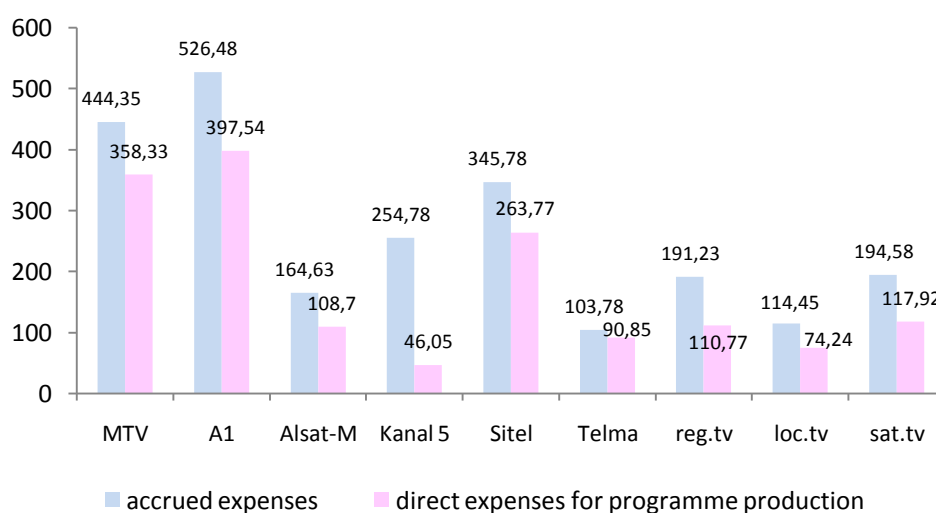
five commercial televisions), while the satellite, regional and local television stations had higher income than in 2008.

The joint share of the national television stations in the total income of the television industry is 89%. The ten regional televisions earned 4% of the total income and the share of the local televisions (total of 47 entities) is 7% in the total income.

### **The expenses made in the television industry in 2009 are the highest in the last six years**

The accrued expenses of all television stations are in the amount of 2.340.058.888,00 denars, which is 7,38% more than the previous year. Compared to 2008, the decrease can only be seen in the Macedonian television, while all other segments have increased the accrued expenses: the expenses of the television stations that broadcast on national level, as a whole, have increased by 6,70%, the expenses of the regional televisions by 16,78% and of the local television stations by 5,10%.

**Image 2.5 Accrued expenses and expenses for programme production**



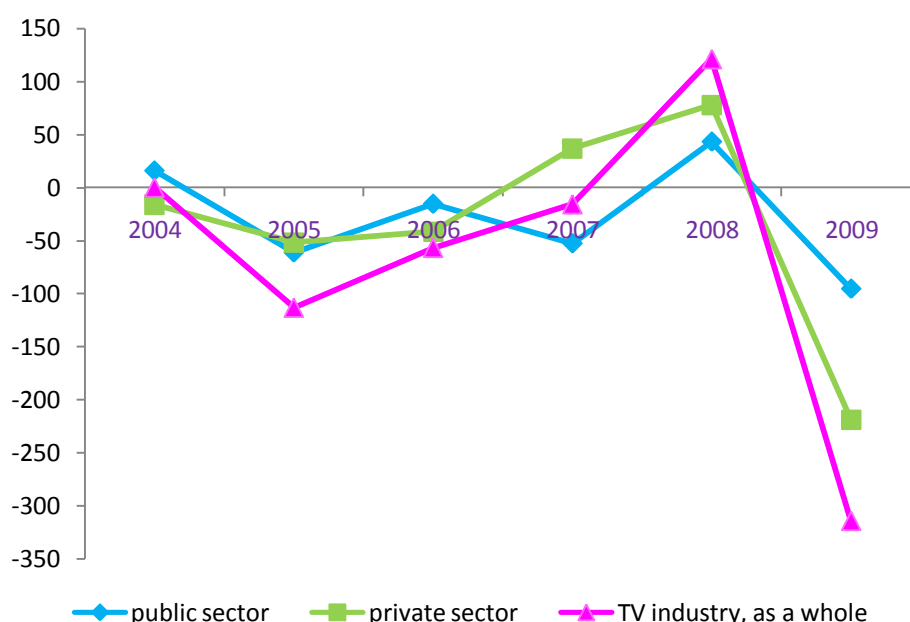
Source: Broadcasting Council

The largest part of these funds (67%) were direct expenses for programme production.

### **Both the public and the private sector have a negative financial result**

In 2009, the working result of all entities in the television industry is a loss in the amount of 314.362.672,00 denars.

**Image 2.6 Working results of the public and the private sector (MKD)**



Source: Broadcasting Council

Out of the total number of 77 entities (the public service and the 76 commercial television stations), only 34 have a positive financial result. The others, including the Macedonian television, worked with losses.

### **The total number of employees in the television industry was 2120 individuals**

In 2009, the television industry had 2120 employees, out of which 1676 were in full-time employment, and the other 444 were part-time employees.

**Image 2.62 Number and structure of the employees in the TV industry**

Type of personnel	Number	Status	
		Full-time	Part-time
Journalists	596	435	161
Programme editors	125	107	18
Administrators/Executives	62	56	6
Tech personnel (engineers and technicians)	345	260	85
Control room personnel (directors, cameramen, editors etc.)	559	475	84
Other personnel	433	343	90
<b>TOTAL</b>	<b>2120</b>	<b>1676</b>	<b>444</b>

Source: Broadcasting Council

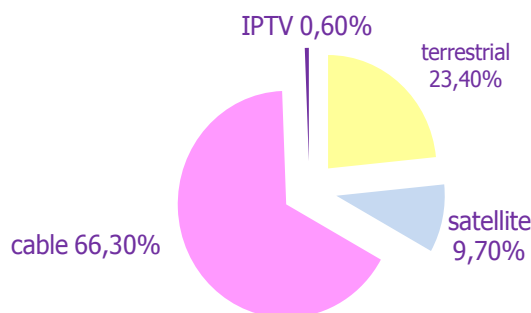
Out of those employees, 487 individuals were employed in the Macedonian television and the others were in the commercial television stations.



## 2.2 Models of receiving the TV signal and entities on the market

According to the data from the research, ordered by the Broadcasting Council in June 2009, the largest part of the examinees (66,30%) answered the question "What type of connection do you have on your main TV set (the one you use to watch television regularly)?" with the following response– cable connection.

Image 2.8 Models of receiving the TV signal



Source: Broadcasting Council

23,40% of the households used regular (terrestrial) antenna, and 9,70% of the viewers used a satellite antenna. The appearance of IPTV is a novelty this year. According to the research, 0,60% of the Macedonian households are registered as users of this service.

During the last year, it can be noticed that a significant part of the households have replaced the terrestrial reception with a connection to a cable operator.

Image 2.9 Type of connection on the main TV set in the households

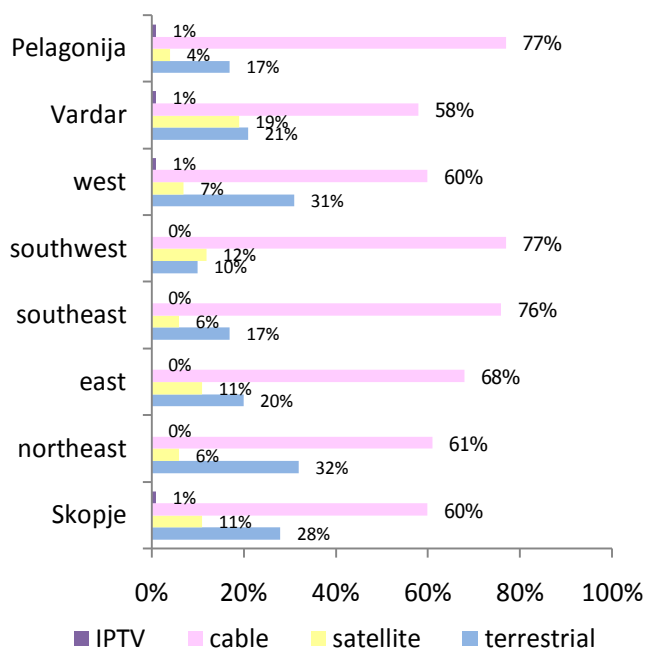
Type of connection	2007 ( %)	2008 ( %)	2009 ( %)
Cable connection	52.1	52.4	66.3
Regular antenna	39.5	37.3	23.4
Satellite antenna	8.0	10.3	9.7
IPTV	-	-	0.6

Source: Broadcasting Council

The cable operators are mostly present in the households in the Pelagonija region (Bitola, Prilep and Resen), southwest region (Ohrid, Struga and Kichevo) and the southeast region (Strumica, Gevgelija, Radovish, Vasilevo and Novo Selo). The lowest presence of cable operators can be seen in the Vardar region (Veles, Kavadarci, Negotino and Sveti Nikole).

The receiving of the television signal via a terrestrial antenna is mostly present in the northeast region (Kumanovo, Lipkovo and Kriva Palanka) and in the Skopje region.

Image 2.10 Models of receiving the TV signal by regions



Source: Broadcasting Council

In 2009, besides the public service Macedonian television, there were 78 other commercial television stations.

Image 2.11 TV stations in the public and private sector

Public sector	1
Private sector	78
Total	79

Source: Broadcasting Council

The commercial television stations broadcast programme on national, regional and local level.

Image 2.12 Commercial television stations according to the coverage

State level	5
State level via satellite	16
Regional level	10
Local level	47
Total	78

Source: Broadcasting Council

The total of 21 televisions had license to broadcast programme on the territory of the state, out of which 5 via a terrestrial transmitter and 16<sup>9</sup> via a satellite transmitter.

**Image 2.13 Television stations on state level**

	<b>Sector</b>	<b>Programme services</b>	<b>Method of transmitting the TV signal</b>
MTV	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 <sup>10</sup>	Private	1	Satellite/cable
NASHA TV	Private	1	Satellite/cable
Sitel 3	Private	1	Satellite/cable
MNC MEDIA	Private	1	Satellite/cable
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
Perpsektiva	Private	1	Satellite/cable
NOVA <sup>11</sup>	Private	1	Satellite/cable

Source: Broadcasting Council

Ten television stations broadcasted programme on the territory of the city of Skopje.

**Image 2.14 Commercial TV stations on regional level**

<b>Municipality</b>	<b>No.</b>	<b>TV stations</b>
Skopje	10	Skynet, MTM, K-15, TV Skopje, Era, BTR, Shutel, Amazon, Edo Krt

Source: Broadcasting Council

<sup>9</sup> From December 11<sup>th</sup>, 2009, with the revoking of the licenses of TV Jug and TV Nova, the number has decreased to 14.

<sup>10</sup> With decision no.11-69 from 11 December 2009, the license was revoked due to failing to pay the fee.

<sup>11</sup> With decision no.11-70 from 11 December 2009, the license was revoked due to failing to pay the fee.

The total of 47 television stations had license to broadcast programme on local level. Out of those, only television Sitel 2 from Kratovo, did not start to broadcast programme in 2009.

**Image 2.15 Commercial television stations on local level**

Municipality	Number	TV stations
Kumanovo	4	Festa, Dalga-Krt, Hana, Nova
Bitola	3	Tera, Orbis, Medi
Tetovo	5	Art, Kiss, Koha, Menada, Super Sky
Gostivar	2	Due, Chegrani Media
Struga	3	Art Kanal, Kaltrina, Spektra
Ohrid	3	Moris, NTV, TVM
Veles	2	Kanal 21, Zdravkin
Strumica	2	Intel, Vis
Shtip	2	Iris, Star
Kavadarci	2	KTV-41, Tikveshija
Kichevo	3	Boem, Gurra, Uskana
Radovish	2	Emi, Co-Bra
Gevegelija	1	Niva
Sveti Nikole	1	Svet
Probishtip	1	Protel
Valandovo	1	VTV
Mak. Brod	1	Anisa
Centar Zhupa	1	Zhupa
Kriva Palanka	1	Zlaten kanal
Berovo	1	Top TV
Kochani	2	Kochani-LD, Kanal 8
Dolneni	1	Lazhani
Kratovo	1	Sitel 2
Delchevo	1	D1
Prilep	1	Kanal Vizija

Source: Broadcasting Council

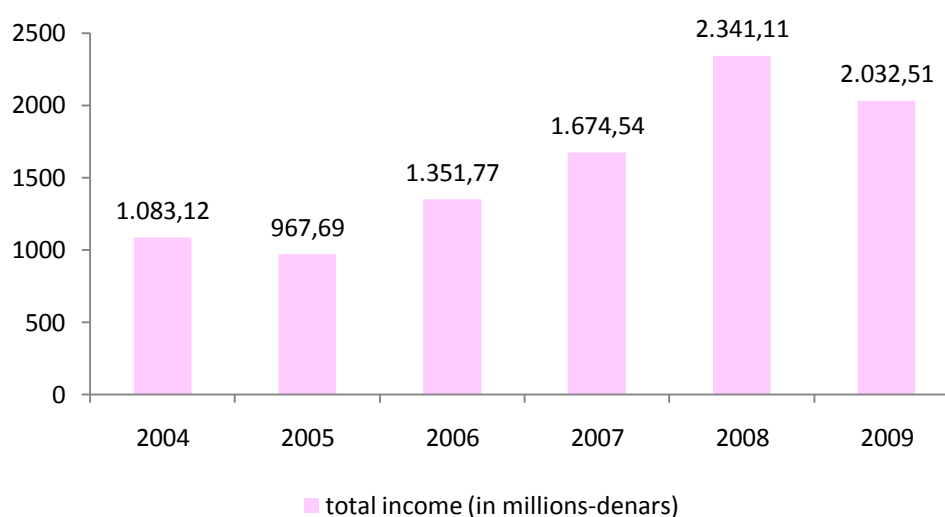
## 2.2 Income in the television industry

### Total income in the television industry

The total income earned in 2009, by all television stations, is in the amount of 2.032.508.410,00 denars.

From the data on the total income earned in the television industry, (image 2.16) it can be seen that in the period of the last six years, the most favourable year was 2008, when the earned amount is 2.341.114.753,00 denars. In 2009, the income is lower by 13,18%.

Image 2.16 Advancement of the total income in the television industry (2004-2009)



Source: Broadcasting Council

Compared to 2007, only the public service – Macedonian television, earned less income, while all the other segments of the television industry have increased their total income.

Image 2.17 Total income in the television industry (2004-2009)

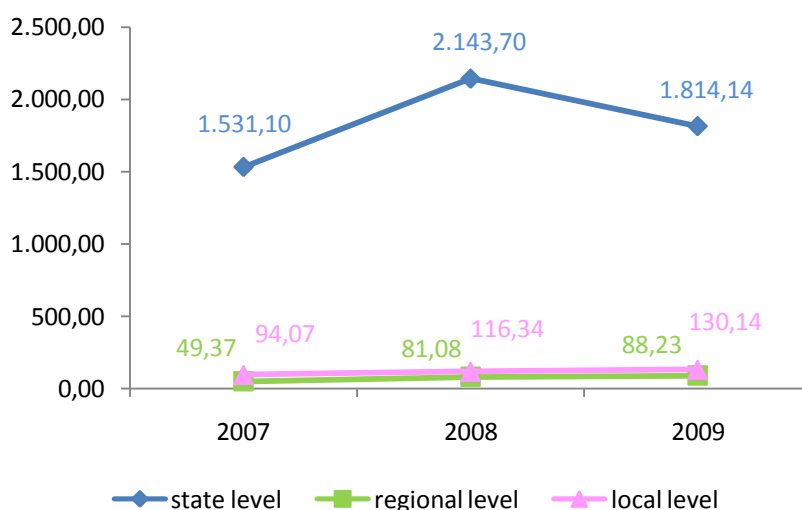
	2007	2008	2009	Growth rate 09/08
State level	1,531,101,894.00	2,143,698,488.00	1,814,144,901.00	-15.37 %
Regional level	49,371,624.00	81,080,555.00	88,225,541.00	8.81 %
Local level	94,068,295.00	116,335,710.00	130,137,968.00	11.86 %
Public sector	472,519,365.00	611,852,830.00	348,806,307.00	-42.99 %
Private sector	1,202,022,448.00	1,729,261,923.00	1,683,702,103.00	-2.63 %
TOTAL:	1,674,541,813.00	2,341,114,753.00	2,032,508,410.00	-13.18 %

Source: Broadcasting Council

If you compare the data with the ones from 2008, it can be noticed that there is a decrease of the total income earned by the television stations that broadcast programme on state level (Macedonian television and commercial terrestrial and satellite stations).

The regional and local televisions have increased their total income: the regional by 8,81% and the local by 11,86%.

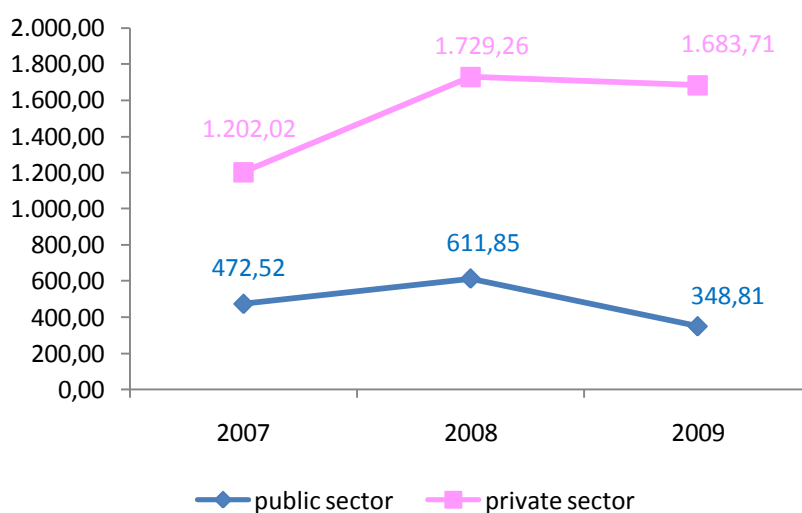
Image 2.18 Advancement of the total income in the television industry (2007–2009)



Source: Broadcasting Council

Both the public and the private sector earned less income compared to the previous year. However, the decrease of the total income of the private sector is only 2,63%, while there is a serious decline in the total income of the public service by 42,99%.

Image 2.19 Advancement of the total income in the television industry (2007–2009)



Source: Broadcasting Council

The television stations earned the largest part of the total income through selling of the advertising time (76,89%).

A significant part belongs to the income from the category "other undistributed income" (16,50%). This category covers the funds that the Macedonian television has received from the Government, from the Budget of RM (252.000.000,00 denars).

Image 2.20 Structure of the total income in the television industry

Structure of the income in the television industry	2009	Share
Broadcasting fee	39,725,868.00	1.95 %
Advertisements and teleshopping	1,562,890,819.00	76.89 %
Sponsorship	2,276,512.00	0.11 %
Income from other programmes	10,461,359.00	0.51 %
Donations and grants	7,502,128.00	0.37 %
Programme selling	9,128,479.00	0.45 %
Public interest projects	2,289,571.00	0.11 %
Other undistributed income	335,440,732.00	16.50 %
<b>Income from primary activity</b>	<b>1,969,715,468.00</b>	<b>96.91 %</b>
Income from other activities	28,173,327.00	1.39 %
Extraordinary income	34,619,615.00	1.70 %
<b>Total income</b>	<b>2,032,508,410.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The joint share of all other types of income is 6,61%.

### Total income of the public service

In 2009, the Macedonian television earned the total income in the amount of 348.806.307,00 denars. Compared to the previous year, the total income is lower by 42,99%.

Image 2.21 Structure of the total income of the Macedonian television

Structure of the income of the Public service	2009	Share
Broadcasting fee	39.725.868,00	11,39 %
Advertisements	29.436.207,00	8,44 %
Sponsorship	0,00	0,00 %
Donations and grants	0,00	0,00 %
Programme selling	0,00	0,00 %
Other undistributed income	252.000.000,00	72,25 %
<b>Income from primary activity</b>	<b>321.162.075,00</b>	<b>92,08 %</b>
Income from other activities	3.823.888,00	1,10 %
Extraordinary income	23.820.344,00	6,82 %
<b>Total income</b>	<b>348.806.307,00</b>	

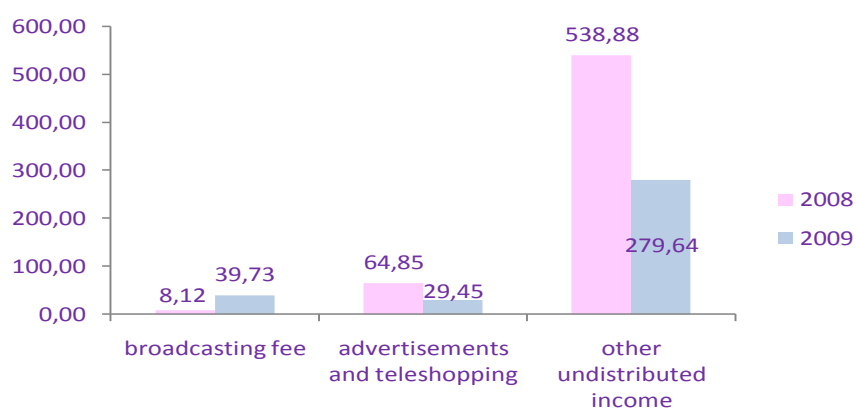
Source: Broadcasting Council

The largest part of the income is funds that were transferred by the Government, with the Recovery programme, from the Budget of RM on the account of the Public service, in the amount of 252.000.000, denars.

From the broadcasting fee, which should be the most important source of funds for the Public service, it has earned only 11,39% of the total income, and from advertisements 8,44% of the total income. The other income is earned from leases, i.e. renting some of the offices to other individuals (325.516,00 denars), income from abroad (3.498.370,00 denars) and other working income (income from interest, exchange differences, written-off liabilities etc.) in the total amount of 23.820.345, 00 denars.

During the analysed year, there was no income earned from sponsorship, donations and grants, nor from programme selling.

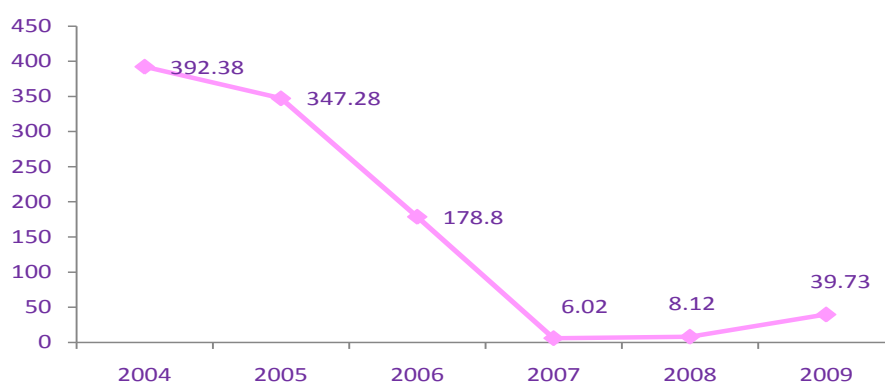
Image 2.22 Income of the public service in 2008 and 2009 (in millions-denars)



Source: Broadcasting Council

Compared to the previous year, the income from advertisements is lower by 54,61%, and the income from the category "other undistributed income" by 48,11%. The funds earned from the payment of the broadcasting fee are higher by 389,29%.

Image 2.23 Advancement of the income from the broadcasting fee of the Macedonian television  
In the last six years (in millions-denars)



Source: Broadcasting Council

Despite the positive trend regarding the previous two years, the problem with the payment of the broadcasting fee remains unresolved. The funds that were paid in 2009 are not nearly sufficient to realize the functions of the Public service (for comparison, a 7 times higher sum was needed only for gross salaries).



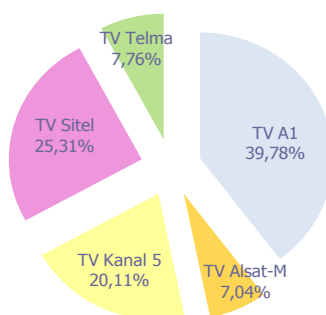
From the data on the advancement of the income of the Macedonian television in the period from 2004 until 2009, it can be seen that in the first three years these amounts were significantly higher (in 2004, nearly ten times higher funds were collected). During this period, the payment was carried out by the Electric Power Company of Macedonia through the electricity bills, and the amount of the broadcasting fee was 2,5% of the average paid salary per employee for the last three months according to the data published by the State Institution for statistics (around 330,00 denars).

According to the provisions of the Law on Broadcasting Activity (LBA) from November 2005, the obligation for payment of the broadcasting fee belongs to the Macedonian radio television, which should have established a special sector for payment of the broadcasting fee, to update the registry of payment bonds, as well as to organize the printing and forwarding of the bills to the users. The Public broadcasting service failed to provide an efficient payment system of the broadcasting fee. On the other hand, from August 2008, with the modifications of the LBA, the amount of the broadcasting fee is set at 130,00 denars, which is a reason for incomparability of the data in the sense of percentage representation of the payment realization.

#### Total income of the five national televisions

The total income, earned by the five terrestrial national television stations in 2009, is in the amount of 1.337.488.062,00 denars, which is by 7% less compared to the previous year.

Image 2.24 Share in the total income of the five national televisions



Source: Broadcasting Council

The largest part of these funds were earned by A1 television (39,78%), followed by television Sitel (25,31%), Kanal 5 (20,11%), Telma (7,76%), and the lowest share belongs to television Alsat-M (7,04%).

Compared to the previous year, only A1 has increased its income by 8,75%. The other four televisions earned less income.

Image 2.25 Total income and growth rate of the five national televisions

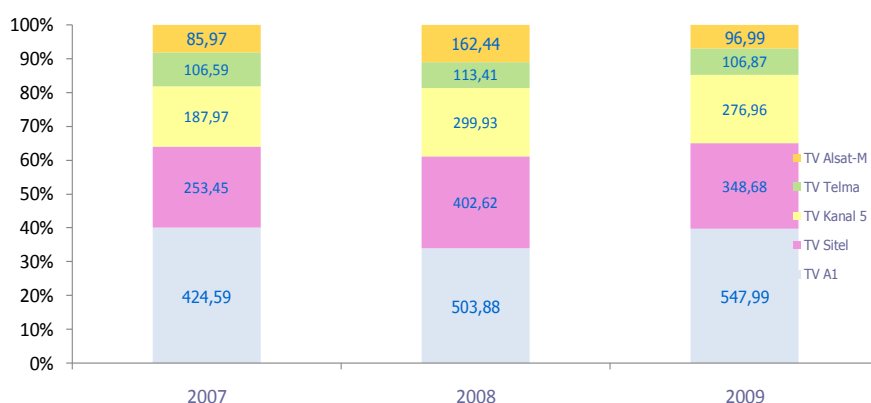
	Total income			Growth rate 09/08	Growth rate 09/07
	2007	2008	2009		
TV A1	424,592,626.00	503,884,936.00	547,993,138.00	8.75 %	29.06 %
TV Sitel	253,448,086.00	402,621,882.00	348,678,833.00	-13.40 %	37.57 %
TV Kanal 5	187,974,718.00	299,932,804.00	276,961,650.00	-7.66 %	47.34 %
TV Telma	106,592,464.00	113,408,313.00	106,867,266.00	-5.77 %	0.26 %
TV Alsat-M	85,974,635.00	162,444,202.00	96,987,175.00	-40.30 %	12.81 %
Total:	1,058,582,529.00	1,482,292,137.00	1,377,488,062.00	-7.07 %	30.13 %

Source: Broadcasting Council

The television Alsat-M has the largest decrease of the income (by 40,3% or in the absolute amount for 65.457.027,00 denars), followed by Sitel (by 13,40% or in the absolute amount for 53.943.049,00 denars), Kanal 5 (by 7,66% or in the absolute amount for 22.971.154,00 denars), and television Telma has lowest decrease (by 5,77% or for 6.541.047,00 denars).

Compared to 2007, all five entities reported positive growth rate of the total income.

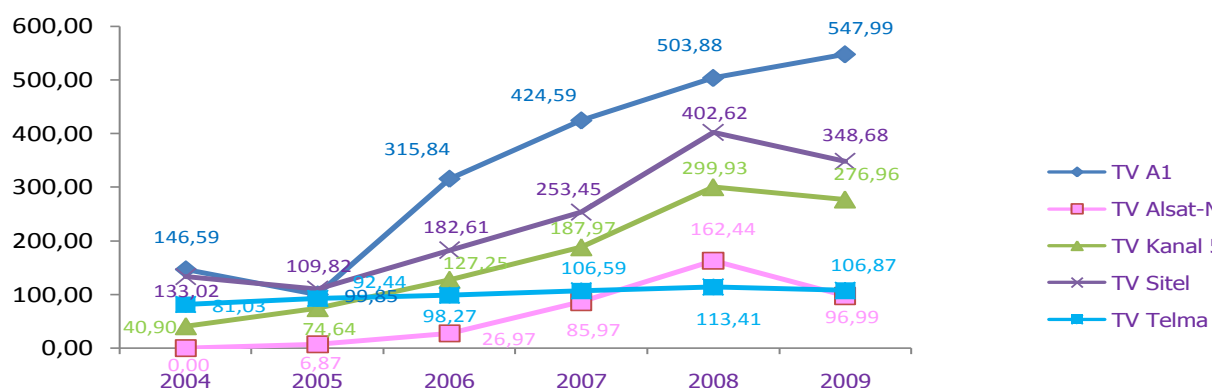
Image 2.26 Advancement of the total income of the five national televisions in the last three years  
(in millions-denars)



Source: Broadcasting Council

In the period of the last six years, looking this segment of the market as a whole, the most favourable year was 2008, when the total income earned by these five broadcasters was in the amount of 1.482.292.137,00 denars.

Image 2.27 Advancement of the total income of the five national televisions in the last six years



Source: Broadcasting Council

During the analyzed year, the terrestrial national televisions earned income only on four grounds.

The dominant source of income was the selling of the advertising time, with total amount earned of 1.298.143.877,00 denars, i.e. 94,24% of the total income.

The highest income from advertising was earned by A1 television (544.569.189,00 denars), followed by Sitel (224.666.230,00 denars), Kanal 5 (224.666.230,00 denars), television Alsat-M (96.800.662,00 denars), and the lowest was earned by Telma (93.401.990,00 denars).

Image 2.28 Structure of the total income of the five national televisions

Structure of the income in the private televisions on state level	2009	Share
Advertisements and teleshopping	1,298,143,877.00	94.24 %
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	378,613.00	0.03 %
Other undistributed income	56,655,802.00	4.11 %
Income from primary activity	1,355,178,292.00	98.38 %
Income from other activities	22,091,101.00	1.60 %
Extraordinary income	218,669.00	0.02 %
Total income	1,377,488,062.00	100.00 %

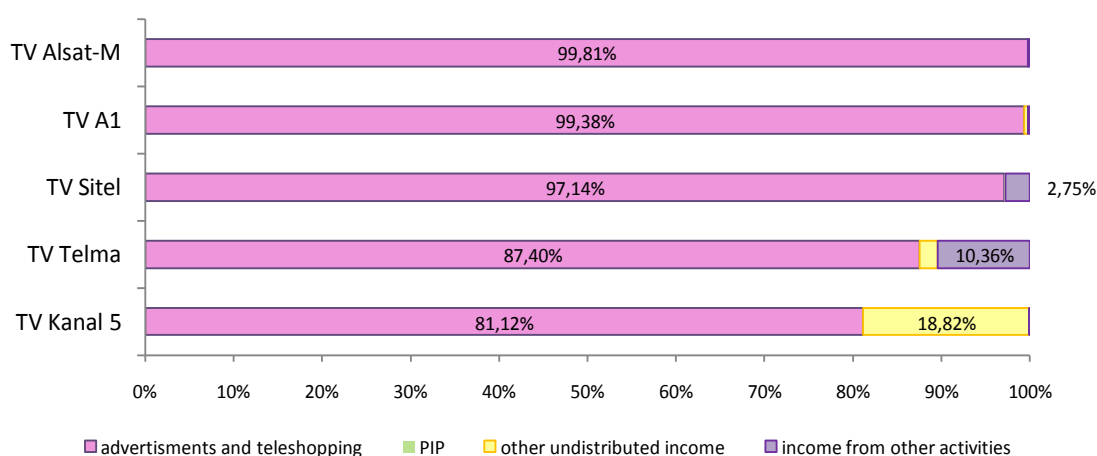
Source: Broadcasting Council

The income from advertisements are dominant source of income within every television, with the highest share in the total income of television Alsat-M, and the lowest in the total income of Kanal 5.

The highest share of the category "other undistributed income" (4,14%) is a result of the amount reported by television Kanal 5 (52.122.963,00 denars). For this

entity, it is income earned from writing-off outdated liabilities towards the creditors. Income on this ground was reported by the televisions A1 (2.354.713,00 denars) and Telma (2.178.126,00 denars).

Image 2.29 Share in the income from advertising in the total income of each television separately

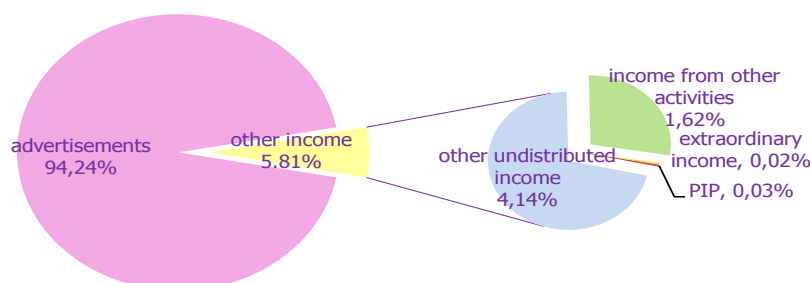


Source: Broadcasting Council

Only television Sitel earned income from the funds from the broadcasting fee intended for financing projects of public interest, in the amount of 378.613,00 denars.

It can be noticed that all five television stations earned income from other activities. However, significant amount was reported by television Telma (11.068.481,00 denars), which earned this amount as income from associated entities, income from interest and exchange differences and Sitel television (9.594.414,00 denars).

Image 2.30 Structure of the income of the five national televisions



Source: Broadcasting Council

The entire amount of extraordinary income (218.669,00 denars) was reported by television Telma.

No television reported income from sponsorship, even though a significant part of the programme offer is consisted of sponsored contents. The broadcasts of sport games,

some movies, as well as part of the current affairs-entertainment and entertainment programmes are often sponsored. During these programme contents, via announcements by the hosts, crawler, inserting of the logo, name or the label of the sponsor, or via information during the end of the programme, the broadcasters identify the sponsors of the show, but on the other hand they do not report income on this basis. This is probably the result of the fact that the income earned from sponsorship is not registered separately in the bookkeeping of the broadcasters, but is under the joint provision for income from advertisements. Some of the sponsored shows are produced by independent production companies and the sponsor transfers the funds on their accounts.

No television has reported income from donations and grants, or from programme selling.

### Total income of the satellite televisions

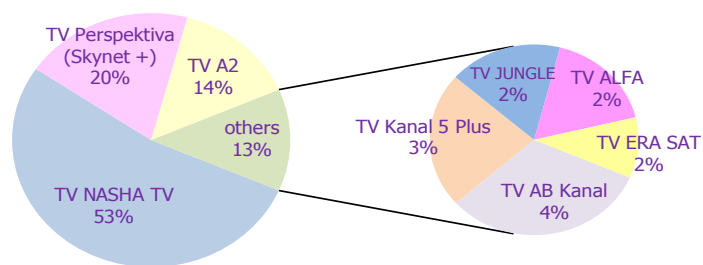
In 2009, the total number of 16 entities had license to broadcast television programme via a satellite transmitter. During the analyzed year, five of them still have not started to operate. The signal of the eleven satellite televisions that broadcasted programme, reached the Macedonian households via individual satellite dishes or via cable operators with which these television stations have contracts for retransmission.

Three television stations reported insignificant amounts of the total income (TV Sitel 3 – 400,00 denars, TV Sonce – 190,00 denars and TV K-15 Minus - 37,00 denars). Television Sonce started to broadcast programme during the last months of the year, on an experimental basis, and as expected, there were not any advertisers. The other two entities, TV Sitel 3 and TV K-15 Minus, broadcasted programme during the entire year. The monitoring of the Broadcasting Council concluded that both entities broadcasted advertisements. As a result, it is unclear how these two entities have not earned income.

The total income earned by the other eight satellite televisions, is in the amount of 87.850.532,00 denars.

From the data shown in image 2.31 it can be seen that 87% of the income was earned only by three televisions, Nasha TV (46.544.945,00 denars), TV Perspektiva, which is broadcasted under the logo Skynet + (17.349.158,00 denars) and TV A2 (12.561.212,00 denars). The joint share of the other five satellite televisions in the total income is 13%.

Image 2.31 Share in the total income of the satellite televisions



Source: Broadcasting Council

In the structure of the total income, the biggest share belongs to the income from selling the advertising time (80,42%). The biggest part of the advertising budgets on this segment on the market, the advertisers spent on leasing the advertising time of the television Nasha TV (46.490.939,00 denars or 65,8%) and television A2 (12.561212,00 denars or 17,78%), and the lowest part for advertising on the TV Perspektiva (Skynet +) in the amount of 356.976,00 denars.

Only TV Perspektiva (Skynet +) earned income from the category "other undistributed income" , in the amount of 16.992.000,00 denars, funds paid by the founder of the television on the basis of a cooperation contract.

Image 2.32 Structure of the total income of the satellite televisions

Structure of the income of the televisions on state level (satellite transmitter)	2009	Share
Advertisements and teleshopping	70,649,711.00	80.42 %
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	0.00	0.00 %
Other undistributed income	16,992,000.00	19.34 %
<b>Income from primary activity</b>	<b>87,641,711.00</b>	<b>99.76 %</b>
Income from other activities	106,736.00	0.12 %
Extraordinary income	102,085.00	0.12 %
<b>Total income</b>	<b>87,850,532.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

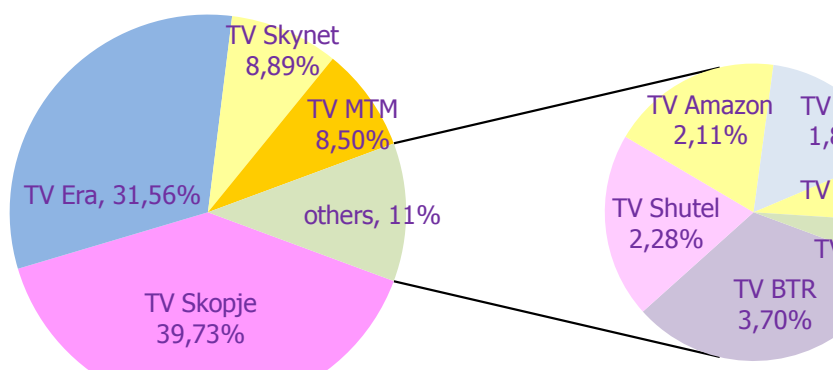
The income from other activities and the extraordinary income have insignificant share in the total income.

#### Total income of the regional televisions

During the analyzed year, the ten television stations that broadcast programme on the territory of the city of Skopje, earned the total income in the amount of 88.225.541,00 denars.

It can be noticed that almost two thirds of this amount were earned by only two entities - TV Era (27.847.278,00 denars) and TV Skopje (35.053.755,00 denars). The share of these two televisions, in the total income of the regional television market, is 71,29%. Significant share belongs to the television stations Skynet (8,89%) and MTM (8,50%).

Image 2.33 Share in the total income of the regional televisions



Source: Broadcasting Council

In the last six years, the share of each of these ten televisions in the total income is different. In the period from 2004 until 2006, the largest share of the income was earned by television K-15 (then MS television), in 2007 and 2008 the biggest share was earned by Era, and during the last year – by Television Skopje.

Image 2.34 Share in the total income of the regional televisions in the last six years



Source: Broadcasting Council

Compared to the previous year, the total income of this segment of the market has increased by 8,81%.

This growth of the total income is due to the high growth of the total income of Television Skopje (503,63%). Higher income, compared to the previous year, was earned by two other televisions, but with a significantly lower growth rate: TV Skynet (36,83%) and TV Krt (0,16%).

Image 2.35 Total income and growth rate of the regional televisions

	Total income		Growth rate
	2009	2008	09/08
TV Skopje	35,053,755.00	5,807,172.00	503.63 %
TV Era	27,847,278.00	38,410,525.00	-27.50 %
TV MTM	7,498,297.00	10,411,834.00	-27.98 %
TV Skynet	7,846,514.00	5,734,692.00	36.83 %
TV BTR	3,261,652.00	3,437,042.00	-5.10 %
TV K-15	1,644,582.00	10,608,920.00	-84.50 %
TV Shutel	2,011,781.00	2,080,804.00	-3.32 %
TV Amazon	1,859,828.00	2,375,995.00	-21.72 %
TV Krt	740,377.00	739,228.00	0.16 %
TV Edo	461,477.00	1,474,343.00	-68.70 %
Total:	88,225,541.00	81,080,555.00	8.81 %

Source: Broadcasting Council

In 2009, the other seven television stations earned less income than the previous year. A significant decrease of the income can be seen in the television K-15 (84,50%) and Edo (68,70%), and almost equal in MTM (27,98%) and ERA (27,50%).

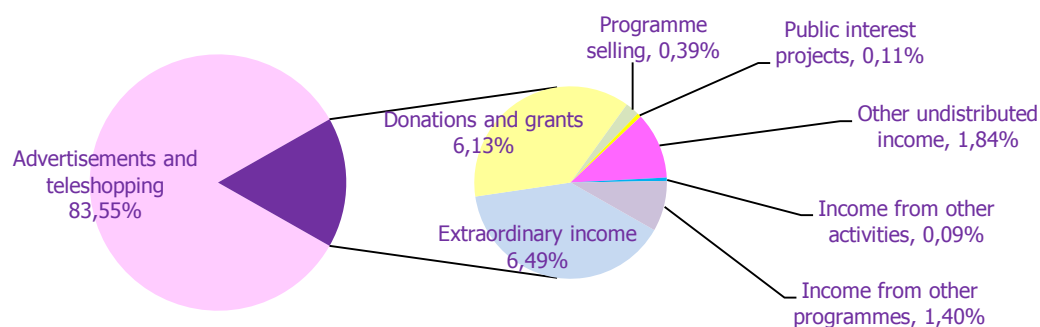
Image 2.36 shows the structure of the total income of the regional televisions.

The most significant source of income was the selling of the advertising time and 83,55% of the total income was earned on that basis. The most attractive televisions for the advertisers were TV ERA and TV Skopje, with a joint share of 77,64% in the income from advertising.

"Income from other programmes", represents an item that covers the income earned from broadcasting music blocks with inserted Text messages with greetings and compliments or exchange of personal data for (mostly) erotic contacts, as well as income earned from different types of services (horoscope, interpretation of dreams, clairvoyance and similar) or from interactive games via special-tariff phone line. This type of income was reported by televisions Shutel, Amazon, Krt and Edo, which were already registered, with the programme monitoring of the Council, as regional media that most often broadcast this type of television format within the frames of their programme offer with a general entertaining function.



Image 2.36 Structure of the total income of the regional televisions



Source: Broadcasting Council

Income from donations and grants was earned by only two televisions, televisions that broadcast programme on the languages of the minorities. Television Era, which broadcasts programme on Albanian languages, earned 4.436.241,00 denars, and television BTR, which broadcasts programme on Romany language, earned 971.247,00 denars.

The entire amount of income from selling of programme was reported by television MTM. This broadcaster has sold the purchased rights, to transmit film and documentary programme on national level, to the local televisions.

Only television Edo earned income from the funds of the broadcasting fee intended for financing programmes of public interest.

Image 2.37 Structure of the total income of the regional televisions

Structure of the income of the regional televisions	2009	Share
Advertisements and teleshopping	73,715,098.00	83.55 %
Sponsorship	0.00	0.00 %
Income from other programmes	1,232,127.00	1.40 %
Donations and grants	5,407,488.00	6.13 %
Programme selling	341,562.00	0.39 %
Public interest projects	100,000.00	0.11 %
Other undistributed income	1,624,022.00	1.84 %
<b>Income from primary activity</b>	<b>82,420,297.00</b>	<b>93.42 %</b>
Income from other activities	81,459.00	0.09 %
Extraordinary income	5,723,785.00	6.49 %
<b>Total income</b>	<b>88,225,541.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

Other undistributed income was reported by the televisions Era (731.795,00 denars), MTM (500.205,00 denars) and Shutel (392.022,00 denars).

The high share of the extraordinary income is due to the high amount that was earned from this category by the television Skynet (5.268.627,00 denars). This television is the only one among the regional where the income from advertisements does not have

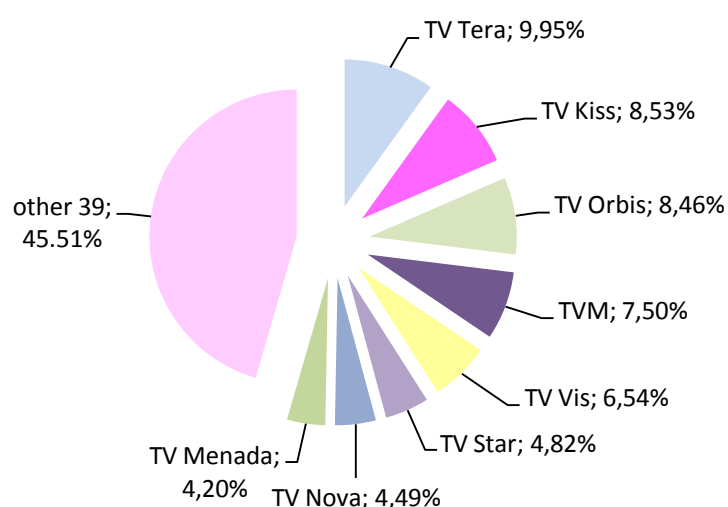
dominant share in the total income. The largest part of the income (67,15%), Television Skynet has earned from extraordinary income, i.e. written-off liabilities older than 3 years.

### Total income of the local televisions

In 2009, the total income earned by the local televisions is in the amount of 130.137.968,00 denars.

Only seven television stations earned more than a half of the total income of the local televisions. The highest income was reported by Television Tera from Bitola (12.948.563,00 denars), followed by Kiss from Tetovo (11.107.048,00 denars), Orbis from Bitola (11.005.899,00 denars), TVM from Ohrid (9.766.288,00 denars) and TV Vis from Strumica (8.506.626,00 denars).

Image 2.38 Structure of the total income of the regional televisions



Source: Broadcasting Council

Compared to the previous year, the total income of this segment of the television market has increased by 11,86%.

The most significant source of income for the local television stations was the selling of the advertising time. The income earned on this ground represents almost 70% of the total income. The highest amount of funds from advertising was reported by TV Kiss from Tetovo (7.842.930,00 denars), TV Orbis from Bitola (7.676.215,00 denars), TV Star from Shtip (6.272.388,00 denars), TV Nova from Kumanovo (5.841.073,00 denars) and TV Vis from Strumica (5.197.980,00 denars).

The total of six local televisions has reported income from sponsorship: TV Tera and TV Orbis from Bitola, TV Vis from Strumica, TV Menada and TV Art from Tetovo and TV Chegrani Media from Gostivar.

“Income from other programmes” (which covers the income earned from broadcasting music blocks with inserted Text messages with greetings and compliments or exchange of personal data for (mostly) erotic contacts, as well as income earned from different types of services (horoscope, interpretation of dreams, clairvoyance and similar) or from interactive games via special-tariff phone line, have the share of 7,09% in the total income. This type of income was reported by only nine televisions: Television Tera and Orbis from Bitola, TVM from Ohrid, TV Spektra from Struga, TV Kiss and Menada from Tetovo, TV Zhupa from Centar Zhupa, TV Hana from Kumanovo, TV Spektra from Struga, TV D1 from Delchevo and TV Chegrani Media from Gostivar.

Significant income was earned from programme selling (6,75% of the total income). The entire amount was reported by only two local televisions: TVM from Ohrid (7.709.998,00 denars) and TV Tera from Bitola (1.076.919,00 denars).

Income from donations and grants was earned by only three televisions: TVM from Ohrid, TV Menada and TV Koha, both from Tetovo.

Image 2.39 Structure of the total income of the local televisions

Structure of the income of the local televisions	2009 Share	
Advertisements and teleshopping	90,945,926.00	69.88 %
Sponsorship	2,276,512.00	1.75 %
Income from other programmes	9,229,232.00	7.09 %
Donations and grants	2,094,640.00	1.61 %
Programme selling	8,786,917.00	6.75 %
Public interest projects	1,810,958.00	1.39 %
Other undistributed income	8,168,908.00	6.28 %
<b>Income from primary activity</b>	<b>123,313,093.00</b>	<b>94.76 %</b>
Income from other activities	2,070,143.00	1.59 %
Extraordinary income	4,754,732.00	3.65 %
<b>Total income</b>	<b>130,137,968.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

Income from the funds from the broadcasting fee intended for financing radio and television projects of public interest was reported by four local televisions: TV Tera from Bitola, TV Menada from Tetovo, TV Cobra from Radovich and TV Svet from Sveti Nikole.

The highest income from the category “other undistributed income” was reported by Television Boem from Kichevo in the amount of 3.042.489,00 denars. Income from this category was reported by TV Vis from Strumica (2.569.300,00 denars), TV Zhupa from Centar Zhupa (1.171.809,00 denars), TV Tera from Bitola, TVM from Ohrid and Top TV from Berovo.

Almost the entire amount of income from other activities was reported by Television Tera from Bitola (1.079.108,00 denars) and TV Tikveshija from Kavadarci (804.046,00 denars).

The highest extraordinary income was reported by Television Kiss from Tetovo (3.262.879,00 denars) and TV Tera from Bitola (992.320,00 denars).

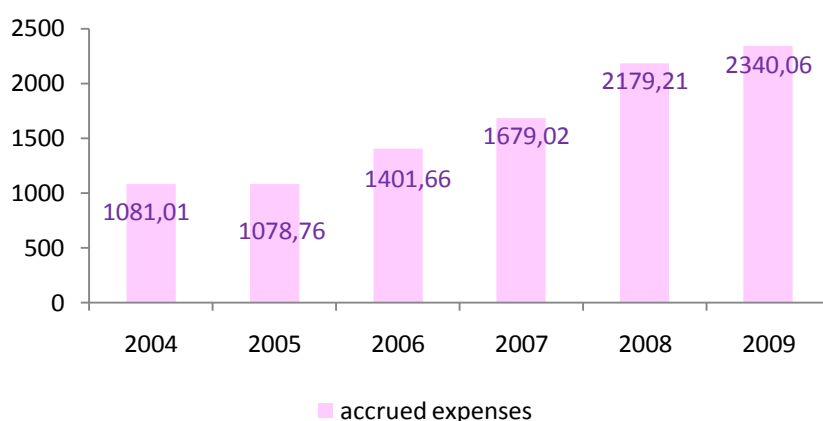
## 2.2 Expenses in the television industry

### Accrued expenses in the television industry

The accrued expenses of all television stations, in 2009, are in the amount of 2.340.058.888,00 denars. In the period of the last six years, these are the largest expenses in the television industry.

After 2005, when the expenses were lower than the previous year, the amount of accrued expenses of the television stations has continuously increased, year after year.

Image 2.40 Advancement of the accrued expenses in the television industry (2004-2009)



Source: Broadcasting Council

Compared to the spent funds in 2008, decrease can only be seen with the Macedonian television. All other segments have increased the accrued expenses: the expenses of the television stations that broadcast on national level, as a whole, have increased by 6,70%, the expenses of the regional televisions by 16,78%, and of the local television stations by 5,10%.

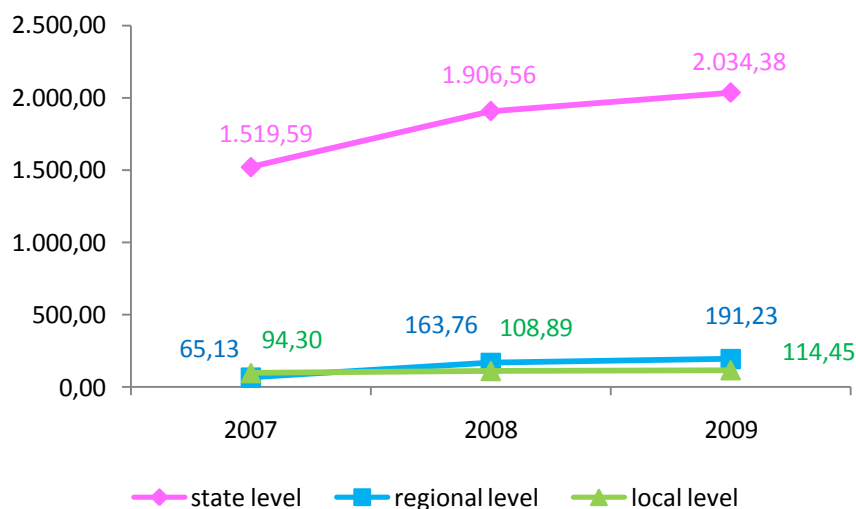
Image 2.41 Accrued expenses in the television industry (2004-2009)

	2007	2008	2009	Growth rate 09/08
State level	1,519,592,806.00	1,906,558,449.00	2,034,382,425.00	6.70 %
Regional level	65,127,739.00	163,758,235.00	191,231,224.00	16.78 %
Local level	94,299,060.00	108,890,509.00	114,445,239.00	5.10 %
Public sector	525,242,960.00	556,444,315.00	444,350,096.00	-20.14 %
Private sector	1,153,776,645.00	1,622,762,878.00	1,895,708,792.00	16.82 %
<b>TOTAL:</b>	<b>1,679,019,605.00</b>	<b>2,179,207,193.00</b>	<b>2,340,058,888.00</b>	<b>7.38 %</b>

Source: Broadcasting Council

The private television stations have increased the expenses by 16,82%. As a result of these changes, the accrued expenses in the television industry have increased by 7,38%.

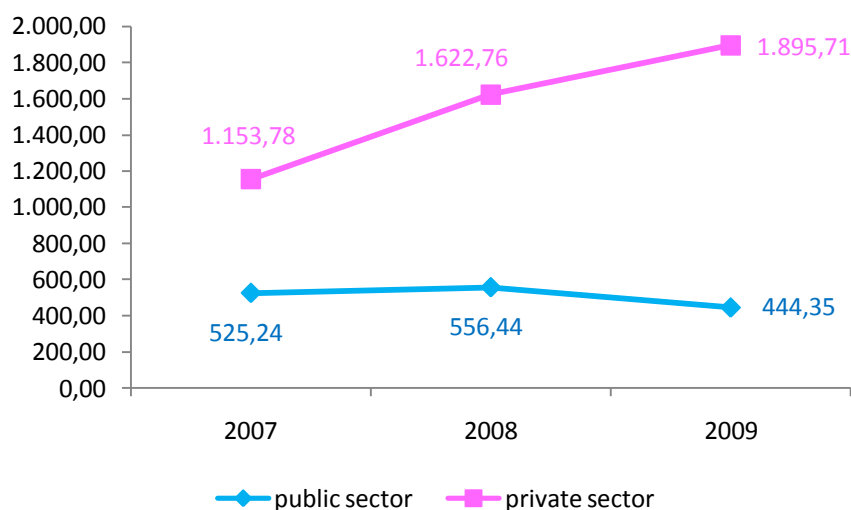
Image 2.42 Advancement of the accrued expenses in the television industry (2007-2009)



Source: Broadcasting Council

The biggest decrease of the expenses can be seen in the public service, which in 2009 spent 20,14% less funds than the previous year.

Image 2.43 Advancement of the accrued expenses in the television industry (2007-2009)



Source: Broadcasting Council

In 2009, 67% of the accrued expenses in the television industry were direct costs for programme production. The largest part of these funds (22,43%) was used for salaries and other compensations for individuals directly connected to programme production. Slightly lower is the share of the expenses for purchasing programme (21,24%). The five commercial televisions on national level spent the most funds on

purchasing programme (almost 83% of the accrued expenses for purchasing programme).

The share of the material costs (expenses for the set, costumes, accoutrements, other set necessities and stage effects, materials for recording and postproduction, travel expenses, accommodation expenses, per-diems for field work, renting of facilities, accoutrements, costumes and similar) is 12,68% in the accrued expenses.

The share of the intangible expenses (services) that cover all services from other entities (renting technical devices: technique for recording image and sound), technique for postproduction (reproduction, editing, finalization), technique for broadcasting, lights, car pool etc., is 10,67%.

Image 2.44 Structure of the accrued expenses in the television industry

<b>Structure of the expenses in the television industry</b>	<b>2009</b>	<b>Share</b>
Material costs	296,666,135.00	12.68 %
Expenses for programme purchase	496,996,677.00	21.24 %
Intangible expenses (services)	249,688,498.00	10.67 %
Salaries and other compensations for individuals directly connected to programme production	524,823,296.00	22.43 %
<b>Direct costs for programme production</b>	<b>1,568,174,606.00</b>	<b>67.01 %</b>
Salaries and other compensations for individuals that are not directly connected to programme production	161,465,143.00	6.90 %
Amortization of the equipment	220,677,817.00	9.43 %
Amortization of rights and licenses	15,584,200.00	0.67 %
Rents and other operating expenses	66,505,285.00	2.84 %
All other working expenses which are not included	243,473,709.00	10.40 %
<b>Accrued working expenses</b>	<b>2,275,880,760.00</b>	<b>97.26 %</b>
Expenses from other activities	57,121,735.00	2.44 %
Extraordinary expenses	7,056,393.00	0.30 %
<b>Accrued working expenses</b>	<b>2,340,058,888.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The share of the expenses from the category "all other working expenses which are not included" is 10,40% in the accrued expenses.

A significant share in the accrued expenses belongs to the expenses for amortization of the equipment (9,43%) and salaries and other compensations for individuals that are not directly connected to programme production (6,90%).

The joint share of the expenses for amortization of rights and licenses, expenses for rents and other operating costs, the expenses from other activities and extraordinary expenses is 6,25%.

Compared to the previous year, there is a decrease in the expenses for purchasing programme (by 15.59%), intangible expenses (by 19.83%) and the

expenses for salaries and other compensations for individuals that are not directly connected to programme production (by 18.44%). More funds were spent for other types of expenses.

### Accrued expenses of the Public service

In 2009, the accrued expenses of the Macedonian television were in the amount of 444.350.096,00 denars, i.e. 20% less compared to the previous year.

More than half of these funds, 56,65% were spent on salaries for the employees.

12,59% of the accrued expenses were spent on material costs (expenses for the set, costumes, accoutrements, other set necessities and stage effects etc.).

Image 2.45 Structure of the expenses of the Macedonian television

Structure of the expenses of the Public service	2009	Share
Material costs	55,961,792.00	12.59 %
Expenses for programme purchase	23,349,673.00	5.25 %
Intangible expenses (services)	81,212,109.00	18.28 %
Salaries and other compensations for individuals directly connected to programme production	197,802,807.00	44.52 %
Direct costs for programme production	358,326,381.00	80.64 %
Salaries and other compensations for individuals that are not directly connected to programme production	49,450,702.00	11.13 %
Amortization of the equipment	13,208,875.00	2.97 %
Amortization of rights and licenses	0.00	0.00 %
Rents and other operating expenses	200,000.00	0.05 %
All other working expenses which are not included	23,164,138.00	5.21 %
Accrued working expenses	444,350,096.00	100.00 %
Expenses from other activities	0.00	0.00 %
Extraordinary expenses	0.00	0.00 %
Accrued working expenses	444,350,096.00	100.00 %

Source: Broadcasting Council

The intangible costs, i.e. expenses for renting technical devices for recording, technique for postproduction, technique for broadcasting, lights, car pool etc., are 18,28% of the funds.

The accrued expenses of the Macedonian television in 2009 were by 20% lower than the expenses in 2008. To the biggest extent this is due to the decrease of the expenses for purchasing programme, which in 2008 were in the amount of 111.455.179,00 denars. In 2009, the Macedonian television spent 80% less funds for purchasing programme.

## Accrued expenses of the five national televisions

In 2009, the five national television stations that broadcast programme via a terrestrial transmitter, have accrued expenses in the amount of 1.395.451.291,00 denars. The largest part of these expenses were made by television A1 (38%), and the lowest by Telma (7%).

During the last year, these five entities made the highest accrued expenses, in the period from 2004 until 2009.

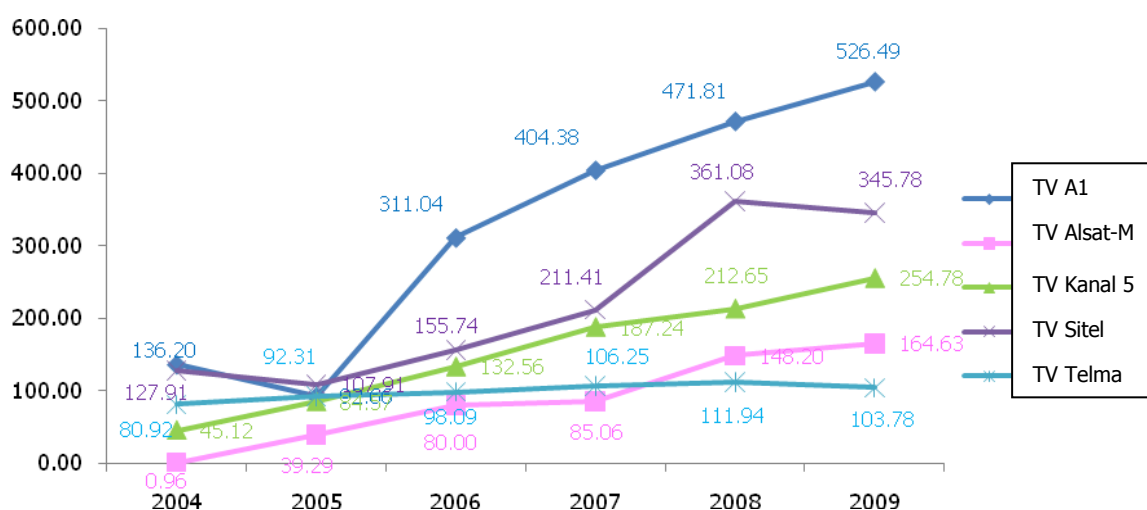
Image 2.46 Accrued expenses of the five national televisions in the last six years

	2004	2005	2006	2007	2008	2009
TV A1	136,198,140.00	92,655,466.00	311,043,293.00	404,377,996.00	471,807,972.00	526,484,463.00
TV Alsat-M	962,232.00	39,294,619.00	79,998,554.00	85,062,415.00	148,203,236.00	164,627,324.00
TV Kanal 5	45,122,359.00	84,565,521.00	132,564,074.00	187,242,815.00	212,648,588.00	254,782,101.00
TV Sitel	127,913,781.00	107,906,397.00	155,738,880.00	211,413,622.00	361,075,539.00	345,780,718.00
TV Telma	80,920,452.00	92,308,611.00	98,085,422.00	106,252,998.00	111,939,586.00	103,776,685.00
Total	391,116,964.00	416,730,614.00	777,430,223.00	994,349,846.00	1,305,674,921.00	1,395,451,291.00

Source: Broadcasting Council

Despite in 2005, when the amounts of the accrued expenses of each of these five televisions had similar values (besides the expenses of Alsat-M), in the other years the expenses of each different television are significantly different.

Image 2.47 Advancement of the accrued expenses of the five national televisions in the last six years



Source: Broadcasting Council

Continuously, in the last four years the highest expenses were made by Television A1, followed by Sitel and Kanal 5. Only in the last two years, Television Alsat-M has higher expenses than Television Telma.

Compared to the previous year, the accrued expenses of these five entities are higher by 6,88%, which is a result of the increase of the expenses of the televisions A1, Alsat-M and Kanal 5. The highest growth rate can be seen in the accrued expenses of Television Kanal 5 (19,81%).



Image 2.48 Growth rate of the accrued expenses and of the accrued expenses of the five national televisions

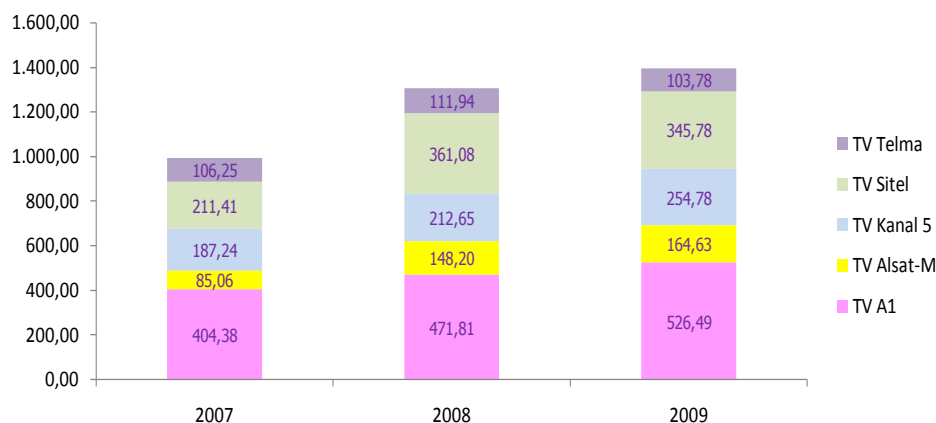
	Growth rate of the total income 09/08	Growth rate of the accrued expenses 09/08
TV A1	8.75 %	11,59 %
TV Sitel	-13.40 %	-4,24 %
TV Kanal 5	-7.66 %	19,81 %
TV Telma	-5.77 %	-7,29 %
TV Alsat-M	-40.30 %	11,8 %
Total:	-7.07 %	30.13 %

Source: Broadcasting Council

Only television A1 has increased the income and the expenses, but the accrued expenses have higher growth rate. Television Telma and Sitel have decreased the income and expenses, while Kanal 5 and Alsat-M earned lower income compared to the previous year, but have higher expenses.

Image 2.49 shows the values of the accrued expenses of each television in the last three years, as well as the share in the total amount.

Image 2.49 Accrued expenses of the five national televisions in the last three years



Source: Broadcasting Council

In the structure of the expenses, the largest share belongs to the direct costs for programme production (64,99%). Of those, the largest part belongs to expenses for purchasing programme. Most funds for purchasing programme were spent by Television A1 (195.423.695,00 denars) and Sitel (137.479.107,00 denars).

Almost 63% of the material costs (108.928.118,00 denars) were made by Television A1. This category covers the costs for the set, costumes, accoutrements, other stage effects, materials for recording and postproduction, as well as travel expenses,

accommodation expenses, per-diems for field work, renting of facilities, accoutrements, costumes and similar.

The intangible expenses (services) cover the costs for renting technical devices: technique for recording image and sound, technique for postproduction (reproduction, editing, finalization), technique for broadcasting, lights, car pool etc. The highest intangible expenses were reported by Television Sitel (45.725.103,00 denars) and Television A1 (40.534.870,00 denars).

For salaries and other compensations for individuals directly connected to programme production, most funds were spent by Television Sitel (69.837.423,00 denars) and A1 (52.657.760,00 denars). Television Telma spent 43.899.838,00 denars, Alsat-M 30.605.582,00 denars, and Kanal 5 spent the lowest funds (18.766.560,00 denars).

Image 2.50 Structure of the expenses of the five national televisions

Structure of the expenses of the televisions on state level (terrestrial transmitter)	2009	Share
Material costs	173,917,152.00	12.46 %
Expenses for programme purchase	411,352,654.00	29.48 %
Intangible expenses (services)	105,880,347.00	7.59 %
Salaries and other compensations for individuals directly connected to programme production	215,767,163.00	15.46 %
Direct costs for programme production	906,917,316.00	64.99 %
Salaries and other compensations for individuals that are not directly connected to programme production	60,640,327.00	4.35 %
Amortization of the equipment	170,925,265.00	12.25 %
Amortization of rights and licenses	1,526,677.00	0.11 %
Rents and other operating expenses	49,599,185.00	3.55 %
All other working expenses which are not included	165,321,042.00	11.85 %
Accrued working expenses	1,354,929,812.00	97.10 %
Expenses from other activities	40,521,479.00	2.90 %
Extraordinary expenses	0.00	0.00 %
Accrued working expenses	1,395,451,291.00	100.00 %

Source: Broadcasting Council

Television Sitel has not reported any expenses for salaries and other compensations for individuals that are not directly connected to programme production. These expenses were reported by A1 (60.667.207,00 denars), Alsat-M (20.403.720,00 denars), Telma (4.877.760,00 denars) and Kanal 5 (4.691.640,00 denars).

Significant share (12,25%) belongs to the expenses for amortization of the equipment. All five televisions reported this type of expenses, the highest are reported by Kanal 5 (68.509.244,00 denars) and A1 (46.901.298,00 denars).

Expenses for amortization of rights and licenses were reported only by TV Sitel (1.432.963,00 denars) and Alsat-M (93.714,00 denars).

80% of the category "all other working expenses which are not included" were reported by Television Kanal 5 (132.645.636,00 denars).

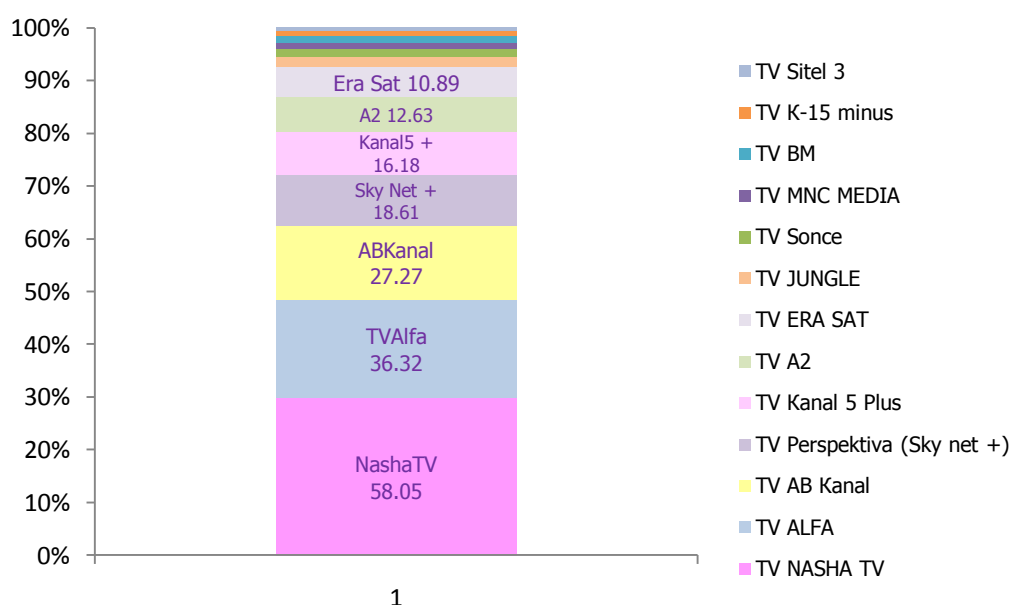
The largest part of the expenses from other activities (75%) belongs to Television Sitel. No television reported any extraordinary expenses.

### Accrued expenses of the satellite televisions

The accrued expenses of the satellite televisions, in 2009, are in the amount of 194.581.038,00 denars.

Almost half of these expenses (48,50%) belong to only two televisions, Nasha TV (58.047.198,00 denars) and TV Alfa (36.323.826,00 denars).

Image 2.51 Accrued expenses of the satellite televisions (in millions-denars)



Source: Broadcasting Council

The largest part of the expenses of the satellite televisions are spent on production and purchasing programme.

Almost 74% of the material costs belong to Nasha TV (17.437.928,00 denars). This television has the highest intangible expenses (services) in the amount of 9.444.490,00 denars. Higher amounts of intangible expenses were reported by Television AB Kanal (4.501.846,00 denars) and Era Sat (4.295.930,00 denars).

TV Alfa spent the most funds on purchasing programme (23.945.899,00 denars), followed by Nasha TV (12.069.302,00 denars) and TV Jungle (3.668.192,00 denars).

Image 2.52 Structure of the expenses of the satellite televisions

Structure of the expenses of the satellite televisions	2009	Share
Material costs	23,657,792.00	12.16 %
Expenses for programme purchase	43,663,732.00	22.44 %
Intangible expenses (services)	22,251,612.00	11.44 %
Salaries and other compensations for individuals directly connected to programme production	28,344,264.00	14.57 %
Direct costs for programme production	117,917,400.00	60.60 %
Salaries and other compensations for individuals that are not directly connected to programme production	32,472,863.00	16.69 %
Amortization of the equipment	3,734,004.00	1.92 %
Amortization of rights and licenses	2,585,152.00	1.33 %
Rents and other operating expenses	5,772,951.00	2.97 %
All other working expenses which are not included	29,563,988.00	15.19 %
Accrued working expenses	192,046,358.00	98.70 %
Expenses from other activities	2,534,647.00	1.30 %
Extraordinary expenses	33.00	0.00 %
Accrued working expenses	194,581,038.00	100.00 %

Source: Broadcasting Council

It can be noticed that the accrued expenses for salaries and other compensations for individuals that are not directly connected to programme production are higher than the expenses for salaries and other compensations for individuals directly connected to programme production.

Only six televisions reported expenses for salaries and other compensations for employees that are directly engaged to programme production: Nasha TV (10.043.624,00 denars), Kanal 5 Plus (7.796.884,00 denars), TV Alfa (7.467.460,00 denars), Sky Net + (2.184.318,00 denars), TV Sonce (552.469,00 denars) and TV Era Sat (299.509,00 denars).

The expenses for salaries and other compensations for individuals that are not directly connected to programme production were reported by five televisions: TV AB Kanal (16.394.998,00 denars), A2 (9.462.092,00 denars), Nasha TV (4.304.410,00 denars), Kanal 5 Plus (1.949.221,00 denars) and TV Era Sat (362.142,00 denars).

The expenses from the category "All other working expenses which are not included" have significant share in the accrued expenses of this segment of the television industry. The highest amounts of these expenses belong to TV Sky Net + (13.410.070,00 denars) and Kanal 5 Plus (5.536.844,00 denars).

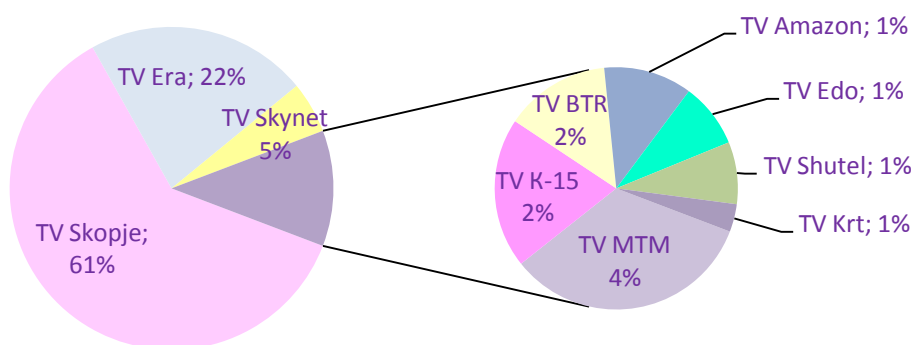
Almost the entire amount of the expenses from other activities, was reported by TV BM (2.264.840,00 denars). In 2009, this television did not broadcast programme.

## Accrued expenses of the regional televisions

In 2009, the television stations that broadcast programme on the territory of the city of Skopje, have accrued expenses in the amount of 191.231.224,00 denars. This amount is by 16,78% higher compared to the previous year.

During the analyzed year, the expenses that belong to TV Skopje (116.831.428,00 denars) and TV Era (42.435.059,00 denars) represent 83% of the accrued expenses of these 10 television stations.

Image 2.53 Share in the accrued expenses of the satellite televisions



Source: Broadcasting Council

Compared to the previous year, only four televisions have higher expenses: TV Skopje by 16,20%, Era by 38,33%, Sky Net by 71,97% and TV Edo by 2,31%. The other six entities have decreased their expenses.

More than half of the expenses (57,92%) were made for production and purchasing programme. The largest part of those expenses was for salaries and other compensations for the employees directly involved in the process of programme production. Only TV Krt did not report expenses for salaries. Of the other nine televisions, the following three spent the most funds for salaries for the employees: TV Skopje (47.042.795,00 denars), TV Era (6.576.415,00 denars) and TV MTM (2.848.973,00 denars).

Only three televisions reported expenses for salaries of the employees that are not directly involved in the process of programme production: TV Era (11.708.373,00 denars), TV MTM (307.739,00 denars) and TV Shutel (280.000,00 denars).

Material costs were reported by all ten televisions, without any exceptions, and the highest belong to TV Skopje (6.399.737,00 denars) and TV K-15 (3.439.442,00 denars).

Only four televisions spent funds on purchasing programme: TV Skopje (13.693.298,00 denars), MTM (1.509.113,00 denars), Shutel (451.040,00 denars) and Amazon (201.198,00 denars).

The largest part of the intangible expenses (services) belongs to TV Skopje (10.772.663,00 denars).

Image 2.54 Structure of the expenses of the regional televisions

Structure of the expenses of the regional televisions	2009	Share
Material costs	14,772,418.00	7.72 %
Expenses for programme purchase	15,854,649.00	8.29 %
Intangible expenses (services)	20,630,550.00	10.79 %
Salaries and other compensations for individuals directly connected to programme production	59,513,027.00	31.12 %
Direct costs for programme production	110,770,644.00	57.92 %
Salaries and other compensations for individuals that are not directly connected to programme production	12,296,112.00	6.43 %
Amortization of the equipment	16,767,534.00	8.77 %
Amortization of rights and licenses	11,352,001.00	5.94 %
Rents and other operating expenses	8,441,252.00	4.41 %
All other working expenses which are not included	14,959,583.00	7.82 %
Accrued working expenses	174,587,126.00	91.30 %
Expenses from other activities	10,778,246.00	5.64 %
Extraordinary expenses	5,865,852.00	3.07 %
Accrued working expenses	191,231,224.00	100.00 %

Source: Broadcasting Council

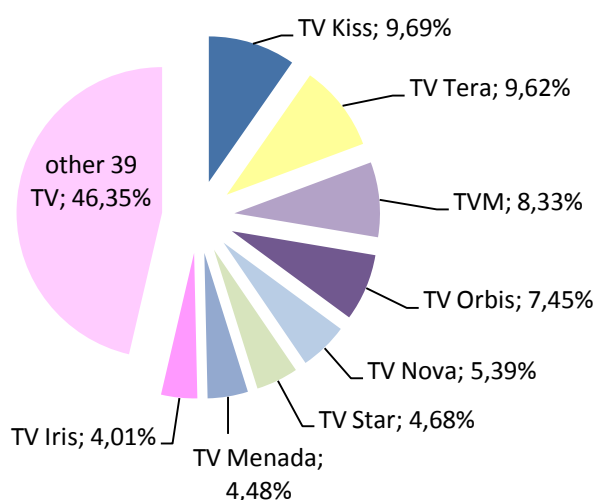
TV Skopje reported the largest share of accrued expenses for amortization of the equipment (13.046.476,00 denars), rents and other operating expenses (6.915.224,00 denars), expenses from the category "all other working expenses which are not included" (8.722.570,00 denars) and expenses from other activities (10.238.665,00 denars).

### Accrued expenses of the local televisions

During the analyzed year, the accrued expenses of the television stations that broadcast programme on local level were in the amount of 114.445.239,00 denars.

In 2009, the highest expenses were made by TV Kiss from Tetovo (11.094.555,00 denars), TV Tera from Bitola (11.008.543,00 denars), TVM from Ohrid (9.534.022,00 denars), TV Orbis from Bitola (8.527.930,00 denars), TV Nova from Kumanovo (6.166.298,00 denars), TV Star from Shtip (5.353.986,00 denars), TV Menada from Tetovo (5.130.098,00 denars) and TV Iris from Shtip (4.589.342,00 denars).

Image 2.55 Share in the accrued expenses of the local televisions



Source: Broadcasting Council

The joint share of the other 39 local television stations is 46,35%.

The largest share of the accrued expenses, made by the local television stations during the analyzed year, was direct costs for programme production (64,87%). Out of those, the material costs have the highest share (24,78%).

The expenses for salaries and other compensations for individuals directly connected to programme production have the share of 20,44% in the accrued expenses. The total of nine local televisions did not report this type of expenses: TV Kaltrina from Struga, TV Protel from Probishtip, TV Dalga Krt from Kumanovo, TV Gurra from Kichevo, TV Anisa from Makedonska Kamenica, TV Top TV from Berovo, TV Super Sky from Tetovo, TV Moris from Ohrid and TV Sitel 2 from Kratovo (this entity did not broadcast programme during 2009).

This segment of the television industry spent the lowest funds for purchasing programme (the share of this type of expenses in the accrued expenses is 2,43%). Out of the 47 local television stations, only 15 reported expenses for purchasing programme: TVM from Ohrid, TV Nova from Kumanovo, TV Star from Shtip, TV Menada from Tetovo, NTV from Ohrid, TV KTV-41 from Kavadarci, TV Zdravkin from Veles, TV Nova from Gevgelija, TV Art Kanal from Struga, TV Hana from Kumanovo, TV Emi from Radovish, TV Svet from Sveti Nikole, TV D1 from Delchevo, TV Kochani from Kochani and TV Chegrani Media from Gostivar.

Image 2.56 Structure of the expenses of the local televisions

Structure of the expenses of the local televisions	2009	Share
Material costs	28,356,981.00	24.78 %
Expenses for programme purchase	2,775,969.00	2.43 %
Intangible expenses (services)	19,713,880.00	17.23 %
Salaries and other compensations for individuals directly connected to programme production	23,396,035.00	20.44 %
Direct costs for programme production	74,242,865.00	64.87 %
Salaries and other compensations for individuals that are not directly connected to programme production	6,605,139.00	5.77 %
Amortization of the equipment	16,042,139.00	14.02 %
Amortization of rights and licenses	120,370.00	0.11 %
Rents and other operating expenses	2,491,897.00	2.18 %
All other working expenses which are not included	10,464,958.00	9.14 %
Accrued working expenses	109,967,368.00	96.09 %
Expenses from other activities	3,287,363.00	2.87 %
Extraordinary expenses	1,190,508.00	1.04 %
Accrued working expenses	114,445,239.00	100.00 %

Source: Broadcasting Council

A significant share in the accrued expenses belongs to the costs for amortization of the equipment (14,02%) and the expenses from the category "all other working expenses which are not included" (9,14%).



## Working results of the television industry

In 2009, the working result of all entities in the television industry is loss in the amount of 314.362.672,00 denars.

Out of 77 entities (the public service and the 76 commercial television stations), only 34 have a positive financial result. The others, including the Macedonian television, worked with losses.

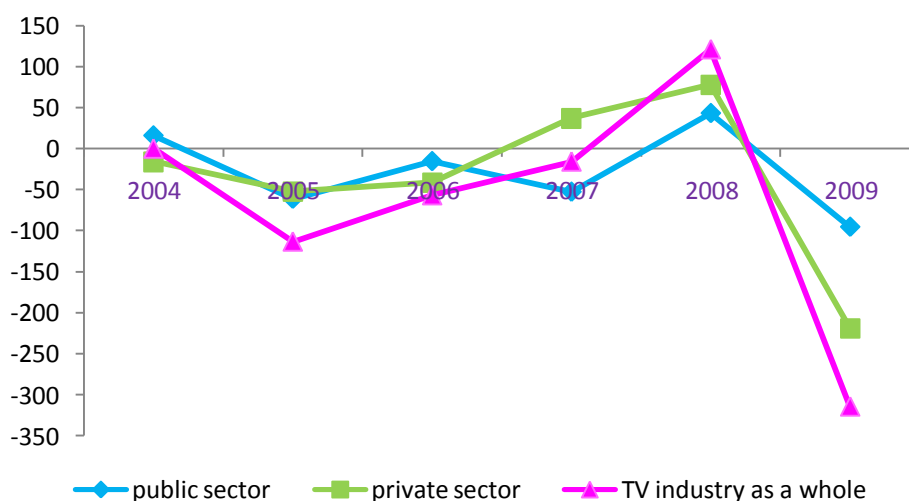
**Image 2.57 Achieved working result in the public and private sector (MKD)**

	2004	2005	2006	2007	2008	2009
Public sector	16.001.998,00	-61.330.470,00	-15.355.399,00	-52.723.595,00	43.363.810,00	-95.543.789,00
Private sector	-15.899.346,00	-51.914.299,00	-41.429.672,00	37.037.056,00	77.889.183,00	-218.818.883,00
Result	104.656,00	-113.242.764,00	-56.783.065,00	-15.686.539,00	121.252.993,00	-314.362.672,00

Source: Broadcasting Council

In the last six years, for the television industry as a whole, the biggest losses were registered during the analyzed year. Negative financial working result was seen in 2005, 2006 and in 2007, but the losses in 2005 are almost 3 time smaller, in 2006 - 5,5 times smaller and in 2007 the losses were even 20 times smaller compared to the analyzed year.

**Image 2.58 Achieved working results in the public and in the private sector (MKD)**



Source: Broadcasting Council

Only in 2008, both sectors achieved a positive financial working result.

In 2004, the public service made profit and the private sector made losses, while in 2007, the public service worked with losses and the private television stations, as a whole, made profit.

The Macedonian television had a positive financial working result only in 2004 and in 2008, and the private television stations only in 2007 and in 2008.

**Image 2.59 Achieved working result on the TV market in 2009 (MKD)**

<b>Achieved result</b>	<b>2009</b>
Income from primary activity	1,968,521,059.00
Accrued working expenses	2,275,883,745.00
Profit (loss) from the primary activity	-307,362,686.00
Income from other activities	28,038,617.00
Expenses from other activities	57,251,354.00
Profit (loss) from other activities	-29,212,737.00
Extraordinary income	34,754,827.00
Extraordinary expenses	7,056,393.00
Profit (loss) prior to taxation	-308,876,989.00
Profit (loss) after taxation (net profit/loss)	-314,362,672.00

Source: Broadcasting Council

The five commercial television stations on national level, had losses in the amount of 22.021.457,00 denars. It is a result of the great losses of Television Alsat-M (67.854.553,00 denars). The other four television stations achieved a positive financial result: A1 (20.646.995,00 denars), Kanal 5 (20.816.503,00 denars), Sitel (1.439.562,00 denars) and Telma (2.930.036,00 denars).

During the analyzed year, the highest losses were reported by the entities that had a license to broadcast programme on national level via a satellite (the losses of this segment of the market are in the amount of 107.340.423,00 denars). Out of the total number of fourteen entities, one (Television Zajdi-zajdi) did not work in 2009, and the other thirteen have a negative financial working result. The biggest losses were reported by the following televisions: Television Alfa (34.377.249,00 denars), AB Kanal (23.636.831,00 denars), Kanal 5 Plus (13.574.380,00 denars), Nasha TV (11.879.256,00 denars) and ERA SAT (9.896.731,00 denars). A2 television has the smallest losses in the amount of 66.479,00 denars).

Only three regional televisions made profit (MTM, BTR and Shutel). The other seven worked with losses: TV Skopje had losses in the amount of 81.879.869,00 denars, Era in the amount of 14.623.739,00 denars, K-15 in the amount of 2.797.074,00 denars, Sky Net in the amount of 2.180.110,00 denars, Edo in the amount of 1.448.270,00 denars, Amazon in the amount of 772.229,00 denars and KRT in the amount of 85.569,00 denars.

**Image 2.60 Achieved working result on the TV market in 2009 (MKD)**

	<b>profit</b>	<b>loss</b>
Macedonian television		-95.543.789,00
Private TV on state level		-22.021.457,00
Satellite TV		-107.340.423,00
Regional TV		-103.448.848,00
Local TV	13.991.845,00	
<b>Total</b>	<b>13.991.845,00</b>	<b>-328.354.517,00</b>
<b>Result</b>		<b>-314.362.672,00</b>

Source: Broadcasting Council

The local television stations are the only segment in the television industry that made a positive financial working result in 2009 (profit in the amount of 13.991.845,00 denars). The best financial result was made by Television Vis from Strumica (profit in the amount of 4.484.426,00 denars), TV Boem from Kichevo (2.515.891,00 denars) and TV Orbis from Bitola (2.456.108,00 denars).

Fifteen local televisions made losses: TV Iris from Shtip, TV Art Kanal and TV Kaltrina from Struga, NTV from Ohrid, TV Zhupa from Centar Zhupa, TV Nova and TV Festa from Kumanovo, TV Nova from Gevgelija, TV Gurra from Kichevo, TV Medi from Bitola, TV Zlaten Kanal from Kriva Palanka, TV Sitel 2 from Kratovo, TV D1 from Delchevo, TV Super Sky from Tetovo and TV Lazhani from Lazhani.

The biggest losses were made by television Iris from Shtip (1.795.692,00 denars), Art Kanal from Struga (1.499.323,00 denars) and NTV from Ohrid (1.245.917,00 denars).

## Liabilities in the television industry

During the analyzed year, the total liabilities of all entities in the television industry were in the amount of 3.542.274.427,00 denars. Compared to the previous year, the total liabilities have increased by 5,51%, and compared to 2007 by 35,70%.

The increase of the liabilities can be seen in all segments of the television industry, but it is biggest in the regional television stations (23,81% compared to 2008 and even 179,90% compared to 2007).

**Image 2.61 Total liabilities in the period from 2007 until 2009 (MKD)**

	2007	2008	2009
National	2.360.696.673,00	2.954.649.810,00	3.059.793.995,00
Regional	106.916.697,00	241.714.442,00	299.255.921,00
Local	142.676.375,00	160.845.558,00	183.224.511,00
Public sector (MTV)	954.734.164,00	1.007.672.601,00	1.138.344.420,00
Private sector	1.655.555.581,00	2.349.537.209,00	2.403.930.007,00
<b>TOTAL</b>	<b>2.610.289.745,00</b>	<b>3.357.209.810,00</b>	<b>3.542.274.427,00</b>

Source: Broadcasting Council

The local television stations have increased their liabilities by 13,91%, compared to 2008 and by 28,42%, compared to 2007.

Compared to the previous year, the lowest growth rate can be seen in the liabilities of the national televisions (3,56%). The growth rate, compared to 2007, with this segment of the television industry is 29,61%.

There is a continuous increase of the total liabilities with the public service, by 12,97%, compared to 2008 and by 19,23%, compared to 2007.

In 2009, the shared liabilities of all television stations were in the amount of 2.645.787.158,00 denars. The biggest part (78,25%) were short-term liabilities, and out of those, the biggest part were liabilities towards the suppliers (58,7%).

The total amount of long-term liabilities is 575.508.735,00 denars, out of which 82,77% were long-term liabilities for credits.

The total liabilities of the Macedonian television were in the amount of 719.607.791,00 denars. Out of the five terrestrial television stations on state level, the highest liabilities belong to Television A1 (651.428.082,00 denars), and of the satellite televisions, to AB Kanal (133.896.637,00 denars).

Regional television with biggest debts is TV Skopje, with a total amount of the liabilities of 375.180.033,00 denars.

Local television station with highest liabilities was Television Tera from Bitola, with debts in the amount of 15.535.144,00 denars).

**Image 2.62 Liabilities and capital in 2009 (MKD)**

Type of liability	Total in the TV industry	MTV	Private sector
Liabilities towards suppliers	1,215,979,285.00	339,973,213.00	876,006,072.00
Liabilities for bills of exchange and checks	0.00	0.00	0.00
Other short-term liabilities	854,299,138.00	332,950,619.00	521,348,519.00
<b>Total short-term liabilities</b>	<b>2,070,278,423.00</b>	<b>672,923,832.00</b>	<b>1,397,354,591.00</b>
Long-term liabilities for credits	476,336,740.00	46,683,959.00	429,652,781.00
Long-term liabilities for bonds	0.00	0.00	0.00
Other liabilities	99,171,995.00	0.00	99,171,995.00
<b>Total liabilities</b>	<b>2,645,787,158.00</b>	<b>719,607,791.00</b>	<b>1,926,179,367.00</b>
Capital	1,114,427,591.00	315,931,636.00	798,495,955.00
Retained profit on 31.12	-388,835,004.00	0.00	-388,835,004.00
Total reserves on 31.12	161,621,270.00	102,804,993.00	58,816,277.00
<b>Total capital and reserves</b>	<b>896,487,269.00</b>	<b>418,736,629.00</b>	<b>477,750,640.00</b>
<b>Total liabilities</b>	<b>3,542,274,427.00</b>	<b>1,138,344,420.00</b>	<b>2,403,930,007.00</b>

Source: Broadcasting Council

The liabilities of these five television stations represent 71,65% of the total liabilities in the television industry.

## Employees in the television industry

In 2009, in the entire television industry (the public service and the commercial television stations) there were 2120 employees, out of whom 1676 were full-time employees and the other 444 were part-time employees.

**Image 2.62 Number and structure of the employees in the television industry**

Type of personnel	Number	Status	
		Full-time	Part-time
Journalists	596	435	161
Programme editors	125	107	18
Administrators/Executives	62	56	6
Tech personnel (engineers and technicians)	345	260	85
Control room personnel (directors, cameramen, editors etc.)	559	475	84
Other personnel	433	343	90
<b>TOTAL</b>	<b>2120</b>	<b>1676</b>	<b>444</b>

Source: Broadcasting Council

The journalist personnel have the largest share in the employees' structure (28%).

The share of individuals engaged as directors, cameramen, editors and other control room personnel in the total number of employees in the television industry is 26%, and the share of the technical personnel is 16%.

## Employees in the Macedonian television

In 2009, there were 487 individuals employed in the Macedonian television, all of them were full-time employees.

**Image 2.63 Number and structure of the employees in the public sector**

Type of personnel	Number of full-time employees 2009
Journalists	92
Programme editors	24
Administrators/Executives	1
Tech personnel (engineers and technicians)	127
Control room personnel (directors, cameramen, editors etc.)	122
Other personnel	121
<b>TOTAL</b>	<b>487</b>

Source: Broadcasting Council

The largest part of the employees (26%) were technical personnel (engineers and technicians), and the number of the control room personnel was slightly smaller (directors, cameramen, editors etc.).

92 journalists were employed in the Macedonian television, and 24 were programme editors.

Compared to the previous year, the total number of employees was decreased by 6,78%, or in the absolute amount by 33 individuals.

### Employees in commercial terrestrial televisions on national level

In 2009, there were 754 employees in the five private televisions that broadcast programme on national level via a terrestrial transmitter. 611 were full-time employees and 143 were part-time employees.

In the structure of the employees, the largest share (34,22%) belongs to the control room personnel (directors, cameramen, editors and similar). Most of the employees were with high-school education.

**Image 2.64 Number and structure of the employees**

Type of personnel	Number	Education			Status	
		UNI	HS	Other	Full-time	Part-time
Journalists	196	150	46	0	153	43
Programme editors	49	40	9	0	47	2
Administrators/Executives	12	10	2	0	12	0
Tech personnel (engineers and technicians)	77	26	51	0	52	25
Control room personnel (directors, cameramen, editors etc.)	258	88	165	5	224	34
Other personnel	162	53	101	8	123	39
<b>TOTAL</b>	<b>754</b>	<b>367</b>	<b>374</b>	<b>13</b>	<b>611</b>	<b>143</b>

Source: Broadcasting Council

On the second place, according to the share in the total number of employees, are the journalists (almost 26%), which for the most part are with university degree (77% of the journalists have university degree).

From the comparative showing of data on the average number of employees in each separate television station, it can be seen that, during the last year, this segment of the television industry had the biggest number of employees.

Compared to the previous year, only Television Kanal 5 has decreased the number of employees by 4 individuals. Television Telma kept the same number of employees and the other three television stations have increased the number of employees: A1 and Sitel by 10 employees and Television Alsat-M by 2 employees.

**Image 2.65 Average number of full-time employees**

	2004	2005	2006	2007	2008	2009
A1	8	8	72	150	186	196
Alsai-M	1	8	37	81	117	119
Kanal 5	63	72	80	87	92	88
Sitel	76	76	79	89	103	113
Telma	60	63	63	64	69	69
<b>TOTAL</b>	<b>208</b>	<b>227</b>	<b>331</b>	<b>483</b>	<b>567</b>	<b>585</b>

Source: Central Registry of RM /Broadcasting Council

Compared to the previous four years, every television has increased the number of employees.

## Employees in the satellite television stations

In 2009, the total number of engaged individuals in the satellite television stations was 337. 231 were full-time employees and the other 106 were part-time employees.

The biggest part of the employees worked as journalists (35% of the total number). Out of those, almost 64% had university degree.

**Image 2.66 Number and structure of the employees in the satellite televisions**

Type of personnel	Number	Education			Status	
		UNI	HS	Other	Full-time	Part-time
Journalists	118	75	43	0	75	43
Programme editors	14	9	5	0	8	6
Administrators/Executives	7	4	3	0	5	2
Tech personnel (engineers and technicians)	55	21	34	0	26	29
Control room personnel (directors, cameramen, editors etc.)	68	15	53	0	61	7
Other personnel	75	34	37	4	56	19
<b>TOTAL</b>	<b>337</b>	<b>158</b>	<b>175</b>	<b>4</b>	<b>231</b>	<b>106</b>

Source: Central Registry of RM/Broadcasting Council

The individuals working as directors, cameramen, editors and other control room personnel represent 20% of the employees. The employees, part of the control room personnel, are mostly with high-school education.



The technical personnel represent almost 16% of the total number of employees. Most of these employees are with high-school education.

**Image 2.67 Number of employees in the satellite televisions**

<b>TV station</b>	<b>2009</b>
TV Alfa	72
TV AB Kanal	50
Kanal 5 Plus	37
Nasha TV	35
TV A2	20
TV Perspektiva (Sky net +)	9
TV Sonce	7
TV ERA SAT	1
TV BM	0
TV Sitel 3	0
TV MNC MEDIA	0
TV Zajdi-zajdi	0
TV JUNGLE	0
TV K-15 minus	0
<b>TOTAL</b>	<b>231</b>

Source: Central Registry of RM/Broadcasting Council

Out of the six television stations that do not have any employees, three (BM, MNC Media and Zajdi-zajdi) did not even broadcast programme in the course of the analyzed year. The other three television stations (Sitel 3, Jungle and K-15 Minus) worked during the entire year without a single full-time employee.

### **Employees in the regional television stations**

During the analyzed year, a total number of 233 individuals were employed in the ten regional television stations. 197 individuals were full-time employees.

Most of the employees were journalists (the total number of 93 individuals or almost 40% of the total number of employees). According to the educational structure, most of the journalists were with university degree (71%).

49 individuals worked as control room personnel (directors, cameramen, editors etc.). Most of them (74%) were with high-school education.

**Image 2.66 Number and structure of the employees in the regional televisions**

Type of personnel	Number	Education			Status	
		UNI	HS	Other	Full-time	Part-time
Journalists	93	66	26	1	70	23
Programme editors	14	10	4	0	13	1
Administrators/Executives	9	5	3	1	9	0
Tech personnel (engineers and technicians)	34	7	27	0	32	2
Control room personnel (directors, cameramen, editors etc.)	49	12	36	1	43	6
Other personnel	34	9	25	0	30	4
<b>TOTAL</b>	<b>233</b>	<b>109</b>	<b>121</b>	<b>3</b>	<b>197</b>	<b>36</b>

Source: Central Registry of RM/Broadcasting Council

In 2009, the total number of employees in the regional televisions was increased by 58,87%, compared to 2008, and by 228,33%, compared to 2007.

This is due to the new employments in TV Skopje (50 in 2008 and additional 81 in 2009) and in TV Era (6 in 2008 and additional 10 in 2009).

**Image 2.67 Number of the employees in the TV stations on regional level (Skopje)**

TV station	2007	2008	2009
TV Skopje	10	60	141
TV Era	6	12	22
TV MTM	21	19	16
TV K-15	10	18	8
TV Edo	3	3	3
TV Shutel	2	4	2
TV Amazon	2	2	2
TV Skynet	1	1	1
TV BTR	4	4	1
TV Krt	1	1	1
<b>TOTAL</b>	<b>60</b>	<b>124</b>	<b>197</b>

Source: Central Registry of RM/Broadcasting Council

In 2009, only four regional television stations have decreased the number of employees: Television K-15 (by 8 employees), TV MTM and TV BTR (by 3 employees) and TV Shutel (by 2 employees).

Four television stations did not change the number of their employees in the last three years: TV Edo, TV Amazon, TV Skynet and TV Krt.

The data that three regional television stations have only one individual as full-time employee is quite astounding (TV Skynet, TV BTR and TV Krt). Two television stations have only two individuals as full-time employees (TV Shutel and Amazon).

## Employees in the local television stations

The total number of 309 individuals were employed in the local television stations; 150 were full-time employees and the others were part-time employees.

The journalists have the dominant share, which represents 31% of the total number of employees. Almost 63% of the journalists had university degree.

**Image 2.68 Number and structure of the employees in the local televisions**

Type of personnel	Number	Education			Status	
		UNI	HS	Other	Full-time	Part-time
Journalists	97	61	36	0	45	52
Programme editors	24	15	9	0	15	9
Administrators/Executives	33	18	14	1	29	4
Tech personnel (engineers and technicians)	52	6	46	0	23	29
Control room personnel (directors, cameramen, editors etc.)	62	9	53	0	25	37
Other personnel	41	7	29	5	13	28
<b>TOTAL</b>	<b>309</b>	<b>116</b>	<b>187</b>	<b>6</b>	<b>150</b>	<b>159</b>

Source: Central Registry of RM/Broadcasting Council

Significant part of the employees (20%) were engaged as directors, cameramen, editors and other control room personnel. According to the structure of the education, most of those employees were with high-school education.

Six local television stations, that started to broadcast programme during the analyzed year, employed full-time employees for the first time. Those are the following televisions: TV Tikveshija from Kavadarci (six employees), TV Zlaten Kanal from Kriva Palanka and TV Kochani LD from Kochani (four employees, respectively), TV D1 from Delchevo (three employees), TV Chegrani Media (two employees) and Top TV from Berovo (one employee).

Only three local televisions have increased the number of employees: TV Tera from Bitola (by 5 employees), TVM from Ohrid and TV Emi from Radovich (by one employee).

Compared to the previous year, eight local television stations have decreased the number of employees: TV Star from Shtip (by 3 employees), TV Kiss and TV Art from Tetovo and TV Intel from Strumica (by 2 employees), and TV Orbis from Bitola, TV Nova from Gevgelija, TV Boem from Kichevo and TV Spektra from Struga (by one employee).

**Image 2.69 Number of employees in the private TV-stations on local level**

TV station	2007	2008	2009	TV station	2007	2008	2009
TV Kiss, Tetovo	15	17	15	TV Zhupa, Centar Zhupa	1	2	2
TVM, Ohrid	11	12	13	TV Svet, Sveti Nikole	4	2	2
TV Tera, Bitola	15	8	13	TV Chegrani Media	0	0	2
TV Iris, Shtip	10	nr	10	TV Festa, Kumanovo	2	nr	2
TV Emi, Radovish	8	7	8	TV Due, Gostivar	0	2	2
TV Vis, Strumica	7	7	7	TV Art Kanal, Struga	3	2	2
TV Menada, Tetovo	7	7	7	TV Medi, Bitola	2	1	1
TV Tikveshija, Kavadarci	0	0	6	TV Hana, Kumanovo	3	1	1
TV Nova, Kumanovo	1	5	5	TV Gurra, Kichevo	0	1	1
TV KTV-41, Kavadarci	4	5	5	TV Moris, Ohrid	2	1	1
TV Star, Shtip	7	7	4	TV Anisa, Plasnica	1	1	1
TV Orbis, Bitola	0	5	4	TV Dalga KRT, Kumanovo	1	1	1
TV Koha, Tetovo	5	4	4	TV Lazhani, Lazhani	0	1	1
TV Zlaten kanal, Kriva Palanka	0	0	4	TV Vision-BM (TV Kanal Vizija), Prilep	0	1	1
TV Kochani-LD	0	0	4	TV NTV, Ohrid	5	nr	1
TV Art, Tetovo	6	5	3	TV Top TV, Berovo	0	0	1
TV Cobra, Radovish	4	3	3	TV Boem, Kichevo	1	2	1
TV Kaltrina, Struga	2	3	3	TV Super sky, Tetovo	1	0	0
TV Kanal 21, Veles	2	3	3	TV Kanal 8, Kochani	0	0	0
TV D1, Delchevo	0	0	3	TV Sitel 2, Kratovo	0	0	0
TV Intel, Strumica	4	4	2	TV Spektra, Struga	0	3	3
TV Nova, Gevgelija	1	3	2	TV VTV, Valandovo	2	2	nr
TV Zdravkin, Veles	6	2	2	TV Uskana, Kichevo	2	nr	nr
TV Protel, Probishtip	2	2	2				
<b>TOTAL</b>					147	132	158

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

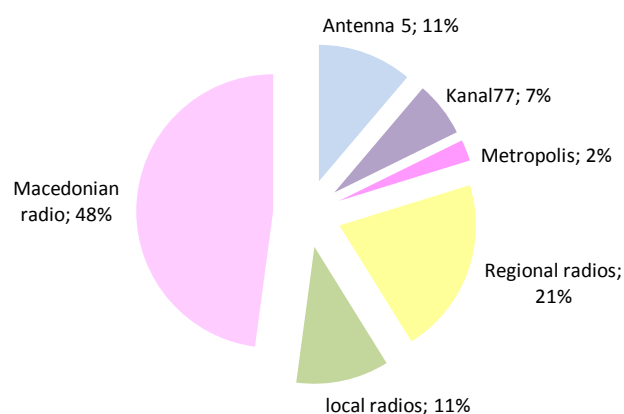
Indicators	2004	2005	2006	2007	2008	2009
<b>Total income in the radio industry</b> (millions of denars)	377	345	371	365	434	286
<b>Income of the public service</b> (millions of denars)	253	217	225	228	295	137
<b>Income of the private radio stations on state level</b> (millions of denars)	54	52	60	51	47	58
<b>Number of entities on the radio market</b>	106	98	98	62	68	71

Source: Broadcasting Council/SMMRI Skopje

### In 2009, the radio industry earned the lowest total income in the last six years

The total income earned in the radio industry was in the amount of 285.993.266,00 denars, which is by 34,17% less compared to the previous year. The decrease of the total income of the radio industry, during the analyzed year, is a result of the decrease of the income of the public service – Macedonian radio. The total income of the private sector, as a whole, has growth tendency in the last three years.

Image 3.2 Share in the total income in the radio industry in 2009



Source: Broadcasting Council

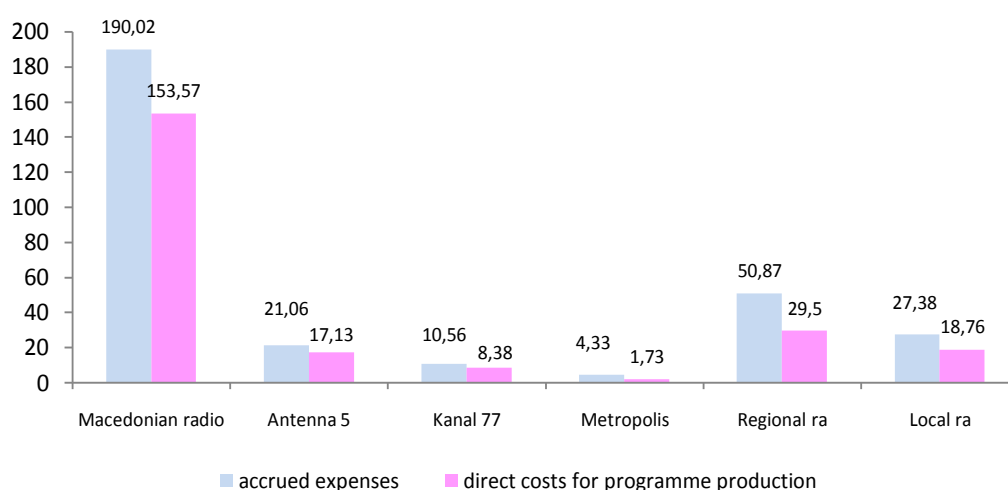
The radio stations that broadcast programme on the territory of the entire country (Macedonian radio and the three commercial national radio stations) earned 68% of the total income.

### **The expenses made by the entire radio industry in 2009 are the lowest in the last six years**

In 2009, the accrued expenses of the radio stations were in the amount of 304.231.590,00 denars, which is by 17,27% less than the previous year.

The expenses of the public sector – Macedonian radio have decreased by 22,61%, compared to 2008, and by 24,95%, compared to 2007. The accrued expenses of the private sector are lower by 6,55% i.e. by 11,08% compared to the previous two years.

**Image 3.3 Accrued expenses and expenses for programme production (in millions-denars)**



Source: Broadcasting Council

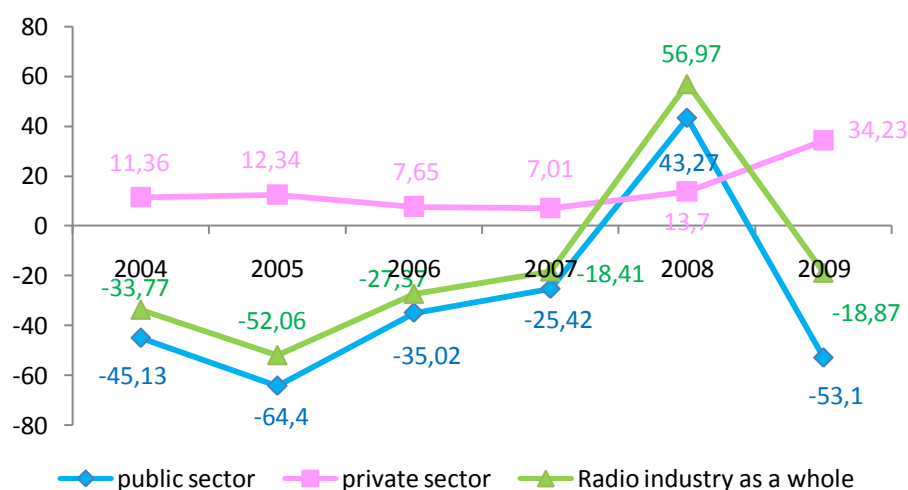
The direct costs for programme production have the largest share in the accrued expenses of the radio station Antenna 5 (81,34%), in the accrued expenses of the public service – Macedonian radio (80,82%) and in the accrued expenses of the radio station Kanal 77 (79,36%).

The radio station Metropolis spent the fewest funds, from the accrued expenses, for production and purchasing programme (only 39,95%).

### **The private sector had a positive financial result, and the public sector had losses**

The working result of all entities in the radio industry, in 2009, is losses in the amount of 18.865.186,00 denars.

**Image 3.4 Achieved working result in the public and private sector (MKD)**



Source: Broadcasting Council

Out of the total 60 entities (the public service and the 68 commercial radio stations), only 15 worked with losses. The other 54 radio stations made a positive financial result.

### The total number of employees in the radio industry was 526 individuals

In 2009, all entities in the radio industry had the total number of 526 employees, out of which 299 were in the public service (Macedonian radio) and 227 in the private sector.

**Image 3.5 Number and structure of the employees in the radio industry**

Type of personnel	Number of employees 2009
Journalists	171
Programme editors	40
Administrators/Executives	41
Tech personnel (engineers and technicians)	113
Control room personnel (directors, cameramen, editors etc.)	111
Other personnel	50
<b>TOTAL</b>	<b>526</b>

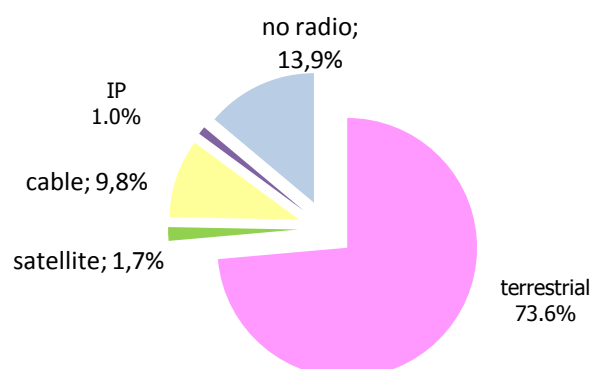
Source: Broadcasting Council

445 were full-time employees, and 81 worked as part-time employees.

## 2.2 Models of receiving the radio signal and entities on the market

In 2009, the biggest part of the Macedonian households received the radio signal via a terrestrial antenna. Almost 10% of the households listened to the radio via a cable connection, only 1,7% via a satellite antenna and 1% via internet protocol. Almost 14% of the interviewed individuals stated that they do not have a radio.

Image 3.6 Models of receiving the radio signal



Source: Broadcasting Council

In 2009, as an addition to the public service – Macedonian radio and the local public broadcasting enterprises that were in different stages of the process of their transformation in accordance with the provisions of the Law on Broadcasting Activity, there were additional 71 radio stations in private ownership.

Image 3.7 Radio stations in the public and private sector

Public sector	20
Private sector	68
Non-profit radio stations	3
<b>Total</b>	<b>91</b>

Source: Broadcasting Council

As an addition to the commercial radio stations that broadcasted programme on national, regional and local level, three non-profit broadcasting institutions broadcasted programme on local level.

Image 3.8 Commercial radio stations according to the coverage

State level	3
Regional level	16
Local level (commercial)	49
Local level (non-profit)	3
<b>Total</b>	<b>71</b>

Source: Broadcasting Council



Three commercial radio stations and the Macedonian radio with the three programme services: Macedonian radio – First programme (MR1), Macedonian radio – Second programme (MR2) and Macedonian radio – Programme on the languages of the ethnic communities, broadcasted programme on the territory of the entire country.

**Image 3.9 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 total number of 16 commercial radio stations and one non-profit institution (Student radio within the University "Sts. Cyril and Methodius"-Skopje) had licenses to broadcast programme on regional level (on the territory of the city of Skopje).

**Image 3.10 Commercial radio stations on regional level**

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

Source: Broadcasting Council

49 commercial radio stations and two non-profit institutions (University radio UGD FM and Dostlogun Sesi, both on the territory of Shtip) broadcasted programme on local level.

**Image 3.11 Commercial radio stations on local level**

municipality	Number	Radio stations
Bitola	4	106, B-97, Aktuel, Delfin
Veles	3	C-D, Merak 5 FM, Goldi
Vinica	1	La Coste
Gevgelija	1	Time
Gostivar	1	Kometa 2000
Debar	1	Merlin
Kavadarci	1	Galaxy-2002

Kichevo	1	Aleksandar Makedonski
Kochani	1	Rosa AB
Kumanovo	5	KMR, Bravo, Jehona
Negotino	1	Mix
Ohrid	3	MH, Super, Lav
Pehchevo	1	Pehchevo
Prilep	6	5 Choki, Besa, Rinia 2000, Ternipe, Meff, Holiday,
Radovish	1	Alfa
Rostushe	1	Emi
Struga	3	DJ, Rapi, Kiki
Strumica	2	Hit, Express,
Tetovo	4	Plus Forte, Kiss, Fama, Bleta
Centar Zhupa	1	Semi
Shtip	1	Cherenja
Plasnica	1	Mis 2008
Berovo	1	Sky
Delchevo	1	Zora
Makedonski Brod	1	Moris plus
Negotino	1	production-LGN
Makedonska Kamenica	1	Makedonska Kamenica
Sveti Nikole	2	Modea, Sveti Nikole

Source: Broadcasting Council

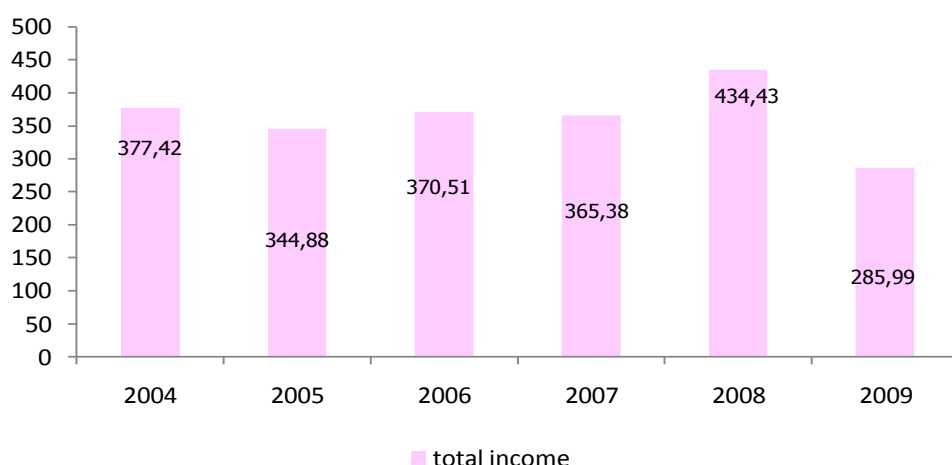
## 2.2 Income in the radio industry

### Total income in the radio industry

In 2009, the total income earned in the radio industry was in the amount of 285.993.266,00 denars.

In the period from 2004 until 2009, the last year was the least favourable for the radio industry as a whole. Namely, compared to 2008, the total income is lower by 34,17%, compared to 2007 – by 21,73%, compared to 2006 – by 22,81%, compared to 2005 - by 17,08% and compared to 2004, the income is lower by 24,23%.

Image 3.12 Advancement of the total income in the radio industry (2004-2009)



Source: Broadcasting Council

During the analyzed year, the radio stations that broadcast programme on national and on regional level earned less income compared to the previous two years.

Image 3.13 Total income in the radio industry (2004-2009)

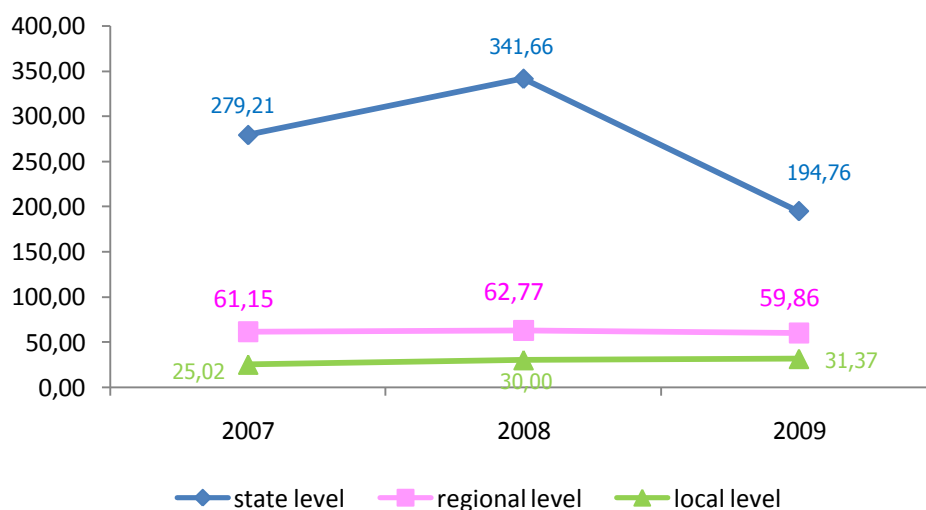
	2007	2008	2009	Growth rate 09/08
state level	279,214,311.00	341,662,322.00	194,763,267.00	-43.00 %
regional level	61,145,241.00	62,768,332.00	59,858,154.00	-4.64 %
local level	25,016,188.00	30,003,767.00	31,371,845.00	4.56 %
public sector	227,783,774.00	294,595,805.00	136,925,020.00	-53.52 %
private sector	137,591,966.00	139,838,616.00	149,068,246.00	6.60 %
TOTAL:	365,375,740.00	434,434,421.00	285,993,266.00	-34.17 %

Source: Broadcasting Council

Only the local radio stations have increased their income. Compared to 2008 - by 4,56% and by 25.41% - compared to 2007.

The largest decrease of the total income can be seen with the public sector. The income of the Macedonian radio has decreased by 53,52%, compared to the previous year, and by 39,89% compared to 2007. The private sector, as a whole, has continuously increased its total income.

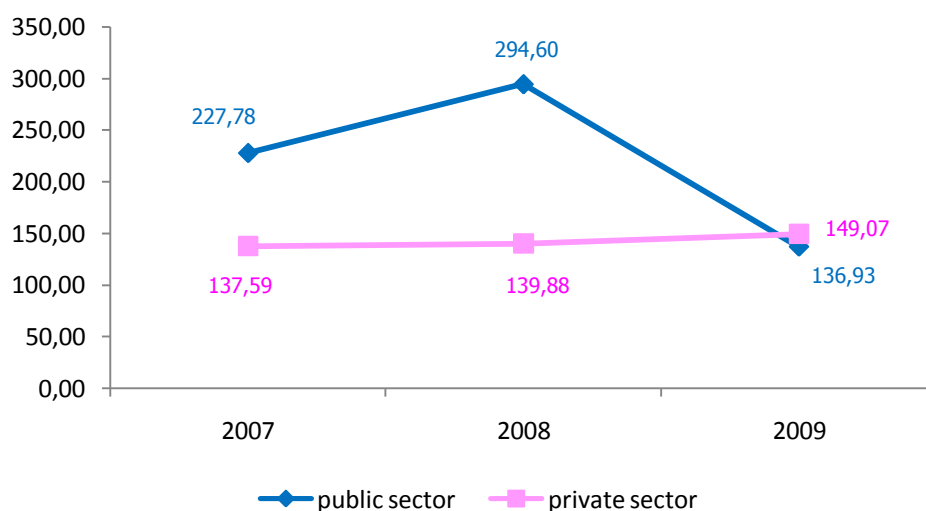
Image 3.14 Advancement of the total income in the radio industry (2007-2009)



Source: Broadcasting Council

The largest decrease of the total income can be seen with the radio stations that broadcast programme on the territory of the entire state. The total income of the regional and local radio stations is relatively invariable.

Image 3.15 Advancement of the total income in the radio industry (2007-2009)



Source: Broadcasting Council

The decrease of the total income of the radio industry, during the analyzed year, is due to the decrease of the income of the public service – Macedonian radio. The total income of the private sector has a tendency of growth, in the last three years.

In the structure of the income of the radio industry, the biggest share belongs to the income from selling the advertising time (44,08%). Almost the entire income was earned by the commercial radio stations. The Macedonian radio reported an insignificant amount of this type of income, in the amount of 39.260,00 denars.

Due to the high share of the income from the category “other undistributed income”, reported by the Macedonian radio (108.000.000,00 denars – funds transferred by the Government of RM, from the Budget of RM, to the account of the public service), the share of this income in the total income of the radio industry is 39,08%.

Image 3.16 Structure of the total income in the radio industry

Structure of the income in the radio industry	2009	Share
Broadcasting fee	17,025,373.00	5.95 %
Advertisements and teleshopping	126,076,455.00	44.08 %
Sponsorship	1,781,770.00	0.62 %
Income from other programmes	666,807.00	0.23 %
Donations and grants	5,335,803.00	1.87 %
Programme selling	8,504,302.00	2.97 %
Public interest projects	584,400.00	0.20 %
Other undistributed income	111,766,438.00	39.08 %
<b>Income from primary activity</b>	<b>271,741,348.00</b>	<b>95.02 %</b>
Income from other activities	2,618,721.00	0.92 %
Extraordinary income	11,633,197.00	4.07 %
<b>Total income</b>	<b>285,993,266.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The share of the broadcasting fee is 5,95% in the total income and all other types of income have a joint share of 10,89%.

### Total income of the Macedonian radio

The total income earned by the Macedonian radio, during the analyzed year, is in the amount of 136.925.020,00 denars, which is by 54% less compared to 2008.

Almost 80% of this amount (108.000.000,00 denars) is from the Budget of RM, funds transferred by the Government according to the Recovery programme.

Due to the unresolved problem of payment of the broadcasting fee, the share of this income in the total income of the Macedonian radio is only 12,43%.

Image 3.17 Structure of the total income of the Macedonian radio

Structure of the income of the Public service	2009	Share
Broadcasting fee	17,025,373.00	12.43 %
Advertisements	39,260.00	0.03 %
Sponsorship	0.00	0.00 %
Donations and grants	0.00	0.00 %
Programme selling	0.00	0.00 %
Other undistributed income	108,000,000.00	78.88 %
<b>Income from primary activity</b>	<b>125.064.633.00</b>	<b>91.34 %</b>
Income from other activities	1,651,667.00	1.21 %
Extraordinary income	10,208,720.00	7.46 %
		100.00 %
<b>Total income</b>	<b>136,925,020.00</b>	<b>%</b>

Source: Broadcasting Council

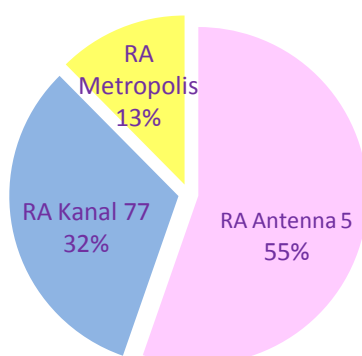
Insignificant income (39.260,00 denars) was earned from selling of the advertising time, and the other funds are earned from rents and other working income (income from interest, exchange differences, written-off liabilities etc.).

### Total income of the three national radio stations

The three commercial radio stations that broadcast programme on national level earned total income in the amount of 57.838.247,00 denars. Compared to the previous year, the income has increased by 22,89%.

More than a half of these funds were earned by the radio station Antenna 5. The share of the radio station Kanal 77 is 32%, and the share of radio Metropolis is 13%.

Image 3.18 Share in the total income of the three national radio stations



Source: Broadcasting Council

During the last three years, for this entire segment of the market, the last year was the most favourable one, when they earned the highest amounts of total income.

It can be noticed that all three entities earned more income compared to the previous year.

Image 3.19 Total income and growth rate of the three national radio stations

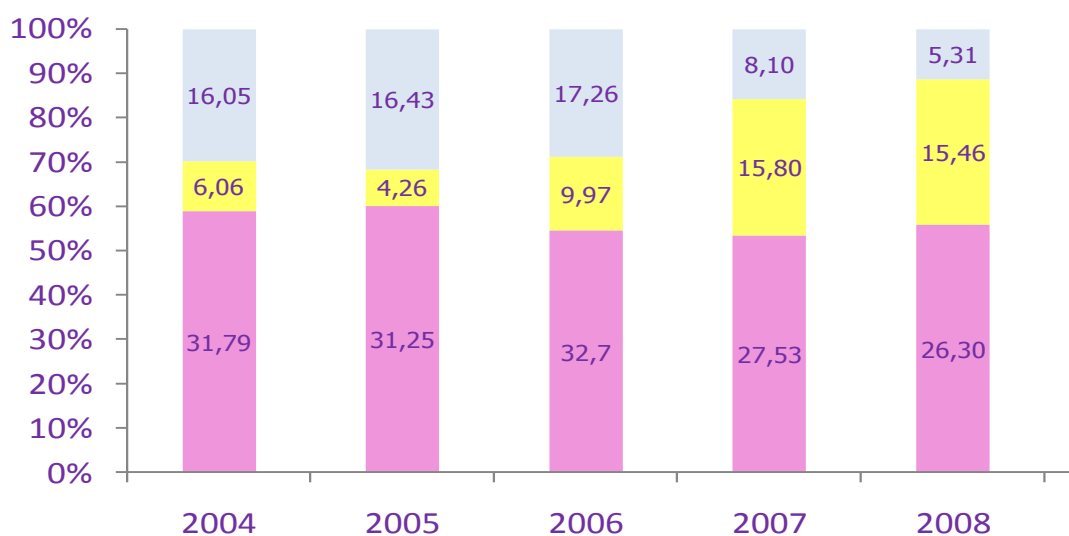
	2007	Total income 2008	2009	Growth rate 09-08	Growth rate 09-07
RA Antenna 5	27,533,306.00	26,297,296.00	32,003,503.00	21.70 %	16.24 %
RA Kanal 77	15,801,872.00	15,463,764.00	18,659,838.00	20.67 %	18.09 %
RA Metropolis	8,095,359.00	5,305,457.00	7,174,906.00	35.24 %	-11.37 %
Total:	51,430,537.00	47,066,517.00	57,838,247.00	22.89 %	12.46 %

Source: Broadcasting Council

The radio station Metropolis has the biggest growth rate of the total income (35,24%), and the radio station Antenna 5 has the largest increase of the income in absolute amount 5 (by 5.706.207,00 denars).

Compared to 2007, only the radio station Metropolis earned less income. There is an increase of the total income of Antenna 5 and Kanal 77, compared to the total income earned in 2007.

Image 3.20 Total income of the three national radio stations in the period from 2004 until 2009  
(in millions-denars)



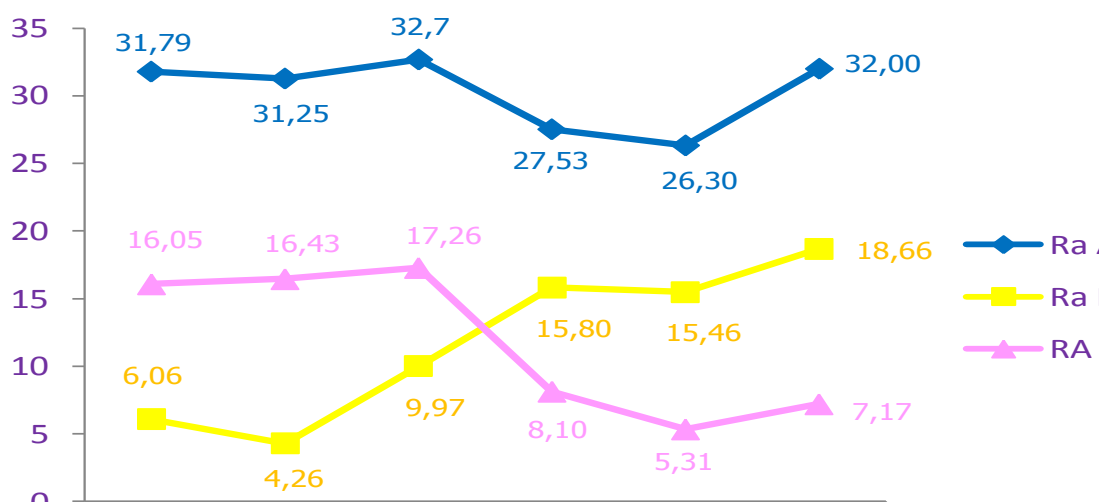
Source: Broadcasting Council

During the last six years, the share of the income of Antenna 5 was the dominant one in the total income of the three radio stations.

Following the trend of the total income of these three entities, in the period from 2004 until 2009, it can be seen that only the total income earned by Antenna 5 is more or less invariable. The total income of the radio station Kanal 77 has a tendency of growth during the last three years.

Until 2006, the income earned by the radio station Metropolis (then radio station Ros) was almost double compared to the last three years.

Image 3.21 Advancement of the total income of the three national radio stations in the last six years



Source: Broadcasting Council

In the structure of the income, the most significant share (73,83%) belongs to the income earned from selling the advertising time. Almost two thirds of the budgets were spent by the advertisers to advertise on Antenna 5 (31.740.727,00 denars), significantly less for advertising on Metropolis (6.666.417,00 denars) and least funds were spent for advertising on Kanal 77 (4.295.578,00 denars).

Image 3.22 Structure of the total income of the three national radio stations

Structure of the income of the commercial radio stations on state level		
	2009	Share
Advertisements	42,702,722.00	73.83 %
Sponsorship	0.00	0.00 %
Income from other programmes	0.00	0.00 %
Donations and grants	4,436,374.00	7.67 %
Programme selling	8,210,642.00	14.20 %
Public interest projects	0.00	0.00 %
Other undistributed income	2,194,063.00	3.79 %
<b>Income from primary activity</b>	<b>57,543,801.00</b>	<b>99.49 %</b>
Income from other activities	23,702.00	0.04 %
Extraordinary income	270,744.00	0.47 %
<b>Total income</b>	<b>57,838,247.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

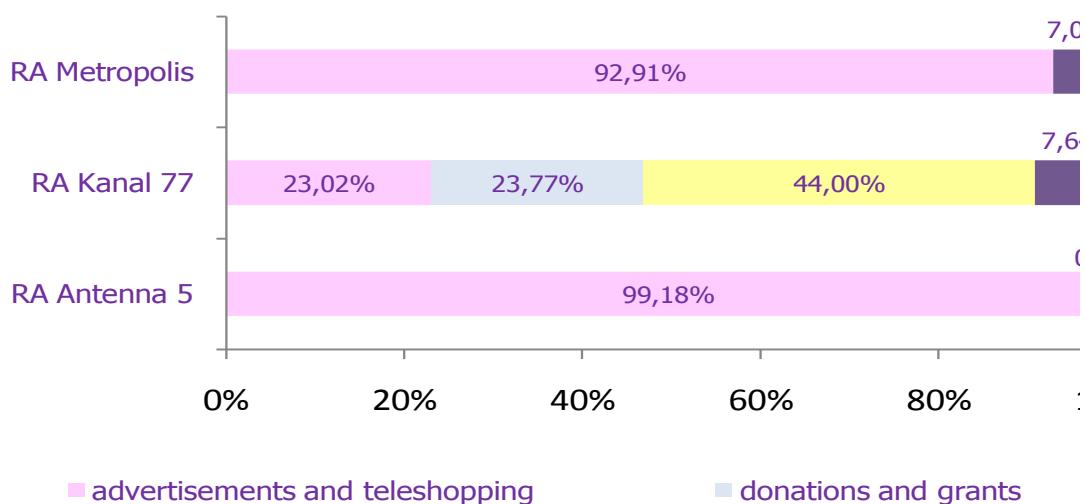
Only the radio station Kanal 77 earned income from donations and grants and programme selling.

This radio station earned the highest income from the category "other undistributed income", where it reported income earned by renting antenna masts to other legal entities (1.426.051,00 denars).

It can be noticed that for the radio stations Antenna 5 and Metropolis, the most significant source of income were the advertisements, while for Kanal 77 – it was the programme selling, with a 44% share in the total income.



Image 3.23 Share in the income from advertising in the total income of each radio station, respectively



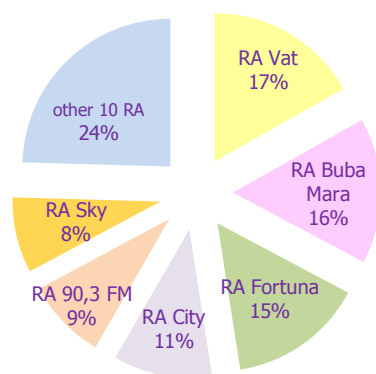
Source: Broadcasting Council

In the structure of the total income of radio station Kanal 77, the share of the income from advertisements and the income from donations and grants is almost equal.

### Total income of the regional radio stations

The total income that was earned by the sixteen regional radio stations, in 2009, was in the amount of 59.858.154,00 denars, which is by 4,64% less compared to the previous year.

Image 3.24 Share in the total income of the regional radio stations



Source: Broadcasting Council

Highest income was earned by the radio station Vat (10.085.300,00 denars), followed by Buba Mara (9.525.032,00 denars), Fortuna (8.838.963,00 denars) and City radio (6.467.986,00 denars). These four radio stations earned 59% of the total income of the regional radio stations.

Significant share belongs to the radio stations Sport radio 90,3 FM (9%, i.e. 5.294.550,00 denars) and Sky radio (8 %, i.e. 4.954.729,00 denars).

The total number of six radio stations has increased their income compared to 2008 (Life radio, Vat, Buba Mara, Zone M-1, Fortuna and Sport radio 90,3 FM). The highest growth rate can be seen with Life radio (104,10%).

In 2009, the other ten regional radio stations earned less income compared to the previous year. The biggest decrease can be seen in the total income of the radio station Classic FM, its income has decreased by 64,48% and in the total income of Radio Ravel, with a negative growth rate of 44,71%.

As a result of these changes, the shared growth rate of the regional radio stations is 4,64%.

Image 3.25 Total income and growth rate of the regional radio stations

RA station	2008	2009	Growth rate
Vat	8,313,727.00	10,085,300.00	21.31 %
Buba Mara	8,319,692.00	9,525,032.00	14.49 %
Fortuna	8,122,795.00	8,838,963.00	8.82 %
City	9,917,487.00	6,467,986.00	-34.78 %
RA 90,3 FM	5,018,787.00	5,294,550.00	5.49 %
Sky radio	5,657,314.00	4,954,729.00	-12.42 %
Life FM	1,350,229.00	2,755,766.00	104.10 %
Rosa AB	2,890,580.00	2,588,938.00	-10.44 %
Sport radio Kanal 4	2,998,277.00	2,421,830.00	-19.23 %
Ravel	3,266,895.00	1,806,198.00	-44.71 %
Zone M-1	1,265,545.00	1,417,408.00	12.00 %
Arachina	949,963.00	937,660.00	-1.30 %
Folk	1,242,610.00	823,004.00	-33.77 %
Club FM	1,244,314.00	777,789.00	-37.49 %
Jazz FM	858,678.00	682,913.00	-20.47 %
Classic	1,351,439.00	480,088.00	-64.48 %
<b>TOTAL</b>	<b>62,768,332.00</b>	<b>59,858,154.00</b>	<b>-4.64 %</b>

Source: Broadcasting Council

The selling of the advertising time was the most important source of income for the regional radio stations. These entities earned 92,92% of the total income from advertisements. The most interesting radio station for the advertisers was the radio station Buba Mara, which earned 9.181.770,00 denars on these grounds, followed by Fortuna (8.836.527,00 denars), Vat (8.653.290,00 denars) and City radio (6.439.403,00 denars).

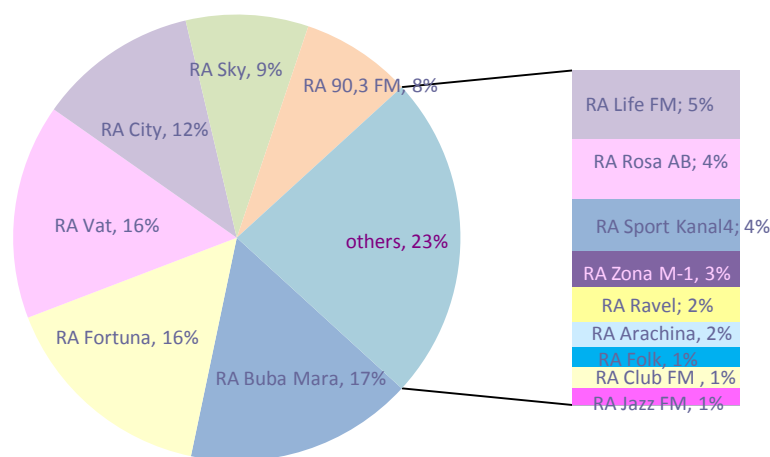
Image 3.26 Structure of the total income of the regional radio stations

Structure of the income of the regional radio stations	2009	Share
Advertisements	55,618,954.00	92.92 %
Sponsorship	1,090,654.00	1.82 %
Income from other programmes	0.00	0.00 %
Donations and grants	286,600.00	0.48 %
Programme selling	0.00	0.00 %
Public interest projects	330,000.00	0.55 %
Other undistributed income	1,346,548.00	2.25 %
<b>Income from primary activity</b>	<b>58,672,756.00</b>	<b>98.02 %</b>
Income from other activities	266,385.00	0.45 %
Extraordinary income	919,013.00	1.54 %
<b>Total income</b>	<b>59,858,154.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The lowest income from advertisements was earned by the radio station Folk radio (821.699,00 denars), Club FM (777.783,00 denars) and Jazz FM (682.831,00 denars). The radio station Classic FM did not earn any income on these grounds.

Image 3.27 Share of the regional radio stations in the income from advertising



Source: Broadcasting Council

From the other sources of income, a significant share (2,25%) belongs to the income from the category "other undistributed income". This type of income was earned by the radio stations Vat, City, Sport radio 90,3 FM and Radio Ravel.

Income from sponsorship was reported by three radio stations, Buba Mara (280.000,00 denars), Sport radio 90,3FM (773.874,00 denars) and Classic FM (36.780,00 denars).

Only two radio stations earned income from donations and grants - Vat (225.000,00 denars) and Life FM (61.600,00 denars), and only Radio Ravel earned income from the broadcasting fee funds intended for financing projects of public interest.

No radio station earned income from other programmes, or income from programme selling.

The biggest part of the income from other activities was earned by the radio station Rosa AB (235.995,00 denars), which represents 89% of the total amount from this type of income.

Almost 90% of the amount of the extraordinary income, was reported by the radio stations Sport radio Kanal 4 (381.063,00 denars) and Classic FM (443.308,00 denars).

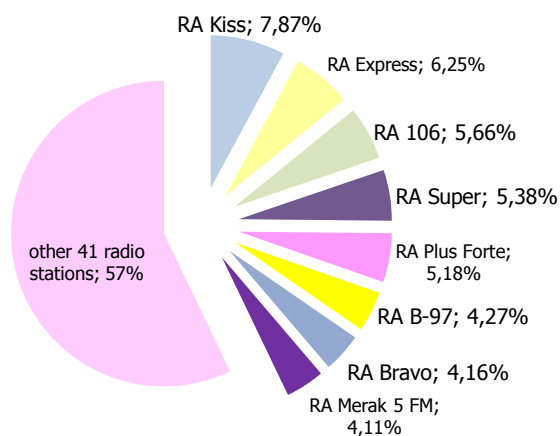
### Total income of the local radio stations

The total income earned by the 49 local radio stations, in 2009, is in the amount of 31.371.845,00 denars.

The highest total income was earned by the radio station Kiss from Tetovo (2.470.366,00 denars or 7,87% of the total income of the local radio stations). Significant amounts were reported by the following radio stations: Express radio from Strumica (1.961.304,00 denars), Radio 106 from Bitola (1.774.281,00 denars), Super radio from Ohrid (1.687.348,00 denars), Plus forte from Tetovo (1.624.701,00 denars), Radio B-97 from Bitola (1.339.484,00 denars), Radio Bravo from Kumanovo (1.304.229,00 denars) and Merak 5 FM from Veles (1.290.552,00 denars).

The joint share of the other radio stations (41 in total), in the total income of the local radio market, is 57%.

Image 3.28 Structure of the total income of the regional radio stations



Source: Broadcasting Council

The total income of this segment of the radio market is higher by 4,56% from the income in the previous year.

In the structure of the income of the local radio stations, the largest share belongs to the income from selling of the advertising time (88,35%). The most interesting radio station for the advertisers was the radio station Kiss from Tetovo, with earned 2.469.816,00 denars on these grounds. Only the radio station DJ from Struga did not earn any income from advertisements. The entire income of this radio station was from sponsorship. The income from sponsorship was reported by only four additional radio stations: Plus forte from Tetovo, CD radio from Veles, MH from Ohrid, Kometa from Gostivar and Merlin from Debar.

Income from other programmes was reported by the total of five radio stations: Plus Forte from Tetovo, Rapi from Struga, Time from Gevgelija, Sky radio from Berovo and Merlin from Debar.

Income from programme selling was reported by only two local radio stations: Kometa from Gostivar and Radio Goldi from Veles.

Only four radio stations earned income from donations and grants: Plus Forte from Tetovo, Rapi from Struga, Production LGN (Radio Energy) from Negotino and radio Goldi from Veles.

Image 3.29 Structure of the total income of the local radio stations

Structure of the income of the local radio stations	2009	Share
Advertisements and teleshopping	27,715,519.00	88.35 %
Sponsorship	691,116.00	2.20 %
Income from other programmes	666,807.00	2.13 %
Donations and grants	612,829.00	1.95 %
Programme selling	293,660.00	0.94 %
Public interest projects	254,400.00	0.81 %
Other undistributed income	225,827.00	0.72 %
<b>Income from primary activity</b>	<b>30,460,158.00</b>	<b>97.09 %</b>
Income from other activities	676,967.00	2.16 %
Extraordinary income	234,720.00	0.75 %
<b>Total income</b>	<b>31,371,845.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The entire amount of the income from the broadcasting fee funds intended for financing radio and television projects of public interest was earned by three radio stations: Rapi from Struga, Rosa AB from Kochani and Merlin from Debar.

The income from the category "other undistributed income" was reported by Radio Plus Forte from Tetovo, Merak 5 FM from Veles, Kometa from Gostivar and Radio Rinia 200 from Prilep.

Almost the entire amount of the income from other activities was reported by the radio station Cherenja from Shtip (663.993,00 denars).

## 3.2 Expenses in the radio industry

### Accrued expenses in the radio industry

In 2009, the accrued expenses made by the radio stations were in the amount of 304.231.590,00 denars.

In the period of the last six years, the accrued expenses in the radio industry have a tendency of continuous decrease, except in 2006, when they were insignificantly higher than in 2005.

Image 3.30 Advancement of the accrued expenses in the radio industry (2004-2009)



Source: Broadcasting Council

The accrued expenses in the radio industry, as a whole, were lower by 17,27% compared to the expenses that were made during the previous year.

Only the local radio stations have increased their expenses during the analyzed year. All other segments of the radio industry, during the analyzed year, spent fewer funds than in the previous two years.

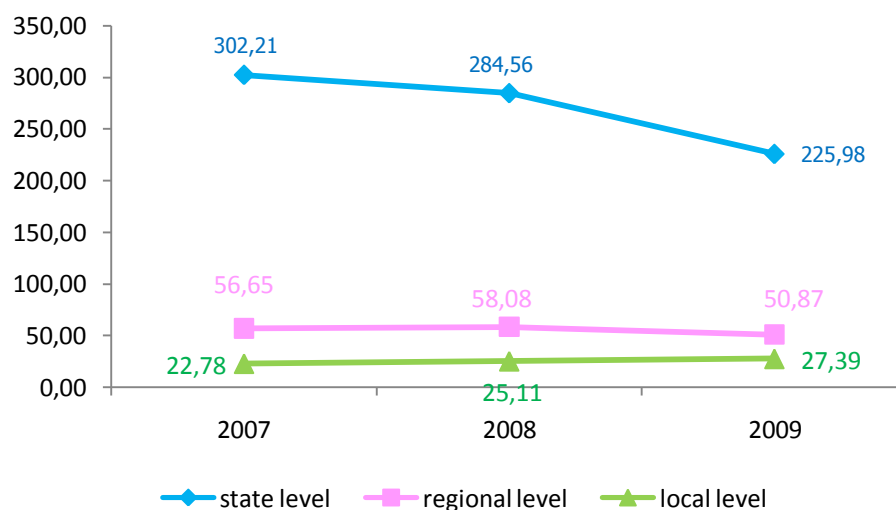
Image 3.31 Accrued expenses in the radio industry (2004-2009)

	2007	2008	2009	Growth rate 09/08
State level	302,212,922.00	284,555,361.00	225,975,066.00	-20.59 %
Regional level	56,645,039.00	58,078,528.00	50,871,003.00	-12.41 %
Local level	22,777,292.00	25,110,242.00	27,385,511.00	9.06 %
Public sector	253,199,831.00	245,529,533.00	190,021,456.00	-22.61 %
Private sector	128,435,423.00	122,214,598.00	114,210,124.00	-6.55 %
TOTAL:	381,635,254.00	367,744,131.00	304,231,580.00	-17.27 %

Source: Broadcasting Council

The accrued expenses of the radio stations that broadcast programme on national level have decreased by 20,59%, compared to 2008, and by 25,23%, compared to 2007.

Image 3.32 Advancement of the accrued expenses in the radio industry (2007-2009)



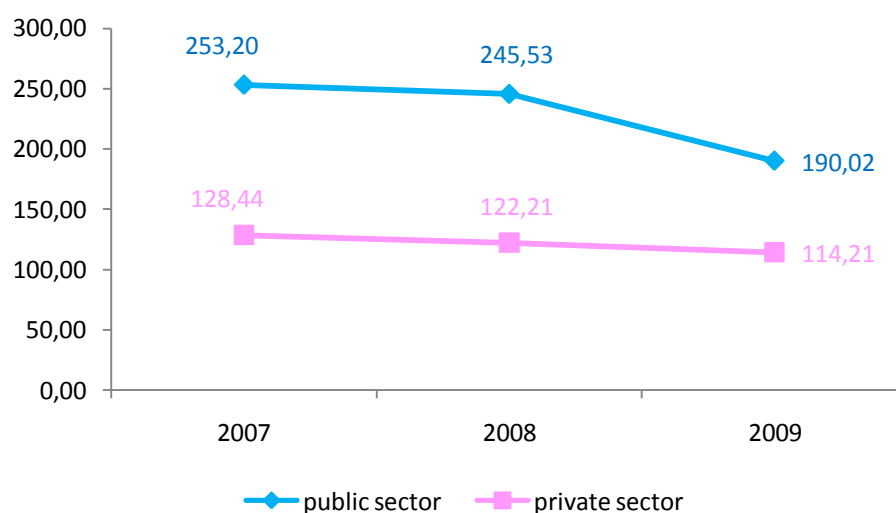
Source: Broadcasting Council

In 2009, the regional radio stations spent by 12,41% fewer funds than the previous year, and by 10,19% less than in 2007.

During the analyzed year, the public sector – Macedonian radio has decreased its expenses by 22,61% compared to 2008, and compared to 2007 - by 24,95%.

The accrued expenses of the entire private sector are lower by 6,55%, i.e. by 11,08% compared to the previous two years.

Image 3.33 Advancement of the accrued expenses in the radio industry (2007-2009)



Source: Broadcasting Council

In 2009, two thirds of the expenses were direct costs for programme production. The radio stations spent the largest part of these funds on salaries and other compensations for individuals directly connected to programme production (36,24% of the accrued expenses). Almost 77% of this amount are the expenses of the Macedonian radio.

Image 3.34 Structure of the accrued expenses in the radio industry

Structure of the expenses in the radio industry	2009	Share
Material costs	50,392,413.00	16.56 %
Expenses for programme purchase	14,548,955.00	4.78 %
Intangible expenses (services)	53,878,628.00	17.71 %
Salaries and other compensations for individuals directly connected to programme production	110,245,907.00	36.24 %
<b>Direct costs for programme production</b>	<b>229,065,903.00</b>	<b>75.29 %</b>
Salaries and other compensations for individuals that are not directly connected to programme production	26,923,136.00	8.85 %
Amortization of the equipment	17,215,482.00	5.66 %
Amortization of rights and licenses	249,043.00	0.08 %
Rents and other operating expenses	8,047,832.00	2.65 %
All other working expenses which are not included	19,513,710.00	6.41 %
<b>Accrued working expenses</b>	<b>301,015,106.00</b>	<b>98.94 %</b>
Expenses from other activities	2,805,939.00	0.92 %
Extraordinary expenses	410,545.00	0.13 %
<b>Accrued working expenses</b>	<b>304,231,590.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The intangible expenses are on the second place, with a share of 17,71%, and on the third place – the material costs with a share of 16,56% in the accrued expenses.



The smallest amount of the direct costs for programme production was spent on programme purchase (only 4,78%).

From the other type of expenses, significant share belongs to the expenses for salaries and compensations for individuals that are not directly connected to programme production (8,85%) and the expenses from the category "all other working expenses which are not included" with a share of 6,41%.

### Accrued expenses of the Macedonian radio

The expenses that in 2009 were made by the Macedonian radio were in the amount of 190.021.456,00 denars.

The largest part of the accrued expenses (55,76%) was spent on salaries and other compensations for the employees. The material and the intangible expenses have a joint share of 30,94% of the total expenses.

Image 3.35 Structure of the expenses of the Macedonian radio

<b>Structure of the expenses of the Macedonian radio</b>	<b>2009</b>	<b>Share</b>
Material costs	23,983,625.00	12.62 %
Expenses for programme purchase	10,007,003.00	5.27 %
Intangible expenses (services)	34,805,189.00	18.32 %
Salaries and other compensations for individuals directly connected to programme production	84,772,632.00	44.61 %
<b>Direct costs for programme production</b>	<b>153,568,449.00</b>	<b>80.82 %</b>
Salaries and other compensations for individuals that are not directly connected to programme production	21,193,158.00	11.15 %
Amortization of the equipment	5,660,947.00	2.98 %
Amortization of rights and licenses	0.00	0.00 %
Rents and other operating expenses	100,000.00	0.05 %
All other working expenses which are not included	9,498,912.00	5.00 %
<b>Accrued working expenses</b>	<b>190,021,466.00</b>	<b>100.00 %</b>
Expenses from other activities	0.00	0.00 %
Extraordinary expenses	0.00	0.00 %
<b>Accrued working expenses</b>	<b>190,021,466.00</b>	<b>100.00 %</b>

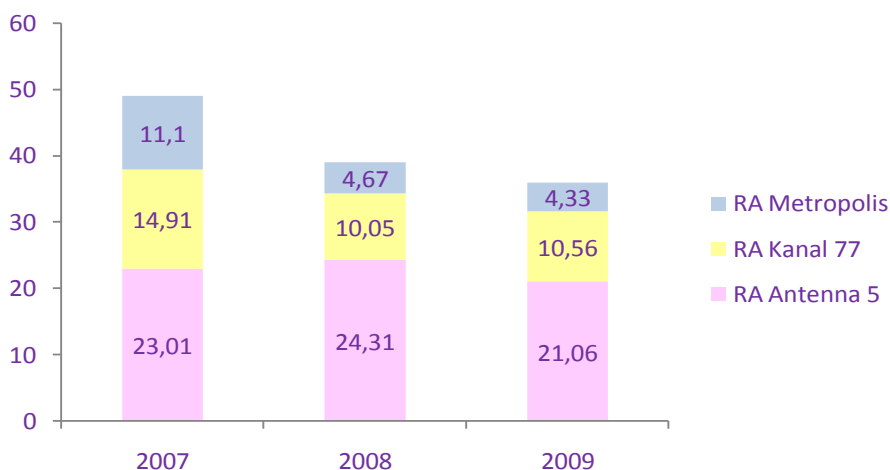
Source: Broadcasting Council

The Macedonian radio spent a significant amount (10.007.003,00 denars), i.e. 5,27% of the accrued expenses, on programme purchase.

### Accrued expenses of the three national radio stations

The accrued expenses of the three commercial national radio stations are in the amount of 35.953.610,00 denars.

Image 3.36 Accrued expenses of the commercial national radio stations in the last three years  
(in millions- denars)

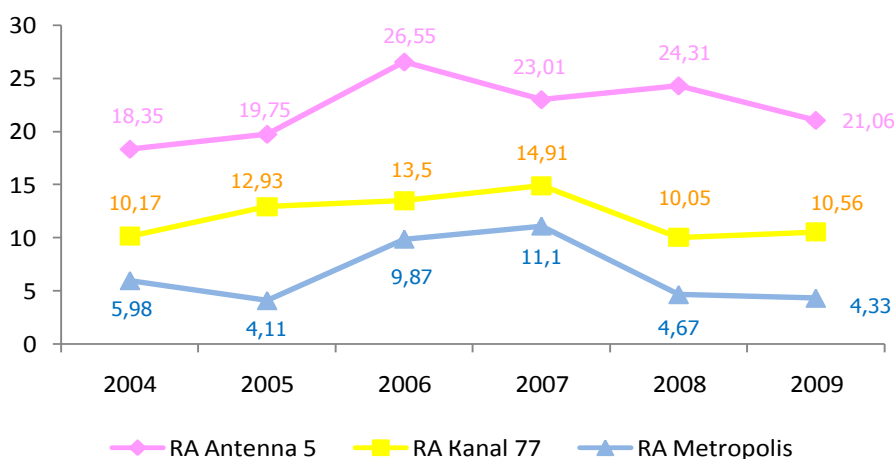


Source: Broadcasting Council

Almost 60% of this amount are the expenses of Antenna 5, and less than 30% of the accrued expenses of the three radio stations are the costs of Kanal 77, and the rest – 10% are costs of Metropolis.

Compared to the previous year, the expenses were decreased by 7,87%, which is due to the decrease of the expenses of radio Antenna 5 (by 13,36%) and the expenses of Metropolis (by 7,17%), while the radio station Kanal 77 has increased its expenses by 5,09%.

Image 3.37 Advancement of the accrued expenses of the commercial national radio stations in the last six years (in millions-denars)



Source: Broadcasting Council

In the period of the last six years, the highest expenses of the radio station Antenna 5 were in 2006 (26,55 million denars) and the lowest were in 2004 (18,35 million denars). The radio station Kanal 77 spent the most funds in 2007 (14,91 million denars), and the least in 2008 (10,05 million denars). The accrued expenses of

Metropolis were highest in 2007 (11,1 million denars), and lowest in 2005 (4,11 million denars).

In the structure of the accrued expenses of these three entities, the direct costs for programme production have the largest share.

The highest material costs were made by the radio station Kanal 77 (7.734.509,00 denars), which is 76% of the total amount.

Expenses for programme purchase were reported by Antenna 5 (2.652.859,00 denars) and Metropolis (1.063.814,00 denars).

Almost the entire amount of the intangible expenses was reported by Antenna 5 (10.240.204,00 denars).

The radio station Antenna 5 spent 2.172.568,00 denars on salaries and other compensations for employees that are directly involved in the process of programme production, and Kanal 77 - 642.908,00 denars. The radio station Metropolis did not report any costs for salaries and other compensations for the employees (this radio station does not have any employees).

Image 3.38 Structure of the expenses of the commercial national radio stations

<b>Structure of the expenses of the commercial national radio stations</b>	<b>2009</b>	<b>Share</b>
Material costs	10,181,042.00	28.32 %
Expenses for programme purchase	3,716,673.00	10.34 %
Intangible expenses (services)	10,526,645.00	29.28 %
Salaries and other compensations for individuals directly connected to programme production	2,815,476.00	7.83 %
<b>Direct costs for programme production</b>	<b>27,239,836.00</b>	<b>75.76 %</b>
Salaries and other compensations for individuals that are not directly connected to programme production	931,100.00	2.59 %
Amortization of the equipment	3,331,360.00	9.27 %
Amortization of rights and licenses	0.00	0.00 %
Rents and other operating expenses	3,634,811.00	10.11 %
All other working expenses which are not included	221,324.00	0.62 %
<b>Accrued working expenses</b>	<b>35,358,431.00</b>	<b>98.34 %</b>
Expenses from other activities	553,945.00	1.54 %
Extraordinary expenses	41,234.00	0.11 %
<b>Accrued working expenses</b>	<b>35,953,610.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

Only Antenna 5 reported costs for salaries for individuals that are not directly connected to programme production.

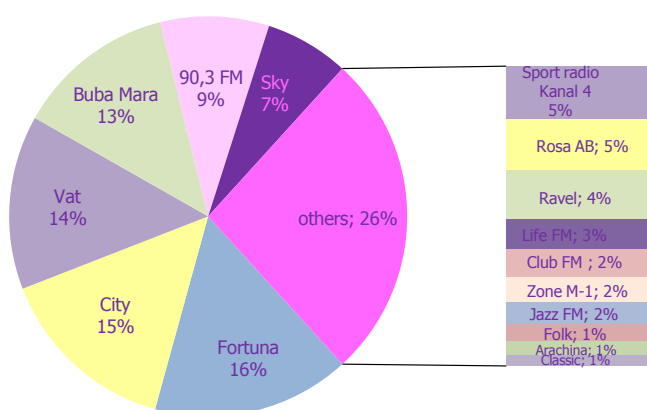
The radio station Metropolis spent the most funds for rents and other operating expenses (2.380.134,00 denars). Kanal 77 did not report this type of expenses.

## Accrued expenses of the regional radio stations

In 2009, the sixteen regional radio stations spent the total of 50.871.003,00 denars. The highest costs were made by the radio station Fortuna (8.180.013,00 denars), and the lowest by Classic FM (455.542,00 denars).

Almost three quarters of the accrued expenses of this segment of the radio industry belong to only six radio stations (Fortuna, City radio, Vat, Buba Mara, Sport radio 90,3 FM and Sky radio). The other ten radio stations have the joint share of 26% in the accrued expenses.

Image 3.39 Share of the regional radio stations in the accrued expenses



Source: Broadcasting Council

Compared to the previous year, the accrued expenses of the regional radio stations have decreased by 12,41%. This is due to the decrease of the expenses of the nine radio stations (City radio, Buba Mara, Sport radio 90,3 FM, Sport radio Kanal 4, Rosa AB, Ravel, Folk radio, Arachina and Classic FM). The lowest growth rate in the accrued expenses can be seen with the radio Classic FM (decrease by 65,67%), Ravel (by 39,24%) and Folk radio (by 34,10%).

Seven radio stations have increased the expenses; the biggest increase belongs to Life FM (by 18,41%) and Zone M-1 (by 8,22%).

Image 3.40 Accrued expenses of the regional radio stations in 2008 and 2009

RA station	2008	2009
Fortuna	8,004,158.00	8,180,013.00
City	9,843,893.00	7,532,857.00
Vat	7,434,000.00	7,159,908.00
Buba Mara	7,588,087.00	6,580,350.00
90,3 FM	4,949,710.00	4,493,027.00
Sky	3,281,308.00	3,473,936.00
Sport radio Kanal 4	2,883,025.00	2,366,136.00
Rosa AB	2,754,207.00	2,315,082.00
Ravel	3,532,653.00	2,146,501.00
Life FM	1,171,937.00	1,387,651.00
Club FM	1,239,896.00	1,242,337.00
Zone M-1	1,030,096.00	1,114,732.00
Jazz FM	1,003,806.00	997,573.00
Folk	1,127,504.00	743,001.00
Arachina	907,275.00	682,357.00
Classic FM	1,326,973.00	455,542.00
<b>TOTAL</b>	<b>58,078,528.00</b>	<b>50,871,003.00</b>

Source: Broadcasting Council

If we compare the advancement of the income to the advancement of the expenses in the last two years, it can be seen that only two radio stations have increased both the income and the expenses (Club FM and Fortuna).

Image 3.41 Accrued expenses of the regional radio stations in 2008 and 2009

RA station	Growth rate of the income 09/08	Growth rate of the expenses 09/08
Fortuna	21.31 %	2.20 %
City	14.49 %	-23.48 %
Vat	8.82 %	-3.69 %
Buba Mara	-34.78 %	-13.28 %
90,3 FM	5.49 %	-9.23 %
Sky	-12.42 %	5.87 %
Sport radio Kanal 4	104.10 %	-17.93 %
Rosa AB	-10.44 %	-15.94 %
Ravel	-19.23 %	-39.24 %
Life FM	-44.71 %	18.41 %
Club FM	12.00 %	0.20 %
Zone M-1	-1.30 %	8.22 %
Jazz FM	-33.77 %	-0.62 %
Folk	-37.49 %	-34.10 %
Arachina	-20.47 %	-24.79 %
Classic FM	-64.48 %	-65.67 %
<b>TOTAL</b>	<b>-4.64 %</b>	<b>-12.41 %</b>

Source: Broadcasting Council

Compared to the previous year, the total number of seven radio stations reported lower income and lower expenses (Buba Mara, Rosa AB, Ravel, Jazz FM, Folk, Arachina and Classic FM).

Four entities reported increased income and decreased expenses (City radio, Vat, Sport radio 90,3 FM and Sport radio Kanal 4).

In 2009, the total number of three radio stations (Sky radio, Life FM and Zone M-1) earned less income, but have increased their expenses, compared to 2008.

In 2009, the regional radio stations spent the largest part of the funds on programme production.

The expenses for salaries and other compensations for the individuals that are directly involved in programme production have the biggest share (21,96%) in the accrued expenses. Only Classic FM and Zone M-1 did not spend any funds for this type of costs. Most funds, on these grounds, were spent by City radio (2.020.766,00 denars), Vat (1.874.989,00 denars), Sport radio 90,3 FM (1.597.752,00 denars) and Rosa AB (1.009.322,00 denars), which is 51% of the total income.

Only three radio stations reported expenses for salaries and other compensations for individuals that are not directly involved in programme production: radio Fortuna (1.516.674,00 denars), Buba Mara (1.453.142,00 denars) and Zone M-1 (364.408,00 denars).

Expenses for programme purchase were reported by radio Folk (33.780,00 denars), Club FM (163.847,00 denars) and City radio (458.707,00 denars).

Image 3.42 Structure of the expenses of the regional radio stations

<b>Structure of the expenses of the regional radio stations</b>	<b>2009</b>	<b>Share</b>
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 %
<b>Direct costs for programme production</b>	<b>34,852,228.00</b>	<b>60.01 %</b>
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 %
<b>Accrued working expenses</b>	<b>56,871,954.00</b>	<b>97.92 %</b>
Expenses from other activities	289,253.00	0.50 %
Extraordinary expenses	917,321.00	1.58 %
<b>Accrued working expenses</b>	<b>58,078,528.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The highest material expenses were made by the radio station Buba Mara (2.844.450,00 denars), and the highest intangible expenses were made by Fortuna radio (1.221.727,00 denars).

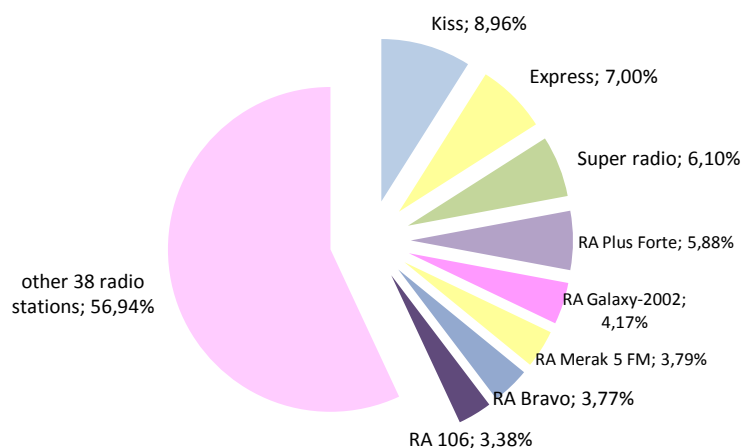
In the structure of the expenses, significant share belongs to the category "all other working expenses", which is due to the high amounts reported by radio Vat (2.019.806,00 denars) and Fortuna (1.928.916,00 denars).

### Accrued expenses of the local radio stations

In 2009, the accrued expenses of the 49 local radio stations were in the amount of 27.385.511,00 denars.

Almost a half of the accrued expenses of the local radio stations were made by only eight entities: Radio Kiss from Tetovo (2.454.136,00 denars), Express radio from Strumica (1.917.925,00 denars), Super radio from Ohrid (1.670.150,00 denars), Radio Plus Forte from Tetovo (1.609.745,00 denars), Radio Galaxy 2002 from Kavadarci (1.142.063,00 denars), Radio Merak 5 FM from Veles (1.038.135,00 denars), Radio Bravo from Kumanovo (1.033.250,00 denars) and Radio 106 from Bitola (926.749,00 denars).

Image 3.43 Share in the accrued expenses of the local radio stations



Source: Broadcasting Council

The expenses of the other 38 radio stations have the joint share of 56,94% in the accrued expenses of the local radio stations.

The share of the direct costs for programme production is 68,49% of the accrued expenses of the local radio stations.

The local radio stations spent the largest part of the funds on salaries and other compensations for individuals that are directly connected to programme production (37,13% of the accrued expenses). The highest amount of this type of expenses was

reported by the radio stations Express from Strumica (897.600,00 denars), Kiss from Tetovo (775.264,00 denars) and Plus forte from Tetovo (758.255,00 denars).

Image 3.44 Structure of the expenses of the local radio stations

<b>Structure of the expenses of the local radio stations</b>	<b>2009</b>	<b>Share</b>
Material costs	5,678,735.00	20.74 %
Expenses for programme purchase	168,945.00	0.62 %
Intangible expenses (services)	2,741,529.00	10.01 %
Salaries and other compensations for individuals directly connected to programme production	10,168,412.00	37.13 %
<b>Direct costs for programme production</b>	<b>18,757,621.00</b>	<b>68.49 %</b>
Salaries and other compensations for individuals that are not directly connected to programme production	1,464,654.00	5.35 %
Amortization of the equipment	1,494,162.00	5.46 %
Amortization of rights and licenses	249,043.00	0.91 %
Rents and other operating expenses	277,180.00	1.01 %
All other working expenses which are not included	3,938,386.00	14.38 %
<b>Accrued working expenses</b>	<b>26,181,046.00</b>	<b>95.60 %</b>
Expenses from other activities	1,112,209.00	4.06 %
Extraordinary expenses	92,256.00	0.34 %
<b>Accrued working expenses</b>	<b>27,385,511.00</b>	<b>100.00 %</b>

Source: Broadcasting Council

The share of the material costs is 20,74%, and the intangible expenses (services) have the share of 10,01% in the accrued expenses.

Expenses for programme purchase were reported by only two radio stations: Plus forte from Tetovo (102.520,00 denars) and Radio Hit from Strumica (66.115,00 denars).

Only ten radio stations reported expenses for salaries and compensations for individuals that are not directly connected to programme production: Super radio from Ohrid, Radio Galaxy 2002 from Kavadarci, Merak 5 FM from Veles, Radio Bravo from Kumanovo, MH radio from Ohrid, Radio Ternipe from Prilep, Radio Aleksandar Makedonski from Kichevo, Sky radio from Berovo, Radio La Coste from Vinica and radio Merlin from Debar.

Significant share in the accrued expenses of the local radio stations belongs to the expenses from the category "all other working expenses which are not included" (14,38%). The highest expenses from this category were reported by the radio stations Express radio from Strumica (536.190,00 denars), Super radio from Ohrid (580.211,00 denars), Radio Hit from Strumica (412.756,00 denars) and Radio Goldi from Veles (350.183,00 denars).



## Working result of the radio industry

In 2009, the radio industry, as a whole, has a negative financial result in the amount of 18.865.186,00 denars.

In the period of the last six year, the radio industry earned profit only during the last year and it was in the amount of 56.964.919,00 denars. The other five years, the radio industry worked with losses, which is due to the high losses of the Macedonian radio.

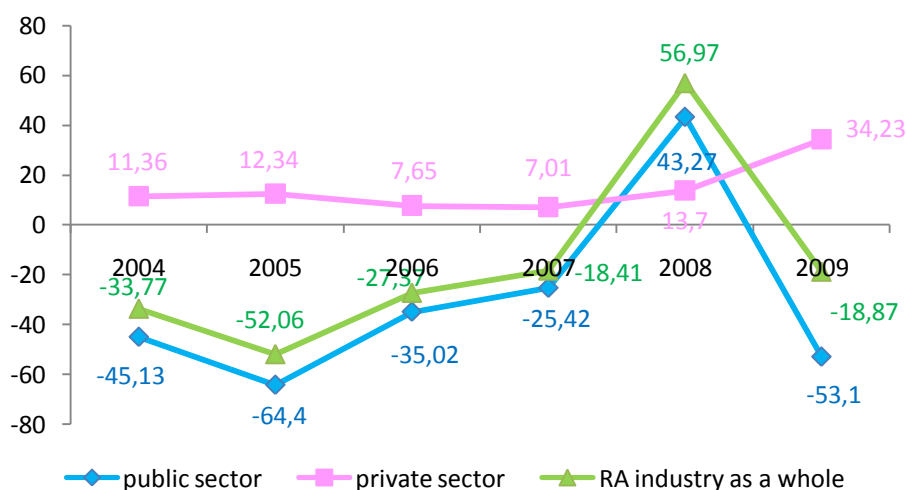
**Image 3.45 Achieved working result in the public and in the private sector (MKD)**

	2004	2005	2006	2007	2008	2009
Public sector	- 45.128.757,00	-64.397.441,00	-35.017.538,00	-25.416.057,00	43.266.970,00	-53.096.436,00
Private sector	11.361.868,00	12.344.982,00	7.649.820,00	7.013.643,00	13.697.949,00	34.231.250,00
Result	-33.766.889,00	-52.052.459,00	-27.367.718,00	-18.402.414,00	56.964.919,00	-18.865.186,00

Source: Broadcasting Council

The private sector continuous to have a positive financial result, but the profit earned during the last year is significantly higher compared to the previous years.

**Image 3.46 Achieved working result in the public and in the private sector (MKD)**



Source: Broadcasting Council

The Macedonian radio, with the exception of last year, when it earned profit in the amount of 43.266.970,00 denars, worked with losses during the other five years. Only in 2005, the losses were bigger compared to the last year and during the other three years the losses were smaller.

The most profitable segment of the radio industry was the three private radio stations on national level. The joint profit earned by these three entities is in the amount of 21.080.232,00 denars. The radio station Antenna 5 earned profit in the

amount of 10.209.641,00 denars (it is the best financial working result of the entities in the radio industry). The radio station Kanal 77 earned profit in the amount of 8.040.809,00 denars, and Metropolis in the amount of 2.829.782,00 denars.

**Image 3.47 Achieved working result on the radio market in 2009 (MKD)**

<b>Achieved result</b>	<b>2009</b>
Income from primary activity	272,090,459.00
Accrued working expenses	300,222,347.00
Profit (loss) from the primary activity	-28,131,888.00
Income from other activities	2,385,288.00
Expenses from other activities	2,747,396.00
Profit (loss) from other activities	-362,108.00
Extraordinary income	11,539,947.71
Extraordinary expenses	410,545.00
Profit (loss) prior to taxation	-17,364,593.29
Profit (loss) after taxation (net profit/loss)	-18,865,186.00

Source: Broadcasting Council

The sixteen radio stations that broadcast programme on regional level (the city of Skopje) earned profit in the amount of 9.361.003,00 denars. Out of those 16, twelve have a positive financial result and four radio stations worked with losses (Club FM, Ravel, City radio and Jazz FM). The best financial result belongs to the radio station Buba Mara, with profit in the amount of 2.914.817,00 denars, and the worst to City radio, with losses in the amount of 1.098.848,00 denars.

**Image 3.48 Achieved working result on the radio market in 2009 (MKD)**

	<b>Profit</b>	<b>Loss</b>
Macedonian radio		-53.096.436,00
Private RA on state level	21.080.232,00	
Regional RA	9.361.003,00	
Local RA	3.790.015,00	
<b>Total</b>	<b>34.231.250,00</b>	<b>-53.096.436,00</b>
<b>Result</b>		<b>-18.865.186,00</b>

Source: Broadcasting Council

During the analyzed year, the financial working result of the local radio stations was profit in the amount of 3.790.015,00 denars.

Out of the total number of 49 radio stations, only ten worked with losses: Radio Aleksandar Makedonski from Kichevo, Mix from Negotino, Rinia 200 from Prilep, Kiki

from Struga, Fama and Plus forte from Tetovo, Emi from Zhirovnica, Sky radio from Berovo, Zora from Delchevo and Sveti Nikole from Sveti Nikole.

The best financial result belongs to the radio station B-97 from Bitola, with profit in the amount of 667.111,00 denars, and the worst to the radio station Sveti Nikole from Sveti Nikole, with losses in the amount of 316.203,00 denars.

### Liabilities in the radio industry

In 2009, the total liabilities of all entities in the radio industry were in the amount of 666.073.496,00 denars.

Compared to the two previous years, the total liabilities in the radio industry have decreased: by 9,28%, compared to 2008, and by 5,22%, compared to 2007. This is due to the decrease of the total liabilities of the radio stations that broadcast programme on national level and the decrease of the total liabilities of the public sector.

Namely, in 2009, the amount of the total liabilities of the national radio stations is smaller by 12,73% i.e. 9,15%, compared to the two previous years, and the amount of the total liabilities of the public sector is smaller by 21,79% i.e. by 17,46%, compared to 2008 and 2007.

**Image 3.49 Total liabilities in the period from 2007 - 2009 (MKD)**

	2007	2008	2009
National	605.028.109,00	629.810.687,00	549.660.124,00
Regional	61.581.687,00	62.492.667,00	66.661.167,00
Local	36.147.482,00	41.908.564,00	49.752.205,00
Public sector (MTV)	459.686.818,00	485.175.696,00	379.448.140,00
Private sector	243.070.460,00	249.036.222,00	286.625.356,00
<b>TOTAL</b>	<b>702.757.278,00</b>	<b>734.211.918,00</b>	<b>666.073.496,00</b>

Source: Broadcasting Council

During the analyzed year, the regional and the local radio stations, as well as the private sector, as a whole, have increased their total liabilities.

In 2009, the total liabilities of the regional radio stations were higher by 6,67% than the previous year, and by 8,25% than in 2007.

The highest growth rate can be seen in the total liabilities of the local radio stations (18,72% compared to 2008 and 37,64% compared to 2007).

**Image 3.50 Liabilities and capital in 2009 (MKD)**

Type of liability	Total in the RA industry	MRA	Private sector
Liabilities towards suppliers	219,876,270.00	113,324,404.00	106,551,866.00
Liabilities for bills of exchange and checks	0.00	0.00	0.00
Other short-term liabilities	151,597,172.00	110,983,540.00	40,613,632.00
<b>Total short-term liabilities</b>	<b>371,473,442.00</b>	<b>224,307,944.00</b>	<b>147,165,498.00</b>
Long-term liabilities for credits	23,889,711.00	15,561,320.00	8,328,391.00
Long-term liabilities for bonds	0.00	0.00	0.00
Other liabilities	4,971,260.00	0.00	4,971,260.00
<b>Total liabilities</b>	<b>400,334,413.00</b>	<b>239,869,264.00</b>	<b>160,465,149.00</b>
Capital	155,242,710.00	105,310,545.00	49,932,165.00
Retained profit on 31.12	71,859,506.00	0.00	71,859,506.00
Total reserves on 31.12	38,636,867.00	34,268,331.00	4,368,536.00
<b>Total capital and reserves</b>	<b>265,739,083.00</b>	<b>139,578,876.00</b>	<b>126,160,207.00</b>
<b>Total liabilities</b>	<b>666,073,496.00</b>	<b>379,448,140.00</b>	<b>286,625,356.00</b>

Source: Broadcasting Council

In 2009, the shared liabilities of all radio stations were in the amount of 400.334.413,00 denars. Almost 93% of this amount were the short-term liabilities (371.473.442,00 denars).

The liabilities of the public sector – Macedonian radio were in the amount of 239.869.264,00 denars.

The highest liabilities of the commercial radio stations on national level were reported by the radio station Kanal 77 (65.256.691,00 denars).

Out of the sixteen regional radio stations, radio City has the highest amount of debts of 11.819.795,00 denars.

Local radio station with highest amount of liabilities was the radio station Radio Kiss, with debts of 9,929,524,00 denars.

### Employees in the radio industry

In 2009, all entities in the radio industry had the total of 526 employees, out of which 299 were in the public service (Macedonian radio) and 227 in the private sector.

445 individuals were full-time employees, and 81 worked as part-time employees.

In the structure of the employees, the most significant share belongs to the journalists, which is 32,51% of the total number of employees.

**Image 3.51 Number and structure of the employees in the radio industry**

Type of personnel	Number of employees 2009	Share
Journalists	171	32.51 %
Programme editors	40	7.60 %
Administrators/Executives	41	7.79 %
Tech personnel (engineers and technicians)	113	21.48 %
Control room personnel (directors, cameramen, editors etc.)	111	21.10 %
Other personnel	50	9.51 %
<b>TOTAL</b>	<b>526</b>	

Source: Broadcasting Council

The technical personnel (21,48%) and the control room personnel (21,10%) have almost equal share, as do the individuals engaged as programme editors (7,60%) and the individuals engaged as administrators i.e. executives (7,79%).

### Employees in the Macedonian radio

In 2009, the total number of employees in the Macedonian radio was 299.

**Image 3.52 Number and structure of the employees in the public sector**

Type of personnel	Number of employees 2009
Journalists	94
Programme editors	23
Administrators/Executives	1
Tech personnel (engineers and technicians)	67
Control room personnel (directors, cameramen, editors etc.)	75
Other personnel	39
<b>TOTAL</b>	<b>299</b>

Source: Broadcasting Council

The largest number of employees were part of the technical personnel (engineers and technicians), with a share of 35% of the total number of employees.

30% of the employees were journalists, and 23% were directors, cameramen, editors and other control room personnel.

During the analyzed year, there were four new employments in the Macedonian radio.

## Employees in the commercial radio stations on national level

In 2009, the three commercial radio stations that broadcast programme on national level, had the total of 29 employees, out of which 18 were full-time employees and 11 worked as part-time employees.

**Image 3.53 Number and structure of the employees in the commercial radio stations on national level**

Type of personnel	Number	Education			Status	
		UNI	HS	Other	Full-time	Part-time
Journalists	10	4	6	0	4	6
Programme editors	1	0	1	0	1	0
Administrators/Executives	2	1	1	0	2	0
Tech personnel (engineers and technicians)	7	1	6	0	6	1
Control room personnel (directors, cameramen, editors etc.)	7	1	6	0	3	4
Other personnel	2	1	1	0	2	0
<b>TOTAL</b>	<b>29</b>	<b>8</b>	<b>21</b>	<b>0</b>	<b>18</b>	<b>11</b>

Source: Broadcasting Council

Almost 35% of the employees were journalists, and more than a half of the journalists were with high-school education.

Seven individuals worked as technical personnel (engineers and technicians) and seven worked as control room personnel (directors, cameramen, editors etc.).

**Image 3.54 Average number of full-time employees**

	2004	2005	2006	2007	2008	2009
Antenna 5	11	12	12	11	13	13
Metropolis	5	4	2	2	1	0
Kanal 77	18	20	20	19	5	4
	<b>34</b>	<b>36</b>	<b>34</b>	<b>32</b>	<b>19</b>	<b>17</b>

Source: Central Registry of RM/Broadcasting Council

Compared to the previous year, the total number of employees was decreased by two employees, which is due to the decrease of the number of employees in Metropolis and in Kanal 77 (by one employee, respectively).

The data that the radio station Metropolis worked the entire year without a single full-time employee is quite astounding.

## Employees in the regional radio stations

In 2009, the regional radio stations had the total number of 69 employees. Only seven were part-time employees, and the other 62 were full-time employees.

One third of the employees were journalists, and out of those 50% were with university degree and 50% were with high-school education. The same number of individuals were engaged as technical and control room personnel.

**Image 3.55 Number and structure of the employees in the regional radio stations**

Type of personnel	Number	Education			Status	
		UNI	HS	Other	Full-time	Part-time
Journalists	23	12	11	0	19	4
Programme editors	6	5	1	0	6	0
Administrators/Executives	14	4	10	0	14	0
Tech personnel (engineers and technicians)	13	0	13	0	12	1
Control room personnel (directors, cameramen, editors etc.)	13	5	8	0	11	2
Other personnel	0	0	0	0	0	0
<b>TOTAL</b>	<b>69</b>	<b>26</b>	<b>43</b>	<b>0</b>	<b>62</b>	<b>7</b>

Source: Central Registry of RM/Broadcasting Council

In 2009, the regional radio stations had the lowest number of full-time employees in the last four years. During the last year, the total number of employees was decreased by seven individuals, compared to the previous year, by ten – compared to 2007 and by one individual – compared to 2006.

**Image 3.56 Number of employees in the radio stations on regional level (Skopje)**

Radio station	2006	2007	2008	2009
RA Vat	6	9	11	10
RA City	13	9	6	8
RA Fortuna	7	7	7	7
RA FM 90,3	7	8	6	6
RA Sky	1	3	4	5
RA Ravel	9	9	9	4
RA Sport radio Kanal 4	1	6	5	4
RA Buba Mara	4	4	4	4
RA Rosa AB	2	4	4	4
RA Club FM	5	3	3	2
RA Jazz FM	2	2	2	2
RA Life	2	2	2	2
RA Folk	1	1	1	2
RA Zone M1	0	2	3	1
RA Arachina	1	1	1	1
RA Classic FM	2	2	1	0
<b>TOTAL</b>	<b>63</b>	<b>72</b>	<b>69</b>	<b>62</b>

Source: Central Registry of RM/Broadcasting Council

Only three radio stations had new employments: Radio City (two), Radio Sky and Folk radio (one new employee, respectively).

The total of six radio stations has decreased their number of employees: Vat, Sport radio Kanal 4, Club FM and Classic FM (by one employee), Zone M-1 (two) and Ravel (five employees).

### Employees in the local radio stations

The total number of engaged individuals in the local radio stations was 129 employees; almost equal number were full-time employees and part-time employees.

The largest part of the employees (34%), were journalists. Only 32% of these individuals were with university degree.

20% of the employees were technical personnel, and 12% were control room personnel (directors, cameramen, editors etc.).

**Image 3.57 Number and structure of the employees in the local radio stations**

Type of personnel	Number	Education			Status	
		UNI	HS	Other	Full-time	Part-time
Journalists	44	14	29	1	18	26
Programme editors	10	3	7	0	7	3
Administrators/Executives	24	15	9	0	8	16
Tech personnel (engineers and technicians)	26	16	3	7	16	10
Control room personnel (directors, cameramen, editors etc.)	16	5	5	6	14	2
Other personnel	9	2	7	0	3	6
<b>TOTAL</b>	<b>129</b>	<b>55</b>	<b>60</b>	<b>14</b>	<b>66</b>	<b>63</b>

Source: Central Registry of RM/Broadcasting Council

In 2009, the total of ten local radio stations have increased the number of employees, all of them have one new employee: CD radio from Veles, Radio Fama from Kumanovo, Radio B-97 from Bitola, Sky radio from Berovo, Radio Sveti Nikole from Sveti Nikole, Radio Zora from Delchevo, Radio Makedonska Kamenica from Makedonska Kamenica, Radio Mix from Negotino, Radio Kometa 2000 from Gostivar and Radio Aktuel from Bitola.

The number of employees was decreased by four radio stations, by one employee: Radio Holiday from Prilep, Plus Forte from Tetovo, Super radio from Ohrid and Radio Merak 5 FM from Prilep.



**Image 3.58 Number of the employees in the private radio stations on local level**

<b>Radio station</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
RA Kiss, Tetovo	5	5	5	5
RA Express, Strumica	4	4	4	4
RA Holiday, Prilep	1	3	4	3
RA Plus Forte, Tetovo	0	3	4	3
RA 106, Bitola	3	3	3	3
RA Time, Gevgelija	0	3	3	3
RA CD, Veles	1	1	2	3
RA Super, Ohrid	3	2	3	2
RA 5 Choki, Prilep	6	1	2	2
RA MH, Ohrid	2	2	2	2
RA Rapi, v. Veleshta	1	2	2	2
RA Galaxy 2000, Kavadarci	1	1	2	2
RA Fama, Kumanovo	1	0	1	2
RA B-97, Bitola	1	1	1	2
RA Sky, Berovo	-	-	1	2
RA Sveti Nikole, Sv.Nikole	-	-	1	2
RA Merak 5 FM, Prilep	2	2	2	1
RA Pehchevo, Pehchevo	2	1	1	1
RA Kiki, Struga	2	2	1	1
RA Bravo, Kumanovo	2	1	1	1
RA Cherenja, Shtip	2	1	1	1
RA Ternipe, Prilep	1	1	1	1
RA Rinia 2000, Dolneni	1	0	1	1
RA Meff, Prilep	1	1	1	1
RA La Coste, Vinica	1	1	1	1
RA KMR, Veles	1	1	1	1
RA Modea, Sveti Nikole	nr	nr	1	1
RA Jehona, Lipkovo	1	0	1	1
RA Production LGN, Negotino	-	-	1	1
RA Lav, Ohrid	0	0	1	1
RA Hit, Strumica	0	0	1	1
RA DJ, Struga	0	0	1	1
RA Bleto, Tetovo	1	1	1	1
RA Aleksandar Makedonski, Kichevo	1	1	1	1
RA AB, Kochani	0	0	1	1
RA Zora, Delchevo	-	-	0	1
RA Makedonska Kamenica, M. Kamenica	-	-	0	1
RA Mix, Negotino	0	2	0	1
RA Kometa 2000, Gostivar	0	0	0	1
RA Aktuel, Bitola	0	0	0	1
RA Goldi, Veles	1	0	0	0

RA Merlin, Debar	0	0	0	0
RA Emi, Rostushe	0	0	0	0
RA Mis 2008, Plasnica	-	-	0	0
RA Moris plus, M.Brod	-	-	0	0
RA Semi, Centar Zhupa	1	1	1	nr
RA Delfin, Bitola	1	1	0	nr
RA Alfa, Radovish	0	0	0	nr
RA Besa, Dolneni	1	0	0	nr
<b>TOTAL</b>	<b>51</b>	<b>48</b>	<b>61</b>	<b>66</b>

Source: Central Registry of RM / Broadcasting Council

## Chapter 4

# Advertising market

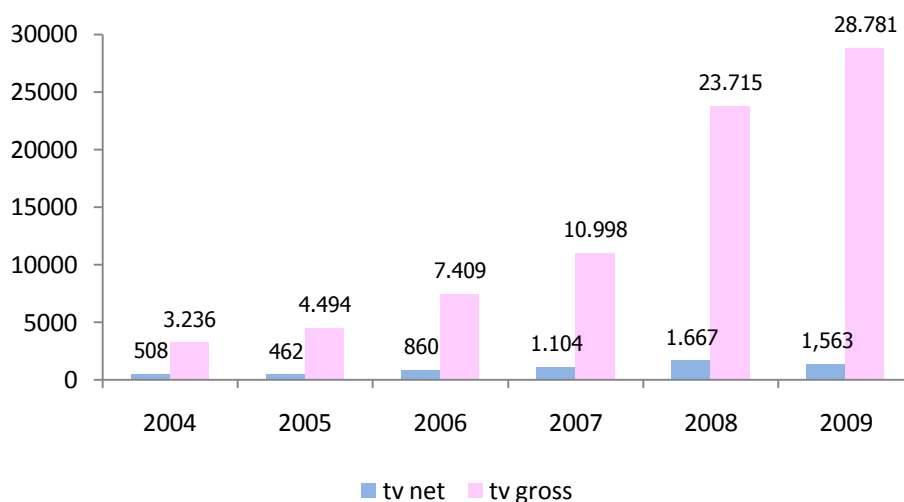
### 4.1. Advertising market in the television industry

#### 4.1.1. Gross and net income from advertising

In 2009, the gross income from advertising in the television industry was in the amount of 28.781.263.358,00 denars (472 million Euros). The data was obtained from the research agency AGB Nielsen Media Research Macedonia, which calculates it as a product of all broadcasted advertising spots and the prices per second of advertising time from the official pricelists of the television stations.

During the analyzed year, the net income from advertising (the amount that the television stations reported as income from selling the advertising time) is 1.562.890.819,00 denars (25,6 million Euros). The data is calculated on the basis of the data for the economic results that the broadcasters themselves have submitted to the Broadcasting Council and their validity was checked with the income data from the annual financial statements.

**Image 4.1 Gross and net income from advertising in the TV sector in the period from 2004 until 2009 (millions of MKD)**



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

The reason there are two categories (gross and net) of income from advertising are the deductions that the television stations give to the advertisers, directly or through the advertising agencies. Therefore, the discrepancy is expected and usual. However,

the amount of this discrepancy, in 2009 the gross income reaches a value of almost 18,4 times higher than net income, represents a problem.

As a comparison, in 2008, when this discrepancy in Macedonia was 14 times, and in the countries for which data was obtained, higher amount could only be seen in Romania (the gross income was 20 times higher than the net income). In Latvia, the gross income was almost 10 times higher and almost 5 times higher in Belarus.

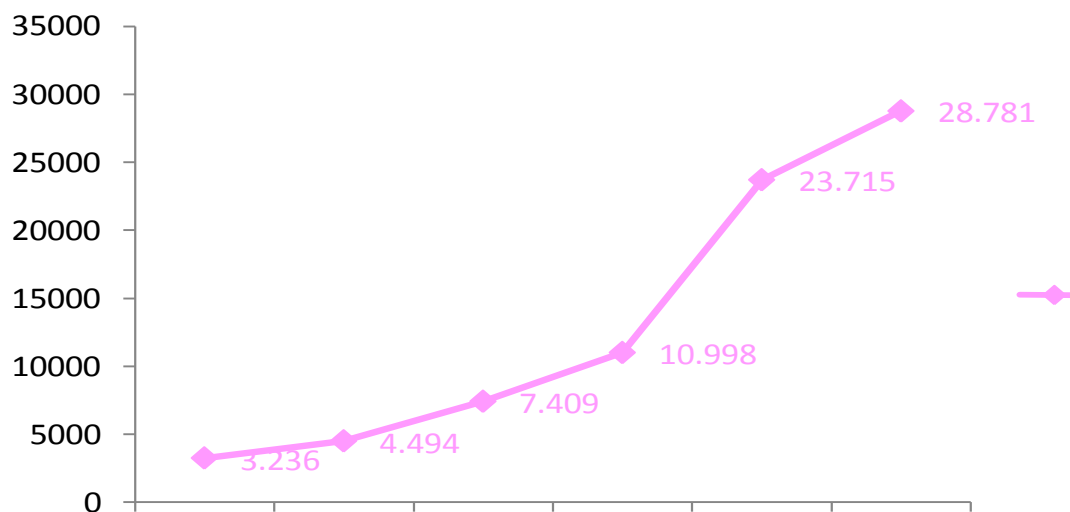
On the other hand, it can be noticed that in Macedonia, year by year, this discrepancy is increasing. In 2004, the gross income was 6,37 times higher than the net amount, in 2005 by 9,73 times, in 2006 there was a small decrease and it was 8,62 times, in 2007 it was 9,96, in 2008 it was 14,23 times, and in 2009 the value of the gross income is 18,4 times higher than the net income in the television advertising.

It is obvious that the discounts cannot be the only, or the most significant reason for this discrepancy. When analyzing the data, as well as during the conversations with the advertisers, the advertising agencies and the broadcasters, it was concluded that there were numerous reasons:

- the prices in the official pricelists (which are basis for calculation of the gross income) are unrealistically increased, and even with the approved deduction that is between 30% and 60%, you get the realistic price per second of advertising time;
- often, the television stations give up to 90% deduction from the official price to certain advertisers; practice on the market for years;
- 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 or it is an insignificant amount. During the analyzed year, some of them were among the 50 main advertisers. The daily newspaper "Vreme", for which the Council, together with the Commission for Protection of Competition, initiated proceedings on the grounds of possible ownership connection with Television A1, is the third advertiser with measured total amount of 929.439.353,00 denars gross advertising investment. The publisher of the daily newspapers "Vreme" and "Shpic", Plus Production, is on the 19<sup>th</sup> place, with a gross investment of 387.192.315,00 denars. The trade company "Hedi's" is on the fourth place, and its owner, according to the data from the Central Registry of RM, is Velija Ramkovski, the owner of Television A1, with a gross investment in the amount of 895.342.523,00 denars. Makpetrol, the founder of Television Telma, is on the 11<sup>th</sup> place, with a gross amount of 508.424.190,00 denars. The company Magroni is on the 14<sup>th</sup> place, according to the amount of the gross investment (417.431.865,00 denars), and its owner is the owner and administrator of Television Sitel;
- One part, and often the entire sum, of the charged funds for the broadcasted advertisements in the programme content that is produced by independent

producers, according to the contract with the broadcaster, is charged on the account of the independent producer.

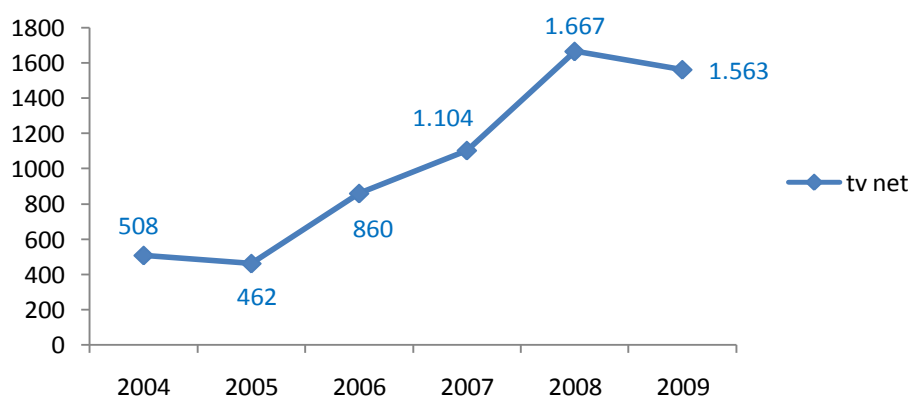
**Image 4.2 Advancement of the gross income from advertising in the TV sector (millions-denars)**



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

In the period from 2004 until 2009, the amount of the gross income continuously increases. In 2005, the gross income has increased by 38,88%, in 2006 by 64,86%, and in 2007 by 48,44%. The highest growth rate of 115,63% was seen in 2008. In 2009, the gross income was by 21,36% higher compared to the previous year.

**Image 4.3 Advancement of the net income from advertising in the TV sector (millions-denars)**



Data: Broadcasting Council

During the last six years, unlike the gross income, the net income has a variable growth rate. In 2005 and in 2009 there is a decrease, i.e. in 2005 it is by 9,06% lower than in 2004, and in the last year, the net income is by 6,24% lower than in 2008. In 2006 there was a positive growth rate, when the net income was by 86,15% higher than in 2005, in 2007 it was increased by 28,37%, and in 2008 by 51%.

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

In order to get a realistic image on the advertising industry in Macedonia, it is necessary to compare the data on gross and net advertising expenses to the data on the advertising industries in other countries.

**Image 4.4 Advertising expenses in 2008 (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 advertising ( % from GDP)	Expenses for TV advertising –on the basis of gross expenses (per capita EUR)
Macedonia	–*	388,77	27,33	5,95	189,79
Bulgaria	526,91	404,18	nr	1,18	52,9
Serbia	1.052,19	812,55	nr	4,15	106,91
Croatia	727,07	469,17	nr	1,01	105,79
Romania	6.931,14	6.536,43	324,70	5,22	302,83
Slovenia	522,46	285,16	nr	0,77	139,83
Greece	2.668,87	862,04	nr	0,35	78,62
Hungary	2.237,18	1.376,56	nr	1,39	137,23
Czech Republic	2.201,12	993,00	nr	0,72	94,86
Slovakia	1.687,58	1,346.00	nr	2,00	249,21
Latvia	575,84	467,15	48,96	2,04	205,71
Italy	nr	nr	4.596,02	nr	nr
France	25.341,94	7.271,83	nr	0,37	113,09
Belarus	nr	261,89	57,45	0,64	27,08

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

For the data to be comparable, the values of the percentage share of the gross expenses for television advertising in the GDP (gross domestic product), as well as the values of the gross expenses for television advertising per capita in every country, were calculated.

It can be seen that the share of the gross expenses for television advertising in the GDP is the highest in Macedonia (5,95% of the GDP). This indicator has higher values in Romania (5,22%) and in Serbia (4,15%). In Slovakia and Latvia the values are around 2%, in Bulgaria, Croatia and Hungary are slightly bigger than 1%, and in the other countries the values are below 1%.

If we compare the values of the gross expenses for television advertising per capita, it can be seen that Macedonia is on the fourth place, behind Romania, Slovakia and Latvia.

#### 4.1.3. Main advertising industries and companies in the TV sector

In 2009, the biggest part of the funds for television advertising was spent on advertising the industries for food products and soft drinks (22,65%). The funds for advertising the products and services of the transport industry were 10,40% of the total amount, and telecommunication services were 9,21%.

**Image 4.5 Advertising industries in the TV sector in 2009**

Advertising industry	gross amount
Food products and soft drinks	6,517,813,539.00
Transport	2,993,615,525.00
Telecommunication	2,649,847,460.00
Political advertising and humanitarian actions	2,130,872,851.00
Hobbies and free time	1,969,851,338.00
Services	1,768,326,151.00
Media	1,664,557,776.00
Cosmetics	1,442,899,767.00
Domestic chemistry and domestic needs	1,397,958,714.00
Tea, coffee, cigarettes and alcoholic beverages	1,333,498,919.00
Trade	1,041,427,256.00
Banks, Insurance companies, exchange offices	910,341,257.00
Industry, agriculture, energetic	659,311,040.00
Equipment for apartments and office space	493,122,191.00
Medical and sanitary products	438,599,903.00
Electrical devices for the households	367,470,087.00
Clothes, shoes and accessories	298,627,088.00
Education	262,485,108.00
Children's equipment and foods	211,333,557.00
Computers	160,553,192.00
Office material	33,042,659.00
Audio and video equipment	7,990,941.00
Other and unknown	27,717,044.00
<b>Total</b>	<b>28,781,263,363.00</b>

Data: SMMRI from Skopje/AGB Nielsen Media Research Macedonia

The joint share of the advertisements of the political parties (local and presidential elections were held in March 2009), the advertising of the Government of RM and the humanitarian actions was 7,40%. Slightly smaller is the share of the funds spent by the advertisers for products and services connected to hobbies and free time (6,84%).

**Image 4.6 Main five advertising industries in the TV sector (2006-2009)**

	2006		2007		2008		2009	
1	Food and soft drinks	26 %	Food and soft drinks	25 %	Food and soft drinks	21 %	Food and soft drinks	23 %
2	Political advertising	7 %	Transport	11 %	Telecommunications	12 %	Transport	11 %
3	Coffee	6 %	Telecommunications	9 %	Transport	12 %	Telecommunications	9 %
4	Transport	6 %	Coffee	4 %	Political advertising	9 %	Political advertising	7 %
5	Telecommunications	5 %	Banks	3 %	Detergents	5 %	Hobbies and free time	7 %
6	Other	50 %	Other	48 %	Other	41 %	Other	43 %
	Total	100	Total	100	Total	100	Total	100

Data: SMMRI from Skopje/AGB Nielsen Media Research Macedonia

The most significant advertising industries, in the last four years, were the food industry and the soft drinks industry. During all four years, the transport and telecommunication industry are among the 5 main advertising industries.

Only in 2007, the political advertising is not part of the 5 main advertisers.

The Banks appear only in 2007, chemical industry products (detergents) appear only in 2008, and in 2009, for the first time, the advertising of products and services connected to hobbies and free time appear among the 5 main advertising industries.

Image number 4.7 shows the data on the ten main advertisers in the last four years, according to the funds they spent on television advertising, calculated in the gross amount (the duration of the advertising spots multiplied by the price per second of advertising time from the official pricelists of the television stations).

During the analyzed year, in gross amount, the highest value was measured for the broadcasted advertising spots of the Coca-Cola company (1.298.031.485,00 denars), followed by T-Mobile (945.187.079,00 denars), the daily newspaper "Vreme" (929.439.353,00 denars) and "Hedi's" stores (895.342.523,00 denars). The Government of RM is on the fifth place with a gross amount of 738.594.954,00 denars.

During the last four years, the Coca-Cola company, T-Mobile and Procter&Gamble continue to appear among the main ten advertising industries.

**Image 4.7 Main ten advertising companies in the TV sector (2006 – 2009)**

2006		2007		2008		2009	
Company	%	Company	%	Company	%	Company	%
Unilever	4.26	Coca-Cola	4.60	T-Mobile	4.46	Coca-Cola	4.51
Nektar	3.69	Procter & Gamble	4.40	Government of RM	4.45	T-Mobile	3.28
Coca-Cola	3.34	T-Mobile	4.20	Coca-Cola	3.85	Vreme	3.23
Danone	3.00	Unilever	3.90	Procter & Gamble	3.28	Hedi's	3.11
T-Mobile	2.72	Hedi's market	3.32	Cosmofon	2.77	Government of RM	2.57
Prilep Brewery	2.68	Nektar	2.94	VIP	2.61	VIP	2.50
Wrigley's	2.24	KIA motors	2.21	Makpetrol	2.00	Procter & Gamble	2.47
Cosmofon	2.23	Automobile SK	2.13	Wrigley's	1.85	Automotive group	1.94
Procter & Gamble	2.20	M&A beverages	2.16	Avtonova	1.84	Rio Skopje	1.77
Rio DOOEL	2.02	Cosmofon	2.03	Automotive group	1.71	Makpetrol	1.77
Others	71.62	Others	68.12	Others	71.17	Others	72,86
Total	100.00	Total	100.00	Total	100.00	Total	100.00

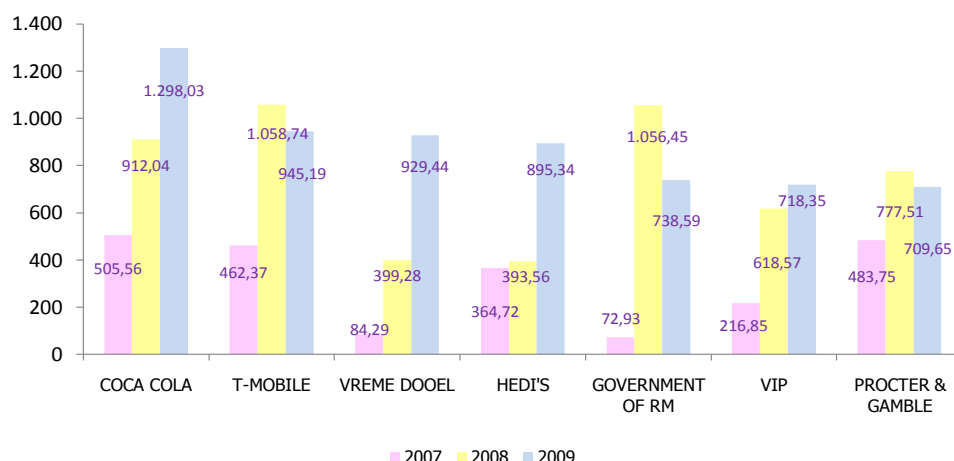
Source: SMMRI from Skopje /AGB Nielsen Media Research Macedonia

For the first time in 2009, according to the gross value of the broadcasted advertisements, the daily newspaper "Vreme" appears in the category of most significant advertising companies, on the third place, and the fourth advertiser – "Hedi's" stores appeared back in 2007.



During the last two years, the Government of RM, Automotive Group and Makpetrol are among the 10 main advertising companies.

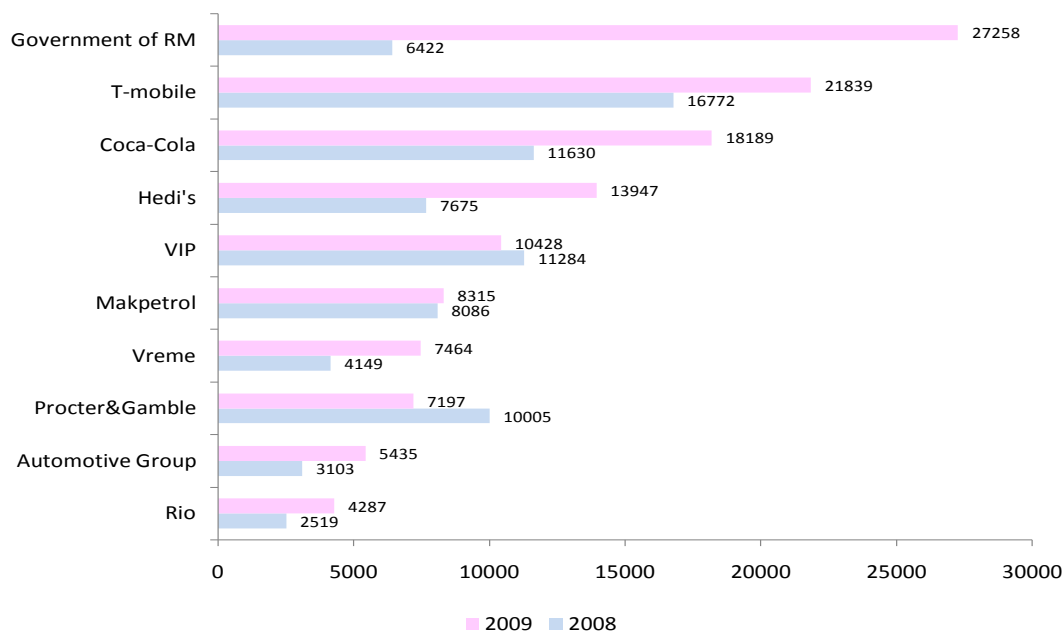
**Image 4.8 Advancement of the gross amount of broadcasted advertising spots of the seven main advertising companies in the TV sector in 2009 in the last three years**



Source: SMMRI from Skopje /AGB Nielsen Media Research Macedonia

According to the data on the number of broadcasted spots and their total duration, the first place belongs to the Government of RM with a total of 27.258 broadcasted spots with duration of 657 hours, 59 minutes and 11 seconds.

**Image 4.9 Number of broadcasted advertising spots of the ten main advertising industries in 2008 and 2009**



Source: AGB Nielsen Media Research Macedonia

T-Mobile holds the second place, with a total number of 21.839 spots with duration of 153 hours, 37 minutes and 15 seconds. The Coca-Cola company is on the third place, and "Hedi's" stores, according to this criterion, are on the 4<sup>th</sup> place.

Compared to the previous year, it can be seen that the Coca-Cola company, the daily newspaper "Vreme", "Hedi's" stores, Automotive group, Rio and Makpetrol advertised with more spots with longer duration.

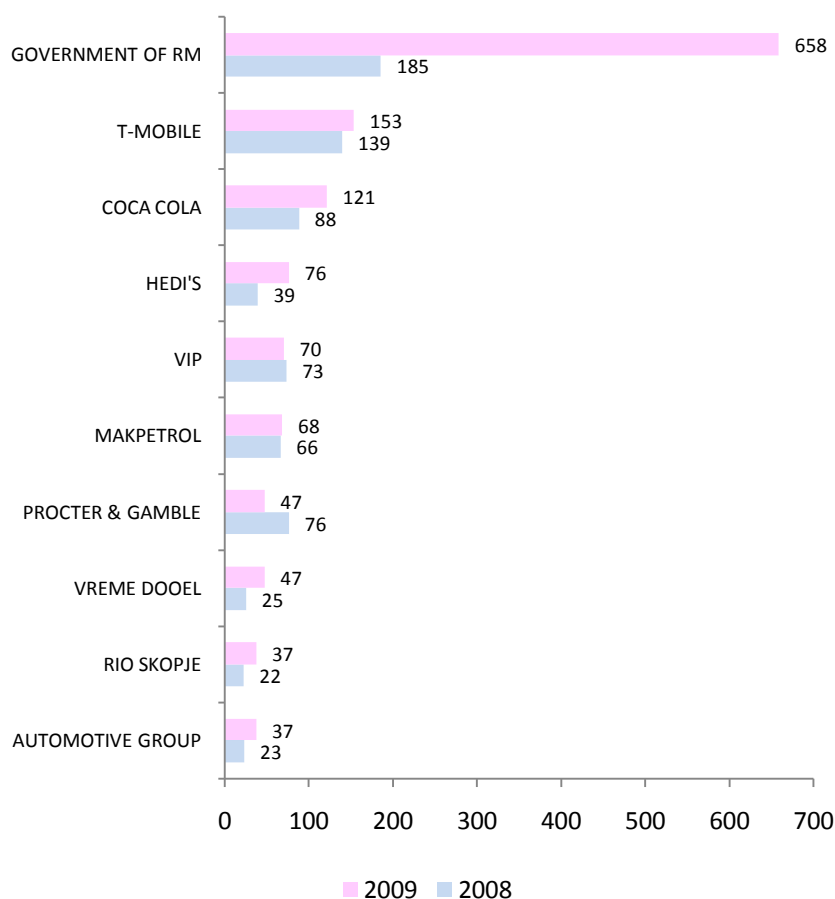
**Image 4.10 Ten main advertising companies in the TV sector (2006 – 2009)**

Advertiser	2009			2008		
	Gross amount	spots	duration	Gross amount	spots	duration
1 Coca Cola	1,298,031,485	18,189	121:21:47	912,039,210	11,630	88:08:51
2 T-MOBILE	945,187,076	21,839	153:37:15	1,058,737,347	16,772	139:19:24
3 Vreme	929,439,353	7,464	47:12:23	399,280,571	4,149	24:54:18
4 Hedi's	895,342,523	13,947	76:14:38	393,554,675	7,675	39:41:02
5 Government of RM	738,594,954	27,258	657:59:11	1,056,453,899	6,422	185:25:16
6 VIP	718,346,634	10,428	69:59:34	618,574,959	11,284	73:18:06
7 PROCTER & GAMBLE	709,651,883	7,197	47:07:07	777,506,186	10,005	76:18:20
8 Automotive group	558,837,585	5,435	37:46:56	405,082,707	3,103	23:08:07
9 Rio Skopje	510,416,175	4,287	37:18:06	285,902,738	2,519	22:01:33
10 Makpetrol	508,424,190	8,315	68:16:45	473,828,145	8,086	66:27:50

Source: AGB Nielsen Media Research Macedonia

T-Mobile and the Government of RM have increased the number of advertising spots and their duration, but they were broadcasted in time slots with lower price per second of advertising. On the other hand, VIP advertised with fewer advertising spots than the previous year, but the gross amount in denars was higher than the previous year due to the more attractive broadcasting time slots.

**Image 4.11 Duration of the broadcasted advertising spots of the ten main advertising industries in 2008 and 2009 (in hours)**



Source: AGB Nielsen Media Research Macedonia

Only Procter&Gamble has decreased the number and the duration of the spots, and spent fewer funds, compared to the previous year.

The Coca-Cola company spent the biggest part of the television advertising budget for advertising on Television A1 (49,69 %), on Telma (26,82%) and on A2 (20,75%), the rest of 2,74% was spent for advertising on Alsat-M.

Almost 30% of the funds for television advertising, T-Mobile spent on advertising on television Sitel, 23,71% for advertising on Telma, 17,57% for advertising on A1, 14,15% on Kanal 5, 6% on Alsat-M, and only 0,53% on the Macedonian television.

The advertising spots of the daily newspaper "Vreme" and the "Hedi's" stores were broadcasted only on Television A1 and on A2. Some advertisers decided to spend the largest part of the advertising budgets to advertise on these two television stations: Coca-Cola (70,44%), Automotive group (99,42%), Rio (98,10%), M&A Beverage

(98,78%), Plus Production, Schwarzkopf, Kia motors, Podravka, Delice, KA-DIS, Sport-M and Fonko.

Image 4.12 shows the 50 main advertisers in the television industry, according to the funds they spent on television advertising, calculated in gross amount (the duration of the advertising spots multiplied by the price per second of advertising time from the official pricelists of the television stations).

**Image 4.12 Fifty main advertisers in the TV sector in 2009**

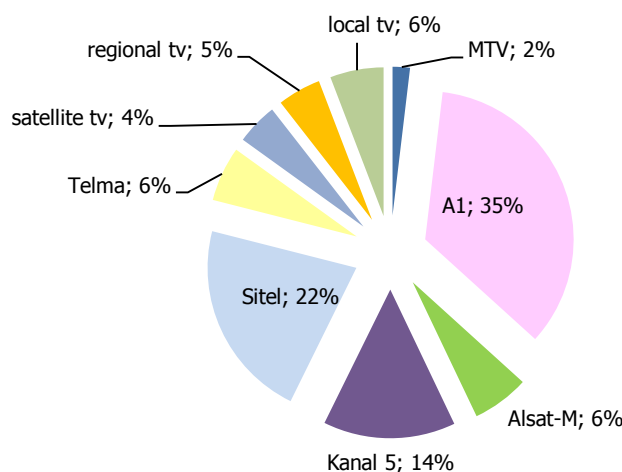
No.	Advertiser	Gross amount	No.	Advertiser	Gross amount
1	COCA COLA	1,298,031,485	26	VIVAX	267,416,576
2	T-MOBILE	945,187,076	27	BRILLIANT	250,024,314
3	VREME DOOEL	929,439,353	28	KOMERCIJALNA BANKA	240,776,009
4	HEDI'S	895,342,523	29	COSMOFON	235,669,599
5	GOVERNMENT OF RM	738,594,954	30	SCHWARZKOPF	233,608,673
6	VIP	718,346,634	31	FIKOSOTA	230,450,648
7	PROCTER & GAMBLE	709,651,883	32	KIA MOTORS	217,537,448
8	AUTOMOTIVE GROUP	558,837,585	33	MACEDONIAN TELECOM AD	209,362,667
9	RIO SKOPJE	510,416,175	34	DROGA KOLINSKA	197,671,148
10	MAKPETROL	508,424,190	35	AWT INTERNATIONAL	194,030,471
11	M&A BEVERAGE	488,777,831	36	STOPANSKA BANKA	184,845,960
12	EUROIMPEKS	474,684,429	37	NEPTUN SHOP (EURO MEDIA)	181,112,949
13	VMRO DPMNE	433,985,759	38	PROMES	168,925,888
14	MAGRONI	417,431,865	39	PODRAVKA DD	166,962,968
15	IMB	396,666,909	40	DELICE	161,492,850
16	S.C. JOHNOSON & WAX	396,381,891	41	BEIERSDORF	160,896,450
17	BREWERY SKOPJE	388,861,079	42	PRILEP BREWERY	151,040,556
18	PLUS PRODUCTION	387,192,315	43	AVALON	144,284,864
19	AVTONOVA	384,484,716	44	AFRODITA - S	140,430,453
20	AUTOMOBILE SK	379,169,025	45	CA-DIS	139,990,913
21	STUDIO MODERNA	365,496,038	46	SPORT M	137,929,740
22	EVN	359,239,346	47	FONKO	133,505,492
23	HANKEL	358,655,700	48	TELEKABEL	132,584,037
24	SKOPJE FAIR ERA	279,979,857	49	MOB	132,067,280
25	KOZHUVCHANKA	271,341,506	50	ON NET	129,375,362

Source: AGB Nielsen Media Research Macedonia

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

In 2009, the total amount of the net income from advertising in the television sector was 1.562.890.819,00 denars (25,6 million Euros).

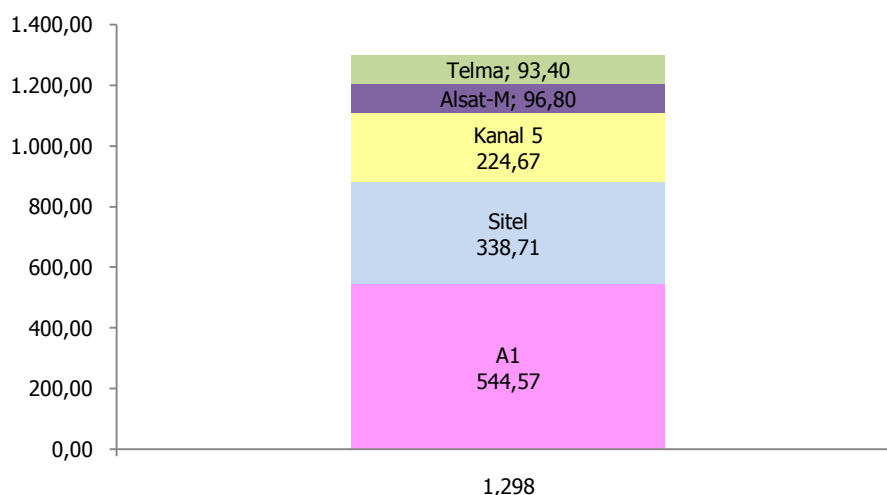
**Image 4.13 Income earned from advertising in 2009**



Source: Broadcasting Council

The biggest part of this income (83%) was earned by the commercial television stations that broadcast programme on the territory of the entire country. These five televisions, from the selling of the advertising time, earned the total amount of 1.298.143.877,00 denars. Out of those, the highest income from selling the advertising time was earned by Television A1 (41,95%), followed by Sitel (26,09%), Kanal 5 (17,31%), Alsat-M (7,46%) and Telma (7,19%).

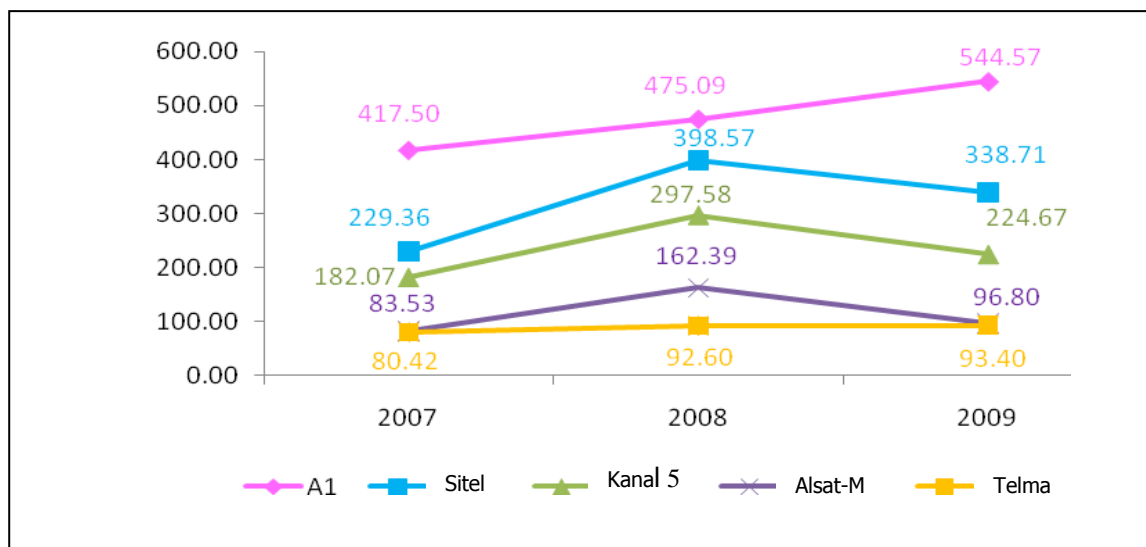
**Image 4.14 Income from advertising of the five commercial terrestrial television stations on state level in 2009 (in millions-denars)**



Source: Broadcasting Council

Compared to the previous year, the income from advertising earned by television A1 is higher by 14,62%. Higher income was earned by Telma, but with lower growth rate (0,86%). During the analyzed year, the other three television stations earned lower income from advertising, compared to the previous year. The biggest decrease of the income can be seen with Alsat-M (by 40,39%), followed by Kanal 5 by 24,50% and Sitel (by 15,02%).

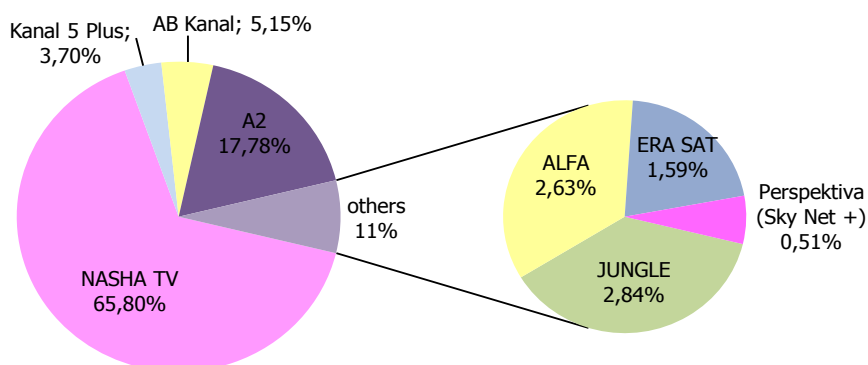
**Image 4.15 Income from advertising of the five commercial terrestrial television stations on state level in 2009 (in millions-denars)**



Source: Broadcasting Council

The joint share of the satellite televisions is 4% of the total income from advertising in the television industry. Only 8 entities reported income from advertisements, in the total amount of 70.649.711,00 denars. Almost 66% of this amount is the income from selling the advertising time earned by television Nasha TV (46.490.939,00 denars), and higher income was reported by television A2 (12.561.212,00 denars).

**Image 4.16 Income from advertising of the satellite televisions in 2009**



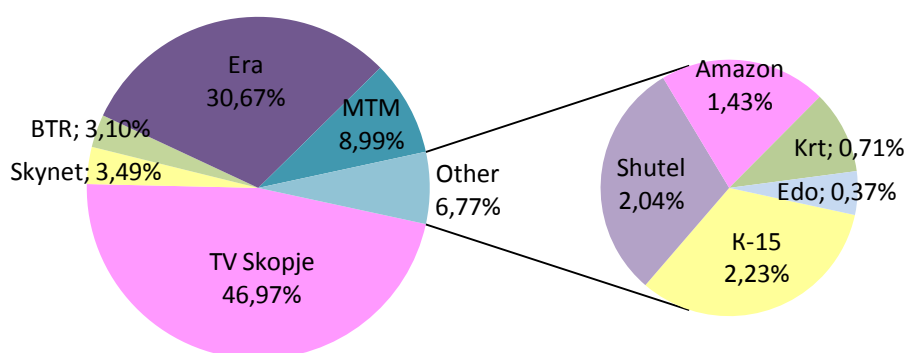
Source: Broadcasting Council

The income from advertising earned by the other satellite televisions is significantly lower: AB Kanal (3.640.284,00 denars), Kanal 5 Plus (2.611.777,00 denars), Jungle TV (2.004.106,00 denars), Alfa (1.860.293,00 denars), ERA SAT (1.123.934,00 denars) and Perspektiva (Sky Net+) – 356.976,00 denars.

It can be seen that Sitel 3 and K-15 Minus did not report any income from advertising.

During the analyzed year, the ten regional televisions earned the total of 73.715.098,00 denars, from selling the advertising time. The income earned by TV Skopje (34.627.408,00 denars) and TV Era (22.606.690,00 denars) represents 77% of the total income from advertising of this segment of the television market. Television MTM earned total of 6.627.214,00 denars, TV Sky Net (2.576.136,00 denars), and BTR 2.285.983,00 denars.

**Image 4.17 Income from advertising of the regional televisions in 2009**



Source: Broadcasting Council

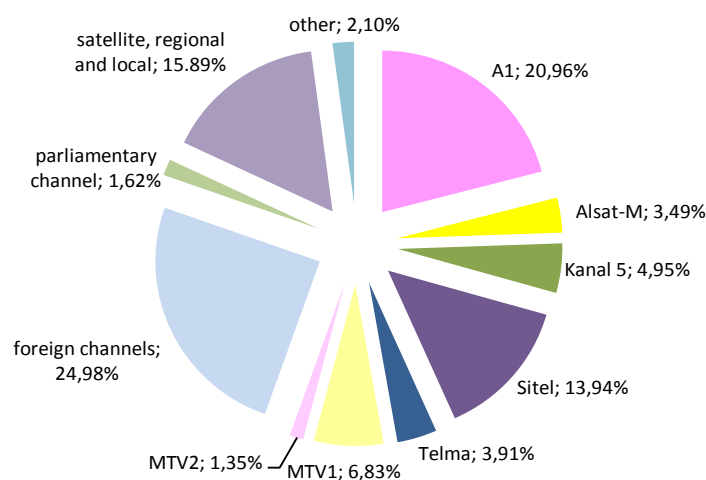
Almost equal income from selling the advertising time was reported by Television K-15 (1.644.069,00 denars), Shutel (1.501.106,00 denars) and Amazon (1.050.628,00 denars).

Lowest income on the regional television market was earned by Krt (522.422,00 denars) and Edo (273.444,00 denars).

The local television stations earned 6% of the income from advertising in the television industry, i.e. the total of 90.945.926,00 denars. The highest income from advertising was earned by TV Kiss from Tetovo (7.842.930,00 denars), TV Orbis from Bitola (7.676.215,00 denars), TV Star from Shtip (6.272.388,00 denars), TV Nova from Kumanovo (5.841.073,00 denars) and TV Vis from Strumica (5.197.980,00 denars).

The data on the audience ratings of the television stations in 2009, were gathered via electronic measuring of the television audience ratings, by using special devices – people meters.

**Image 4.18 Share in the audience ratings in 2009**



Source: AGB Nielsen Media Research Macedonia

Television A1 was the television with the highest audience ratings in 2009, with a share of 20,96% in the total audience ratings. Almost 14% of the time, the audience watched the contents from the programme offer of Television Sitel. The share of MTV1 in the total audience ratings was 6,83%, Kanal 5 - 4,95%, Telma 3,91% and Alsat-M - 3,49%.

The joint share of the satellite, regional and local television stations in the total audience ratings is 15,89%.

Almost 25% of the total audience ratings belong to the foreign television channels. The Macedonian audience receives the signal of these channels via cable connection, satellite antenna or internet.

The other 2,10% of the time, the audience watched programme contents on VCR, DVD player and other.

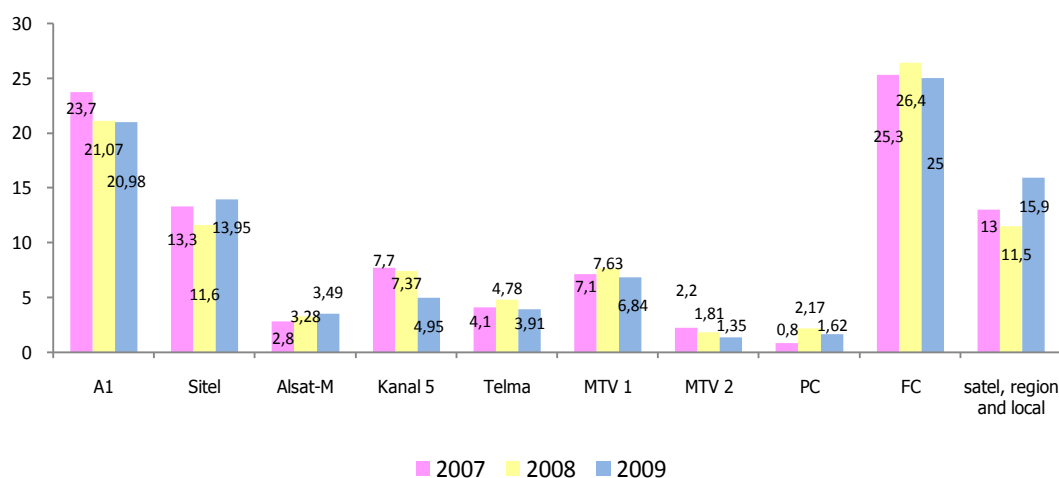
If we compare the data on the share in the total audience ratings with the data on the share in the net income from advertising, it can be seen that television A1 has the largest share both in the total audience ratings and in the net income.

The second and third place, by both criteria, belongs to Sitel and Kanal 5.



Despite the fact that television Telma has higher audience ratings (3,91%) than television Alsat-M (3,49%), still the share in the total income from advertising of Telma (5,98%) is lower than the share of Alsat-M (6,19%).

**Image 4.19 Share in the audience ratings in 2007, 2008 and 2009**



Data: SMMRI from Skopje /AGB Nielsen Media Research Macedonia

If we check the comparative data on the audience ratings during the last three years, it can be seen that the audience ratings of A1 television and Kanal 5 have a tendency of decrease.

Only the audience ratings of Television Alsat-M are increasing in continuity.

The audience ratings of the other television stations, the regional and the local stations, as well as of the foreign television channels, have variable values in the last three years.

## 4.2. Advertising market in the radio industry

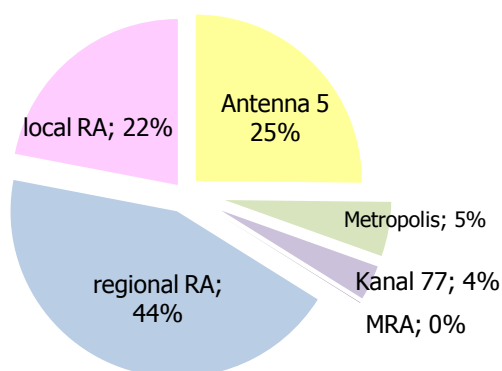
### 4.1.4. Share in the net income from advertising

During the analyzed year, the total income from selling the advertising time, earned by all radio stations, was in the amount of 126.076.455,00 denars (2,07 million Euros).

One quarter of the total income from advertising in the radio industry was earned by the radio station Antenna 5 (25%), with income from advertising in the amount of 31.740.727,00 denars. The radio station Metropolis earned only 5% of the

total income, i.e. the total of 6.666.417,00 denars. The share in the income from advertising of the radio station Kanal 77 is 4%, or the total of 4.295.578,00 denars. The share in the income from advertising of the Macedonian radio is very insignificant (0,03%), in the total amount of only 39.260,00 denars.

**Image 4.20 Share in the net income from advertising in 2009**



Data: Broadcasting Council

The joint share of the regional radio stations is 44% of the total income from advertising (the total of 55.618.954,00 denars). Only the radio station Classic FM did not report income on these grounds. The most interesting regional radio station for the advertisers was the radio station Buba Mara, which earned the highest income from advertising (9.181.770,00 denars). Significant income from advertising was earned by Fortuna radio (8.836.527,00 denars), radio Vat (8.653.290,00 denars) and City radio (6.439.403,00 denars). These four radio stations earned 60% of the total income from advertising of the regional radio market.

The total income from selling the advertising time, earned by the local radio stations, was in the amount of 27.715.519,00 denars, which represents 22% of the total income in the radio industry. Almost 55% of this amount was earned by only 10 local radio stations: radio Kiss from Tetovo (2.469.816,00 denars), radio Express from Strumica (1.941.135,00 denars), radio 106 from Bitola (1.766.848,00 denars), Super radio from Ohrid (1.681.832,00 denars), Plus Forte from Tetovo (1.277.329,00 denars), radio Bravo from Kumanovo (1.272.870,00 denars), radio Holiday from Prilep (1.251.346,00 denars), Merak 5 FM from Prilep (1.215.241,00 denars), radio B-97 from Bitola (1.166.220,00 denars) and radio Galaxy from Kavadarci (1.162.662,00 denars).

## Chapter 5

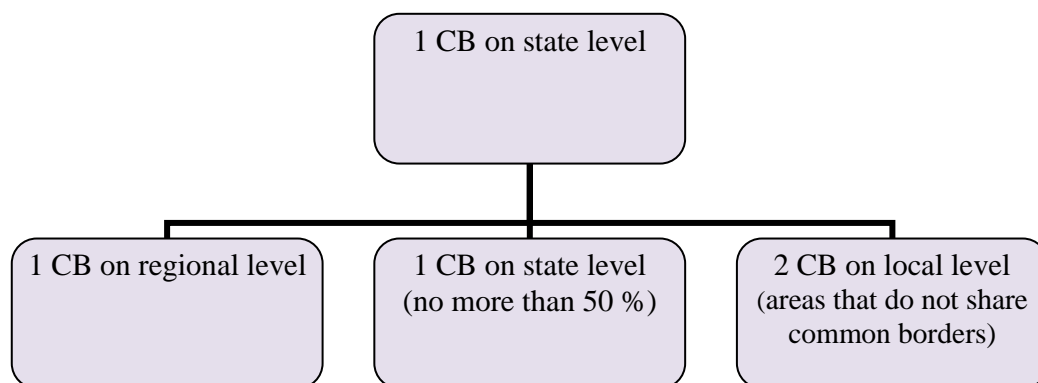
# Ownership structure

### 5.1 Types of capital integration 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, on one hand, and 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 advertising cake"), the share in the audience ratings and the level of coverage of the population of RM.

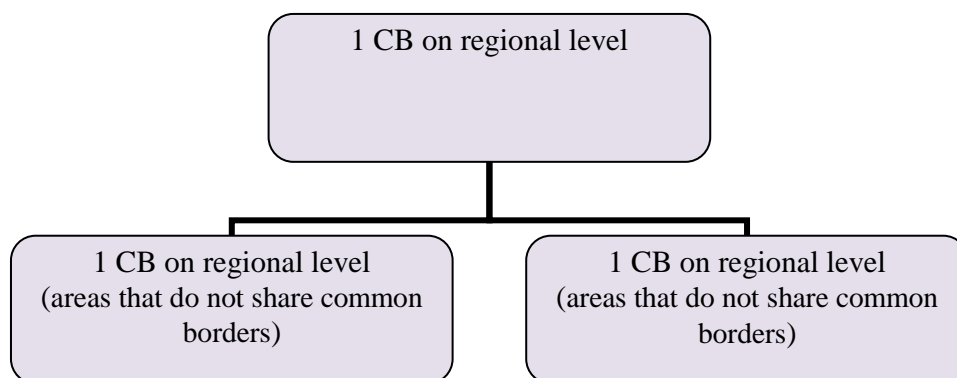
*Horizontal integration* means share in the ownership or integration of the capital of the broadcasters that are entities on one same market, i.e. in one same sector (radio or television industry). The Law on Broadcasting Activity allows horizontal integration, but foresees limitations regarding the 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 the Law**



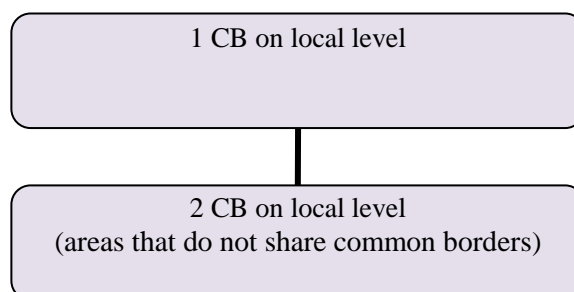
Paragraph 3 of article 14 of the Law refers to the horizontal integration of the broadcasters that transmit programme on regional and local level. Limitation of the share in the ownership is not foreseen, only of the number of broadcasters that may be in the ownership of one legal or physical entity.

**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:

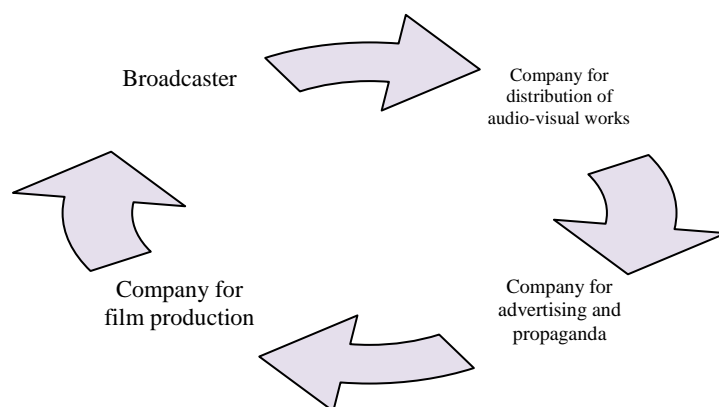
- the merger of the capital brings the broadcasters in a dominant position on the advertising market, i.e. with the merger, their share in the total sales of advertising time exceeds 30%;

- 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 population of the Republic of Macedonia.

*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 refers to 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.

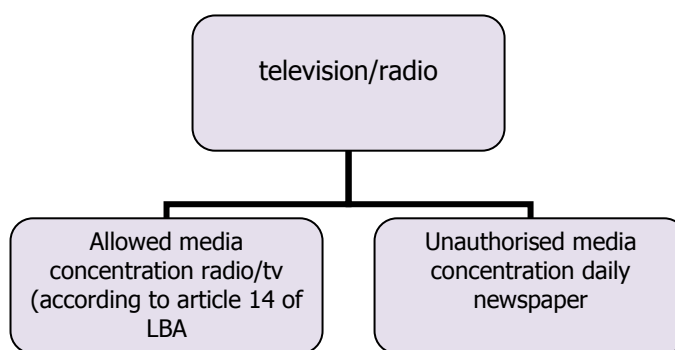
**Image 5.4 Illegal vertical integration according to article 13 and 14 of the Law**



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 radio stations to harmonize with the provisions from the Law.

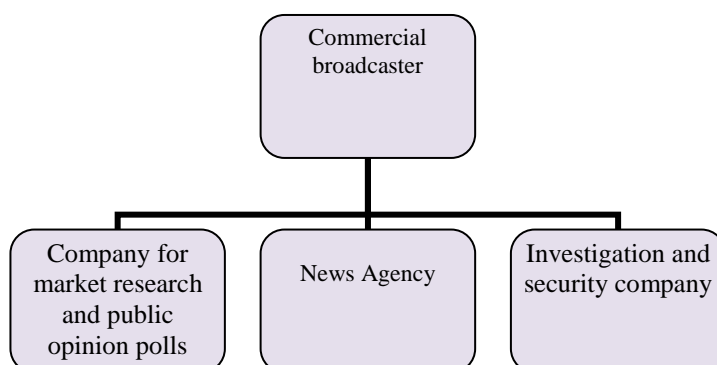
*Diagonal integration* means share in the ownership or integration of the capital between legal entities that do not belong to the same market, for ex. broadcasters that transmit television programme, radio stations and printed media. With reference to the integration of broadcasters with printed media, 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 an 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 article 13 and 14 of the Law**

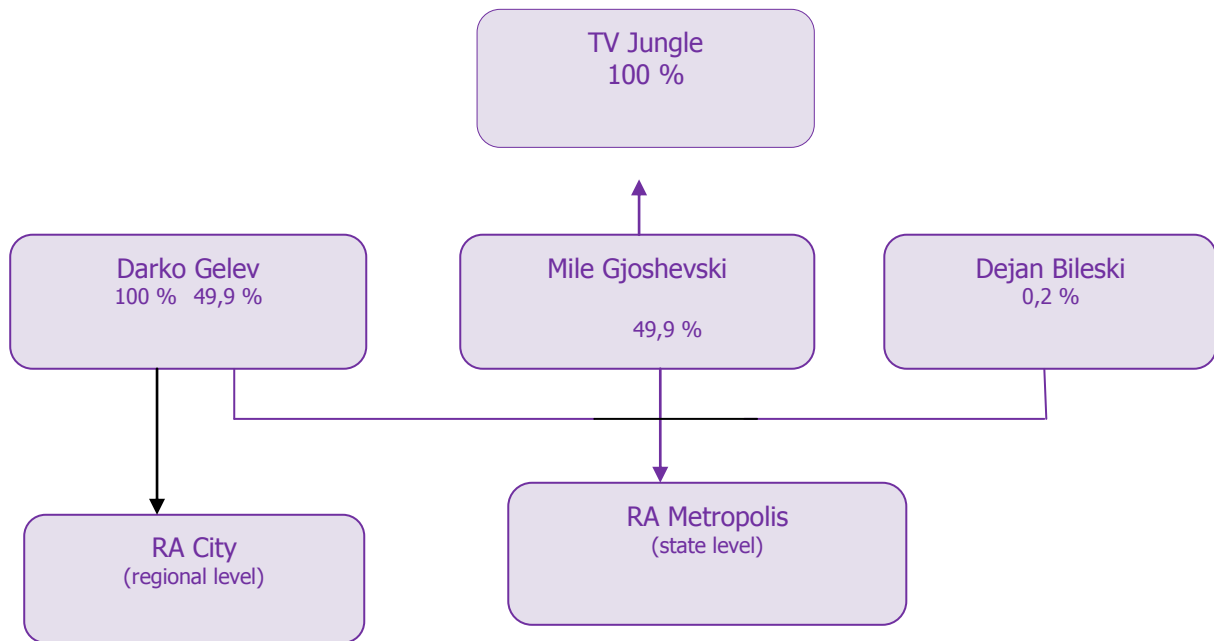


In the course of the monitoring of the ownership structure of the broadcasters, no illegal integration of capital with companies registered for these activities was observed.

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

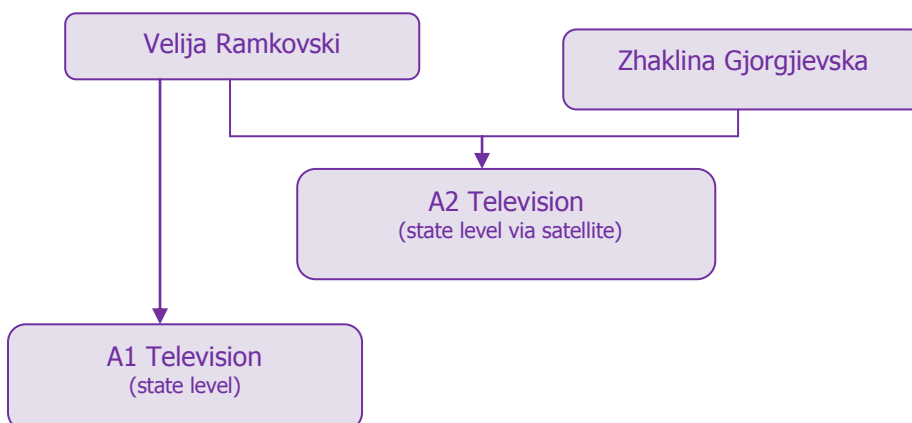
Regarding the entities of the radio industry, there is concentration of capital only between the radio station Metropolis and the radio station City from Skopje. The physical entity Darko Gelev, who is the sole founder of the regional radio station City from Skopje, has a share of 49,9% in the ownership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

**Image 5.7 Ownership connection between the radio stations City radio, Metropolis and television Jungle**



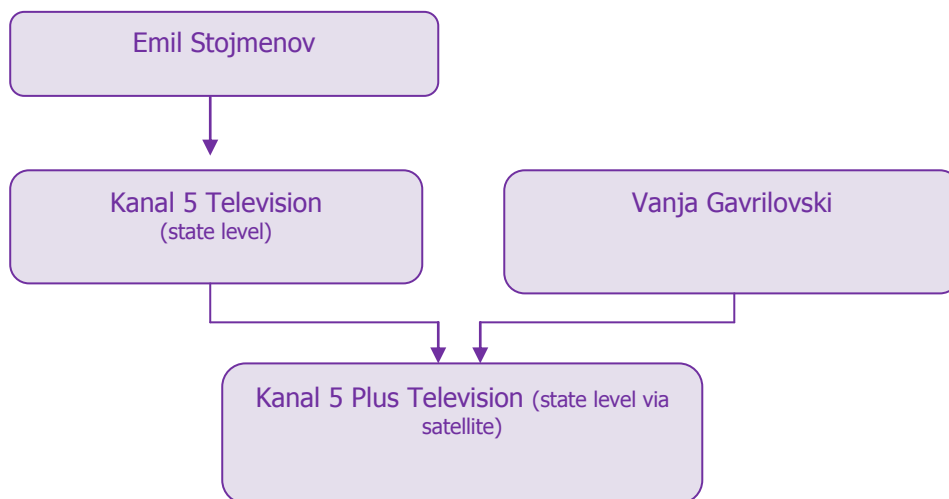
Regarding the television industry, there are several cases of concentration of capital. The physical entity Velija Ramkovski is the sole founder of television A1 that broadcasts programme on state level. Television A1 has a share of 50% in the founding capital of television A2, which broadcasts programme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

**Image 5.8 Ownership connection between the televisions A1 and A2**



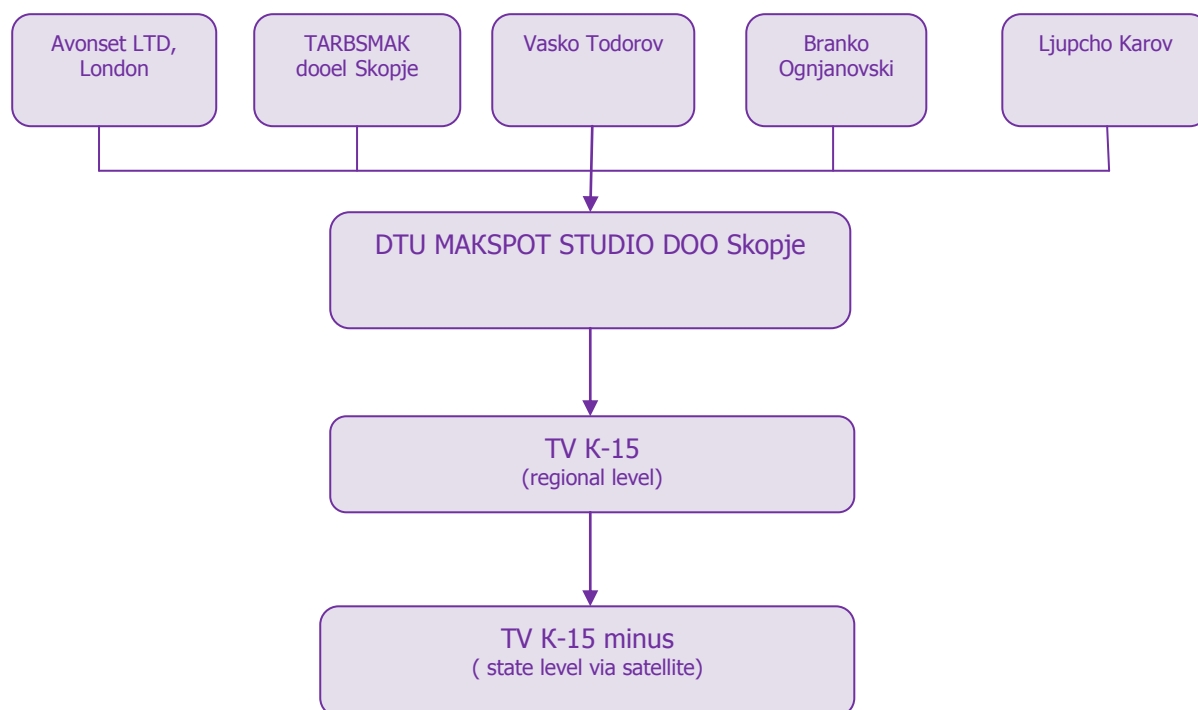
The sole founder of television Kanal 5 from Skopje, which broadcasts programme on state level, is the physical entity Emil Stojmenov. This television appears as a founder of the satellite television Kanal 5 Plus, with a share of 50% in the capital.

**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.

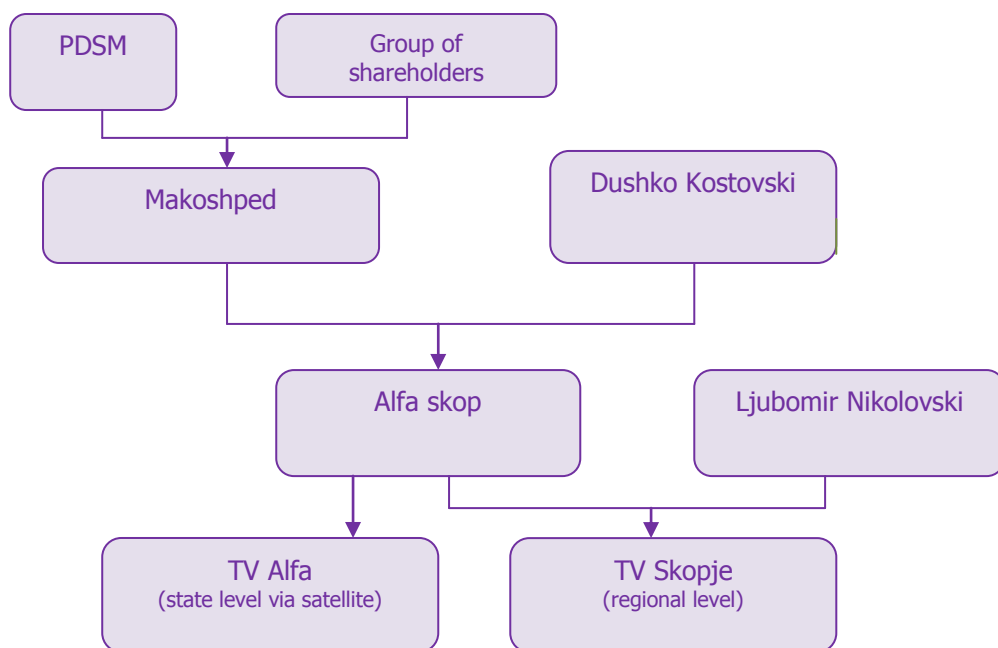
**Image 5.10 Ownership connection between the televisions K-15 and K-15 Minus**



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

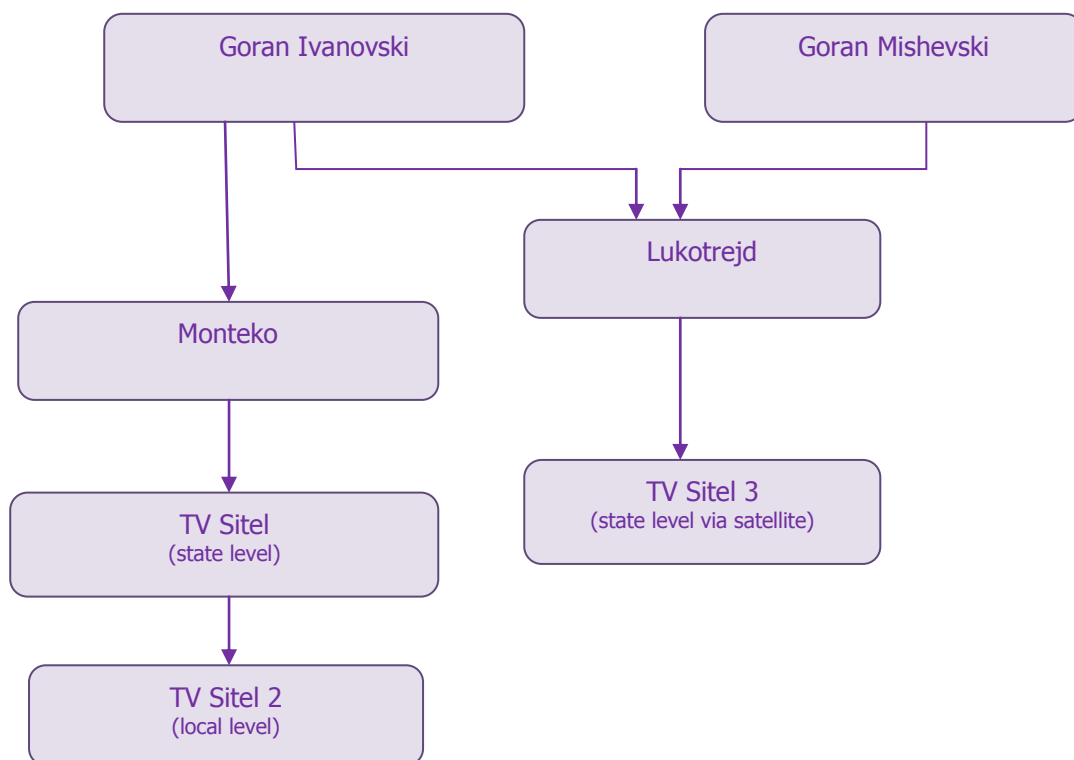


**Image 5.11 Ownership connection between the televisions TV Skopje and TV Alfa**



The following image shows the ownership connection between the television stations Sitel, Sitel 2 and Sitel 3.

**Image 5.11 Ownership connection between the televisions Sitel, Sitel 2 and Sitel 3**



## 5.2. Changes in the ownership structure in 2009

In 2009, the total number of 11 broadcasters made changes in the ownership structure (two radio stations and nine television stations).

The change that was made in the television Alsat-M from Skopje, did not exceed the 10% limit of the capital assets of the company, and according to the legal provisions it was sufficient to only inform the Council. Namely, following the death of one of the founders, the individual Vebi Velija, and according to the probate proceedings, the share of this individual, in the amount of 0,25% of the founding capital of the broadcaster, was transferred to his legal heir, the physical entity Ferik Velija.

The other ten broadcasters, performed change of the ownership structure that exceeded the 10% limit of the founding capital, and according to article 17 of the Law, it was necessary for them to obtain a prior approval by the Council.

The commercial broadcaster RADIO ROSA-AB DOO from Skopje submitted a request for approval for change of the ownership structure with withdrawal of the physical entities Borche Nechovski and Mile Shulevski, and the physical entity Aleksandar Dimitrov from Skopje remains as sole owner of the CB RADIO ROSA-AB from Skopje. The Council approved this request with Decision no. 02-888/1 from 03 March 2009.

On May 18<sup>th</sup> 2009, with Decision no. 02-1992/1, the Council approved the request for change of the ownership structure of the commercial broadcaster NOVA DOOEL from Kumanovo. With this change, there was a full withdrawal from the ownership structure of the broadcaster by the former sole founder, the legal entity Company for cultural activities "GLOWINGFLAME" DOOEL from Skopje, and the legal entity Company for production, trade and services ITZ CENTAR DOOEL export-import from Skopje acceded to the ownership structure.

The commercial broadcaster TV ERA DOOEL from Skopje, requested an approval for full withdrawal of the sole owner, the legal entity BALKAN MEDIA GROUP LIMITED from London, and for the legal entity Nova Television-Prvi Chasten Kanal AD from Sofia, Bulgaria, to accede. This change was approved by the Council with Decision no. 02-3454/1 from October 14<sup>th</sup>, 2009.

On July 3<sup>rd</sup>, 2009, the CB TV ART KANAL Struga DOOEL submitted a request for approval to the Council regarding the change of the ownership structure. While checking the submitted necessary documentation, the Sector for research and long-term development concluded that the change in the ownership structure was already performed, prior to the forwarding of the request for approval for changing the ownership structure and without receiving an approval from the Council. The Council pronounced the measure "written warning" to this broadcaster, with Decision no. 02-2893/1 from July 22<sup>nd</sup>, 2009.

The commercial broadcaster Television KRT DOOEL from Skopje, submitted a request for approval to the Council regarding the change of the ownership structure. It requested approval for the physical entity Blagoj Mehandziski to accede, with transfer of the share in the capital assets of the broadcaster. After the approval of this change, made by the Council with Decision no. 02-3221/1 from September 18<sup>th</sup>, 2009, founders

of the broadcaster are the physical entity Biljana Zafirovska, with a share of 49% and the physical entity Blagoj Mehandziski, with a share of 51% in the founding capital.

On October 8<sup>th</sup>, 2009, a request for approval for change of the ownership structure was submitted to the Council regarding the change in the ownership structure of the commercial broadcaster TV MTM Dasto DOOEL from Skopje. Consent was requested for full withdrawal of the sole owner, the legal entity Company for export-import, production, trade and trading services DASTO from Skopje, in the ownership of the physical entity Stojan Davchev, and for the physical entity Stojan Davchev from Skopje to accede as a sole founder. This change was approved by the Council, with Decision no.11-46 from October 8<sup>th</sup>, 2009.

The commercial broadcaster Radio Ravel from Skopje requested an approval for changing the ownership structure, i.e. full withdrawal of the legal entity DRP Raola DOO from Skopje and for the physical entity Vlatko Milev from Skopje to accede as a sole founder of the broadcaster. On October 14<sup>th</sup>, 2009, the Council made a Decision to approve the change in the ownership structure (02-3453/1).

In December 2009, the commercial broadcaster MNC TV DOOEL from Skopje submitted to the Council a request for approval for the change in the ownership structure. It requested full withdrawal of the legal entity Company for trade, production and services MNC MEDIA DOOEL from Skopje, and for the physical entities Aleksandra Gavrilovska and Vesna Kitanova to accede. On December 9<sup>th</sup>, 2009, the Council made the Decision no.11-61 and it approved this change.

With Decision no. 11-62 from December 9<sup>th</sup>, 2009, the Council approved the request for change of the ownership structure of the commercial broadcaster Jungle TV DOOEL from Skopje. The legal entity Company for production, trade and services JUNGLE MEDIA DOOEL from Skopje made a full withdrawal from the ownership structure and the physical entity Mile Gjoshovski acceded as a sole founder.

On December 25<sup>th</sup>, 2009, the commercial broadcaster PROTEL DOOEL from Probishtip, requested approval for full withdrawal of the physical entity Ilija Petrov, from the ownership structure of the broadcaster and for the physical entity Chedo Petrov to accede.

### **5.3. Ownership structure of the broadcasters**

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 31<sup>st</sup> at the latest in one daily newspaper and on their own programme, at least three times a 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 2009 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 2009, from the total number of five televisions that broadcast programme on state level via terrestrial transmitter, two televisions (A1 Television and Kanal 5) were in the ownership of physical entities, two televisions (TV Sitel and TV Telma) were in the ownership of legal entities, and one television (Alsat-M) was 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 (Tirana) 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

The total number of 16 entities had licenses to broadcast television programme via satellite. Four of those (TV Sonce, TV AB Kanal, TV BM and TV Jungle) were in the ownership of physical entities, nine (TV Jug, TV Sitel 3, TV MNC Media, TV Zajdi-zajdi, 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) were 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, Bogoj 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	Company for trade, production and services MNC MEDIA DOOEL Skopje 100 %
TV Zajdi-Zajdi	Commercial Broadcaster ZAJDI-ZAJDI DOO Skopje	Company for trade and services Zajdi-zajdi DOO Skopje 100 %
TV JUNGLE	Commercial Broadcaster JUNGLE MEDIA DOOEL Skopje	Mile Gjoshovski 100 %
TV ERA SAT	Company for satellite broadcasting ERA SAT	Diema Vision EAD Sofia 100 %

	DOOEL Skopje	
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% (given approval for changing the ownership)
TV A2	Commercial Broadcaster A2 TELEVISION DOO Skopje	Zhaklina Gjorgjievska 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	Association for business services NOVA TV DOOEL Skopje 100 %

Source of the data: Broadcasting Council

Share of foreign capital was 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 was in the ownership of a legal entity (GBC Communications), while Antenna 5 and Metropolis Radio were 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 Gjoshovski 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 had license to broadcast 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 were in the ownership of legal entities.

In 2009, only one television (TV ERA) was founded by a foreign media company (Balkan Media Group Limited), which appears as a founder of some other media 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 percentage in the capital
TV Shutel	CB TV SHUTEL Kamil DOOEL Skopje	Kamil Mustafa 100%
TV Amazon	CB TV AMAZON DOOEL Skopje	Dragan Gorgievski 100%
TV Krt	CB TELEVISION KRT DOOEL Skopje	Biljana Zafirovska 49 % and Blagoj Handziski 51 %
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. In 2009, all sixteen radio stations that broadcasted programme on the territory of Skopje were 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 percentage in the capital
RA Zone 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 100 %
RA Jazz FM	CB JAZZ FM Ljupcho DOOEL Skopje	Ljupcho Hadzi-Stefanov 100%
RA Life FM	CB LIFE RADIO DOOEL export-import Skopje	Kreshnik Ajdini 100%
RA Sport Kanal 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	CB CLUB FM DOO	Gjorgji Savev 34%, Ljupcho Petreski 64%
RA Ravel	CB RADIO RAVEL DOOEL Skopje	Vlatko Milev 100 %
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. The biggest part of those televisions (42) were founded by one or more physical entities, four televisions (TV Nova from Kumanovo, TV Emi from Radovich, TV Kochani-LD from Kochani and TV Sitel 2 from Skopje) were in the ownership of legal entities, and only one television (TV Iris from Shtip) was 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	CB	Full name of the trade company	Data on the founder and participation percentage 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 Krstevski 100%
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	Munir Mehdiu 100%

		DOOEL	
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	Company for production, trade and services ITZ Centar DOOEL export-import Skopje 100 %
Kumanovo	TV Hana	CB TV HANA Mevljan DOOEL Kumanovo	Mevljan Ljati 100%
Mak. Brod	TV Anisa	CB TV ANISA DOOEL v.Plasnica-Plasnica	Gjulanza 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	Chedo Petrov 100 %
Radovish	TV Co-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	Uran Tuda 100 %
Strumica	TV Intel	CB INTEL DOO Strumica	Anche Zaprova 50% and Georgje Zaprova 50%
Strumica	TV Vis	CB TV-KANAL VIS DOO Strumica	Janko Micev 100%
Sveti Nikole	TV Svet	CB TV SVET DOO Sveti Nikole	Dimitar Dechkov 48,74 % and Dragan Dechkov 51,26 %
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	Muslim Aziri 100%
Centar Zhupa	TV Zhupa	CB TV ZHUPA Elezovski Elez DOOEL v.M.Papradnik Centar Zhupa	Elez Elezovski 100%
Shtip	TV Star	CB TV-STAR DOO Shtip	Simjoncho Marijanov 90% and Rozetka Monevska 10%
Shtip	TV Iris	CB Television IRIS 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 TIKVESHIJA 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, in 2009, only one radio station (Radio Sveti Nikole) was 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	CB	Full name of the trade company	Data on the founder and participation percentage 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 Coste	CB RADIO La Coste Petre DOOEL Vinica	Petre Kostadinov 100%
Gevgelija	RA Time	CB RADIO TIME, 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 Mitanski Vele SUPER RADIO Ohrid DOOEL	Sasho Mitanski 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 Mejdinoski 100%
Prilep	RA Rinia 2000	CB RADIO RINIA -200, DOOEL v.Crnilishte,mun.Dolneni	Sevgania Ibrahimski 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 Express	CB EXPRESS-RADIO DOOEL Strumica	Gjorgji Pojrazovski 100%
Tetovo	RA Plus Forte	CB PLUS FORTE DOOEL Tetovo	Nebojsa Karapejovski 100%
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