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Author: Marius Dragomir

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The Media Influence Matrix Project is run collaboratively by the Media & Power Research Consortium, which consists of local as well as regional and international organizations. The consortium members are academic institutions (universities and research centers), NGOs, journalism networks and private foundations.

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Slovaks consume news more frequently and in bigger amounts than ever before. They have access to a plethora of publications, news portals, radio and television stations. However, much of that is in the hands of a few powerful financial corporations, closely linked with political groups. Policymakers and regulators lack vision and have little interest in strengthening journalism. A handful of foreign players are still investing in news, but they are increasingly favoring investments in entertainment or are raring to exit the market completely. The Slovak public broadcaster has garnered kudos for its journalistic output in recent years, but a new management is poised to put an end to that. Still, not all is gloom and doom on the Slovak news market. A new generation of professionals is shaking up the status quo, launching new political platforms and funding media start-ups.

Slovakia is a voracious news consumer, with almost two thirds of people reading news portals, newspapers or news magazines. Much of this news appetite was stirred by technological advancement. Mobile penetration has topped **130%** in 2017. Over 80% of people use the internet, which is a big leap from less than **30%** in the beginning of the 2010s. With mobile data services getting cheaper than ever before, an increasing number of Slovaks are roped in.

The biggest impact of technology was experienced by the publishing industry. The number of print media publishers in Slovakia more than halved between 2009 and 2015. Some large publishers such as Ringier Axel Springer and Petit Press changed tack, increasingly focusing on digital. Smaller ones, down on their uppers, are clutching at straws.

Nonetheless, a lucrative business model for quality journalism, anchored in subscriptions, is slowly emerging. A news portal established by a group of journalists who left the daily Sme, DennikN broke even in 2016, two years after its launch, with some **23,000 paying subscribers**. Sme, the most popular, non-tabloid, daily in Slovakia is also heavily investing in a subscription model to offset losses from print. That seems the way to go.

Television remains the most dominant news medium. Slovaks watch nearly four hours of TV a day, more than the European average. The largest private broadcast operator, Markiza TV has significant influence, particularly among politicians, thanks to its popularity. It is also a financial powerhouse, its revenues dwarfing the sales of all other television broadcasters.

Seemingly, Slovaks have access to a wealth of news sources. In reality, though, the market is concentrated in the hands of a few large players. Powerful financial groups such as Penta Investments and J&T, and a handful of magnates including Ivan Kmotrik and Andrej Babis (who is also Czech Republic's prime minister) exert decisive influence in the ownership of most major media companies. They are also close to politicians (if they are not themselves one), which gives them big leverage in regulatory affairs.

The industry is a second tier in the power dynamic that influences the Slovak news media market. Its interests are though aligned with the ownership. The Antimonopoly Office of the Slovak Republic known as PMU is much responsible for the growing corporate and oligarchic power in the Slovak media market. It has been the PMU that approved a spate of merger cases allowing the expansion of some big groups. Decisions by the PMU in 2015-2016 allowed Penta Investments to take over several major publishers. It was one of these deals that prompted journalists from the daily Sme (acquired by Penta) to leave and set up DennikN. (Journalists were not comfortable with the involvement of Penta in a major corruption scandal that shook the Slovak political and business life.)

There is not much opposition to this corporate and political power in media. Civil society exerts little influence. International groups are not effective either. The Organization for Security and Co-operation in Europe (OSCE), a Vienna-based intergovernmental group, has some political leverage, but that does not materialize in any earth-shattering policy changes or palpable improvements for journalists. For example, in early March 2018, Harlem Desir, the head of media at OSCE, called on Slovak authorities in a meeting in Bratislava to investigate the killing earlier in February, by unknown assaulters, of the Slovak investigative journalist Jan Kuciak. Instead, two months later, Slovak police began to harass Pavla Holcova, a Czech journalist who was trying to help with the police investigation.

Besides regulation, tightly controlled by authorities and highly politicized, the government is directly involved in the Slovak media market. It uses funding from license fees collected from all Slovak households and money from the state budget to finance the public broadcaster RTVS, the largest player in the country's media with a budget in excess of **€115m**. However, that support is not necessarily bad. In the past five years or so, the Slovak public got its money's worth. The station earned a feather in its cap for improved programming. Viewers and experts heaped praise on its news output. However, a new management installed at the RTVS' helm in 2017, is likely to ruin this reputation. Jaroslav Reznik, RTVS' new head, has made since his appointment a series of controversial decisions that seem to rather please friendly politicians than serve the public.

Technology had both a positive and negative impact on Slovak journalism.

Some policies and decisions of the global technology juggernauts raised hackles among the Slovak news media. A 2017 experiment by Facebook to remove posts by Slovak news media from its main feed crippled a string of news portals as their readership collapsed overnight. Some saw the volume of their interactions **down by 60% in a single day**. In contrast, **disinformation websites suffered much less**. That is worrying in a country where disinformation and hate speech portals are mushrooming and commanding increasing audiences, particularly young ones. An online disinformation industry is thriving. Zem a Vek, one of the most popular bogus sites, pulled in revenue of over **€404,000 in 2017**.

On the other hand, a cadre of professionals and visionaries is gradually changing journalism and politics. Many come from the IT industry.

A social-liberal, progressive and pro-European political party, Progressive Slovakia (Progresívne Slovensko), was established in 2017 by a group of businessmen, innovators and IT professionals. Rasto Kulich, a Harvard-educated Slovak who now manages the Google office in Slovakia is one of the party's main supporters. Google is the sole foreign technology company that funds journalism in Slovakia. It has awarded some €1.16m to local journalism projects. That is a pittance, but it helps, journalists say. In a separate development, Eset, a local software manufacturer, plunked down €1m to set up DennikN.

Technology-savvy groups also lead the battle against disinformation websites. A posse of people working in digital marketing run Konspiratori.sk, a website that keeps tabs on fake news websites operating on the Slovak market. With the support of the local publishing industry, they discourage companies from buying ads on fake news websites.

Future Outlook

There are strong signs that the Slovak news media market is going through further consolidation with dominant financial corporations likely to bulk up their existing media portfolio. Eyes are on Markiza TV, which its American owners are planning to sell.

Big changes are expected in internet regulation. There are no legal provisions specifically governing online content, but the Council for Broadcasting and Retransmission known as RVR is increasingly extending its remit to the internet. Local journalists argue that, while rules for privacy or use of personal data floated online are needed, the government should not meddle with online content.

Authorities began a couple of years ago to design laws targeting technology companies, especially foreign ones. New fiscal rules are likely to force Google and Facebook to pay more taxes, matching the actual revenues they generate on the Slovak market. Upcoming provisions are also expected to make it difficult for companies without a local office to operate in Slovakia. Facebook, which runs its Slovak operations from the company's Warsaw and Dublin offices, is a case in point.

There are no signs that politicians and policymakers are going to actively promote independent journalism. No major investments in new independent media are on the horizon. However, the subscription-based sustainability model tried by several outlets is likely to provide a lifebuoy to Slovak journalism.

Government, Politics and Regulation

Legal Overview

Freedom of speech and the right to information are guaranteed by the Slovak Constitution, which states that everyone has the right to express their opinions in writing, print, through pictures or any other means. Press publishing does not require any approval, and censorship is forbidden, according to the Constitution. Freedom of expression and the right to information can only be restricted if such a measure is needed to protect the rights of others, national security, public order or the protection of health and morals.(1)

The media sector is governed by several laws including the 2000 Broadcasting Law, the 2007 Digital Broadcasting Law complementing the broadcast law, and the Press Law of 2008. These laws were all amended at a later stage. They put forward provisions guaranteeing protection of sources by journalists. Most of the important media-related issues and operations including licensing of broadcasters, media ownership and transparency of ownership are covered by these laws.

Other important laws that affect the media include an act adopted in 2010 that regulates the operation of the Slovak public media, and a 1995 law on State Language of the Slovak Republic that has provisions on use of language in electronic media. Some of the provisions in the language law were criticized for restricting use of minority languages.

A law on access to information from 2000 empowers any citizen in Slovakia to request information from state agencies.(2) According to the law, officials who do not respond to such requests can be fined. In 2013, government officials said that they might change this law because it was “misused by students and private interests.”(3) However, local surveys showed that the amount of information requests during the period 2010-2013 was far from overwhelming the state administration and local municipalities. Defamation is a criminal offense in Slovakia, punishable by eight years in prison. This provision has been used by politicians to sue newspaper and journalists critical of the government.(4)

Privacy is mainly regulated by a law on data protection adopted by Slovak parliament in 2013. This law implemented a EU Directive on data protection. As of May 2018, it is to be replaced by a new EU piece of law, known as the General Data Protection Regulation (GDPR).(5) Police are the main implementer of the data protection legislation in Slovakia.

(1) Constitution of the Slovak Republic of 1 September 1992, republished on 26 March 2001 and supplemented by the Act of 11 April 2002, available online at <https://www.prezident.sk/upload-files/46422.pdf>

(2) For more information on media laws in Slovakia, see Andrej Skolkay, *Media Law in Slovakia*, Kluwer Law International, 2011. A database of legal acts adopted in Slovakia is made available, in Slovak, by the justice ministry on this portal: <https://www.slov-lex.sk/domov>

(3) Freedom House, “Slovakia” in *Freedom of the Press 2017*, available online at <https://freedomhouse.org/report/freedom-press/2014/slovakia>

(4) Ryan Heath, “Robert Fico Calls Reporters ‘Dirty, Anti-Slovak Prostitutes’”, in *Politico* (23 Nov 2016), available online at <http://www.politico.eu/article/robert-fico-calls-reporters-dirty-anti-slovak-prostitutes-foreign>

(5) See the GDPR on the EU’s website: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.119.01.0001.01.ENG

Regulatory Authorities

The regulation of media in Slovakia is a heavily politicized process. All of the regulators covering media are in theory autonomous institutions, but in practice they take orders from the politicians in power as the state has the biggest say in appointing and dismissing their boards. The sole authority directly in charge of media regulation is the Council for Broadcasting and Retransmission (RVR), a body created in the early 1990s to watchdog the broadcast industry. However, their regulatory role is decreasing as licensing of broadcasters, due to digital developments, has become a formality.

Policy in Slovakia is usually initiated by the culture ministry, which drafts most of the initial proposals for legislation in the media field. However, parliament has an equally high influence (in some cases even higher) in the policy process. A number of media laws (such as the Digital Broadcasting Act) drafted by the culture ministry have been significantly altered in parliament under pressure chiefly from private broadcasters, according to journalists and media experts interviewed for this report.⁽⁶⁾

Several other regulatory authorities indirectly cover news media. In fact, a significant role in shaping the Slovak media market is played by the antitrust regulator, PMU. Its decisions, for example, allowing media acquisitions by Penta Investments, a mighty financial group, have helped this company gain an outstanding dominant position in the media market.

The biggest regulatory issue in Slovakia is the internet. This is a field that is still outside the state regulation and, according to most of the journalists interviewed for this report, it should stay like that. However, the government is looking into ways of regulating online content. Already, empowered by EU legislation, the RVR is taking its role in internet regulation more seriously than the EU ever recommended. Although it has not yet made many decisions in the online area, RVR is carving out its own territory online, regularly publishing the list of outlets that are in its regulatory sphere. These outlets are a hotchpotch of small and big broadcasters, publishers and telcos that have a presence online (who doesn't?). Conspicuously, major on-demand suppliers and social media are not covered by RVR (or any regulator for that matter).

The key influencers in the Slovak media regulation are in a way or another associated with politics and politicians. Most of those sitting on regulatory bodies need in the first place the support of authorities (parliament or government) to be appointed in those positions. The Slovak regulatory environment is characterized by a dearth of vision and progressive thinking needed to spark innovative journalistic projects. Instead, hackneyed regulatory practices allow the Slovak news media market to get captured by a handful of financial powerhouses with dubious business practices and heavily anchored in political life.

(6) See *Methodology in Media Influence Matrix: Slovakia*

Broadcast Media & Frequency Spectrum

REMIT & TASKS

COUNCIL FOR BROADCASTING AND RETRANSMISSION

The radio and TV broadcast media in Slovakia are regulated by the Council for Broadcasting and Retransmission (Rada pre vysielanie a retransmisiu, RVR). The competencies of the RVR fall into three categories:

Licensing and registrations

RVR is in charge of awarding licenses to broadcasters to operate in Slovakia as well as of withdrawing licenses in cases of serious legal breaches.

Legal compliance

RVR is the body that ensures broadcasters comply with the legal provisions laid down in local legislation, particularly the Act on Broadcasting and Retransmission, Slovakia's primary broadcast law. Failure to comply with law leads to sanctions such as fines or suspension of licenses that RVR has the power to impose on broadcasters.

Reporting and policy recommendations

RVR is churning out regular reports for the European Commission on how broadcasters perform their duties. The authority also processes statistics about TV and radio programs, focusing on statistics related to legal obligations related to the EU law such as the share of European works in the total audiovisual offering or volume of advertisements. The authority also participates in drafting laws applying to broadcasting.

RVR's remit covers radio and TV broadcasters, retransmission operators such as cable providers, and on-demand providers of audiovisual media services.(7)

(7) For more information about the RVR, visit the regulator's website at www.rvr.sk

REGULATORY AUTHORITY FOR ELECTRONIC COMMUNICATIONS AND POSTAL SERVICES

Another regulator with competence in the area of broadcasting is the Regulatory Authority for Electronic Communications and Postal Services (Urad pre regulaciu elektronickych komunikacii a postovych sluzieb, RU), formerly the Telecommunications Office.

The RU's regulatory tasks are primarily in the area of telecoms and postal services. The most relevant tasks for the broadcast media are those related to the frequency spectrum. The RU is in charge of managing the broadcast frequency spectrum jointly with the Ministry of Transport and Construction of the Slovak Republic. They cooperate with the RVR in updating every two years the planning for broadcast frequency allocation. Broadcasters in Slovakia, to be able to operate, need, in addition to the broadcast license from the RVR, an approval to use a frequency use from the RU. (8)

(8) For more information about the RU, visit the regulator's website at <https://www.teleoff.gov.sk>

Broadcast Media & Frequency Spectrum

BOARD COMPOSITION

COUNCIL FOR BROADCASTING AND RETRANSMISSION

The RVR is according to its Statute an “independent organ” that is not part of the governmental administration. However, in reality it acts as an administrator operating on behalf of the government. It decides who can and cannot operate TV and radio broadcast channels and monitors broadcasters to ensure they comply with the state law.

The RVR council, the main governing structure of the authority and the body with decision-making power, consists of nine members, all appointed by the National Council of Slovakia, which is the country’s Parliament. The RVR’s annual report has to be approved by Parliament, which is also the sole authority who can fire the RVR’s members. They can do that, though, in line with a set of legal provisions.

The members of the RVR are elected for six-year mandates. One-third of the members are replaced every two years to ensure that the RVR board is less vulnerable to the changes in political power. A staff of some 30 specialists, known as the RVR Office, offer advice and expertise to the council to help them make the right decisions. The RVR usually meets twice a month.

LIST OF RVR MEMBERS, MARCH 2018



Marta Danielova (in office until 15 December 2018), chair
Lubomir Kmec (in office until 26 January 2019), vice-chair
Ingrid Fasiangova (in office until 16 December 2020)
Vladimir Holan (in office until 26 January 2019)
Peter Joanidis (in office until 29 March 2023)
Peter Kolenic (in office until 13 January 2021)
Milan Blaha (in office until 16 February 2023)
Zoltán Pek (in office until 13 December 2017)
Gabriela Rothmayerova (in office until 16 December 2020)

REGULATORY AUTHORITY FOR ELECTRONIC COMMUNICATIONS AND POSTAL SERVICES

The RU's Office is RU's main decision-making body: it consists of a chairman who is elected and recalled by Parliament at the recommendation of the Government, and a vice-chairman who is appointed and recalled by the Government. The RU is a big institution with nine different offices all reporting to the chairman. They include the legal office, the telecommunications office, the technical regulation office and the postal services office.

RU BOARD AND MANAGEMENT, MARCH 2018

Board

Vladimir Kesjar, chair
Jan Flak

Management

Natasa Svobodova (RU office)
Milan Mizera (frequency spectrum)
Jaroslav Dohnal (state supervision)
Milada Lovicova (economy)
Kamil Mikulasek (technical regulation)
Ivan Martyak (economic regulation)
Paulina Stanova (legal)
Miroslav Baxa (telecommunications and IT)



Broadcast Media & Frequency Spectrum

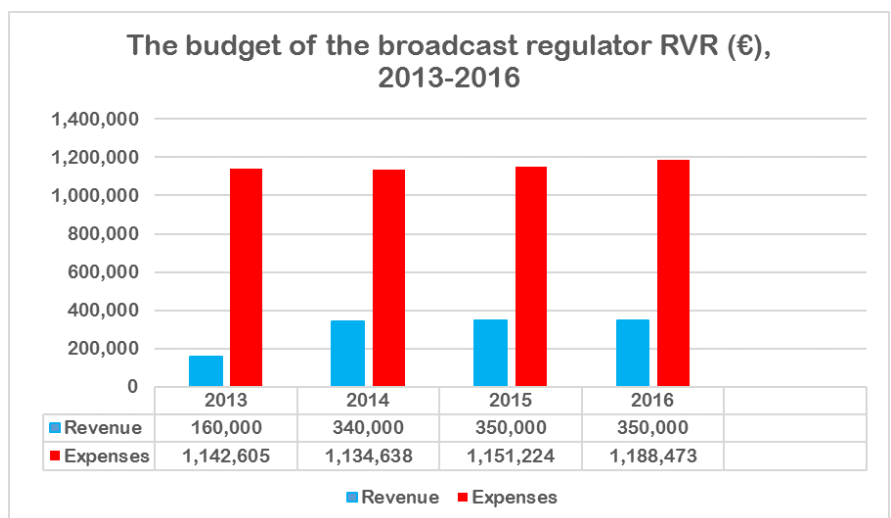
FUNDING

COUNCIL FOR BROADCASTING AND RETRANSMISSION

The RVR operates with a subsidy from the state budget. In 2016, the regulator received a state subsidy of nearly €1.2m to cover its expenses, a slight increase compared to the year before. However, over the past three years or so, the government has pushed the RVR to generate more cash on its own. In 2016, a revenue target of €350,000, more or less as in the previous two years, was imposed on the RVR by the finance ministry. The government for the first time hiked the level of revenue that RVR must raise in 2014, forcing the regulator to increase the number of fines on broadcasters, which is the main source of revenue that RVR can generate.

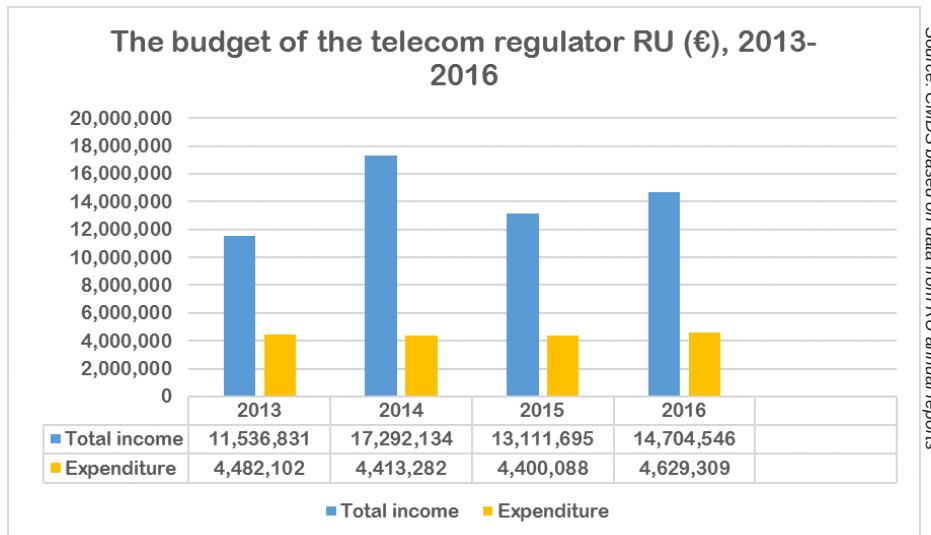
International NGOs, such as the International Press Institute (IPI) and South East Europe Media Organisation (SEEMO) criticized the government's decision. (9) They say that by forcing the regulator to impose more fines, the government threatened the RVR's independence and instilled fear and self-censorship among media outlets. According to legislation, RVR can impose fines on broadcasters ranging from €99 to €165,959, depending on the gravity of the violation. The funding the RVR generates on its own is returned to the state budget.

Paying the watchdog



Source: CMDS based on data from RVR annual reports

REGULATORY AUTHORITY FOR ELECTRONIC COMMUNICATIONS AND POSTAL SERVICES



a powerhouse

The telecom regulator generated revenues of over €14.7m in 2016. Much of that came from fees for spectrum management and technical regulation. The regulator had a staff of 146 in 2016. The government is imposing on the telecom regulator an annual revenue target of €6.5m.

The RU has beaten these targets in the past five or so years, sending to the state budget much more than that. They generated a high record sum in 2014 mostly thanks to the auctioning that year of some lucrative frequencies for mobile telephony operations.

Print Media Regulators

There is no government regulator of the print media in Slovakia. The sector has though a system of self-regulation represented by the Press Council of Slovakia (Tlacova rada Slovenskej republiky, TRSR), a body created in 2002 through the merger of the Slovak Syndicate of Journalists and the Association of Periodical Print Publishers. (See *Decision-making process/Impact* in this report)

Internet Regulators

There is no official regulator specifically covering the internet in Slovakia. Thus, online media is not subject to any form of institutionalized regulation. There is no legal provision either establishing responsibility for third-party online content such as comments. However, informal avenues for pressure and censorship on the internet are in place, according to a 2014 assessment of the Slovak internet by Miroslav Kollar for the Institute for Public Affairs (IVO).(10) Lawsuits related to online content can be lodged in court.

Increasingly, the RVR is entering the internet space by making decisions about media content online. They are empowered by EU regulations to do so. According to EU law, audiovisual media including on-demand service providers and internet broadcasters are regulated more or less like traditional broadcasters. EU regulation, for example, obliges such providers to clearly distinguish between advertising and content in their videos posted online.

The law allows RVR to regulate three content-related aspects: age appropriateness, legal provisions on advertising and news standards such as objectivity or protection of human dignity. Under the EU's Audiovisual Media Services Directive (AVMSD), the RVR started to regulate certain types of online content, particularly videos. Local experts and journalists say that the RVR's regulatory approach online is too strict, which is in contradiction with the recommendations of the European Commission that has called for a light-touch regulation.(11)

The main regulatory challenge remains the lack of clear definitions of the content that RVR is competent to regulate online. RVR has the power to impose fines on companies and entities who publish videos online that do not respect standards on children protection or hate speech, but it has no power in judging news impartiality or objectivity online.

(10) Miroslav Kollar, "Free for All, but Someone is Watching. Internet Freedom Report 2014: Slovakia", *The Institute for Public Affairs (IVO) Bratislava, PASOS, Transitions Online*, available online at <http://pasos.org/wp-content/uploads/2015/03/Internet-freedom-Slovakia.pdf>

(11) Ingrid Lunden, "EU backs light-touch regulation for on-demand companies like Uber and Airbnb", 2 Jun 2016, *TechCrunch*, available online at <https://techcrunch.com/2016/06/02/eu-on-demand-guidance/>

RVR first used its regulatory power in 2011 when it warned the TV station Joj TV that one of its broadcasts aired online violated children protection rules. Since then, RVR has expanded its regulatory remit on the internet. It identified a total of 65 online news media that fall under its regulatory remit, according to the RVR 2016 annual report. They all have an audiovisual element in their internet content. The outlets include small online media, primarily local outlets such as Hlohovska televizia and Humenska televizia, but also major players such as the public broadcaster RTVS, all of the largest private TV stations in Slovakia, the telecom operators Orange Slovensko and Slovak Telekom and the publishers Ringier Slovakia and Petit Press.

However, sanctions imposed by RVR on online content are rare. In 2016, of a total of 95 sanctioning decisions, only one was related to online content. For some reason, international social media such as Facebook or Twitter and global on-demand service providers such as Netflix are not regulated by RVR or any other body although these providers host audiovisual content on their platforms.

On the other hand, IAB Slovakia-Association for Internet Advertising, a joint industry committee of digital media, ad agencies and advertisers, does a great deal of self-regulation on the internet. Although it covers mostly advertising-related issues, it also has an ethical commission that often covers cases related to news media.

Data Protection Regulators

REMIT & TASKS

Established in 2002, the Office for Personal Data Protection (*Uradu na ochranu osobnych udajov Slovenskej republiky, UOOU SR*) is the main data regulator in Slovakia. It principally regulates the use of personal data in Slovakia in line with the Data Protection Directive of the EU. As the law authorizes the use of personal data for journalistic purposes (subject to certain conditions), the remit of the UOOU is not much relevant to journalism.⁽¹²⁾

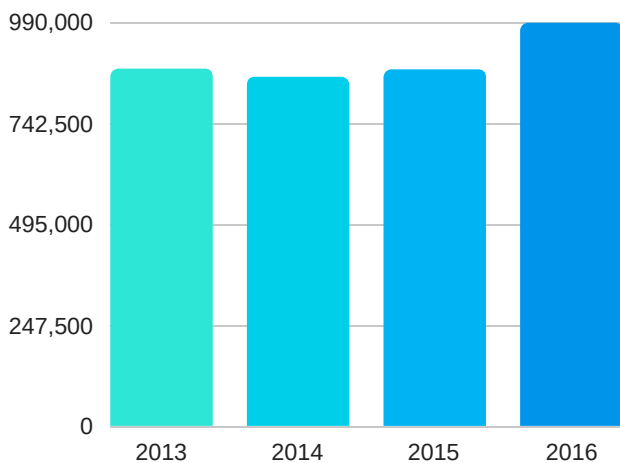
BOARD COMPOSITION

The UOOU is led by a chair, **Sona Potheova**, a former television journalist who also worked in Public Relations and government before joining the data regulatory authority. The office operates with a staff of some 40. The UOOU head is appointed by Parliament.

FUNDING

The data regulator is financed by the state. It operated with a budget of nearly €1m in 2016, an increase of more than 13% compared to the year before.

THE BUDGET OF THE DATA REGULATOR UOOU (€), 2013-2016



**Data
 watchdog
 coffers**

Source: CMDS based on data from UOOU annual reports

⁽¹²⁾For more information about the data regulator, visit the UOOU website at <https://dataprotection.gov.sk/uouu/>

Other Institutions with Regulatory Powers

The Ministry of Culture is the key body in the state administration that prepares the basic state media policies. They also generate most of the media laws in Slovakia. The ministry maintains a public register of broadcast content providers and a public register of print media that includes their owners.⁽¹³⁾

Slovak Trade Inspection (*Slovenska obchodna inspekcia, SOI*), an independent watchdog with powers in consumer protection issues, regulates some aspects of advertising.⁽¹⁴⁾

A regulatory authority with a big say in the media is the Antimonopoly Office of the Slovak Republic (*Protimonopolny urad Slovenskej republiky, PMU*), an antitrust public administration body. It intervenes in cases of cartels or abuse of dominant position in all industries, media included. PMU also gives the green light for mergers and acquisitions. The decisions of the PMU are made by a seven-member council that is appointed by the government for a mandate of five years. Most of the members of the PMU Council are lawyers.⁽¹⁵⁾

Many of them have links with industry, chiefly companies where they worked before joining the antitrust authority. For example, Tibor Menyhart and Martin Suchanek both worked for Transpetrol, an oil transportation company, before their term at PMU. Another PMU member, Mojmir Mamojka, an influential lawyer and former politician, was directly involved in media regulation as a member of RVR until 2017.⁽¹⁷⁾

⁽¹³⁾For more information about the Slovak culture ministry, visit the ministry's website at <http://www.culture.gov.sk>

⁽¹⁴⁾For more information about the trade inspection watchdog, visit the SOI's website at <https://www.soi.sk/>

⁽¹⁵⁾For more information about the Slovak antitrust regulator, visit the PMU website at <http://www.antimon.gov.sk>

⁽¹⁶⁾According to data obtained through investigation of trade databases, regulatory reports and corporate public records.

Key Decision-Makers in Regulation & Policymaking ⁽¹⁷⁾

Many of the key influencers in the Slovak media regulation have some sort of connection with politicians. Some of them are very close to political parties or come themselves from politics and, thus, their decisions are heavily influenced by the political logic. Only a few of the influencers in the Slovak policy and regulation are truly progressive and visionary, and their power is far from matching the might of those connected with political groups or financiers. That explains why the Slovak media market is shaped by the interests of a handful of powerful financial groups that have leverage with the government.

Political stalwarts

Appointed by parliament to RVR in February 2018, **Milan Blaha** is expected to play a major role in the regulatory field during the next years. He has tight political connections; the most important is Lubos Blaha(18), his son, a Marxist philosopher and political scientist who entered parliament in 2012 as a representative of the Social-Democratic Party (Smer-SD). Milan Blaha is a veteran journalist who was known in the old days as a propagandist of Vladimir Meciar, a controversial politician who was three times the prime minister of Slovakia in the 1990s.(19) Milan Blaha worked as a journalist in the 2000s with the public TV and a few, now-defunct, private TV channels, including VTV and TV Luna.

A lawyer by education, **Andrej Danko** is chairman of the nationalist SNS party. As a parliament speaker, Danko has been exerting significant power in the Slovak public affairs. He has shown a keen interest in the media and is known as one of the most powerful government players when it comes to media policy. He has relentlessly attacked the current model of financing the Slovak public broadcaster calling for the replacement of the license fee (paid by all households) by advertising revenue.(20) Such a model, experts say, would badly affect the quality of programming produced by the public broadcaster and would even jeopardize the very existence of the broadcaster.

(17)The content in this part of the report is based mostly on interviews with Slovak journalists and experts carried out for this report (See *Methodology in Media Influence Matrix: Slovakia*).

(18)See a profile of Lubos Blaha on *Aktuality.sk*: <https://osobnost.aktuality.sk/lubos-blaha/>

(19)Miro Kern, “Mečiarovský novinár Blaha i právnik s väzbami na Bašternáka sú vo funkciách aj vďaka opozícii” (Meciar’s journalist Blaha and the lawyer with links to Basternak are in positions also thanks to the opposition), *DennikN*, 7 Feb 2018, available online at <https://dennikn.sk/1022022/meciarovsky-novinar-blaha-i-pravnik-s-vazbami-na-basternaka-su-vo-funkciach-aj-vdaka-opozicii/>

(20)“Danko chce zmeniť RTVS, kritizuje Maďariča” (Danko wants to change RTVS, criticizes Madaric), *Trend*, 31 Dec 2017, available online at <https://medialne.etrend.sk/televizia/danko-chce-zmenit-rtvs-kritizuje-madarica.html>

Ingrid Fasiangova, member of the RVR, is a playwright with experience in cultural events management. She has held positions in the supervisory boards of both public radio and public television in Slovakia. She has been associated with the company IstroArt Production, which appears to run a real estate agency. Fasiangova was a co-owner in the company until 2008. The company is controlled by the businessman Anton Ozvold from Bratislava. Fasiangova is close to the Social-Democratic Party (Smer-SD) that won the 2016 elections. She is close to Marek Madaric, a Smer-SD politician who was three times minister of culture. He resigned in a moral gesture from the post in February 2018 after the Slovak investigative journalist Jan Kuciak was assassinated by unknown killers.⁽²¹⁾ “As a culture minister, I can’t identify with the fact that a journalist was killed during my tenure,” he said. Madaric named Fasiangova general director of the theater Nova Scena in Bratislava.

Peter Joanidis was appointed to the RVR in 2017. He is known to have close relations with the Slovak National Party (SNS), a right-wing political party, which is part of the government coalition formed after the 2016 elections. Joanidis’ nomination to RVR was supported by Tibor Bernatak, an MP who leads the SNS parliamentary caucus.⁽²²⁾ With friends in the financial group J&T and well connected with politicians, Joanidis is expected by journalists in Slovakia to exert significant influence in the RVR.

Appointed head of the RTVS Council in 2013, and reappointed twice in 2015 and 2017, **Igor Gallo** has experience in several, often unrelated, industry sectors. His name is connected with media. He was editor-in-chief of the daily Kosický večer in the early 2000s: he used to have shares in the company Cassovia-Press, which published the daily. Gallo works for the state-owned power provider Slovenska elektrizacna prenosova sustava (SEPS). In that role, he is reportedly one the best-paid employees in the Slovak public system. With over €100,000 annually in wages, he receives more than Slovakia’s president or prime minister.⁽²³⁾

⁽²¹⁾“Culture minister resigns after journalist murder shakes Slovakia”, Reuters, 28 Feb 2018, available online at <https://www.reuters.com/article/us-slovakia-crime-government/culture-minister-resigns-after-journalist-murder-shakes-slovakia-idUSKCN1G1XO>

⁽²²⁾“Opozičný návrh na zmiernenie zákona o štátnom občianstve neprešiel” (The opposition proposal to improve the citizenship law has not passed), Sme, 29 Mar 2017, available online at <https://domov.sme.sk/c/20495494/zakon-o-dvojitom-obcianstve-poslanci-nezmiernili.html>

Lubica Lassakova was appointed culture minister in March 2018, position from which she can influence the media industry significantly. Her journalism background includes over two decades spent at the Slovak public radio. She was a local councilor in the Banska Bystrica region and sits in the supervisory board of the development company MBB, controlled by the Banska Bystrica municipality. Lassakova’s appointment was harshly criticized by NGOs following her comments that civil society organizations in Slovakia are influenced by the philanthropist and investor George Soros. She later withdrew her comments.⁽²⁴⁾

Former culture minister, **Marek Madaric** has lost much of his influence within the Smer-SD party, which means that he no longer has much impact on media-related decision-making in the state bodies. He is appreciated within the profession as he managed to change from a nationalist party nominee into a critic of the political influence in the public media. Following his resignation as culture minister after the killing of the journalist Jan Kuciak in February 2018, Madaric recommended the new culture minister Lubica Lassakova to push the public broadcaster RTVS to resume the investigative journalism program Reporteri, which RTVS’ head Jaroslav Reznik canceled in January 2018.⁽²⁵⁾ Madaric was instrumental in forcing the state-owned news agency TASR to cancel in 2017 a cooperation contract they concluded with Sputnik, the news agency run by the Russian government.

⁽²³⁾ Marian Kizek, “Manažér štátnej akciovky zarobil viac ako prezident či premiérka” (Manager of state shareholding earned more than president or prime minister), Korzar Kosice, 22 Aug 2011, available online at <https://kosice.korzar.sme.sk/c/6021036/manazer-statnej-akciovky-zarobil-viac-ako-prezident-ci-premierka.html>

⁽²⁴⁾“Laššáková: Za Sorosa sa ospravedlňujem, veľmi ma to mrzí” Lassakova: For Soros I apologize, I am very sorry), Trend, 21 Mar 2018, available online at

<https://www.etrend.sk/ekonomika/lassakova-za-sorosa-sa-ospravedlnujem-velmi-ma-to-mrzi.html> (“Madaric odporúča ministerke iniciovať obnovenie investigatívy v RTVS”

⁽²⁵⁾Madaric recommends the minister to initiate the reinstatement of the investigations at RTVS), Medialne.sk, 23 Mar 2018, available online at <https://medialne.etrend.sk/televizia/madaric-odporuca-ministerke-iniciovat-obnovenie-investigativy-v-rtvs.html>

Appointed by parliament at the helm of the public broadcaster RTVS, **Jaroslav Reznik** is a key player in the Slovak decision-making process. He has long experience in the media and has maintained close relations with politicians of all colors. In the 1990s, he had intimate links with the Movement for a Democratic Slovakia (HZDS), a national conservative party founded by Vladimir Meciar, a controversial politician who was prime minister three times.⁽²⁶⁾ Reznik is preferred by political parties because he is a loyal executant. During his management at the Slovak public radio in the 1990s, journalists complained about his censorship. In 2007, he was appointed general director of the state-controlled news agency TASR. He is said to be close to the financial group Slavia Capital, company invested in a raft of industries including fast-moving consumer goods, aerospace industry, construction and real estate. Today, he has also close relations with the right-wing party SNS.⁽²⁷⁾

Ivan Secik is a key player and influencer in decision-making related to media and journalism. Born in 1951, Secik worked during communism for the Slovak Office for Press and Information (SUTI), which was known as the regime's press censor.⁽²⁸⁾ Educated in journalism universities in the former Soviet Union, Secik continued to work in the government after the collapse of communism. Secik today is a state secretary in the culture ministry and has participated in drafting the country's main media legislation. Former culture minister Marek Madaric publicly said that he respected his opinion. According to local journalists, much of the direction of the ministry in the media is shaped by him.

Peter Kerecman is known as one of the most progressive voices supporting press freedom in Slovakia. A member of the Slovak press council, Kerecman is a renowned lawyer and non-fiction author. He influences public debates on media and journalism. He is also known for his influence on the Slovak Constitutional Court, which he has advised since 2007. Kerecman runs his own private legal firm in Kosice, which in 2017 had an annual turnover of over €227,000 and a net profit of some €108,000, according to data from the local Trade Registry.

Although not directly involved in the media business or in media policy, **Vladimir Kesjar**, chair of the telecoms regulator, is an influential actor in the Slovak regulatory environment, indirectly impacting decisions that can affect the media as well. In spite of his political connections, Kesjar is seen as independent thinker with a solid professional background in Slovakia and abroad. He has strong connections with the Smer-SD, party where he used to be a member. At some point in life, Kesjar worked for Eufinex, an investment company owned by the Smer-SD MP Ladislav Kamenicky.

With an RVR mandate until December 2020, **Gabriela Rothmayerova** is seen by local journalists as a progressive voice in the country's media. She was a politician in the early 1990s in then Czechoslovakia. Rothmayerova is a writer and journalist known for influencing in an articulate manner public debates on the role of media. For several years, she has written a blog on the website of the daily Pravda.

Progressive minds

Anton Skreko is the general director of the department covering media, audio-visual and copyrights at the culture ministry. He is a young, educated and outspoken expert who is known for his strong take on the independence of RTVS, Slovakia's public service media. He has been pushing for a reform package aimed at changing the rules of appointment in the RTVS' governing structure with the aim of uncoupling the institution from the political control.

(26) Marius Dragomir, "A Dim Future Approaches for Objective Reporting in Slovakia", *MediaPowerMonitor*, 15 Jan 2018, available online at <http://mediapowermonitor.com/content/dim-future-approaches-objective-reporting-slovakia>

(27) Marius Dragomir, "A Dim Future...", *cit.*

(28) Veronika Sutkova, Marek Vagovic, "Dozeral na tlač, teraz na zákon" (He took care of the print, now of the law), *Sme*, 7 Feb 2008, available online at <https://www.sme.sk/c/3716914/dozeral-na-tlac-teraz-na-zakon.html>

Non-aligned

Marta Danielova, the chair of the RVR, has a solid reputation in both the political life and media industry given her long career in journalism. Danielova worked most of her life for the Slovak public media, both during communism and after 1990. She was vice-chair of the Slovak public TV board between 2008 and 2010. In spite of her reputation and support from many political parties, Danielova does not exert much power on media players or policymakers. She is described by journalists as an effective mediator and negotiator. Danielova is not connected through ownership or financial links with media companies or politicians in Slovakia, according to CMDS records. As RVR chair, she receives a monthly salary equivalent with an MP salary, which is roughly €2,000 a month.

Lubomir Kmec, a member of the RVR, in office until January 2019, is known to have some decision-making influence in regulatory affairs. Kmec co-owns the advertising agency Hi-Reklama, company with nearly €3m in turnover in 2017, according to financial data for two Hi-Reklama subsidiaries, located in Kosice and Bratislava. Hi-Reklama is hardly profitable. Kmec controls 33% in Hi-Reklama Bratislava. The rest is equally owned by two business partners from Kosice, Robert Probstner and Igor Hudak. Kmec is a playwright and screenwriter. He worked shortly as a journalist in the 1990s, but then did play writing and screenwriting work for private studios and the Slovak public TV. Kmec has friends and relations with people working for the public TV and radio and Joj TV.

Transparency of Decision-Making in Media Regulation

The main media regulator RVR is a relatively transparent institution. Most of the documents issued by the RVR, including decrees, minutes of meetings, reports on the state of broadcasting and licensing decisions are published on the regulator's website. In the past, the licensing decisions and the deliberations around a licensing request were done behind closed doors.

While most of the members of the RVR council are regularly interacting with politicians and financiers with interest in the media, the declining importance of broadcast licensing, which is RVR's key role, has dented the influence of this body.

With the digital switchover, an increasing number of licenses for TV and radio operations has become available, making licensing a pure formality unlike more than one decade ago when only three-four TV broadcast licenses were available on the market. The increased availability of licenses helped depoliticize the regulatory process and reduce the amount of pressure on the RVR's members. Today, any applicants satisfying a set of formal criteria can claim a broadcast license. In the past, a high number of bidders were participating in licensing tenders.

Today, if digital license holders want to air also terrestrially (besides via digital platforms), they have to conclude bilateral agreements with digital multiplex operators, which does not involve regulation either.

Impact of Regulators on News Media and Journalism

Although the quality of the decision-making by the RVR has improved dramatically in the past 15 years, the regulator is still seen by local journalists and experts as a “conservative” body whose decisions can often hamper the independent operation of news media in Slovakia. In the past five years or so, as the government has pushed RVR to generate more income from its own activities, the regulator has increasingly focused on imposing fines on broadcasters, their only venue to boost revenues.

However, in spite of complaints from some fined broadcasters, RVR has not made in recent years any earth-shattering decisions that would negatively or positively affect news media companies. Fines, usually to the tune of thousands of euros, are not life-threatening for the major broadcasters.

Moreover, many of the RVR’s decisions are turned down by the Constitutional Court, which according to experts interviewed for this project is seen as the institution with the biggest role in protecting and promoting freedom of expression in Slovakia. The court is the sole actor outside the politically polarized state institutions involved in media policy and regulation.

PMU, the Slovak antitrust watchdog, has substantial influence in the media market. PMU has been instrumental in the expansion of the country’s major financial groups in the media. The regulator approved several major merger cases during the past 20 years. Recently, some of its decisions were related to the expansion of the financial group Penta Investments in the media. In June 2016, PMU approved the takeover by Penta Investments along with Prva slovenska investicna skupina, of the publisher Petit Press.⁽²⁹⁾ A year before, the PMU dealt with the acquisition by Penta Investments of the publishing houses Spolocnost 7 Plus and Trend Holding.⁽³⁰⁾

(29)“KONCENTRÁCIE: PMÚ SR schválil koncentráciu Petit Press, a.s., Bratislava, Prvá slovenská investičná skupina, a.s., Bratislava a PENTA INVESTMENTS LIMITED, Normanské ostrovy” (Concentration: PMU SR approved the concentration of ownership between Petit Press, Prva slovenska investicna skupina and Penta Investments Limited), 28 Jun 2016, available online at

<http://www.antimon.gov.sk/4484-sk/koncentracie-pmu-sr-schvalil-koncentraciu-petit-press-as-bratislava-prva-slovenska-investicna-skupina-as-bratislava-a-penta-investments-limited-normanske-ostrovy/>

(30)“Penta kupuje Trend Holding a 7 Plus” (penta buys Trend Holding and 7 Plus), Medialne.sk, 3 Sep 2014, available online at <https://medialne.etrend.sk/tlac/penta-kupuje-trend-holding-a-7-plus.html>

Influencers

Industry, mostly broadcasters, advertising and publishers, has a big influence in the regulatory process and policymaking in Slovakia. They actively lobby for their interests, which are primarily commercial.

However, the biggest influencers in Slovak media (and Slovakia, generally) are a group of magnates including Andrej Babis, Marek Dospiva, Ivan Kmotrik, Petr Kellner and Peter Korbacka, who control vast amounts of funds and have interests in a spate of industries; many of them operate also in neighboring Czech Republic. They are supported by a network of less wealthy, yet powerful and politically connected underlings with high positions in media companies. A big group of those come from Penta Investments and J&T, two key players in the Slovak news media. For example, Dospiva is more active in the Czech media market using his partner Jaroslav Hascak to handle Penta's media acquisitions in Slovakia.

A dynamic group of professionals, mostly in top media management positions, exert influence in media on their own, but are hardly able to break the dominance of the few media owners. Slovakia has a vibrant civil society and some NGOs are actively involved in media policy and journalism debates. The Slovak press council, a self-regulatory body, often calls government worthies and politicians to account over undue influence in and attacks on media and journalism.

However, that is not sufficient to build a propitious environment for independent journalism. Building an independent journalism operation outside the established industry is a tortuous task as very few journalists who ventured into that have learned.

Local Influencers

INDUSTRY PLAYERS

The industry players with the biggest influence in the regulatory and policymaking process in Slovakia are the large broadcasters, advertising agencies (and through them the key advertisers) and publishers. Each of these groups has a professional organization lobbying for its interests.

The Association of Independent Radio and TV Stations (ANRTS), with 19 members including the largest radio and TV stations in Slovakia, represents the interests of the private broadcasting industry. Its president is Marcel Grega, the general director of the Joj TV.

The Club of Advertising Agencies in Slovakia (KRAS) is the main organization of advertising companies in the country. It has 11 members, mostly big advertising agencies. By far the largest advertising company in the country is JandL, marketing a reklama with revenues of over €27.7m in 2016. The company is owned by local businessman Ladislav Zdut, who also owns the luxury fashion brand Nehera. The interest of the advertising community is to ensure that rules and regulations do not restrict in any way how they do marketing for their clients.

They are in many ways supportive of the media as this is their key platforms for advertising. However, they are primarily driven by commercial goals and much less by journalistic ideals.

At the same time, they are increasingly looking for new advertising formats such as native advertising and engagement with customers on social media that are made possible by digital platforms. That has led to the emergence of a new generation of creative minds, geared on digital ads. Together, they act as the Association of Digital Marketing Agencies (ADMA), an organization of 17 members, most of which are small-size shops, either independent agencies or daughter companies of larger advertising groups. For example, Performics is a digital ad agency controlled by B2B Group, company that belongs to the French advertising giant Publicis. Another digital ad company, ecake is jointly run by four Slovak entrepreneurs.

Media buying agencies, in charge of buying ad space on behalf of ad agencies and their clients, have a big weight in the Slovak media market. The largest agency is Unimedia, with over €50m in revenue in 2016, according to data from Trend. Ten media buyers have annual revenues of at least €10m.

The publishing industry is promoting its interests through the Slovak Press Publishers Association (AVT), an industry groups set up back in 1991. AVT has 12 members, including all major publishers in Slovakia such as Ringier Axel Springer Slovakia, News & Media Holding (NMH), Petit Press, Mafra Slovakia, Bauer Media and Perex. Peter Mertus, former head of NMH, controlled by the financial group Penta Investments, is the AVT's president.

(31)For more information about this association, visit its website at <http://www.anrts.sk/wp/>

(32)For more information about this association, visit its website at <http://kras.sk>

(33)For more information about this association, visit its website at <http://adma.sk>

SLOVAK ADVERTISING UNIVERSE

The largest advertising agencies in Slovakia, by sales revenues, 2015-2016

Ad agency	Revenues('000 €)		Change, yoy (%)	Main clients	Membership KRAS
	2016	2015	2016/15		
<i>JandL, marketing a reklama</i>	27,728	29,393	-5.7	COOP Jednota, Volkswagen Slovakia, Mliecny fond, Wüstenrot	Yes
<i>Wiktor Leo Burnett</i>	5,174	5,458	-5.2	Fiat Group Automobile, Orange, Eurovea, HB Reavis, Heineken, J&T Banka, LIDL, Slovnaft, Postova Banka, 365.bank, Volkswagen	Yes
<i>Made by Vaculik</i>	5,135	6,514	-21.2	AeroMobil, Heineken, IBM, Raiffeisen banka, Tatra banka, Tesco, Fio banka, T-Mobile CZ	Yes
<i>Creo/Young & Rubicam</i>	4,667	8,176	-42.9	WND	No
<i>Effectivity</i>	4,016	5,416	-25.9	WND	Yes
<i>Istropolitana Ogilvy</i>	3,899	3,457	12.8	Citroen, Dr.Max, Groupama, Heineken Slovensko, Peugeot, Slovnaft, Svet Zdravia, Tesco, VUB banka	Yes
<i>MUW / Saatchi & Saatchi</i>	3,811	4,187	-9.0	Slovak Telekom, CSOB Group, J&T Real Estate, Aupark, Stredoslovenska energetika, Kooperativa poistovna, Terno Real Estate, IKEA CR, Zott	Yes
<i>MullenLowe GGK</i>	3,450	3,307	4.3	Audi, Baumit, Bramac, Seat, Skoda Auto, Volkswagen, VW Finančne služby	Yes
<i>Triad</i>	2,439	2,026	20.4	adidas, O2, OMV, Pernod Ricard, Pivovary Topvar, SME, Uniq, Vitana, Volkswagen, YIT	Yes
<i>Zaraguza</i>	2,387	1,860	28.3	Dr.Oetker, Heineken, Profesia, Orange, Primalex, Slovenská sporitelna, SPP, Volkswagen	Yes
<i>2create</i>	2,005	1,713	17.0	ITB, Jarabiny Invest, Macho Consulting, Orange, Paul Q, Pupa Milano, Riverside, Technia, Techo, Terno	No
<i>Creative Department</i>	1,556	1,807	-13.9	WND	No
<i>Apple Pie</i>	914	2,183	-58.1	WND	Yes
<i>Mayer / McCann-Erickson</i>	n/a	2 605	n/a	Coca-Cola, Mastercard, Heineken Lebanon, Heineken Tunis, Postova banka, Rigips, Teas	No

ADVERTISING BROKERS**The largest media buying agencies in Slovakia, by sales revenues, 2014-2016**

Agency	Revenues('000 €)			Change, yoy (%)	Cooperation with ad agencies
	2016	2015	2014	2016/15	
<i>Unimedia</i>	50,258	52,373	50,977	-4.0	Havas Slovakia, Médea Slovakia, KnowLimits, RegioNet, Media Plus, Fast Forward SK
<i>MEC Slovakia</i>	28,774	27,606	25,820	4.2	Creo/Young & Rubicam
<i>Universal McCann Bratislava</i>	25,249	24,231	21,575	4.2	Mayer/McCann Erickson
<i>ZenithOptimedia</i>	21,677	27,226	26,772	-20.4	WND
<i>MediaCom Bratislava</i>	19,799	17,666	18,802	12.1	WND
<i>OMD Slovakia</i>	17,225	17,774	16,905	-3.1	Mark BBDO, DDB, TBWA
<i>Starmedia Co.</i>	15,753	16,708	13,817	-5.7	2create, Miracle, Wiktor Leo Burnett
<i>Media and Digital Services</i>	12,706	21	-	-	2create, Packy Advertising, Made By Vaculik, Loco Agency
<i>Mindshare Slovakia</i>	11,442	5,765	6,373	98.5	Daren & Curtis
<i>Dentsu Aegis Network Slovakia</i>	11,200	14,255	12,481	-21.4	Adexpres.com, Community, Effectivity, Partners in communication, Progress Promotion, Manifest 360
<i>Médea Slovakia</i>	6,334	6,680	6,753	-5.2	Ogilvy & Matter Morava, Mediaplus
<i>Panmedia Western</i>	5,768	4,578	4,917	26,0	WND
<i>PHD</i>	2,468	6,023	6,822	-59,0	Mark BBDO, TBWA, DDB
<i>Branding</i>	2,107	1,264	1,966	n/a	WND
<i>METS Slovakia</i>	1,100	1,714	2,399	-35.8	WND
<i>IdeaMedia</i>	1,022	2,074	2,914	-50.7	WND

The Kingpins

Key Influencers

Andrej Babiš is a powerful businessman, now prime minister in the Czech Republic with a net worth of over US\$ 4bn in 2017, according to estimates from Bloomberg. Born in Slovakia, Babiš has made his fortune through the conglomerate Agrofert. In the Czech Republic, he founded his own political party in 2011 and two years later purchased Mafra⁽³⁵⁾, a mainstream newspaper publisher through which he controls the most popular business newspaper in Slovakia today, Hospodarske noviny.⁽³⁶⁾

Czech **Marek Dospiva**, one of the founders of the Penta Investments group, lives in Prague and deals mostly with Czech media acquired by Penta. However, through his partner Jaroslav Hascak, he influences the Slovak market a great deal. Dospiva has close connections with Russia and China where he did his studies. He was responsible of the Penta's entry on the Czech market and then of its expansion in Germany. In Slovakia, he has stakes in nearly 250 companies, many of them Penta investee companies. They include the betting company Fortuna SK, private hospitals and pharmacy chains. Dospiva's fortune is estimated at over €800m.⁽³⁷⁾

Czech entrepreneur **Petr Kellner** operates in the Slovak market through the mobile operator O2, in which he has a participation. PPF, the financial group controlled by Kellner, bought O2 in Slovakia in 2013.⁽³⁸⁾ Kellner is considered the richest Czech with a net worth US\$ 12.8bn.⁽³⁹⁾ Kellner is reportedly in talks with a group of other financiers from Slovakia and Czech Republic to buy Markiza TV.⁽⁴⁰⁾ He wants to partner in this acquisition with J&T, Penta Investments and Energeticky a prumyslový holding (EPH), a Czech energy utility.

Ivan Kmotrik is a businessman with interests in many industries. He was described as a "gangster" by several journalists surveyed for this report. He owns Grafobal group, which also has investments abroad. Kmotrik's name was involved in a slew of privatization deals during the 1990s, which contributed much to his wealth. Today, he runs printing houses, healthcare facilities, agricultural companies, food retailers, media, energy companies and a football club. The control over the printing businesses gave Kmotrik significant influence among big publishers in Slovakia and Hungary. Through the companies Mediaprint-Kapa Pressegrasso, GG TABAK and Royal Invest Consulting, Kmotrik secured monopoly of the print media distribution market. That gave him immense leverage with publishers. He had a stake in TV Joj, which he then sold to J&T, and now controls the all-news TV station Ta3.⁽⁴¹⁾ Friendship with politicians from the Smer-SD party secured Kmotrik a string of public contracts in recent years.

Peter Korbáčka is one of the most powerful people in the Slovak media industry (and in Slovakia generally) mainly thanks to his affiliation with the financial group J&T. A partner in the real estate and media divisions of J&T, Korbáčka is one of the wealthiest Slovaks, with some €250m in his bank account, according to industry estimates from 2013. Korbáčka also has investments abroad. He has run a slew of real estate projects in Russia. Slovak media reported about his swank villa equipped with a private heliport, located somewhere close to Joj TV, the station he controls.⁽⁴²⁾ Korbáčka is also one of the most politically connected businessmen. His money opens doors of many high officials. With some of them he has close friendships. Korbáčka has influence in media regulation as well. One of the RVR's members, Peter Joanidis, was Korbáčka's business partner in a company that is now defunct.⁽⁴³⁾

⁽³⁵⁾"Agrofert Andreje Babiše koupil vydavatele MF DNES a Lidových novin" (Andrej Babiš' Agrofert bought the publisher of MF Dnes and Lidove Noviny), iDnes.cz, 26 Jun 2013, available online at https://ekonomika.idnes.cz/babis-koupil-vydavatelstvi-mafra-dqb-/ekonomika.aspx?c=A130626_160851_ekonomika_fih

⁽³⁶⁾"Andrej Babiš kúpil Hospodárske noviny" (Andrej Babiš bought Hospodarske noviny), finweb.sk, 15 Apr 2013, available online at <https://finweb.hnonline.sk/ekonomika/565688-andrej-babis-kupil-hospodarske-noviny>

⁽³⁷⁾"70 nejbohatších Čechů 2017" (The 70 richest Czechs 2017), Forbes.cz, 6 Dec 2017, available online at <http://www.forbes.cz/miliardari/>

⁽³⁸⁾"Potvrdené: Kellner kupuje O2" (Confirmed: Kellner buys O2), Trend, 6 Nov 2013, available online at <https://www.etrend.sk/trend-archiv/rok-2013/cislo-44/potvrdene-kellner-kupuje-o2.html>

⁽³⁹⁾The 70 richest Czechs, cit.

⁽⁴⁰⁾"Miliardový biznis na spadnutie. Na predaj je TV Markiza" (A billion business to fall. TV Markiza is on sale), Strategie, 20 Sep 2017, available online at <https://strategie.hnonline.sk/media/1029753-miliardovy-biznis-na-spadnutie-na-predaj-je-tv-markiza>

⁽⁴¹⁾Tomas Czwickovics, "JOJ a TA3 - J&T a Grafobal si vymenili televízie" (Joj and Ta3-J&T and Grafobal exchanged TV stations), Medialne.sk 16 Jan 2007, available online at <https://medialne.etrend.sk/televizia/joj-a-ta3--j-t-a-grafobal-si-vymenili-televizie.html>

⁽⁴²⁾"Poslednej štvorke slovenských milionárov vládné Ivan Chrenko" (The last tetrad of Slovak millionaires is led by Ivan Chrenko), Plus7dni, 3 Jun 2013, available online at <https://plus7dni.pluska.sk/Kauzy/Poslednej-stvorke-slovenskych-milionarov-vladne-Ivan-Chrenko>

⁽⁴³⁾Data from CMDS investigations including interviews with Slovak journalists and experts (See Methodology in Media Influence Matrix: Slovakia)

The middlemen

Key Influencers

PENTA INVESTMENTS

An investment manager at Penta Investments, **Peter Andits** is also part of the supervisory boards at Penta's publishing houses NMH and Petit Press. Andits has influence in Penta Investments and an important say in the group's media businesses. He has a participation in a dozen of other businesses, mainly companies controlled by Penta Investments.

Igor Grosaft is a controversial businessman who has been used by Penta Investments as a straw man for a number of transactions that the group made in media and other industries. Grosaft was mentioned in the Gorilla file as close to Penta Investments' Hascak.⁽⁴⁴⁾ The Gorilla case was a political corruption scandal that rocked Slovakia in 2011 when leaks from a Slovak Secret Service wiretap file known as Gorilla, recorded in 2005-2006, were published online. He reportedly carried out the takeover of the publisher Petit Press for Penta Investments. The sale prompted the departure of half of the journalists working for Sme, Petit Press' most influential and popular daily. Grosaft has intermediated the Petit Press deal using the news agency SITA, which he owned at the time.⁽⁴⁵⁾ The Swiss Leaks, an investigation carried out by the International Consortium of Investigative Journalists (ICIJ), revealed in 2015 that Grosaft was among the Slovak businessmen who stashed their euros in an HSBC account in Switzerland, allegedly to save on taxes.⁽⁴⁶⁾ But in spite of all that, Grosaft does not exert real influence in the media sector and rather is used as a middlemen by his bosses.

Jaroslav Hascak is a key figure in Penta Investments with high influence in Penta's investment decisions. Hascak was, with Dospiva, co-founder of Penta group using cash they made in the early 1990s in China during their studies, according to the official version of the Penta history. Local observers have long questioned the provenance of the cash that led to the creation of the Penta empire, doubting that the imports of textiles from China to the former Czechoslovakia was such a lucrative business as Hascak and Dospiva claimed. Hascak has a participation in many of Penta's large companies, including the insurer Dovern, the private hospital operator Svet Zdravia, Prima Banka and the lottery Fortuna SK. Hascak's name was mentioned in the infamous Gorilla case as the key link with senior politicians from the ruling coalition in talks about privatization deals and sale of state property. The Gorilla case was a political corruption scandal that rocked Slovakia in 2011 when leaks from a Slovak Secret Service wiretap file known as Gorilla, recorded in 2005-2006, were published online. The file revealed a web of kickbacks to politicians in return for procurement and privatization contracts mostly involving Penta Investments. The company denied any wrongdoing.⁽⁴⁷⁾

⁽⁴⁴⁾Marek Vagovic, "Médiá v krajine oligarchov" (Media in the country of oligarchs), .tyzden, 28 Sep 2014, available online at <https://www.tyzden.sk/casopis/16360/media-v-krajine-oligarchov/>

⁽⁴⁵⁾Zuzana Petkova, "Muž, ktorý kúpil Pente Sme" (The main who bought Sme for Penta), Trend, 22 Oct 2014, available online at <https://www.etrend.sk/trend-archiv/rok-2014/cislo-42/muz-ktory-kupil-pente-sme.html>

⁽⁴⁶⁾Monika Todova, "O Grošafta sa bude zaujímať aj tím vyšetrojúci Gorilu" (The team investigating Gorilla is going to be interested in Grosaft as well), DennikN, available online at <https://dennikn.sk/72457/o-grosafta-sa-bude-zaujimat-aj-tim-vysetrujuci-gorilu/>

⁽⁴⁷⁾"The multi-million euro gorilla", The Economist, 27 Jan 2012, available online at <https://www.economist.com/blogs/easternapproaches/2012/01/scandal-slovakia> (subscription might be required).

The middlemen

Key Influencers

AGROFERT

Alexej Bilek is an influential businessman close to Andrej Babis. He has a participation in Mafra Slovakia. Bilek is part of the privileged during the communist regime in the former Czechoslovakia. After the collapse of communism, he controlled the publishing house that published the communist daily Halo noviny in the Czech Republic. Lawyer by profession, Bilek is known as one of Babis's key lawyers who helped him amass the wealth he now possesses. Bilek is known as Babis's "faithful dog" and he is one of the few people in Babis's circle allowed to make fun of his boss.

Czech **Zbynek Prusa** is a close associate of the Czech prime minister Andrej Babis, owner of the Agrofert group where Prusa is a chairman of the board. A powerful businessman with experience in the chemical manufacturing industry, Prusa is also part of Mafra Slovakia, the publishing house controlled by Babis in Slovakia. However, due to his heavy duty at the helm of Agrofert, Prusa exerts less influence in the Slovak media industry than one would expect.

PETIT PRESS

Vaclav Foglar, a board member at Petit Press, is a prominent player in the Slovak media industry, currently co-owner of Prva slovenska investicna skupina (PSIS). Foglar keeps a low profile, but has leverage with media funders. Before Penta Investments purchased Petit Press, he owned part of the publishing house through the investment holding Proxy-Finance. Foglar with Peter Vajda (who died in 2017) and Vladimir Rajcak co-founded in 1990 Prva slovenska investicna skupina, one of the pioneering investment funds in Slovakia. Martin Vajda, who took over his father's role in the business,⁽⁴⁸⁾ has now far bigger influence than Foglar.

Vladimir Rajcak, also a member of the Petit Press board, is an influential businessman in the Slovak media. He was one of the three founders of Prva slovenska investicna skupina. He is on the board of the leasing company VUB Leasing.

⁽⁴⁸⁾Adam Vlcek, "Novým spolumajiteľom denníka SME je Martin Vajda" (The new co-owner of the daily Sme is Martin Vajda), Sme, 24 Nov 2017, available online at <https://ekonomika.sme.sk/c/20703272/novym-spolumajitelom-dennika-sme-je-martin-vajda.html>

The executants

Key Influencers

PENTA INVESTMENTS

A former spokesperson for Penta Investments, **Martin Danko** started to work for Penta's media arm in 2015. He is in the supervisory board of NMH, a publisher controlled by Penta Investments. Danko is now in charge of chasing potential acquisitions for Penta in the media. He is known in the industry as a skilled dealmaker and negotiator with significant power in the media businesses that Penta Investments controls.

Michal Teplica is the president of the publishing house NMH, a position he grabbed mostly thanks to his close connections with Penta Investments. Before that, he worked with the media agency Media and Digital Services (MDS), which is also a Penta investment. Many of the MDS clients were companies controlled by Penta Investments and J&T group.

RINGIER AXEL SPRINGER

Milan Dubec, the general director and a shareholder in Ringier Axel Springer Slovakia and the leading online server Azet, is known as an expert in online products. He manages a slew of online platforms controlled by Ringier Axel Springer in Slovakia including the news portals Aktuality.sk and Cas.sk, the sports website Sport.sk and the advertising servers Autobazar.sk, Bazar.sk, Nehnutelnosti.sk, Reality.sk, and Byty.sk, among many others.

CME

Petr Dvorak was the CEO of the Czech TV Nova until 2011. He has a long career in Central European Media Enterprises (CME), the company that operates Markiza TV and TV Nova. As a member of Markiza-Slovakia's supervisory board, he exerts influence in the country's regulation and in the company. He has a close relation with PPF, a mighty Czech financial group where he is an executive board member.

Austrian **Matthias Settele** has served as TV Markiza's CEO since September 2013. Prior to that, he worked for Turner Nordic and Baltic and was an advisor to Austria's public television channel ORF. Settele is credited with turning Markiza TV from a loss-incurring enterprise into a profitable business. He has an impressively strong reputation in the Slovak media industry and is known for his heft in the country's regulation.

JOJ MEDIA HOUSE

Richard Flimel is a lawyer and economist educated in Slovakia and the U.S. As board chair at Joj Media House, the group that operates Joj TV, he exerts considerable influence in the market. His name is also linked with the Slovak outdoor advertising industry. He is the board chair at Akzent BigBoard, an outdoor ad company with over €13.2m in revenues in 2017.

Marcel Grega, the general director of TV Joj, has made a career in banking in the U.S. Before joining TV Joj in 2007 as financial director, he worked for the consultancy PricewaterhouseCoopers. Under Grega, TV Joj's news programs increased their audience. Joj Media group's TV stations, Joj TV, Plus and Wau, have boosted their combined audience share during his time. He has close connections with the financial group J&T where he worked on media investments.

PETIT PRESS

Alexej Fulmek, the president of the Petit Press group, is a respected professional in the media business with substantial influence in the industry. He started his career in 1989 at the daily Smena. He helped establish Sme in 1993, which is today the most popular serious newspaper in Slovakia. Fulmek is also a member of the board of directors at the Media Development Investment Fund (MDIF), a global provider of financial assistance to news media. Through the press publishers association, Fulmek exerts substantial influence in the Slovak news industry.

SLOVAK TELEKOM

Miroslav Majoros is the CEO of the largest telecom operator by revenue in Slovakia, Slovak Telekom, which is owned by Deutsche Telekom. In January 2016, he was also appointed CEO of Telekom Romania, another Deutsche Telekom company. Majoros has a solid reputation in the Slovak business thanks to his successful management positions at various major technology companies. Before Slovak Telekom, he worked at IBM Slovakia. Majoros is said to have significant influence among regulators and politicians in Slovakia. He was the first director of the public TV in Slovakia after the split of Czechoslovakia in 1993.

Civil Society

Slovakia has a vibrant NGO community whose history harks back to the late 1990s when the most prominent civil society groups joined forces in a campaign, known as OK98, aimed to topple the isolationist, nationalist regime of Vladimir Meciar, prime minister at the time. The NGOs called for free and fair elections. The NGO community in Slovakia numbers now over 18,000 entities, according to statistics from the Washington, D.C.-based Institute for Policy Studies.⁽⁴⁹⁾ Most of them are still funded by foreign donors, but funding from that source is dwindling; however, a 2% tax assignation for NGOs helps civil society groups diversify their funding sources. That tax also inspired many businesses to establish their own NGOs. Most of them are focused on education and health, and represent the interests of their founding companies.

The majority of NGOs in Slovakia are located in Bratislava in spite of efforts by some civil society groups to expand outside the capital city. The experience that Slovak NGOs have in raising civic education awareness and providing an impartial approach to policymaking made them a paragon for NGO development in Eastern Europe, according to analysis published by the Woodrow Wilson Center.⁽⁵⁰⁾

But very few civil society groups are involved in media policy. The most prominent NGOs that devote some of their resources to media policy, chiefly think tanks and research groups, are the Institute for Public Affairs (IVO) that was founded in 1997 by Martin Butora, a well-known political dissident; Globsec, a global think tank located in Bratislava that carries out studies on various topics including media; Media Institute, a research institute focused on media studies. However, none of these organizations has much power in influencing media policy in Slovakia.

Thanks to its growing clout, Creative Industry Forum (CIF) has emerged as an important player in the Slovak media. The forum, whose members are independent producers, professional broadcasters associations and advertising associations, has been involved through its experts in drafting media legislation. CIF advocates for fair economic competition and protection of investments in the creative industry.

The Press Council of Slovakia or TRSR is described by journalists interviewed for this report as an effective professional association. A self-regulatory organization, TRSR is the executive arm of the Association for the Protection of Journalistic Ethics (Asociacia na ochranu novinarskej etiky, AONE). The TRSR mainly deals with complaints from the general public, be they individuals or companies. Most of TRSR's work is related to journalism ethics. In its more than 15 years of history, the TRSR has handled over 300 complaints.

(49)John Feffer, "The New Wave of NGOs in Slovakia and East-Central Europe", Foreign Policy in Focus, 16 Jan 2014, available online at <http://fpif.org/new-wave-ngos-slovakia-east-central-europe/>

(50)Sabina Crisen, "A Closer Look at the Slovak NGO Community", 7 Jul 2011, Wilson Center.

In 2017, responding to the shifts in the media triggered by the internet, TRSR changed its name to the Press-Digital Council of Slovakia (Tlacova-digitalna rada Slovenskej republiky, TRSR). Furthermore, IAB Slovakia-Association for Internet Advertising also joined TRSR in 2017. IAB Slovakia has 39 members, including the largest publishers, media agencies and other players in the Slovak internet advertising market.⁽⁵¹⁾ TRSR's governing structure is a council consisting of nine people, mostly personalities from the public, culture and society who are not active journalists or publishers and do not belong to any political party. They themselves appoint the board's chair. In the past, the TRSR's members included painters, judges, psychologists, pedagogues and priests. All TRSR members have a six-year mandate.

TRSR BOARD

- Andrej Schwarz (lawyer, 2015-2021)
- Ivan Podstupka (former journalist, 2016-2022)
- Tomas Kamenec (lawyer, 2015-2021)
- Peter Kerecman (lawyer, 2016-2022)
- Ivana Potocnaková (former journalist, 2015-2021)
- Marek Ogurcak (lawyer, 2017-2023)
- Pavol Mudry (former journalist, 2017-2023)
- Alena Panikova (NGO activist, 2017-2023)
- Valer Kot (digital business expert, 2017-2023)



TRSR is funded through a combination of membership fee and other financial contributions from members, grants, gifts from individual sponsors and cash from paid services, according to the organization. One major case handled by TRSR involved the government of the former prime minister Roberto Fico and the newspapers Sme and DennikN. Government officials refused to answer questions from journalists working with these newspapers arguing that they constantly published incorrect articles about the government. TRSR discussed both cases (Sme and DennikN) in 2015 and found that the government breached provisions on free access to freedom of information. The case was brought before the European Court of Human Rights (ECHR).

Slovakia has an ombudsman office known officially as the Office for the Public Defender of Rights. In February 2017, Maria Patakyova was appointed by Parliament to head this office for a five-year mandate. An active barrister, Patakyova is a respected lawyer with expertise in European law. Upon her investiture, Patakyova said that she wanted to keep tabs on the executive power. ⁽⁵²⁾ According to human rights activists, Patakyova is doing her job well in spite of obstructions posed by politicians. However, her power to influence the media regulatory process is limited.

⁽⁵¹⁾For more information about TRSR, visit its website at <http://trsr.sk>
⁽⁵²⁾“Maria Patakyova Elected as New Ombudswoman”, 7 Feb 2017, TASR, available online at <https://newsnow.tasr.sk/policy/maria-patakyova-elected-as-new-ombudswoman/>

External Influencers

International bodies and intergovernmental institutions have little leverage with the Slovak regulatory authorities that cover media. They rarely influence decisions or policies that affect the media industry and journalism in Slovakia. In the telecommunications sector though the European Commission has considerable influence. It often requests regulatory authorities and government bodies in Slovakia to remedy policies or intervene in the market when various developments are likely to jeopardize competition or consumers.

These requests are usually complied with as the Commission has legal mechanisms to intervene in cases where the Slovak government fails to remedy breaches of EU law. Most of the requests are either technical or competition-related and do not affect media or journalism. For example, in October 2017, the Commission launched an investigation into the proposal of the Slovak regulator RU to set a maximum price for wholesale voice call termination services that is likely to affect all telecoms on the market.⁽⁵³⁾ The Commission has the right to impose fines on telecom operators in Slovakia. Its work is coordinated with the Body of European Regulators for Electronic Communications (BEREC), the EU's regulator for the pan-European telecom market, based in Riga, Latvia.⁽⁵⁴⁾

The Strasbourg-based European Court of Human Rights (ECHR) has some influence in the Slovak media as its decisions are legally binding. However, rarely this instance is used by Slovak media and journalists mainly because it is a complicated, time-consuming procedure, journalists say.

In one case, Slovak journalist Arpad Soltesz won a case at ECHR ten years after the publication of a story under his byline got him in trouble. The court ordered compensations of €20,000. Soltesz lost a libel suit lodged against him by a local lawyer in Slovakia's courts before referring the case to the ECHR.⁽⁵⁵⁾

In a separate case, in 2013 eight current and former judges sued Ringier Axel Springer, the publisher of the tabloid *Novy cas*. They were unhappy with a story *Novy cas* published in 2011 that featured photos of the judges with mock assault rifles and wearing blue ear protectors at a party. A few months before the party, seven people, some of them Roma, were killed by a gunman wearing blue ear protectors. The judges asked for compensation worth €1.8m. A Slovak court ordered *Novy cas* to publicly apologize to Daniel Hudak, a Supreme Court justice who was among the peeved judges arguing that the newspaper published his picture without Hudak's consent. Ringier Axel Springer appealed the decision. In January 2014, the ECHR awarded a total of €30,000 to Ringier Axel Springer and found that Slovak courts failed to protect the right of *Novy cas* to free expression.

⁽⁵³⁾EC, "Commission opens a second phase investigation in Slovak wholesale mobile termination market", 25 Oct 2017, available online <https://ec.europa.eu/digital-single-market/en/news/commission-opens-second-phase-investigation-slovak-wholesale-mobile-termination-market>

⁽⁵⁴⁾For more information about the work of BEREC, visit its website at <https://berec.europa.eu>

⁽⁵⁵⁾"Journalist prosecuted for Facebook status", *The Slovak Spectator*, 13 Feb 2018, available online at <https://spectator.sme.sk/c/20760309/journalist-prosecuted-for-facebook-status.html>

The International Telecommunication Union (ITU), a UN agency setting standards globally in the information and communication technologies sector, exerts influence in Slovakia, but mostly on technical issues such as frequency management and technical standards. The three Slovak members in ITU are the transport ministry, the technical regulator RU and the telecom operator Slovak Telekom. The Slovak broadcast regulator RVR is a member of the European Platform of Regulatory Authorities (EPRA), a network of broadcast regulators. EPRA as such has no influence in the internal broadcast regulation in Slovakia. It functions essentially as a forum for exchanges of information among European broadcast regulators.

The Organization for Security and Co-operation in Europe (OSCE) plays an important political role in Slovakia, particularly in monitoring elections. OSCE has a media representative office that is led by a highly reputable expert or politician. This office has the power to reach out to top officials in Slovakia, but its influence in the Slovak media is limited to political pressures and does not lead to any tangible change in media policy. For example, in early March 2018, the current OSCE media representative Harlem Desir, a French politician, met in Bratislava with the Slovak prime minister Robert Fico to ask the Slovak officials to investigate the assassination in February 2018 of Jan Kuciak, an investigative journalist from Slovakia. The Slovak officials ordered an investigation into the killing, but that came after a wave of pressures from international NGOs, networks of journalists and governments. In the end, it was a mass protest that forced the resignation of high officials in the Slovak government.⁽⁵⁶⁾

When it comes to foreign countries, neighboring Czech Republic shares the most with Slovakia in terms of media regulation, funding and content. Much of that is due to the cultural history that the two countries are sharing thanks to close linguistic links and cultural affinities and close business ties. The two countries were one, Czechoslovakia, for a good 75 years until 1993 when Slovakia and the Czech Republic split following a political agreement. Because language permits, the Czech TV stations for a long time have been watched by Slovak audiences (and vice-versa, although to a smaller extent). The media regulatory systems in the two countries are up to a point similar. The two countries look at each other when they regulate or initiate policies in the media. Moreover, the largest financial groups and many influencers in the Slovak media have operations in the Czech Republic (some of them are Czech investors).

⁽⁵⁶⁾ Tatiana Jancarikova, "Slovak protesters demand more resignations over corruption neglect", Reuters, 15 April 2018, available online at <https://www.reuters.com/article/us-slovakia-politics/slovak-protesters-demand-more-resignations-over-corruption-neglect-idUSKBN1HM0OI>

Funding Journalism

Shifts in Journalism Funding

The largest players on the Slovak media market in terms of funding are the government (which controls the system of license fees for the public broadcaster and also gives subsidies and state ad money to the media) and several private actors, including foreign media houses, politicians and financial groups. Financially, the government retains a leading position with over €100m of public money invested in the media, according to the latest available data from 2016. Most of that is in the form of public funding allocated to RTVS, the Slovak public broadcaster. With the exception of several private players, the amount of public funding dwarfs the turnover of most media companies in Slovakia.

Two large financial groups, Penta Investments and J&T, have been increasing their participation in the media in the past few years. Penta Investments, particularly, controls via two companies a large portfolio of print titles and websites. The company repeatedly claimed that they view media purely as a business. They are said to be eying even more acquisitions. Penta Investments and J&T in the 1990s reaped spectacular profits off taxpayer money through state companies. They have vested interests, doing business with the government, especially in regulated sectors such as healthcare and energy.

The two main foreign players are American owned Central European Media Enterprises (CME), which controls the most popular TV channel in Slovakia, and Swiss-German publisher Ringier Axel Springer, which owns the most popular daily *Nový čas*, and the biggest online server, *Azet.sk*, along with a big portfolio of entertainment titles.

However, both are planning to exit the news market. CME is reportedly planning to sell its operations, possibly to a group of oligarchs from Slovakia and the Czech Republic whereas Ringier Axel Springer announced plans to sell most of its print news media to focus solely on online portals. Some of those are news portals, of which the most popular is *Aktuality.sk*, the four most read website in the country.

A big technology player is Slovak Telekom, the largest advertiser in the country and one of the biggest companies in Slovakia with revenues of some €670m and net earnings of €61m in 2016. They own the second largest portal by audience, *Zoznam.sk*, and a popular tabloid news website.

Other prominent players in the Slovak news media sector are a small group of businessmen and politicians, including Andrej Babis, prime minister in the Czech Republic.

News is not highly profitable in Slovakia, with six of the ten largest companies in the market incurring losses in the period 2012-2016, but a lucrative subscription-based model is emerging, primarily in digital publishing. The most popular, non-tabloid, daily in Slovakia, *Sme* is moving toward that model as their print circulation steadily declines. *DennikN*, a news outlet established in 2014 by a group of breakaway reporters from *Sme*, claims that they have reached profitability thanks to a paywall model.

Who's Who in Slovak Media

The key influencers in the largest media in Slovakia

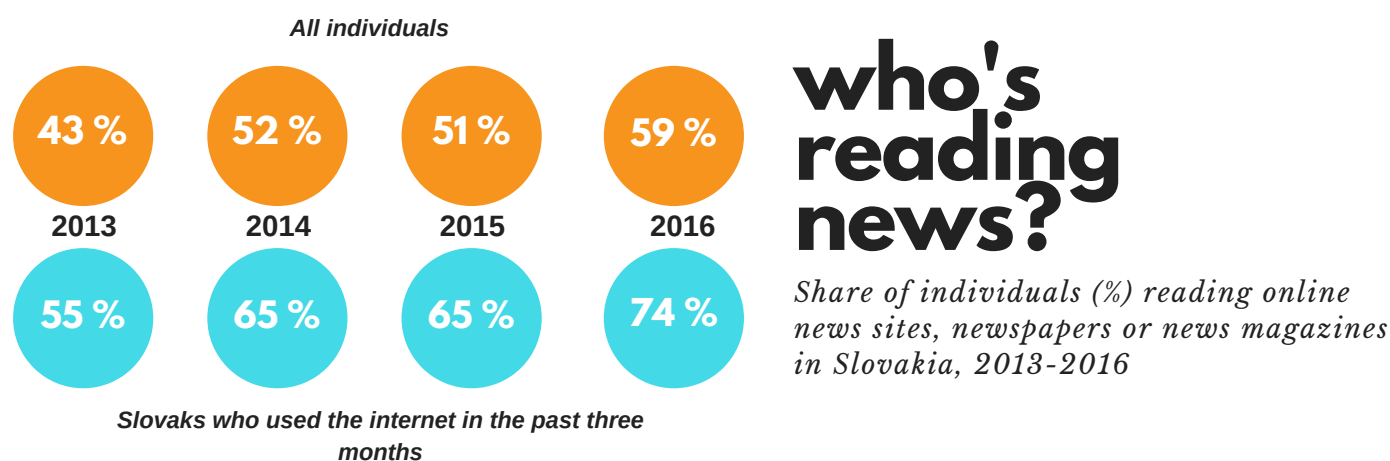
Direct & indirect influence	Operator	Prominent news media assets				Annual income 2016 (€ '000)
		TV	Radio	Print	Online	
Government	RTVS	Jednotka Dvojka	SR01 SR02 SRO4			115,730*
CME	Markiza-Slovakia	TV Markiza Doma Dajto				82,524
Penta Investments	NMH			Plus jeden den	Pluska.sk	52,819
	Petit Press			Sme; Uj Szo; Korzar; My	Sme.sk	
Ringier Axel Springer	Ringier Axel Springer			Novy cas	Azet.sk Aktuality.sk Cas.sk	37,553
J&T	Mac TV	TV Joj Plus Wau				21,057
Slovak Telekom	Slovak Telekom				Zoznam.sk Topky.sk	9,219**
Andrej Babis	Mafra Slovakia			Hospodarske Noviny	HNonline.sk	7,567
Ivan Kmotrik	CEN	Ta3				7,359
Michal Voracek, Ivo Valenta	Perex			Pravda		7,260

*including revenue generated on its own such as advertising sales; **solely the revenue from its online content business

Source: CMDS, 2018

Consumption Trends

News consumption in Slovakia is high compared to other countries in Europe and growing. Nearly two thirds of Slovaks read news portals, newspapers or news magazines in 2016, according to data from Eurostat, EU's official statistics agency. The figure is higher among internet users. Some 74% of the Slovaks who used the internet regularly read news online or in print in 2016.



Source: Eurostat, 2018

Overall, television remains the most dominant news medium in Slovakia. Nearly every household in the country owns a TV set, a proportion that has remained unchanged for decades, according to data from TNS BMRB, a market research agency.

Slovaks are avid consumers of television. In 2016, Slovaks on average watched TV for three hours and 55 minutes a day, seven minutes more than in the previous year, according to Eurodata TV Worldwide. That makes Slovakia an average consumer of television in Europe. It lags behind big TV consumers such as Romania and Bosnia & Herzegovina that sported more than five hours of TV viewing time a day; but it surpasses low TV consumption nations such as Iceland and the German Switzerland with roughly two hours of TV viewing a day.

A total of 81% of Slovaks watch TV every day or almost every day, according to 2016 data from the European Commission, which ranks Slovakia 12th among the 28 EU countries in terms of frequency of TV watching.

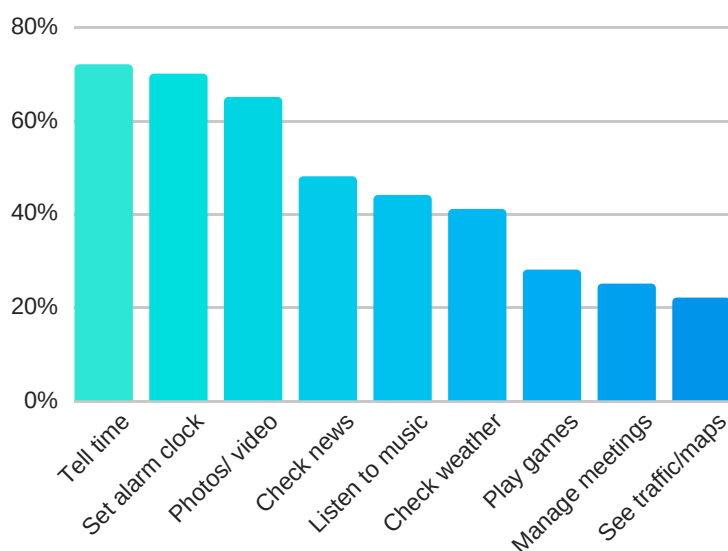
Although less dominant than television, radio is also a popular medium in Slovakia. Some 87% of the Slovak population listened to radio in 2017, but less than two thirds (65.4%) said that they listened to radio on a daily basis, according to data from Radioprojekt, a local radio listenership measurement initiative.

Print media industry is the sector with the most dramatic decline in the Slovak media market. Between 2013 and 2017, the daily newspaper market lost nearly 62,000 sold copies, which is a decline of over 25%, according to data from the local press audit bureau ABC SR. Regional dailies suffered even steeper declines. The regional daily Korzar saw its paid circulation between 2013 and 2017 down by over 47% to some 7,700 copies.

The weekly magazine market followed the trend, but its decline was less pronounced. The ten most read weeklies in Slovakia saw their combined circulation down by nearly 9% between 2013 and 2017. The year 2017, in fact, saw a year-on-year jump in the combined circulation of the ten most read weeklies, of over 5%, to a total of 722,767 copies. The weekly market in Slovakia is dominated by entertainment and hobby magazines.

Much of the decline of the print media has been triggered by the internet. Cheaper, easier ways to consume media online have prompted an increasing number of users to spend more time online. Some of the Slovak newspapers that were fast in moving to digital started to reap the benefits of the online growth. Traffic on the ten most popular websites in Slovakia increased between 2013 and 2018 by more than 36% to an average of 1.83 million “real users,” according to AIMmonitor, an analytics company that defines “real user” as an actual living person visiting a site in a given monitoring period.

New technologies have further changed the media consumption patterns in Slovakia. Fast expansion of smartphones is a strong driver for news consumption. Checking news was the fourth most frequent activity on smartphones among Slovaks in 2015, according to a survey from TNS Infratest and Google. Still, smartphone penetration is yet to grow to its full potential. Some 44% of Slovaks in 2016 accessed the internet via computer and tablet more often than on smartphones.



for which activity is the smartphone primarily used?

Key Players



TELEVISION

The television market in Slovakia is dominated by three players, two privately owned companies, Markiza-Slovakia and MAC TV, and the government. Markiza-Slovakia runs three TV channels in Slovakia, including the leading one, TV Markiza. The company is controlled by the U.S. Central European Media Enterprises (CME) via a Netherlands-registered company, CME Slovak Holdings. The audience share of TV Markiza has declined significantly in the past decade. Since 2013, the station lost over 4 p.p. of audience share, according to data from PMT/TNS. It had an audience share of some 16% in 2017. The decline was prompted by the digital switchover, which allowed new competitors on the market. Markiza-Slovakia itself launched the women-focused Doma and the male-targeted Dajto channels. Together, Markiza-Slovakia's channels are leading with a combined audience share of nearly 23%.

Markiza-Slovakia's closest competitor is MAC TV, the owner of the broadcast license for the TV stations TV Joj and TV Joj Plus. MAC TV is owned by the company Slovenska Produkčna, which is part of JOJ Media House, a group formed in 2010 that consists mostly of media assets. MAC TV has ownership links with the financial group J&T. Richard Flimel, who leads JOJ Media House, worked for J&T in the past; J&T is also one of the investors in JOJ Media House. A total of 99.9% of JOJ Media House is owned by the Cyprus-registered TV JOJ L.P. The rest of 0.1% is owned by Flimel.

The government's biggest media asset is RTVS, a public service broadcaster with nine radio stations and two TV channels. The broadcaster's first channel, Jednotka, produces a significant output of news programs.

A smaller, yet prominent player, in the Slovak TV market is CEN, company that owns the broadcast license for the all-news TV station Ta3. CEN is fully controlled by the Grafobal group belonging to the local businessman Ivan Kmotrik.

TV Markiza's programs follow the station's strategy around family entertainment, with movies, series and popular shows dominating the schedules. Its news programs are the most watched in spite of a continuous decline in recent years. In 2017, TV Markiza's news output had an average audience of over 25%, ahead of JOJ Group with 22% and RTVS with some 14%. The media controlled by JOJ Group have a rather stable audience share. On the other hand, the audience share of RTVS' Jednotka channel has seen a notable increase for several years, mostly due to marked improvements in its programs, including its news and current affairs shows.

The big TV boys in Slovakia

Most popular TV stations in Slovakia by 2017 audience, 2013-2017

	2013		2014		2015		2016		2017		Majority owner
	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	
TV Markiza	20.8	-4.0	21.2	0.4	19.6	-1.6	17.3	-2.3	16.1	-1.2	Markiza Slovakia
TV Joj	13.6	-2.7	13.7	0.1	13.1	-0.6	13.4	0.3	14.4	1.0	MAC TV
Jednotka	10.4	1.2	10.4	0.0	12.4	2.0	13.0	0.6	14.0	1.0	Government
Doma	5.9	0.8	5.2	-0.7	4.7	-0.5	4.6	-0.1	4.3	-0.3	Markiza Slovakia
Plus	4.6	-0.1	4.6	0.0	3.8	-0.8	3.4	-0.4	3.6	0.2	MAC TV
Dajto	3.1	0.5	4.6	1.5	3.7	-0.9	3.1	-0.6	3.5	0.4	Markiza Slovakia
Dvojka	3.5	-0.1	2.5	-1.0	3.1	0.6	3.2	0.1	3.3	0.1	Government
Wau	0.9	n/a	1.1	0.2	1.7	0.6	1.9	0.2	3.1	1.2	MAC TV
Ta3	1.7	0.3	1.5	-0.2	1.6	0.1	1.7	0.1	1.2	-0.5	CEN

Note: data for December; n/a: not available; yoy: year-on-year

Source: PMT/TNS, CMDS, 2018

RADIO

The Slovak radio market is more diverse than television or print media. However, the government dominates in this segment thanks to its large portfolio of radio stations and their nationwide coverage. Especially in the news market, the public service Slovak Radio (Slovensky Rozhlas, SRO), part of RTVS, has a strong position. Together, its three most popular channels garner over a quarter of Slovakia's radio audience, according to data from Median SK.

Another major player is D.Expres, company fully owned by Germany's Bauer Media Group through Bauer Ausland, a daughter company. The Germans purchased D.Expres in 2013 from EMMIS International Holding, company registered in the Netherlands.⁽¹⁾ D.Expres runs the radio station Expres, which is the leader on the Slovak radio market.

The station's output is mostly music, but the station also offers short, yet frequent, news bulletins. The main player in the Slovak news radio market is the first channel of the public broadcaster, SRO1 whose output consists mostly of news and current affairs programs accompanied by music (much of it from the 1980s). Another prominent channel in the news market is SRO2, also belonging to RTVS, which focuses on regional news.

All other radio stations air mainly music. Most of them offer short news bulletins throughout the day. Of all, only Radio Lumen is fully focused on religion.

(1)Tomas Czwitkovics, "Bauer dostal súhlas na kúpu Expresu" (Bauer received approval for the purchase of Expres), Trend.sk, 12 Feb 2013, available at <https://medialne.etrend.sk/radia/bauer-moze-dostat-suhlas-na-ovladnutie-expresu-buduci-tyzden.html>



The loudest radio voices in Slovakia

Most popular radio stations in Slovakia by 2017 audience, 2013-2017

	2013		2014		2015		2016		2017		Majority owner
	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	Audience share (%)	Change, yoy (%)	
<i>Radio Expres</i>	19.0	-0.6	20.2	1.2	19.4	-0.8	19.3	-0.1	19.2	-0.1	D.Expres
<i>Radio Slovensko (SRo 1)</i>	16.3	-0.4	18.0	1.7	17.4	-0.6	17.4	0.0	17.2	-0.2	Government
<i>Fun radio</i>	12.2	-0.2	11.6	-0.6	11.4	-0.2	11.0	-0.4	10.9	-0.1	Radio
<i>Jemne</i>	8.2	-0.1	8.3	0.1	7.6	-0.7	7.3	-0.3	7.2	-0.1	Tam Art Productions
<i>Radio Europa 2</i>	7.3	-0.3	7.5	0.2	7.3	-0.2	7.2	-0.1	7.0	-0.2	Europa 2
<i>Radio Regina (SRo 2)</i>	6.2	-0.1	7.2	1.0	6.7	-0.5	6.7	0.0	6.2	-0.5	Government
<i>Radio Vlna</i>	4.1	-0.5			2.8	n/a	5.6	2.8	5.5	-0.1	Corporate Legal
<i>Radio Antena Rock</i>	1.7	n/a	1.6	n/a	2.0	0.4	2.5	0.5	3.0	0.5	GES Slovakia
<i>Radio Lumen</i>	2.7	-0.1	1.9	-0.8	2.6	0.7	2.4	0.2	2.7	0.3	Radio Lumen
<i>Radio FM (SRo 4)</i>	2.8	0.5	3.0	0.2	2.9	0.1	2.8	-0.1	2.6	-0.2	Government

Note: data for Q3-Q4 of the year; n/a: not available; yoy-year-on-year

Source: Median SK, MML-TGI, 2018



PRINT

Like television, the daily newspaper market in Slovakia is concentrated in the hands of a few players. The biggest publisher by reach is Ringier Axel Springer, company with Swiss and German capital, that publishes Slovakia's best-selling daily, the tabloid *Novy cas*. Its circulation is higher than the circulations of the next three largest daily newspapers combined. However, like many of its competitors, *Novy cas* has seen its sales continuously dwindling since 2013. The newspaper lost 28,000 paying readers between 2013 and 2017, which is more than a third of its circulation in 2017, according to data from the press auditor ABC SR. That is one of the reasons why Ringier Axel Springer wants to sell its print business in Slovakia⁽²⁾ to focus instead on online portals, chiefly entertainment ones, but also several prominent news websites.⁽³⁾

Another major player in the Slovak daily market is News and Media Holding (NMH), company controlled by the Cyprus-registered Trahere Limited. The investment in the company comes from the financial group Penta Investments, which purchased NMH in 2014. The following year, several publishers and online platform operators controlled by Penta Investments, including 7 Plus, Centrum Holdings, Trend Holding and Trend Representative merged into NMH.⁽⁴⁾ Penta Investments has a slew of assets in various industries in Slovakia, including the insurer Dovera, the pharmacy chain Dr. Max and the betting agency Fortuna.

Both Ringier Axel Springer and NMH publish a raft of magazines, but most of them are focused on entertainment and leisure. There are very few weeklies devoted to serious topics and doing solid reporting. They include NMH's *Trend*, an economic weekly and *.tyzden*, a weekly published by W Press, a domestically owned company.

The publisher with the highest number of dailies on the market is Petit Press, owner of the dailies *Sme*, *Korzar* and *Új Szó*, the latter in Hungarian. Petit Press announced in summer 2017 that it sold its Hungarian language media, *Uj Szo* and the weekly *Vasarnap* to the rival NMH.⁽⁵⁾ The deal, however, was yet to be completed at the time of writing. Petit Press owns a string of serious news magazines targeting specific audiences such as the business magazine *Profit* or the expat-focused, English newspaper *The Slovak Spectator*. Petit Press also owns the chain of regional weeklies "My".

(2) Adam Valcek, Michaela Stalmach Kusnirova, "Ringier predáva denník Nový Čas, kupuje ho milionár Siekel" (Ringier sells the daily Novy Cas, millionaire Siekel buys it), 6 Nov 2017, available online at <https://ekonomika.sme.sk/c/20690073/ringier-predava-dennik-novy-cas-kupuje-ho-milionar-siekel.html>

(3)"Ringier Axel Springer predáva časť slovenského portfólia – Aktuality.sk ostávajú" (Ringier Axel Springer sells part of its Slovak portfolio-Aktuality.sk stays), Aktuality.sk, 6 Nov 2017, available online at <https://www.aktuality.sk/clanok/536468/uplne-digitalne-nova-zostava-portfolia-ringier-axel-springer-na-slovensku/>

(4)"Penta na Slovensku: Nákupem médií to nekončí" (Penta in Slovakia: Purchase of media doesn't stop), Mediaguru.cz, 15 Sep 2015, available online at <http://www2.mediaguru.cz/2015/09/penta-na-slovensku-nakupem-medii-to-nekonci/>

(5)Penta predáva časť svojho podielu v Petit Presse. Petit Press predáva NMH maďarské tituly" (Penta sells part of its stake in Petit Press. Petit Press sells Hungarian titles to NMH), 21 Aug 2017, Strategie.sk, available online at <https://strategie.hnonline.sk/media/1013822-penta-predava-cast-svojho-podielu-vo-vydavatelstve-petit-press-phis-potvrduje-poziciu-majoritneho-akcionara>

Some changes in Petit Press' shareholding structure took place in 2017. Prva Slovenska Investicna Skupina (PSIS), the original founder of the publisher, bought a 5% stake in Petit Press from the other shareholder, Penta Investments.⁽⁶⁾ After the deal, PSIS and Penta Investments control 60% and 40%, respectively. Before 2014, Petit Press was 50% owned by the German publisher Rheinisch–Bergische Verlagsgesellschaft (RBVG) and the rest by PSIS. By increasing its stake in the company in 2017, PSIS is trying to gradually push Penta Investments out of the publishing house, according to journalists and experts interviewed for this report.

Another notable player in the Slovak publishing industry is Mafra Slovakia, company controlled by the Czech owned firm Mafra, which belongs to the Agrofert group. Agrofert is a multi-billion conglomerate owned by the businessman and politician Andrej Babis, now prime minister of the Czech Republic. In Slovakia, this publisher used to operate as Ecopress until 2015. Babis bought the company in 2013.⁽⁷⁾ Mafra in Slovakia publishes the business daily Hospodarske noviny and several magazines, primarily industry publications such as Horeca, targeted at the hotel and restaurant industry, and Strategie, which covers the media and advertising sectors.

One other prominent print media publisher in Slovakia is the company Perex, owned by Our Media SR. They bought Perex in March 2018 from its former owner, Karol Biermann.⁽⁸⁾ Perex, which publishes the daily Pravda, used to be owned until 2010 by The Northcliffe International, a company belonging to the British holding Daily Mail and General Trust (DMGT). Our Media is the owner of the site ParlamentneListy, a political news portal available both in Slovak and Czech. The company owns several media outlets in the neighboring Czech Republic. It is co-owned by Michal Voracek, a Czech magnate and businessman, and Ivo Valenta, a Czech politician and businessman.

The monthly magazine market is dominated by entertainment publications. The leading one, with nearly 68,000 copies sold, is Novy cas krizovky, a crosswords and games magazine that is part of the Novy cas daily operation. It is followed by Zahradkar, a gardening publication, and Evita, a monthly magazine targeting women.

(6) "Penta predáva časť podielu v Petit Press" (Penta sells part of the stake in Petit Press), 22 Aug 2017, Hnonline.sk, available online at <https://finweb.hnonline.sk/ekonomika/1014151-penta-predava-cast-podielu-v-petit-press>

(7) Babišův Agrofert koupil slovenské vydavatelství Ecopress (Babis' Agrofert bought the Slovak publishing house Ecopress), Novinky.cz, 12 Apr 2013, available online at <https://www.novinky.cz/ekonomika/298900-babisuv-agrofert-koupil-slovenske-vydavatelstvi-ecopress.html>

(8) "Vydavatel Parlamentních listů koupil slovenský deník Pravda" (Publisher of ParlamentniListy bought Slovak daily Pravda), Mediahub.cz, 5 Mar 2018, available online at <https://mediahub.cz/media/1705373-ivo-valenta-koupil-slovensky-denik-pravda>

The paper tigers in Slovakia

Most popular daily newspapers in Slovakia, by 2017 sold circulation, 2013-2017

	2013		2014		2015		2016		2017		Majority owner
	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	
<i>Nový cas</i>	106,542	-8,744	96,748	-9,794	95,283	-1,465	87,266	-8,017	78,594	-8,672	Ringier Axel Springer
<i>Plus jeden den</i>	48,001	-3,048	42,140	-5,861	39,791	-2,349	40,978	1,187	46,401	5,423	News and Media Holding (NMH)
<i>Pravda*</i>	51,169	-3,831	48,176	-2,993	42,812	-5,364	38,198	-4,614	37,523	-675	Perex
<i>Sme</i>	44,775	-5,361	35,965	-8,810	31,056	-4,909	28,002	-3,054	25,791	-2,211	Petit Press
<i>Új Szó</i>	19,883	-1,879	18,656	-1,227	18,190	-466	17,245	-945	16,225	-1,020	Petit Press
<i>Hospodárske noviny</i>	13,081	-2,017	13,662	-1,003	11,881	139	11,246	-635	10,406	-840	Mafra Slovakia
<i>Korzar</i>	14,665	-2,945	11,742	-1,339	10,150	-3,512	9,040	-1,110	7,708	-1,332	Petit Press

Note: data for end of year; n/a: not available; yoy: year-on-year; *Pravda is not part of the official circulation monitoring system run by ABC SR. They use an independent system to monitor their readership.

Source: ABC SR, 2018

Weeklies: an entertainment business

Most popular weeklies in Slovakia, by 2017 sold circulation, 2013-2017

	2013		2014		2015		2016		2017		Majority owner
	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	Sales (no of copies)	Change (copies no.)	
<i>Plus 7 dni</i>	140,520	-11,266	127,998	-12,522	120,959	-7,039	122,834	1,875	113,140	-9,694	News and Media Holding (NMH)
<i>Nový čas pre ženy</i>	131,164	-4,294	115,702	-15,462	105,863	-9,839	110,462	4,599	101,543	-8,919	Ringier Axel Springer
<i>Eurotelevízia</i>	115,476	2,545	118,587	3,111	112,602	-5,985	101,865	-10,737	97,352	-4,513	Bauer Media SK
<i>My*</i>	-	-	-	-	-	-	-	-	81,064	n/a	Petit Press
<i>Zivot</i>	88,919	-2,175	88,149	-1,003	86,227	-1,922	84,225	-2,002	75,742	-8,483	Ringier Axel Springer
<i>Bajecna žena</i>	98,033	-25,040	88,919	-9,114	88,540	-379	72,715	-15,825	68,289	-4,426	News and Media Holding (NMH)
<i>Katolícke noviny</i>	78,493	-2,448	74,858	-3,635	72,286	-2,572	67,543	-4,743	65,463	-2,080	Spolok Sv. Vojtecha
<i>Rytmus života</i>	47,627	4,490	46,615	-1,012	40,372	-6,243	48,457	8,085	48,061	-396	Bauer Media SK
<i>Slovenka</i>	43,246	-2,464	42,998	-248	42,494	-504	40,014	-2,480	39,266	-748	Star Production
<i>Nový čas Nedela</i>	42,130	-833	39,927	-2,203	42,165	2,238	36,735	-5,430	32,847	-3,888	Ringier Axel Springer

Note: data for end of year; n/a: not available; yoy: year-on-year

Source: ABC SR, 2018



ONLINE NEWS

The dominant press publishers have gained a foothold in the Slovak online market as well. Ringier Axel Springer owns the most visited site in the country, the search and aggregation portal Azet.sk, which fights for leadership with Zoznam.sk, a pioneer of internet services in Slovakia, founded back in 1997. Zoznam.sk is run by Slovak Telekom, the largest telecom operator in Slovakia by revenues, controlled by Deutsche Telekom. The newspaper with the strongest online presence in the country is Sme whose online portal had 2.3 million users in 2017, according to data from AIMmonitor.

The big digital players

Most popular weeklies in Slovakia, by 2017 sold circulation, 2013-2017

	2013		2014		2015		2016		2017		2018		Majority owner
	No. of real users, million	Change, yoy (no of real users), '000	No. of real users, million	Change, yoy (no of real users), '000	No. of real users, million	Change, yoy (no of real users), '000	No. of real users, million	Change, yoy (no of real users), '000	No. of real users, million	Change, yoy (no of real users), '000	No. of real users, million	Change, yoy (no of real users), '000	
Azet.sk	2.23	412	2.46	224	2.66	200	2.83	164	2.79	-30	2.78	-12	Ringier Axel Springer
Zoznam.sk	2.16	360	2.32	163	2.35	26	2.47	117	2.44	-27	2.54	101	Slovak Telekom
Sme.sk	1.99	377	2.04	47	2.11	73	2.29	172	2.26	-27	2.31	47	Petit Press
Aktuality.sk	1.81	448	1.83	25	2.07	242	2.08	8	2.12	42	2.14	15	Ringier Axel Springer
Heureka.sk	1.17	388	1.34	164	1.36	23	1.65	289	1.81	158	2.00	186	Rockaway
Pluska.sk	0.68	198	0.93	246	1.06	132	1.48	424	1.55	64	1.70	156	News and Media Holding (NMH)
Bazos.sk	-	-	-	-	-	-	1.17	n/a	1.60	432	1.69	84	Radim Smicka
Cas.sk	1.38	349	1.81	428	1.83	17	1.99	162	1.84	-146	1.66	-189	Ringier Axel Springer
HNonline.sk	0.51	87	0.58	64	0.67	93	0.89	219	0.79	-96	1.60	807	Mafra Slovakia
Topky.sk	1.51	280	1.65	134	1.61	-33	1.67	60	1.60	-74	1.56	-33	Slovak Telekom

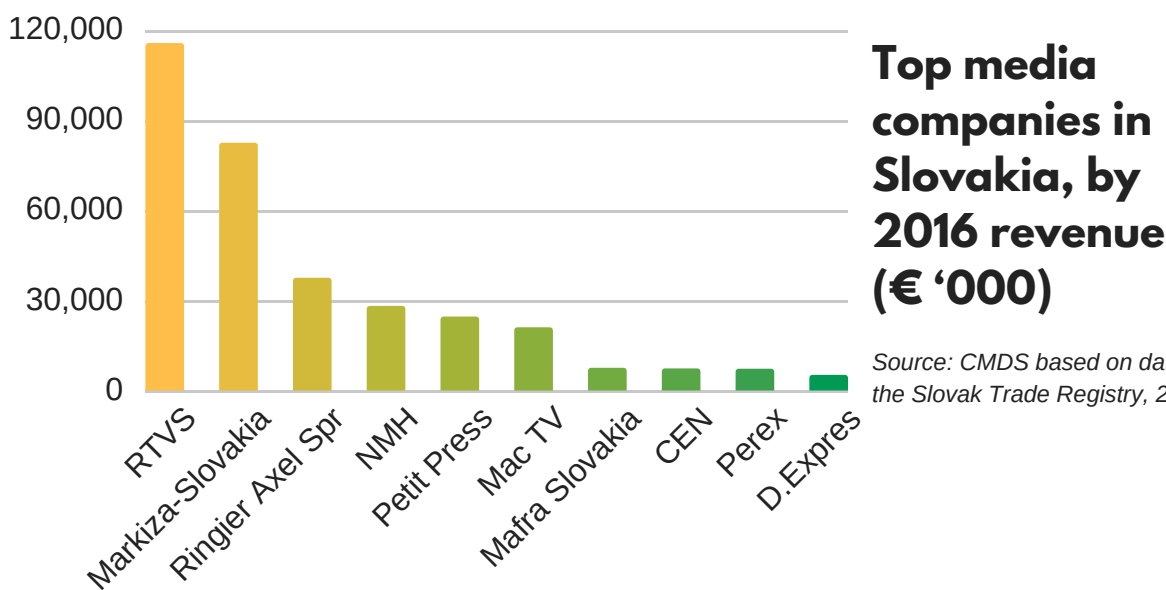
Note: data for the month of January every year; n/a: not available; yoy: year-on-year; *network of weeklies

Source: AIMmonitor-AIM-Mediaresearch & Gemius, 2018

Funding Trends

The government plays a significant role in the Slovak media market. Thanks to government money, the public broadcaster RTVS is by far the biggest player in the country's media with a budget of €115.7m, the bulk of it coming from public funding, namely a combination of license fee and state subsidies, according to data from the broadcaster's annual reports. *(See more in Government Funding in this study)*

Among privately owned companies, by far the largest player in the market is Markiza-Slovakia. The company's revenues nearly equal the combined sales of the three next biggest players. From a financial point of view, the Slovak media market is highly concentrated with only five privately companies able to generate more than €10m a year in sales.



Top media companies in Slovakia, by 2016 revenue (€ '000)

Source: CMDS based on data from the Slovak Trade Registry, 2018



RTVS



D. Expres
Markiza-Slovakia
Mac TV
CEN



Ringier Axel Springer
NMH
Petit Press
Mafra Slovakia
Perex

But profitability is a different story. The most lucrative company in the Slovak media market is the American-owned Markiza-Slovakia with a profit dwarfing all other players in 2017. However, that result comes after many years of galloping losses. (*See financial data from Markiza-Slovakia under Television Funding in this study*)

Radio seems to be a lucrative niche for some. D.Expres boasted a high profit margin in 2017 when it netted over €3.7m. Only Markiza-Slovakia had bigger profits than them.

The money makers in Slovak media

The most profitable media companies in Slovakia, by 2016 net profit

COMPANY	NET PROFIT (€ '000)	SECTOR
Markiza-Slovakia	15,401	TV
D.Expres	3,757	Radio
Ringier Axel Springer	1,485	Print/Online
Petit Press	413	Print/Online
Mafra Slovakia	200	Print/Online
Mac TV	-439	TV
CEN	-644	TV
Perex	-1,320	Print/Online
NMH	-4,281	Print/Online

Source: CMDS based on data from the Slovak Trade Registry, 2018

Media companies generally had a sparkling performance in 2017. However, that followed many years of massive decline as a result of worsening economic conditions coupled with major technological changes, to which some players responded poorly or belatedly.

Six of the ten largest companies in the market incurred losses during the period 2012-2016, according to data on combined net earnings in the period. Markiza-Slovakia lost a staggering €19m during the period. Markiza-Slovakia and NMH lost on average more than €3m a year during the same period. The most resilient seems to be Ringier Axel Springer with hefty yearly earnings, D.Expres, which found a profitable formula in the radio niche, and Petit Press, with a much smaller profit, but still showing commendable resilience during a difficult economic time.

The big losers in Slovak media

The biggest loss-incurring media companies in Slovakia, 2012-2016

COMPANY	COMBINED NET RESULTS (€ '000)	YEARLY AVERAGE NET RESULTS (€ '000)	SECTOR
Markiza Slovakia	-18,938	-3,788	TV
NMH	n/a	-3,306*	Print/online
Perex	-4,239	-848	Print/online
Mafra Slovakia	-1,540	-308	Print/online
CEN	-1,447	-289	TV
Mac TV	-1,223	-245	TV
Petit Press	1,878	376	Print/Online
D.Expres	14,547	2,909	Print/Online
Ringier Axel Springer	18,641	3,728	Print/Online

Note: Net combined profit/loss in the period 2012-2016; *based on the data from the period 2014-2016
Source: CMDS based on data from the Slovak Trade Registry, 2018

TELEVISION FUNDING

The leader on the Slovak television market, Markiza-Slovakia, finally finished a year with profits in 2015 followed by another one in 2016 after it had drowned for several years in red ink. A big driver behind the return to profitability was the increase in carriage fees (on television distributors) and subscription fees.

Markiza: the source of money

Markiza-Slovakia, funding sources, US\$ m, 2014-2017

	2014	2015	2016	2017
Advertising revenues	85.4	79.1	84.8	85.7
Carriage fees and subscription revenue	1.0	1.3	2.1	7.6
Other	4.2	4.0	3.7	4.4

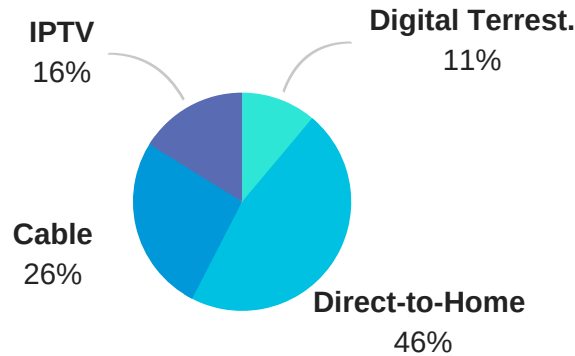
Source: CMDS research based on corporate data, annual reports and interviews with the company, 2018

As 89% of Slovaks consume television through a non-terrestrial (non-free-to-air) platform, television operators can find in that an opportunity to increase their revenues. However, that can be achieved if the station brings a large audience to the TV distributors, which Markiza-Slovakia does. As of January 2017, the company moved its channels exclusively to cable, satellite and IPTV platforms.

Ways to consume TV

TV consumption in Slovakia, by distribution platform, 2016

Source: TNS, 2016



The bulk of revenues for most of the Slovak commercial TV stations remains advertising. At Markiza, it accounted for over 87% of its total revenues in 2017. Although carriage fees are likely to increase, the dominant business model in television remains advertising. As Markiza-Slovakia controls some 60% of the TV ad spend in the market, they are in a good position to remain profitable in the coming years. However, advertising seems insufficient to accommodate too many players on the market. Both MAC TV and CEN have incurred losses for four years in a row until 2017. Markiza-Slovakia earned a high-record €15.4m, but that came after massive losses, of €37m combined between 2011 and 2014.

Thus, the perspectives for television are far from rosy. TV operators are likely to either sell or significantly shrink their operations. The third option is to have oligarchs take over these stations and use them as tools for political influence or to pursue other business interests. Markiza-Slovakia's owner, CME is in talks with a group of Czech and Slovak oligarchs from the region's largest financial groups, including PPF Group and Penta Investments, which are interested in taking over the station.(9)

TV players: financial results

Markiza-Slovakia, 2011-2016

	2011	2012	2013	2014	2015	2016
Sales revenues (€ '000)	74,312	70,437	62,030	69,287	76,367	82,524
Net profit (€ '000)	-2,084	-10,175	-19,981	-4,805	622	15,401

Mac TV, 2012-2016

	2012	2013	2014	2015	2016
Sales revenues (€ '000)	20,616	22,860	20,151	21,895	21,057
Net profit (€ '000)	1,118	-565	-1,003	-334	-439

(9) Filip Maxa, "Bohaté česko-slovenské skupiny sa majú spojiť a kúpiť Markízu a Novu" (Rich Czech-Slovak groups to join forces and buy Markiza and Nova), Zive.sk, 7 Nov 2017, available online at <https://www.zive.sk/clanok/128630/bohatici-sa-maju-spojiti-a-kupit-markizu-a-novu/>

CEN financial results, 2011-2016

	2011	2012	2013	2014	2015	2016
Sales revenues (€ '000)	7,017	6,702	7,282	7,094	8,153	7,359
Net profit (€ '000)	147	96	-122	-381	-396	-644

Source: CMDS based on data from Slovak Trade Registry, 2018

PRINT MEDIA FUNDING

The print industry has been badly ravaged by both the economic crisis (with the subsequent decline in ad spending) and the technological disruption. The number of companies active in the print industry dropped from 25 in 2009 to ten in 2015, according to data from the Slovak Statistical Office.

The sole solution for revival is, according to media companies, in the revenues generated from digital platforms. In 2016, the advertising revenues of the biggest print media publisher, Ringier Axel Springer Slovakia declined in print by 4.8%, but increased online by 14.5%. The rapid decline of print media circulation in Slovakia is prompting Ringier Axel Springer to focus solely on digital. The company initiated in 2017 the sale of its entire portfolio of print magazines including the best-selling daily *Nový čas*. It wants, however, to keep a foot in the news business by folding the news site *Aktualne.sk* (which it plans to buy from NMH) into its *Aktuality.sk*, the company's most popular news portal.

Another player likely to prosper is Petit Press. A major asset in Petit Press' portfolio is the daily *Sme* where digital transformation seems to be on the right path. Sales of digital subscriptions to *Sme* increased year-on-year by 27% in 2016. *Sme* had upwards of 18,400 digital subscribers at the end of 2016, which was 3,000 more than the number of print subscribers. By August 2017, their subscription base increased to over 20,000, according to data released by *Sme*'s publisher.

Sme charges €3.90 a month for access to its articles, following a jump in price by €1 in March 2017. Access for the whole year costs €29. The company also offers its content through Piano, a pay-walled news services platform. Between 2011 and 2016, Petit Press doubled the turnover from its online business to some €5m. Some 80% of that is accounted by *Sme.sk*.

The company is trying to also monetize on “My” (meaning “we” in Slovak), its network of local weeklies. These publications attract people thanks to their very low price. The My Bardejov weekly, in the town of Bardejov, consisting of 28 pages, is sold for €0.50. However, these publications are still slow money-makers. In fact, one of them, the My Humenske weekly folded in 2016. Nonetheless, the company still plans to increase the number of local weeklies in the My network. In total, they had in March 2018 a combined readership of 110,000 and a staff of 70 who were churning out 30 “My” weeklies.

The sales revenues of Mafra Slovakia were pushed up by advertising, particularly in its industry publications and on its websites. The business daily Hospodarske noviny continued its decline in revenue from both print copies and advertising. The company is trying to offset those losses by introducing a new subscription system.

Print media operators: financial results

Ringier Axel Springer Slovakia, 2011-2016

	2011	2012	2013	2014	2015	2016
Sales revenues (€ '000)	n/a	32,739	29,816	28,416	28,439	37,553
Net profit (€ '000)	6,470	5,833	4,329	3,311	3,683	1,485

News and Media Holding (NMH), 2014-2016

Sales revenues (€ '000)		n/a	28,860	28,189
Net profit (€ '000)		-28	-5,611	-4,281

Petit Press, 2011-2016

Sales revenues (€ '000)	n/a	n/a	24,917	24,435	24,263	24,630
Net profit (€ '000)	-746	254	522	-67	756	413

Mafra Slovakia, 2011-2016

Sales revenues (€ '000)	7,434	7,066	6,153	6,012	6,980	7,567
Net profit (€ '000)	-143	-879	-1,118	62	195	200

Perex, 2011-2016

Sales revenues (€ '000)	10,856	10,535	11,299	9,045	7,732	7,260
Net profit (€ '000)	-1,238	-469	-191	-1,270	-989	-1,320

The subscription model seems to be embraced by most publishers in Slovakia. Many see in it the basis for the future digital journalism business model. So far, only tabloids such as the leading *Nový cas* and *Plus jeden den* do not embark on a subscription-driven strategy principally because their low-brow content attracts eyeballs and thus ad cash. However, they are offering some forms of registration and subscription for digital consumption such as an app that costs less than €1 to download.

Yet, many publishers and media outlets struggle to strike the right balance between the value of news production and the price readers are willing to pay for such content. Most of the publishers that have adopted the subscription model do not yet see that there is often a gap between the cost of their operation and the market offer. Simply put, they often fail to scale their operation according to how many people are ready to commit to pay for news.

Nonetheless, some, such as the daily *Sme* or the young website *DennikN* seem to be on the right track. For example, readers of the daily *Sme* were paying 15 Slovak crowns for a copy of the daily in 2008, the year before the introduction of the euro. That was roughly €0.50 at the current prices. For a loyal reader who would buy *Sme* every day, that would have cost roughly €10 a month. Today, *Sme* offers its readers access to all its articles online for a monthly €3.90.

In the past, some 45% of the sales revenues from copies of *Sme* went to the press distribution company and up to 15% covered the cost of paper and ink. If we compare that with what *Sme* charges today (subtracting the digital subscription transaction fee), *Sme* has more or less the same margin in their digital sales as in the paper sales.

Naturally, most of the media outlets are still in a digital transition period, making money also from sales of hard copies. But as that source of revenue continues to fall, Slovak media is going to a fully digital model paid by a community of staunch readers, according to journalists interviewed for this report. “Those who fail to have this discussion will probably lose the digital challenge,” said a journalist interviewed for this report.

The news outlet leading the subscription revolution is *DennikN* (“*dennik*” means newspaper in Slovak and *N* stands for *nezavislost*, which means independence in Slovak). The entry of the financial group Penta Investments in the daily *Sme* in 2014 prompted a group of journalists to leave the newspaper and set up their own shop.⁽¹⁰⁾ That is how *DennikN* was born. The rebellious journalists did not agree with Penta because of the company’s alleged involvement in a 2011 scandal⁽¹¹⁾ about corrupt links the company allegedly had with the Slovak government, a charge the company denies. *DennikN* started with a private investment of €1m from the software company Eset. *DennikN* launched the website in January 2015. A print version followed shortly.

⁽¹⁰⁾“Do *SME* prichádza Penta. Vzniká nový nezávislý denník” (*Penta arrives at Sme. A new independent daily appears*), *Omediach.com*, 14 Oct 2014, available online at <https://www.omeiach.com/tlac/item/5239-do-sme-prichadza-penta-vznika-novy-nezavisly-dennik>

⁽¹¹⁾“Slovak politics rocked by ‘Gorilla’ corruption scandal”, 17 Jan 2012, *Euractiv*, available online at <https://www.euractiv.com/section/justice-home-affairs/news/slovak-politics-rocked-by-gorilla-corruption-scandal/>

In 2017, DennikN had 23,000 paying subscribers and 110,000 registered users, a readership that helped the outlet’s publisher N Press to enter a positive cash flow as of July 2016, as their management claimed.⁽¹²⁾

Eset is one of the most successful software manufacturers in the world. The company wants to invest some €100m into a research and development campus in Bratislava, which local observers say is likely to become the Slovak Silicon Valley. The company was established back in 1992 in Bratislava by a group of Slovak IT experts with expertise in antivirus programs. The company today has offices and distributors in 180 countries. In 2016, it declared sales revenues of nearly €404m and netted €73.7m in Slovakia, according to data from the company.

The DennikN experiment

Financial performance of N Press, 2014-2016

	2014	2015	2016
Sales revenues (€ '000)	9	1,063	1,434
Net profit (€ '000)	-69	-650	-202



⁽¹²⁾Rob Sharp, “These Slovak journalists quit their paper and built an independent rival with 23,000 digital subscribers”, NiemanLab, 12 May 2017, available online at <http://www.niemanlab.org/2017/05/these-slovak-journalists-quit-their-paper-and-built-an-independent-rival-with-23000-digital-subscribers/>

RADIO FUNDING

Radio is a much smaller market than all the others and less important when it comes to news consumption. However, unlike major players in other media sectors such as TV or print, some of the largest companies operating radio stations turn a profit mainly because the costs involved in running these operations are much lower. D.Expres, the company that runs the Expres Radio, has a spectacularly high profit margin of over 72%.

Radio players and their money

D.Expres, 2011-2016

	2011	2012	2013	2014	2015	2016
Sales revenues (€ '000)	5,188	4,895	988	4,760	5,522	5,213
Net profit (€ '000)	2,401	4,245	463	2,479	3,603	3,757

Radio a.s., 2011-2016

Sales revenues (€ '000)	2,517	2,425	2,179	2,180	2,478	2,294
Net profit (€ '000)	48	21	4	1	126	11

Europa 2, 2012-2016

Sales revenues (€ '000)	1,371	1,151	1,551	1,607	1,412
Net profit (€ '000)	-463	-520	-96	-2	-113

Tam Art Productions, 2012-2016

Sales revenues (€ '000)	792	735	731	710	737
Net profit (€ '000)	5	2	4	-0.8	0.2

Influential News Media

Markiza TV remains one of the most influential media outlets in the country, particularly among politicians, due to its popularity. The news programs on Markiza TV command a large audience, which is of particular interest to politicians and political parties. The station's main newscast has a strong 26% audience share, the highest share for news in all the Eastern European countries where Markiza TV's owner, CME, operates. However, that share is rapidly declining.

Some of Markiza TV's viewers were lured away in the past five years or so by the public broadcaster. RTVS television channels attracted from Markiza TV and other smaller stations many young viewers, according to the RTVS annual report from 2016. RTVS is primarily influential among educated Slovaks. Less than 15% of the broadcaster's first channel Jednotka and 12.5% of its second channel Dvojka have just basic education. Dvojka, in fact, has the second highest share of viewers with higher education, 20.8%, among TV stations, after Ta3 that leads with 23.5%, according to data from PMT/TNS.

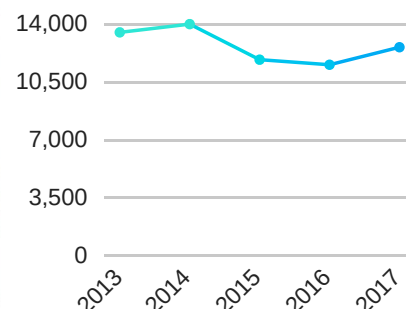
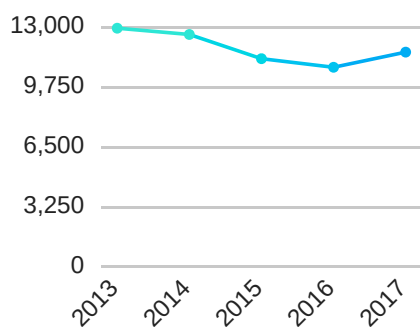
The large non-tabloid media, print and online, are believed to be highly influential among Slovakia's politicians and state institutions, according to journalists in Slovakia interviewed for this report. The best-selling non-tabloid daily Sme, the business daily Hospodarske noviny, the daily Pravda and the weekly Trend are closely followed by politicians and people in government. But influence is exerted both ways. Journalists and media outlets are proactively seeking the attention of the political class, often offering space in their media to politicians. Sme, Trend, Hospodarske noviny and DennikN habitually host blogs of Slovak politicians. Sme, for example, hosted Andrej Danko, the head of the Slovak National Party (Slovenska Narodna Strana, SNS), a nationalist party in the government formed after the 2016 elections. Hospodarske noviny hosted opinions of Jozef Mihal, an MP from the Freedom and Solidarity (Sloboda a Solidarita, SaS), a liberal party.

Sme also hosted views of Bela Bugár, leader of Most-Híd, an interethnic political party representing the Hungarian minority in Slovakia. Accounting for some 8.5% of Slovakia's population, Hungarians are targeted for their votes by all politicians. The two major publications targeting the Hungarian community in Slovakia are the daily Uj Szo and weekly Vasarnap. Their publisher, Petit Press wants to sell the two titles to its rival, NMH, a deal expected to be concluded in 2018. With a combined circulation of some 37,000, the two publications reach on average 25% of the Hungarian readers in Slovakia.

The news outlets specializing in serious journalism are closely followed by the business community. Besides the daily roundup of articles in the mainstream dailies, particularly the serious ones such as Sme and Pravda, the business community closely follows the economic daily Hospodarske noviny, the news platform DennikN and the magazines Trend and Forbes, according to data from publishers and journalists interviewed for this report.

A serious business

	2013		2014		2015		2016		2017	
	Sold copies	Change (no), yoy	Sold copies	Change (no), yoy	Sold copies	Change (no), yoy	Sold copies	Change (no), yoy	Sold copies	Change (no), yoy
Sold circulation of Trend magazine, 2013-2017	12,927	-833	12,586	-341	11,268	-1,481	10,801	-304	11,625	824
Sold circulation of Forbes magazine, 2013-2017	13,473	565	13,973	500	11,819	-2,154	11,511	-308	12,573	-2,782



Non-Governmental Funders

The advertising market in Slovakia was worth over €1.36bn in 2016, including spend in media, cinema and outdoor ads, according to data from the monitoring company Kantar TNS. However, local experts say that the real value of the market is a third of that figure because barter deals and discount agreements are not properly assessed.

Only few players have access to the big advertising contracts. Markiza-Slovakia is, by and large, the biggest recipient of ad money, accounting more or less for 30% of the entire ad market. That shows the strong link between mass-market players such as big TV stations and large advertisers. That is likely to change, according to advertising experts interviewed for this study. An increasing number of advertisers are planning to move their budgets to digital, and much of that to video campaigns online, which are gaining massive popularity. Mobile video spend is forecast by Carat, an advertising agency, to triple by 2020.

The share of mobile ads in the total digital ad spend is expected to grow from 23.4% in 2016 to nearly 33% in 2018. The display (banners) ad spend, in contrast, is declining in Slovakia. In 2018, paid search and social media are forecast by Carat to jointly generate more ad revenue than banners do.

Ad spending spree

Advertising spend by medium in Slovakia, €m, 2013-2017

	2013	2014	2015	2016	2017p
TV	111	116	115	149	153
Radio	17	16	14	15	14
Newspapers	17	14	14	13	12
Magazines	30	25	25	25	24
Internet	60	68	84	77	86

p: preliminary data

Source: CMDS based on estimates from advertising agencies in Slovakia, 2018

Like elsewhere in Europe, the biggest ad spending sectors in Slovakia include the telecoms, automotive sector, retail industry, banking and food manufacturing. The three major telecom groups in the country, Slovak Telekom, Orange Slovensko and O2, are among the largest advertisers. They spent together over €100m on advertising in 2016.

The deep advertising pockets

Largest advertising spenders in Slovakia, 2016 (€ '000)

Slovak Telekom	45,846
Orange Slovensko	44,500
Lidl SR	35,800
Tesco Stores SR	23,219
O2	22,500
Alza	22,360
Slovenska Sporitelna	20,500
Prima banka Slovensko	20,300
Henkel	20,020
Unilever Slovensko	18,899

Source: Kantar TNS, 2018

Media Development Investment Fund (MDIF), an affordable lender registered in New York, has been active in Slovakia. In the 1990s, a loan from MDIF (which at the time was known as Media Development Loan Fund or MDLF) helped the daily Sme remain in business by lending them the cash to buy their own printing press. Sme was created by a group of journalists who, following political pressures, broke away in the 1990s with the now-defunct, then state-owned Smena newspaper. Sme, which paid back the loan even before its maturity, was the very first client of the then MDLF, a proof that such an organization had a role to play in the media.

Today, there is no foreign philanthropic funding invested in the operations of the Slovak news media. Since 2009, only 10 media donors came to Slovakia, giving a combined US\$ 1.8m, according to data collected by Media Impact Funders. That amounts to a picayune compared to the total media spend in the country. The largest donor in Slovak media to date is EEA and Norway Grants, a government initiative set up by the states of Liechtenstein, Iceland and Norway.

Thus, foreign philanthropic money does not influence the power relations in the Slovak media market. However, some smaller investments into journalistic projects generate important results. For example, a project mapping media ownership in Slovakia with the participation of the Open Society Institute, a donor organization endowed by the philanthropist and investor George Soros, and the local office of Transparency International, a Berlin-headquartered NGO fighting corruption globally, led to the creation of a valuable media ownership registry that helps shed light on people and companies owning media in Slovakia.⁽¹³⁾

Also, funding coming to Slovakia through global investigative journalism networks helps break major stories that otherwise could not be pursued. The killing of the Slovak investigative journalist Jan Kuciak in February 2018 attests to that. At the time of his death, Kuciak was working with the Organized Crime and Corruption Reporting Project (OCCRP) and his outlet, Aktuality.sk, on an in-depth investigation about the Slovak operations of the Italian criminal group ‘Ndrangheta.⁽¹⁴⁾ The OCCRP is an investigative reporting platform comprising 40 non-profit investigative centers as well as journalists and news organizations around the globe. It is funded by the American government and a raft of private donors including the Open Society Foundations (OSF), the Skoll Foundation, the Sigrid Rausing Trust, Knight Foundation. OCCRP operated in 2016 with a global budget of US\$ 2.7m, an increase of over 30% compared to the year before. Nearly two thirds of its 2016 budget came from the U.S. Government, according to data from OCCRP.

Government Funding

The government is a key player in the Slovak media market, competing neck to neck with private advertisers. In 2017, funding allocated by the government represented the equivalent of 40% of the advertising spending in the media (excluding cinema, outdoor and other non-media sectors), according to CMDS estimates.

Much of the funding managed by the government goes to the public broadcast company RTVS. The broadcaster operates nine radio and two TV channels. Its funding is in a proportion of nearly 93% public funding. A big part of that is the revenue from license fee, a tax of up to €5 a month that Slovak households are legally obliged to pay for RTVS. The other part of the public financing is a direct subsidy from the government, which includes cash from the EU. The remainder 7% of the RTVS’ budget is generated from advertising and other sources such as sales of broadcast rights, rental of facilities or sale of property. RTVS sells ads worth €5m-€6m a year.

(13) This database of owners can be consulted online at <https://medialne.etrend.sk/vlastnici-medii.html>

(14) Kuciak’s last investigation was published by OCCRP, see <https://www.occrp.org/en/amurderedjournalistslastinvestigation/>

The public broadcaster's coffers

The budget of RTVS, in € '000, 2014-2018

Source of income	2014			2015			2016			2017a	2018p
	Radio	TV	Total	Radio	TV	Total	Radio	TV	Total	Total	Total
License fee	21,338	49,789	71,127	22,554	52,628	75,183	23,482	54,792	78,275	77,000	78,800
Advertising	1,732	3,346	5,078	1,833	4,372	6,206	1,450	4,052	5,502	5,681	5,400
Other own generated revenues	161	110	271	714	1,144	1,858	806	2,212	3,018	0	2,312
State subsidy (including EU funding*)	5,714	23,149	28,864	4,816	24,831	29,648	4,141	24,794	28,935	26,003	26,000
Total	28,945	76,394	105,340	29,918	82,975	112,894	29,880	85,850	115,730	108,684	112,512



*for selected years (2015-2016); p: planned; a: approved

Source: CMDS compilation and calculations based on RTVS data and information from annual reports

A big part of the budget at RTVS goes into wages. In 2017, a total of some €27.8m, or a quarter of the RTVS' budget was spent on salaries and other employee benefits.

The public broadcaster's people

Number of employees and average monthly wages at RTV

		
1,324	2013	1,118
1,317	2014	1,181
1,318	2015	1,233
1,404	2016	1,231
1,413	2017	1,258
1,455	2018	1,281

Source: CMDS compilation and calculations based on RTVS data and information from annual reports

RTVS has come under fierce criticism after the appointment of Jaroslav Reznik at the broadcaster's helm in summer 2017. Known to be close to right-wing, nationalist parties that helped to appoint him in parliament, Reznik has made since his arrival a series of controversial decisions that affected the station's reputation, which had improved significantly before his appointment. In early 2018, he ordered the cancellation of *Reporteri* (Reporters), the sole investigative program on RTVS. He reportedly did that under pressures from organizations criticized on the program. More importantly, Reznik is close to politicians who want to scrap the license fee and allow instead RTVS to carry as much advertising as it wants. That is likely to financially clobber the station, making it even more reliant on the state budget as advertising is clearly not sufficient to keep RTVS afloat. Moreover, experts say, advertising will change the nature of the RTVS' programming, making it more commercial because it will have to be more palatable for the advertisers' taste. Moreover, the broadcaster has been slow in generating digital advertising. In 2016, its sales of ads online were a dismal €17,000.

Under the previous management of Vaclav Mika, RTVS dramatically improved its public image thanks to investments in quality programming and solid news reporting. RTVS' television channels gained recognition for airing more and better documentaries, newscasts and sports programs. The share of such programs on both the group's channels, *Jednotka* and *Dvojka*, surpasses that on private competitors.

Another important form of state spending in the media is state advertising. Much of that comes from EU-funded projects. State advertising has traditionally gone to media supportive of the government. Changes in the government have led to changes in the priorities of spending state ad money.

There is no consolidated data or official statistics on state advertising in Slovakia. The state ad spend is much lower than the funds the government is directing to RTVS. Overall, we estimate that the government spent some €10m on adverts in the media in 2017, according to data from the Central Registry of Contracts (Centralny Register Zmluv, CRZ), a government body.

For many of the recipients, state advertising represents only a small part of their total income. For example, in 2017, Ringier Axel Springer signed ad contracts with state authorities and companies worth some €250,000 in total, which represents less than 1% of the group's overall revenues. Markiza-Slovakia also received a hefty sum, over €2.3m, in 2017. But for the size of the company, that did not mean much either.

For other companies, however, the funding channeled to media by the Slovak state through ad contracts could be significant. A major recipient of state ad money in 2017 was Mac TV, which pulled in over €4.6m from contracts with state entities. Much of that came through a contract with *Tipos*, the country's national lottery, according to CRZ.

Technology, Public Sphere and Journalism

Slovakia has been a fast adopter of new technologies. During the past decade, internet and mobile penetration in the country has exploded, significantly changing news consumption and access to information. The country has a mobile penetration of over 130%, one of the highest in Europe, as many Slovaks use more than one mobile SIM card.

Changing lifestyle and more affordable services allow Slovaks to boost their media diet on mobile devices. Unlike a decade or so ago, post-paid mobile subscriptions, allowing online surfing at leisure, at home or abroad, are now dominant. Nearly 83% of Slovaks are online via a mobile device. Internet services have also become one of the main drivers for growth on the Slovak electronic communications market contributing more than 17% to this market in 2016, a jump from 10% five years before. However, the turnover in the electronic communications market is constantly declining, which is a sign of both saturation and dwindling prices due to increased competition. That is likely to affect first and foremost local telecoms and internet service providers, the key infrastructure operators and distributors of content and communication services.

On the internet content market, foreign players are dominant: Google is the leader on the browsing and searching market and Facebook is by far the most popular social network, with nearly 45% of Slovaks using it. However, two local players, Azet.sk and Zoznam.sk, with a profile similar to Google (in local language) pose significant competition. Unlike Google, they are also producers of news content (though a lot of it is tabloid fare), which gives them a big advantage in the news media market.

Ringier Axel Springer, a Swiss-German publisher, is increasingly powerful in the digital news market. It owns Azet.sk, but also the news portal Aktuality.sk, the fourth most visited website in Slovakia.

Although the remit of regulators does not cover companies like Google and Facebook, the position of international technology companies in Slovakia is highly endangered. Authorities have showed in the past couple of years their commitment to make them pay taxes on all advertising revenue generated in Slovakia. They also want Facebook and other foreign technology companies to open a local office in Slovakia (as Google has done already) if they want to pull in revenues from Slovak customers.

A younger generation of Slovak professionals, coming from the IT and digital services sector, is emerging and changing the industry. New associations of creative industry people and outspoken technology entrepreneurs are gaining more clout in society and even politics. Several IT professionals and entrepreneurs, including the head of Google Slovakia, Rasto Kulich, support Progressive Slovakia (Progressívne Slovensko), a progressive political party launched in late 2017.

Generally, in spite of usual lobbying practices for commercial gains, the technology sector in Slovakia is apolitical. None of these companies has ownership links with politicians and political parties. Only one of them, O2 Slovakia, has ownership connections with a powerful financial group operating in Central and Eastern Europe, namely PPF, which is led by Czech magnate Petr Kellner.

Although news media have a relatively low outreach on social networks, all of them rely on social media, particularly Facebook, to distribute their products. However, an experiment run by Facebook in 2017, which included the removal of posts generated by professional media from its main feed, clobbered news media in Slovakia. Some of them experienced day-to-day declines of 60% in their user interaction (which is how Facebook defines likes, shares or comments).

Out of all foreign technology companies, only Google got involved directly in supporting Slovak journalism. Through its grant-making project Digital News Initiative (DNI), it has given some €1.16m to locals to develop journalism projects in Slovakia. While that helps one or two projects get off the ground, it hardly influences the news market in the country.

Technology Overview

New technologies are rapidly spreading in Slovakia, while old, analog forms of communications are abandoned. Slovaks have become increasingly mobile during the past decade. The number of fixed telephone lines continued their slump: between 2011 and 2017, Slovakia lost nearly 240,000 fixed telephone lines. In parallel, the Voice over Internet Protocol (VoIP) has become a more popular form of communication. The number of VoIP subscriptions nearly trebled between 2010 and 2018. In mid-2017, some 40% of all of the fixed lines in Slovakia were VoIP subscriptions, according to data from the Slovak transport and construction ministry.

Slovak voice business, old-school

Fixed-line telephony in Slovakia, 2011-2017

<i>Indicator</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017*</i>
<i>Total number of fixed telephone lines (FTLs), including VoIP</i>	948,801	875,048	880,554	841,809	797,417	762,045	709,982
<i>of which residential</i>	724,776	684,424	646,324	625,315	600,512	595,501	559,026
<i>FTLs per 100 inhabitants (%)</i>	17.6	16.2	16.3	15.5	14.7	14.0	13.1
<i>Percent of households with FTLs (%)</i>	38.1	36.9	34.9	33.7	32.4	32.2	30.2
<i>Number of VoIP subscriptions</i>	127,878	145,566	175,633	225,338	274,778	335,874	314,779
<i>of which residential</i>	99,700	117,046	144,023	183,569	222,012	274,151	262,465

*Data for June 2017

Source: Ministry of Transports and Construction Slovakia

Slovaks have fully embraced mobile communications in the past two decades. The mobile penetration was a stonking 130.1% in mid-2017, which meant that many Slovaks had more than one mobile subscription. As mobile services have become more affordable, Slovaks increasingly take up post-paid mobile subscriptions, which allow them to browse or make calls at leisure, giving them also more freedom to consume content on the internet. In 2017, some 70% of Slovakia's mobile market consisted of post-paid subscriptions. Friendlier roaming rates have also boosted the number of mobile subscriptions that allow people to use their phones abroad. That led to an increase in the use of mobile phones and growing consumption of online content.

A mobile nation

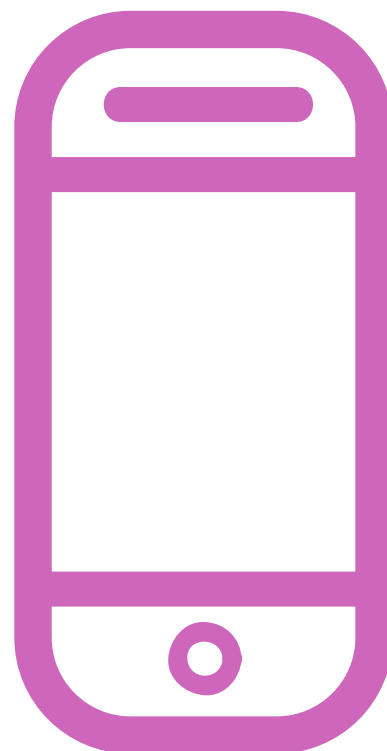
Mobile telephony in Slovakia, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017*
Mobile subscriptions**	5,983,059	6,094,466	6,208,412	6,378,095	6,675,553	6,989,902	7,076,500
Mobile subscriptions per 100 inhabitants (%)	110.7	112.6	114.6	117.6	123.1	128.6	130.1
Mobile subscriptions: prepaid	1,929,921	1,859,802	1,831,444	1,823,330	1,889,334	2,041,848	2,157,248
Mobile business subscriptions	1,358,446	1,430,854	1,493,329	1,570,100	1,643,902	1,708,612	1,727,160
Mobile cellular subscriptions: post-paid	4,053,138	4,234,664	4,376,968	4,554,765	4,786,219	4,948,054	4,919,252
Mobile cellular subscriptions with roaming	4,993,690	5,390,107	5,168,697	5,236,507	5,443,698	5,699,034	5,754,462
Mobile cellular subscriptions with M2M***	-	-	-	421,411	512,508	591,504	620,402

*Data for June 2017; **Total (including post-paid + prepaid); ***M2M stands for Machine-to-Machine equipped SIM cards allowing devices and sensors to communicate with each other and with other Internet-enabled devices.

Source: Ministry of Transport and Construction Slovakia

Access to internet has also increased significantly in the past decade. The internet market in Slovakia is dominated by mobile. At the end of 2017, mobile internet had a penetration of nearly 83%. The number of mobile broadband subscriptions more than trebled between 2011 and 2017. Fixed broadband internet has also saw steady growth, but at a much slower speed than mobile.



Slovak internet universe

Number of internet subscriptions in Slovakia, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017
Fixed broadband Internet subscriptions	953,098	1,045,490	1,109,060	1,191,216	1,273,812	1,336,541	1,404,973
Fixed broadband Internet subscriptions per 100 inhabitants (%)	17.6	19.3	20.4	21.9	23.4	24.6	25.8
Total numbers of mobile broadband Internet subscriptions	1,746,406	1,915,242	2,729,679	3,331,968	3,685,683	4,300,524	4,501,833
Mobile broadband Internet subscriptions per 100 inhabitants (%)	32.3	35.4	50.4	61.5	67.7	79.1	82.7

Note: data for end of year

Source: Ministry of Transport and Construction Slovakia

The electronic communications market has been declining for more than five years. Between 2011 and 2016, the revenue generated by electronic communications services plummeted by nearly 15% to €1.68bn. The share of the country's electronic communications market in the national GDP has also dipped during the period to 2.1%.

Revenue in both fixed telephone services and mobile communications declined, but mobile communications clearly dominate the market with a turnover of €975m, which represented in 2016 nearly 58% of the total electronic communications market. Internet plays a major role in revenue generation. Income from sales of internet services accounted for less than a third of the total mobile communications market in 2016, but the segment has been growing steadily while post-paid services, the biggest revenue generator, have continuously lost share since 2011.

Monetizing technology

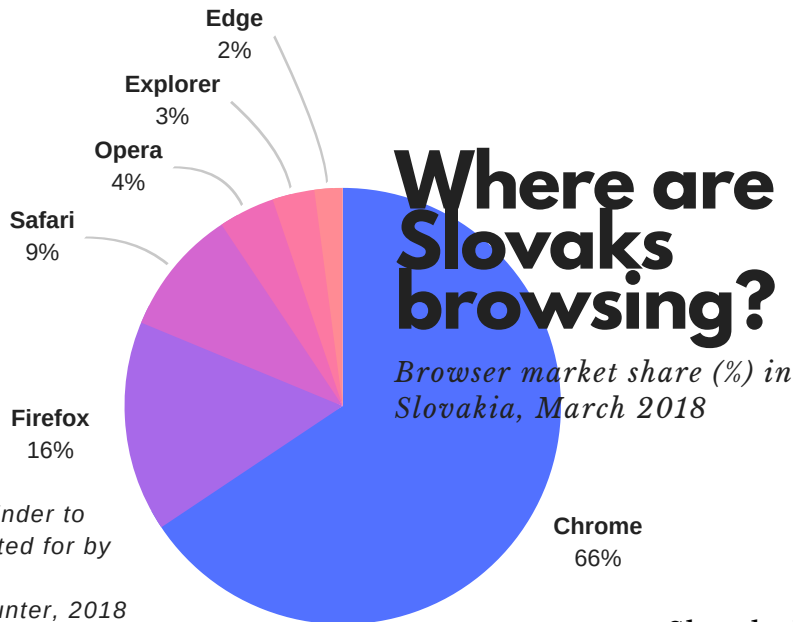
Revenue in the Slovak electronic communications market, in € '000*, 2011-2016

Indicator	2011	2012	2013	2014	2015	2016
Revenue from all electronic communication services	1,949,183	1,870,295	1,771,582	1,688,879	1,659,472	1,684,360
Share of electronic communication revenue in GDP (%)**	2.8	2.6	2.4	2.2	2.1	2.1
Revenue from fixed telephone services including VoIP, of which:						
Revenue from residential subscribers	198,889	168,479	150,208	136,871	125,681	115,976
Revenue from telephone calls, in that:						
local calls	77,589	69,022	61,805	54,380	49,990	45,954
national long distance calls	11,985	9,703	7,569	5,391	3,677	2,617
Revenue from subscription charges	8,321	6,782	5,288	3,736	2,529	1,785
Revenue from connection charges	3,657	2,921	2,278	1,655	1,148	833
Revenue from outgoing calls - national	102,870	93,557	85,284	78,215	72,821	68,665
Revenue from incoming calls - national	580	372	356	301	288	503
Revenue from outgoing calls - international	24,571	20,645	18,219	15,345	12,113	10,438
Revenue from incoming calls - international	8,836	5,948	4,018	1,939	1,950	1,803
Interconnection charges	11,816	9,167	8,163	5,980	3,839	3,131
Revenue from mobile communications, of which:						
Revenue from connection charges	5,867	6,885	8,819	9,609	8,657	6,985
Revenue from prepaid services	36,010	23,401	22,113	22,362	23,276	24,748
Revenue from post-paid services	1,271,021	1,211,388	1,105,936	1,026,499	1,017,929	975,622
Revenue from outgoing calls - international	7,556	2,287	1,733	1,376	1,325	1,272
Revenue from incoming calls - international	145,200	146,335	129,535	117,218	109,092	107,930
Text and multimedia services	1,059,352	1,021,044	936,330	878,634	865,973	866,420
Revenue from Internet	44,584	37,059	39,017	35,702	29,320	27,967
Revenue from leased lines	19,978	21,812	21,262	13,966	9,911	7,230
Revenue from data transmission	115,756	109,119	100,906	102,539	102,655	100,074
Revenue from CATV services	212,189	217,344	224,477	235,124	267,943	299,497
Revenue from satellite services	35,950	38,061	41,145	37,757	28,749	49,903
Revenue from audiotex	71,027	69,420	77,455	81,012	65,901	68,416
Revenue from any other el. comm. services	47,044	47,752	46,694	45,947	37,816	70,221
	37,625	46,116	45,508	44,952	45,265	44,331
	7,949	7,404	9,069	14,694	10,121	6,321
	56,522	54,159	62,532	59,214	60,067	54,072

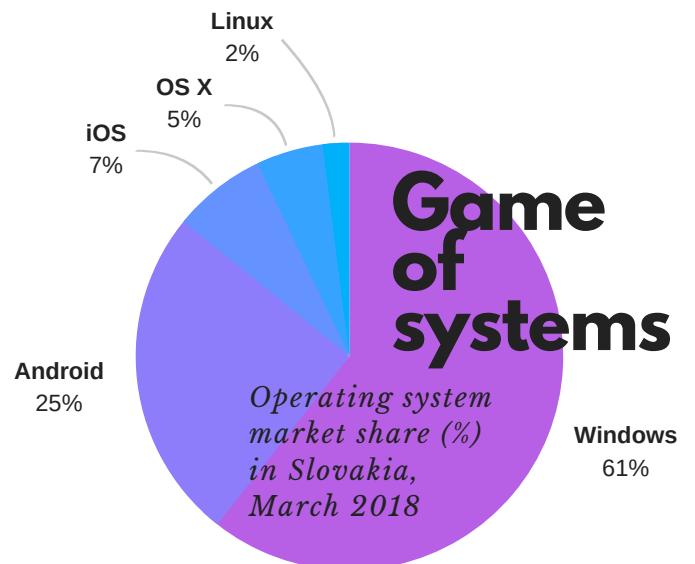
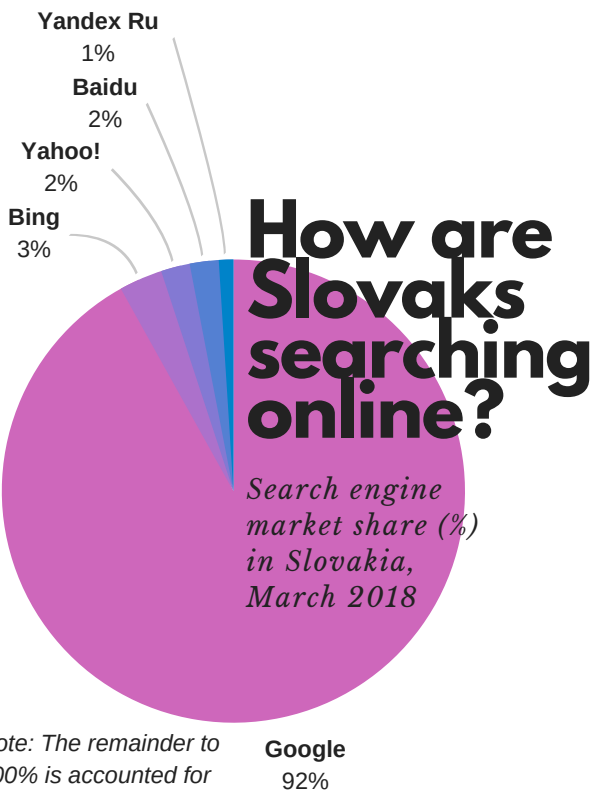
*VAT not included; **in current prices

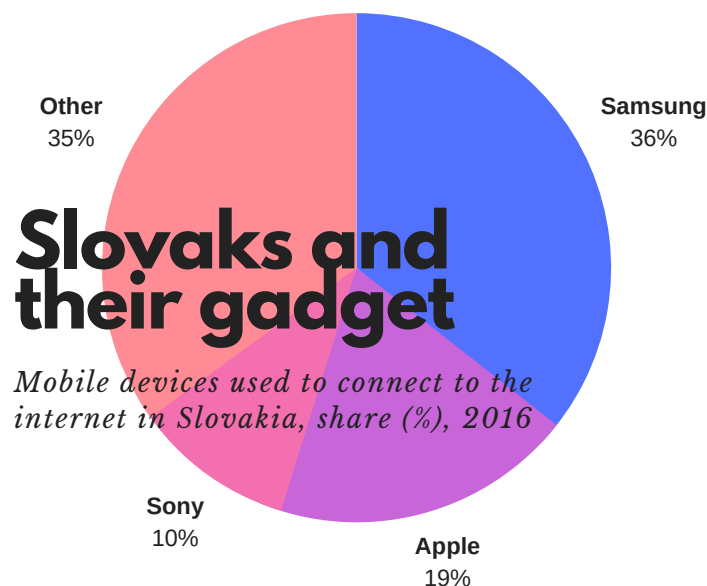
Source: Ministry of Transports and Construction Slovakia

Google dominates the Slovak online browsing and search market. Google's browser Chrome has a two-third market share in Slovakia, according to data from StatCounter. In the search market, Google has an even stronger position, accounting for some 91% of the online searches carried out in Slovakia.









Slovaks largely use Windows on their devices. Microsoft has a share of 60% of the operating system market in Slovakia. It is followed by Android with some 25%. Samsung is estimated to control more than a third of the mobile phone handset market in Slovakia, according to data from Gemius, a research agency. That figure is corroborated by data from the four main telecom operators in Slovakia.





Source: Gemius, 2018

Social media use in Slovakia, market share (%)*, 2015-2018

						
2015	90.71	3.85	0.16	1.54	2.12	0
2016	83.63	8.79	0.23	2.40	3.16	0.36
2017	65.54	13.40	8.47	3.50	1.73	3.59
2018**	68.59	13.33	9.25	2.79	2.33	2.13

*data for end of year; **March

Note: Those accounting for the missing percentage to 100% include Reddit, StumbleUpon, Google+, VKontakte and LinkedIn

Source: StatCounter, 2018

Where are Slovaks socializing?

Facebook is by far the most popular social media in Slovakia with a market share of nearly 69% in 2018, according to data from StatCounter.

However, its popularity has rapidly declined in the past few years. Some five years ago, it was preferred by over 90% of the Slovaks and faced only weak competition from Pinterest, Tumblr and Twitter. While Twitter and Tumblr have grown only sluggishly in the past two-three years, Pinterest and YouTube have significantly boosted their share of the Slovak social media market.

YouTube in particular has grown from zilch to over 9% during this period.

Some 2.4 million Slovaks were on Facebook in 2017, according to data from a source at Facebook in Dublin who would not want to be named in the report. That is nearly 45% of the Slovak population and over half of all Slovak internet users.

INTERNET & MOBILE



The big players in internet and mobile

Key players in the Slovak internet and mobile market, breakdown by services

The main internet and mobile ecosystems companies present in Slovakia are mostly international players. Google dominates the search market locally, Samsung and Apple are the largest players in the mobile ecosystems market and Facebook is the largest player in social media.

They, however, are facing stiff competition from local players, namely Azet.sk and Zoznam.sk, the largest internet portals in Slovakia. Of all those players, Microsoft, Apple and Samsung are not involved directly in production and distribution of news media content.

	Email service	Messaging and VoIP	Mobile ecosystems	Search	Social network & blog	Video & photo
	✓	✓	✓	✓		
	✓					
		✓			✓	✓
	✓		✓	✓		✓
	✓	✓		✓		
SAMSUNG			✓			
					✓	✓
	✓			✓		

Note: In the categorization of technology companies in this section we have used the methodology of the Ranking Digital Rights project, which divides companies in two groups. The first group, internet and mobile, includes the so-called "mobile ecosystems," companies that create mobile devices and products. In the second category, telecommunications companies, we include service operators that offer connection and access services such as voice, data or cable connections. (For more, see Methodology in this report)

Source: Company data



The internet portal Azet.sk was operated by an eponymous Zilina-based company until 2016 when the Swiss-German publisher Ringier Axel Springer purchased the portal. According to the latest available data published by the company, Azet.sk pulled in sales revenues of over €14m in 2015, according to data from the Slovak Trade Registry. The company had a constant growth in revenue during the past decade, which was the key reason why Ringier Axel Springer bought the company. Azet.sk is now part of Ringier Axel Springer's portfolio of print and online assets. The publisher does not release financial information specifically about Azet.sk.

Azet is a generalist portal, in Slovak, equipped with a search engine and offering news aggregated from all Slovak media, an email service, and pages with information in a broad range of topics and categories. They include real estate portals, a dictionary, recipes, websites to find flights and holidays. Milan Dubec, the CEO of Ringier Axel Springer is also the head of Azet.sk.

The local internet leader

Key financial data for Azet.sk, 2008-2015

	2008	2009	2010	2011	2012	2013	2014	2015
Sales revenues (€ '000)	4,125	7,028	8,688	8,713	10,744	11,352	12,510	14,025
Net profit (€ '000)	594	1,359	1,723	1,773	1,715	1,823	1,840	7,151

Source: CMDS based on data from the Slovak Trade Registry



Facebook does not have a presence in Slovakia and its name is not registered as such in the local trade registry. Some tasks related to content in Slovak are handled from Facebook's Warsaw office for Central and Eastern Europe, which was launched in 2016. Robert Bednarski was the office's first director. Bednarski worked for Ringier Axel Springer Polska, the Polish subsidiary of Ringier Axel Springer. Until 2015, when he took over the job at Facebook, he was the CEO of Grupa Onet.pl, the most popular portal in the country, owned by Ringier Axel Springer.

One of Facebook's employees in charge of Slovakia, among other countries and topics, was Andy Krasny. He said in 2016 that Facebook did not plan to open a local operation in Slovakia, preferring to run its Slovak business from Poland.

In an interview in 2016 with Biznisklub, a business network in Slovakia, Krasny dodged a question about how queries received by Facebook from Slovak users were handled: by robots or humans. “If you report something, it is not guaranteed that the content will be removed because it may not violate our policies,” Krasny said. “Our content reviewers may ask you why you think [a respective] post violates the policy.”⁽¹⁾

He added that Slovakia was a “key market” for Facebook in the region. Before the opening of the Warsaw office, many of the tasks related to Central and Eastern European countries were handled by the Facebook office in Dublin. Some of the Slovakia-related services in Facebook are still handled from Ireland.



Fully owned by Google International, Google Slovakia has an office in Bratislava. The two executive managers of Google's Slovak subsidiary are Kenneth Hohee Yi, a lawyer working for Google in America, and Paul Terence Manicle, a Dublin-based Google employee, according to data extracted by CMDS from corporate documents.

The Google office in Slovakia is led by Rasto Kulich, a Harvard-educated Slovak, who helped co-found the company locally. Along with other businessmen and IT professionals, Kulich has been supporting Progressive Slovakia (Progresívne Slovensko), a social-liberal, progressive and pro-European political party launched in late 2017.⁽²⁾ Most of the leaders driving the growth of Progressive Slovakia are young businessmen, innovators and IT professionals. Ivan Stefunko, the party's president, is a technology entrepreneur who studied political science in Banska Bystrica and Paris. Zora Jaurova, one of the party's vice-presidents, is an expert in creative industries and cultural policies. She manages the Creative Industry Forum, Slovakia's creative industry professional association.

Google Slovakia constantly increased its revenues in the past five years to nearly €1.3m in 2017, according to data from the trade registry in Slovakia. That is much less than the tax Slovak authorities claim Google should pay in Slovakia. The company has finished in the black every year between 2011 and 2017. Google Slovakia has a staff of four.

¹*“Rozhovor s Andym Krasnym: Čo pripravuje Facebook na Slovensku a ako funguje?” (Interview with Andy Krasny: What is Facebook planning for Slovakia and how does it work?), 20 Dec 2016, available online at <https://biznisklub.sk/rozhovor-s-andym-krasnym-co-pripravuje-facebook-na-slovensku-a-ako-funguje>*
²*Dusan Mikusovic, “Progresívne Slovensko môže mať prvého poslanca, do hnutia smeruje Martin Poliacik” (Progressive Slovakia can have its first MP, Martin Poliacik is heading the movement), DennikN, 5 Dec 2017, available online at <https://dennikn.sk/963197/progresivne-slovensko-bude-mat-prveho-poslanca-do-hnutia-vstupuje-martin-poliacik/?ref=list>*

The global behemoth

Key financial data for Google Slovakia, 2011-2017

	2011	2012	2013	2014	2015	2016	2017
Sales revenues (€ '000)	706	1,739	2,103	1,862	1,501	1,271	1,299
Net profit (€ '000)	42	59	89	74	48	49	48

Source: CMDS based on data from the Slovak Trade Registry



There is no information about Twitter in Slovakia. According to journalists consulted for this report, the company has not established any local presence in the country to date.



Zoznam.sk is the true pioneer of the Slovak internet. It launched in 1997 as the first Slovak search engine. Its founders were Ivan Debnar and Ivo Lukacovic (who also founded the sister site Seznam.cz in the Czech Republic). The site Zoznam.sk was purchased in 2005 by Slovak Telekom.⁽³⁾ The financial group Penta Investments is said to have interest in buying the portal, but the firm's representatives would not comment on that.⁽⁴⁾

Similar to Azet.sk in terms of content, aggregation methods and services, Zoznam.sk lost its leading position to Azet.sk in 2008. Zoznam.sk is also financially weaker with some €9.2m in revenues in 2016. It finished in the black every year since 2011; however, its net profit is significantly smaller than the net earnings reported by Azet.sk.

³ "Slovak Telecom kúpi portál Zoznam.sk" (Slovak Telekom buys the portal Zoznam.sk), Lupa.cz, 21 Jul 2005, available online at <https://www.lupa.cz/clanky/slovak-telecom-koupi-portal-zoznam-sk/>

⁴ "Penta má zájem o druhý slovenský server Zoznam.sk" (Penta has interest in the second largest Slovak server Zoznam.sk), Mediaguru.cz, 20 Nov 2014, available online at <https://www.mediaguru.cz/clanky/2014/11/penta-ma-zajem-o-druhy-slovensky-server-zoznam-sk/>

The Slovak internet pioneer

Key financial data for Zoznam.sk, 2011-2016

	2011	2012	2013	2014	2015	2016
Sales revenues (€ '000)	5,539	5,904	6,519	6,823	7,797	9,219
Net profit (€ '000)	122	342	79	20	123	159

Source: CMDS based on data from the Slovak Trade Registry

TELECOMMUNICATIONS



The Slovak telecom and internet market is dominated by three players, Slovak Telekom, Orange Slovensko and O2 Slovakia, the only telcos in Slovakia with annual sales in excess of €100m. Their combined sales exceed €1.2bn.

By far the largest player in the market is Slovak Telekom, the former state-owned telecom monopoly, which is controlled by Deutsche Telekom. Most of the big players on the telecommunications market are in foreign hands. The biggest Slovak-owned player is Swan-Benestra. The two companies announced their merger in May 2017. Together they formed the largest domestically owned alternative operator in Slovakia.⁽⁵⁾

5 "Slovakia will have a new telecoms operator", The Slovak Spectator, 3 April 2018, available online at <https://spectator.sme.sk/c/20795267/slovakia-will-have-a-new-telecoms-operator.html>

The sales battle

Sales revenues of prominent telecommunication operators and internet service providers in Slovakia (ranked by 2016 sales), 2013-2017

COMPANY	OWNERSHIP	COUNTRY OF OWNERSHIP
Slovak Telekom	Deutsche Telekom Europe (100%)	Germany
Orange Slovensko	Atlas Services Belgium (100%)	Belgium
O2 Slovakia	O2 Czech Republic (100%)	Czech Republic
Towercom	ST Networks Holdings (100%)	Luxembourg
Swan	DanubiaTel (100%)	Slovakia
Benestra	Carduelis (100%)	Netherlands
UPC Broadband Slovakia	UPC Slovakia Holding I and II (50% each)	Netherlands
Slovanet	SNET Group (100%)	Slovakia
Digi Slovakia*	Slovak Telekom (100%)	Germany
Energotel	Four local power providers	Slovakia
Antik Telecom	Igor Kolla (70%), Miroslav Antal (30%)	Slovakia
Swan Mobile	DanubiaTel (100%)	Slovakia
Marlink	Marlink (100%)	Norway
DSi Data	Jaroslav Dravecky (50%), Rastislav Dravecky (50%)	Slovakia
Satro	Frantisek Kaduch (25%), Frantisek Kaduch (50%), Marek Michalik (12%), Iveta Michalikova (12%)	Slovakia
Vnet	Locally owned	Slovakia
RadioLAN	Filip Krizko (51%), Juraj Hajtas (20%), Juraj Petrula (29%)	Slovakia

COMPANY	SALES REVENUE (€ '000)				
	2013	2014	2015	2016	2017
Slovak Telekom	782,510	700,106	707,056	668,756	n/a
Orange Slovensko	n/a	580,156	560,623	427,419	n/a
O2 Slovakia	197,751	198,984	205,668	208,889	n/a
Towercom	52,697	54,056	55,395	55,845	49,687
Swan	n/a	n/a	4,440	48,430	48,775
Benestra	45,913	45,137	46,274	45,145	41,491
UPC Broadband Slovakia	45,682	45,124	44,249	44,825	n/a
Slovanet	3,648	42,931	34,252	42,408	37,531
Digi Slovakia*	28,043	29,553	33,437	35,283	36,024
Energotel	12,718	13,269	13,735	13,188	12,035
Antik Telecom	9,056	9,505	10,239	11,213	13,032
Swan Mobile	62,340	72,901	54,975	7,127	14,758
Marlink	5,202	5,277	6,014	5,541	6,199
DSi Data	4,435	4,252	4,107	3,960	n/a
Satro	4,435	4,252	4,108	3,960	3,795
Vnet	2,672	3,044	3,325	3,653	n/a
RadioLAN	1,332	1,842	2,924	3,495	n/a

Yoy: year-on-year; n/a: not available; *Sales of Digi Slovakia are included also in Slovak Telekom's financial report

Note: In the categorization of technology companies in this section we have used the methodology of the Ranking Digital Rights project, which divides companies in two groups. The first group, internet and mobile, includes the so-called "mobile ecosystems," companies that create mobile devices and products. In the second category, telecommunications companies, we include service operators that offer connection and access services such as voice, data or cable connections. (For more, see Methodology in this report)

Source: CMDS based on company data and data from Slovak Trade Registry

Orange Slovensko is the most profitable company in the Slovak telecommunications market. The company netted €81.7m in 2016, according to data from the Slovak Trade Registry. That was €20m and €40m, respectively, more than the net earnings of Orange's main rivals, Slovak Telekom and O2 Slovakia.

Smaller players have been faced with financial difficulties in recent years, which were reflected in their bottom line. Since 2015, an increasing number of operators, particularly smaller ones, have seen deepening losses. Swan, for example, lost over €14m combined in 2016-2017. Benestra finished in the red for five years in a row between 2013 and 2017, accumulating losses of over €16m during that period.

Of telecoms and profits

Net profit of prominent telecommunication operators and internet service providers in Slovakia (ranked by 2016 earnings), 2013-2017

COMPANY	NET PROFIT (€ '000)				
	2013	2014	2015	2016	2017
Orange Slovensko	114,516	103,062	88,249	81,700	n/a
Slovak Telekom	47,686	40,682	68,744	61,232	n/a
O2 Slovakia	34,971	32,624	43,308	41,705	n/a
Digi Slovakia*	-3,247	4,110	4,693	5,824	5,023
Energotel	996	1,728	2,348	1,562	1,293
Marlink	170	224	208	325	423
Vnet	29	44	12	118	n/a
DSi Data	200	74	26	48	n/a
RadioLAN	27	-120	2	27	n/a
Satro	225	30	-153	-177	-180
Slovanet	162	1,070	502	-312	246
Antik Telecom	1,142	1,153	438	-393	1,278
UPC Broadband Slovakia	-2,693	2,712	-1,118	-938	n/a
Towercom	11,193	6,525	-2,560	-1,604	-5,486
Benestra	-3,810	-4,463	-3,669	-2,177	-2,014
Swan	n/a	n/a	-600	-6,581	-7,613
Swan Mobile	467	940	42,671	-18,686	-18,235

Source: CMDS based on company data and data from Slovak Trade Registry

Technology Companies & Government

The technology sector is so far a politics-free industry. Technology companies, especially telecoms, invest significant time and money in lobbying regulators, but there are no ownership links between large players and politicians. Large financial groups such as J&T or Penta Investments have not expanded into technology yet. One exception is PPF Group, controlled by Czech magnate Petr Kellner, which controls the telecom operator O2 Slovakia via O2's mother company located in the Czech Republic.

There is no specific regulatory regime for online content in Slovakia. The Council for Broadcasting and Retransmission (RVR), Slovakia's broadcast watchdog, started to regulate online content, but its remit is limited to audiovisual products posted online. The RVR does not regulate social media, but it is gradually expanding its regulatory remit to include technology companies. In its latest report, the list of entities regulated by RVR included telecom operators such as Orange Slovensko and Slovak Telekom. (*See Internet regulators in Government space in this report*)

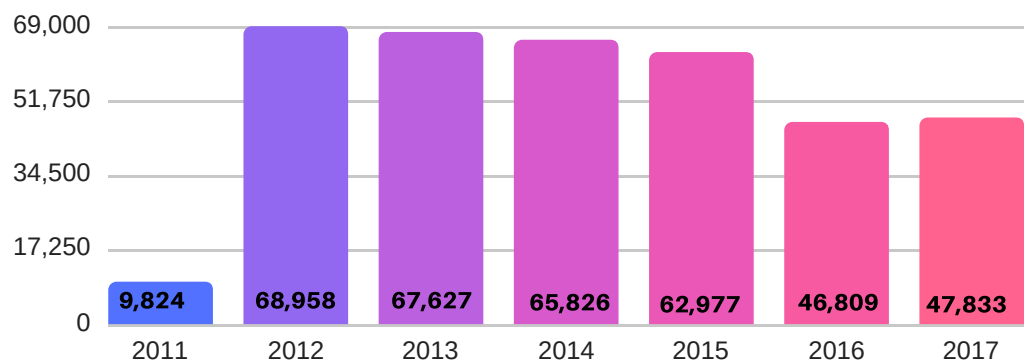
But in spite of this regulatory vacuum, when it comes to social media, state authorities are increasingly targeting technology companies, especially foreign ones. Finance minister Peter Kazimir from Smer-SD party said that the government is planning to tax IT giants like Google and Facebook.⁽⁶⁾ Mr Kazimir claims that the two companies generate together as much as €80m in ad revenue in Slovakia, but fail to pay due taxes on that amount. According to Juraj Valis, a tax expert interviewed by Hospodarske Noviny,⁽⁷⁾ Google and Facebook pay taxes on local expenses instead of locally generated income. But without international cooperation (mainly help from tax offices in other countries), it will be hard for the Slovak tax watchdog to assess how much these companies should pay, Valis said.

According to a report from the European Commission, Google now pays a tax of roughly 0.82% of its revenue in the European Union (EU).⁽⁸⁾ The Commission plans this year to start taxing IT companies. Much support for it comes from France and its president Emmanuel Macron.⁽⁹⁾

Google Slovakia paid a total tax of nearly €48,000 in 2017 on revenues of some €1.3m, according to data from the local trade registry. Facebook is processing its taxes on income generated in Slovakia through its Ireland-registered office. According to Dave Wehner, a financial director with Facebook, the company is planning to pay more taxes in the country where the revenue is generated. However, that is likely to happen from mid-2019 on and only in the 30 countries where Facebook has a local office, including Germany, France, Italy, Poland and Sweden.⁽¹⁰⁾

A tax heaven?

Income tax (€) paid by Google Slovakia, 2011-2017



Source: CMDS based on data from the Slovak Trade Registry

6 Olivia Lacenova, Kristina Votrubova, “Kazimír proti gigantom. Zdaní Google a Facebook” (Kazimir against giants. He wants to tax Google and facebook),

7 “Slovakia may tax Google and Facebook”, *The Slovak Spectator*, 9 Jan 2018, available online at <https://spectator.sme.sk/c/20734333/slovakia-may-tax-google-and-facebook.html>

8 Alicia Gonzalez, “Europe’s tax war with the tech giants”, *El Pais*, 2 Mar 2018, available online at https://elpais.com/elpais/2018/03/01/inenglish/1519908569_345579.html

9 Bjarke Smith-Meyer, “Commission eyes €5 billion annual windfall with new digital tax”, *Politico*, 21 Mar 2018, available online at <https://www.politico.eu/article/commission-eyes-e5-billion-annual-windfall-with-new-digital-tax/>

10 Mark Scott, “Facebook to overhaul how it pays tax worldwide”, *Politico*, 18 Dec 2017, available online at <https://www.politico.eu/article/facebook-tax-digital-europe-revenue-sales-corporate-ireland-david-wehner/>

In January 2018, a new law on digital service providers took effect in Slovakia. Companies like the ride-sharing operator Uber, the short-term lodging platform Airbnb or the hotel booking platform Booking.com have new obligations related to their operations in Slovakia, according to the country's finance ministry. They will all have to pay taxes on revenue generated from services they charge for in Slovakia. All these companies have to establish an office in Slovakia if they offer transports or accommodation services in the country.(11)

If these companies do not open an office in Slovakia, a so-called "withholding tax" will be charged on them. That means that the government will increase its charge on the fee paid by local entrepreneurs to use these foreign-owned digital platforms from 19% to 35%. The government plans to adopt this year similar legislation to tax IT giants, bitcoins and other cryptocurrencies.(12)

In a separate legal development, Slovak authorities approved provisions, slated to take effect in May 2018, forbidding Facebook to accept registrations on its network from teenagers under 16 years of age without their parents' consent. The provisions are part of the law on protection of personal data, which was approved by the Slovak Parliament in November 2017.(13) Internet companies will be legally obliged to verify that parents' consent was given to teenagers who want to register on Facebook. It is not yet clear how they are supposed to do that.

11 "Kazimír: Uber, Airbnb či Booking.com budú musieť u nás platiť dane" (Kazimír: Uber, Airbnb or Booking.com will have to pay taxes in our country), *Sme*, 5 Jan 2018, available online at <https://ekonomika.sme.sk/c/20731817/kazimir-uber-airbnb-ci-booking-com-budu-musiet-u-nas-platit-dane.html>

12 "Finance minister plans to start taxing bitcoin", *The Slovak Spectator*, 8 Jan 2018, available online at <https://spectator.sme.sk/c/20733083/financial-minister-plans-to-start-taxing-bitcoin.html>

13 "Parlament rozhodol: Na facebook do 16 rokov len so súhlasom rodičov" (Parliament decided: on 16-year old on Facebook only with the consent of the parents), *Noviny.sk*, 30 Nov 2017, available online at <https://www.noviny.sk/slovensko/283348-parlament-rozhodol-na-facebook-do-16-rokov-len-so-suhlasom-rodicov>

Technology Companies & Media

LOCAL PORTALS

Ringier Axel Springer and Slovak Telekom are the key players involved in both production and distribution of news content online. They control the two largest online portals, Azet.sk and Zoznam.sk, respectively, which both carry a significant amount of aggregated content.

Ringier Axel Springer is steadily growing its influence in Slovakia's digital news media ecosystem. The company owns Azet.sk, the largest online portal in the country. Ringier Axel Springer also retains a major role in news content production. Although it plans to sell some of its print media titles, Ringier Axel Springer maintains a solid presence in the internet news content production. Its news portal Aktuality.sk is the fourth most visited website in Slovakia after the two giants Azet.sk and Zoznam.sk, and the website of the daily Sme. Following the assassination in February 2018 of the investigative journalist Jan Kuciak, who worked for Aktuality.sk, the site's audience has skyrocketed, making it in some days the most read news portal in the country.

Besides the internet portal Zoznam.sk, Slovak Telekom also runs Topky.sk, a tabloid portal funded mostly through advertising. Topky.sk covers a broad range of topics, including domestic affairs, international news, sports, economy and culture. Topky.sk ranks among the most visited sites in Slovakia with 1.56 million users in 2018. However, its traffic has been declining in the past four years. Zoznam.sk, which is a much bigger platform, publishes news content primarily from Topky.sk, helping thus beef up Topky's traffic.

FOREIGN INTERNET GIANTS

Social media play an important role in news distribution in Slovakia. The biggest social media by number of users is Facebook. It is widely used by Slovak news media outlets to share content and increase exposure.



However, the popularity of news media on Facebook is nowhere close to celebrities or human interest and practical advice websites. The top position belongs to Miroslav Stoch, a Slovak footballer, with 1.45 million fans, according to statistics from Socialbakers, a web analytics firm. It is followed by *Dobre rady a napady* (meaning “good advice and ideas” in Slovak), a site publishing practical advice on health and beauty, home decoration and other family life-related topics. *Dobre rady a napady* is published by the company iSITA, which operates a slew of human interest and practical advice websites, but also three local news websites, which cover Bratislava, Nitra and Zilina. iSITA has boosted its revenue from a couple of thousands of euros in 2014 to over €520,000 in 2017.

When it comes to media, two radio stations, Europa 2 and Radio Expres, dominate on Facebook with roughly 590,000 and 488,000 followers, respectively. They are followed by two tabloid titles and two TV stations.

The reach of Slovak news media on Facebook is low. Only two of the most popular media in Slovakia reach more than 20 in 100 Facebook users. Both of them are radio stations that attract people thanks primarily to their music-dominated output. The most popular serious news outlet on Facebook, *Aktuality.sk* reaches an average of 10 in 100 Facebook users.

Journalists interviewed for this report say that the reach of Slovak news media on Facebook is higher than the number of “likes” because news content is widely shared through networks of friends. Moreover, many users, even staunch readers of a specific news outlet, do not bother to click the “like” button.

Most liked media



Source: Socialbakers

*Junior a Marcel

Nevertheless, the traffic generated by Facebook is extremely important for the eyeballs-hungry news media in Slovakia, according to journalists interviewed for this report. No wonder then that Slovak journalists blew a gasket when Facebook, in a 2017 experiment that was run in six countries including Slovakia, removed professional media from Facebook's main news feed, limiting content on that feed to personal posts and paid ads.

The experiment badly hit news media in the six countries. Data from CrowdTangle, a Facebook-owned analytics site, showed that "interactions" on most of the Slovak media pages on Facebook tumbled by 60% overnight.⁽¹⁴⁾ Facebook defines "interactions" as engagements such as likes, shares or comments. Small media outlets and NGOs in particular were hit hard by the experiment as they cannot afford to buy ads. Slovak outlets survived, but in other countries where the test was run, like Guatemala, news media could hardly recover after this test.

That was a strong indicator of the power that Facebook exerts in local news markets. Filip Struharik, a journalist working for DennikN, who studied the impact of the 2017 Facebook experiment, says that the test should prompt news media to think differently about Facebook and change their strategy. Struharik explains that in spite of the decline in the Facebook reach, the traffic on the main news sites remained almost unchanged during the experiment. He says that the Facebook Pages are not as important as journalists thought. "What's important are influencers and people who share your stories."⁽¹⁵⁾

THE FAKE NEWS MARKET

Generally, the impact of Facebook on Slovak media and journalism is very negative, according to journalists interviewed for this report. Instead of supporting quality journalism, the network promotes extremist, lowbrow content able to generate clicks and shares. DennikN's Struharik found that the average number of interactions on the 50 largest Slovak media on Facebook fell by 52% and the average number of interactions on serious news pages declined by 39%. In contrast, the average number of interactions on disinformation sites and pages that promote hate speech declined by only 27%.⁽¹⁶⁾

That is a worrying trend especially in a country where disinformation is apparently thriving. The number of bogus websites has dramatically increased in Slovakia in the past five years. Most of them are flogging a nationalistic, pro-Russian, anti-EU/NATO/USA and anti-immigration worldview.

¹⁴ Alex Hern, "Downright Orwellian': journalists decry Facebook experiment's impact on democracy", *The Guardian*, 25 Oct 2017, available online at <https://www.theguardian.com/technology/2017/oct/25/facebook-orwellian-journalists-democracy-guatemala-slovakia>

¹⁵ Filip Struharik, "Facebook has hurt mainstream media more than fake news sites", *Medium*, 17 Dec 2017, available online at <https://medium.com/estadodelasredessociales2017/facebook-has-hurt-mainstream-media-more-than-fake-news-sites-113277bada8>

¹⁶ Filip Struharik, *cit.*

Some of these fake news websites are going to bat for right-wing, nationalist parties. For example, Hlavne Spravy (which means “Headline News” in Slovak), is known for supporting the far-right People’s Party-Our Slovakia (LSNS). The site writes stories based largely on fabricated data and misinformation. In 2017, Hlavne Spravy published a poll showing that Marian Kotleba, LSNS’ head, was going to win in the regional elections that took place in autumn 2017. It turned out that the company that carried out the poll, Visit BB, did not even exist. Kotleba lost in the 2017 elections, but recent polls showed that his party is the third-most popular in the country. More worryingly, it is the most popular party among Slovak youth.(17)

A high number of Slovaks, particularly young people, believe bogus websites, according to Tomas Cizik, a researcher at the Bratislava-based Center for European and North Atlantic Affairs, who studies bogus sites in Slovakia. Cizik, who teaches high-school students how to spot fake news, says that young people “are not aware that they’re reading fake stories and conspiracy theories.”(18)

One of the most problematic aspects of online disinformation in Slovakia is the tacit support of politicians. Journalist Andrej Matisak of DennikN says that the country’s former prime minister, Robert Fico encouraged disinformation by not saying anything that would irk Russia and its leadership. “From the annexation of Crimea and the war on Eastern Ukraine, Prime Minister Fico never, ever said something like, ‘Russian soldiers are fighting against Ukraine’.”(19)

The popularity of bogus websites has led to the emergence of a lucrative fake news market that feeds an increasing number of people and companies. One of the most profitable fake news websites in Slovakia is Zem a Vek, published by Tibor Eliot Rostas, a musician and visual artist who worked for the TV station Markiza in the 1990s.(20) In 2012, he founded the company Sofian, which is the publisher of Zem a Vek. Married with two children, Rostas turned the website into a profitable business to feed his family. Its turnover quadrupled from 2012 to more than €404,000 in 2017.

The website Hlavne Spravy is edited by Robert Sopko who runs the website through the company Heureka Evolution. Sopko runs this site from his flat in a block of flats in Kosice. His stories attract hundreds of thousands of readers. The MP Boris Kollar, founder of the party Sme Rodina (translated as “we are family”) in 2015, often cites the website. Sme Rodina won 11 seats in parliament in the 2016 elections.(21)

17 “Mladí najviac veria Kotlebovi. Takto by dopadli volby, ak by volili ľudia do 40 rokov” (Youth mostly trust Kotleba. That is how the elections would look like if people up to 40 years of age voted), *Hospodarske noviny*, 8 Dec 2016, available online at <https://slovensko.hnonline.sk/873190-mladi-slovaci-do-40-rokov-podporuju-najviac-kotlebovcov-ukazala-studia>

18 Michael Colborne, “How Fake News Helped Slovak Extremists Become Reality”, *Codastory.com*, 25 Oct 2017, available online at <https://codastory.com/disinformation-crisis/information-war/how-fake-news-helped-slovak-extremists-become-reality>

19 Emily Tamkin, “Fake News’ Fights Back”, *Foreign Policy*, 20 Dec 2017, available online at <http://foreignpolicy.com/2017/12/20/fake-news-fights-back/>

20 Jan Bencik, “Falošný lesk a morálna bieda Tibora Rostasa” (The fake luster and moral misery of Tibor Rostas), *DennikN*, 28 Dec 2014, available online at <https://dennikn.sk/blog/9518/falosny-lesk-a-moralna-bieda-tibora-rostasa/>

21 Vladimír Snidl, “Kto riadi proruský web Hlavné správy? Muž, ktorý neodmieta ani eurofondy” (Who leads the pro-Russian website Hlavne Spravy? The man who does not refuse EU funds either), *DennikN*, 2 Aug 2016, available online at <https://dennikn.sk/521950/kto-riadi-prorusky-web-hlavne-spravy-muz-ktory-neodmieta-ani-eurofondy-2/>

Hlavne Spravy started as a one-man show led by Sopko, but in recent years it has increased its pool of contributors. Writers are paid €5 per article and an extra €1 when their article gets any 1,000 views over 5,000 views, according to an insider who worked for the website.(22)

Some of the bogus websites targeting the Slovak public generate revenues through advertising, but there are many such websites that are financing themselves through crowdfunding. Zvedavec.org, one of the oldest bogus portals in the region, established in 1999 by Vladimir Stwora, a Czechoslovak émigré residing in Canada, generates funding mainly through donations from readers. Stwora was sentenced in 2011 by a Prague court to six months in prison for publishing on his website an article that questioned the Holocaust. (23)

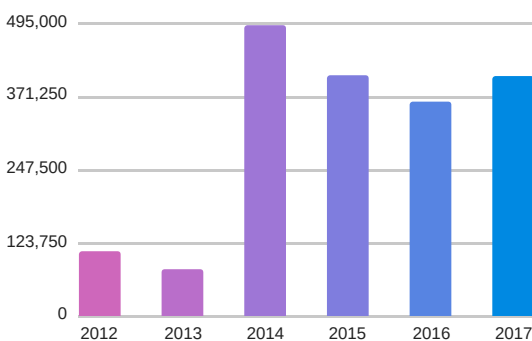
Fake news business

Key financial indicators for Sofian, 2012-2017

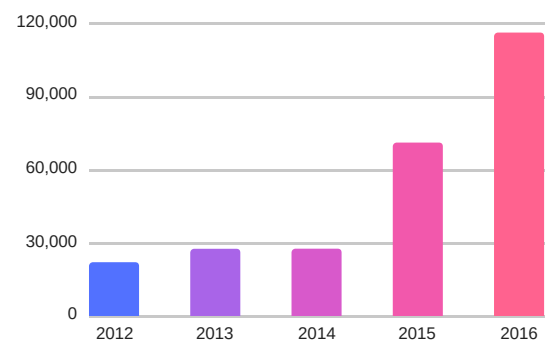
	2012	2013	2014	2015	2016	2017
Sales revenues (€)	109,278	78,931	490,747	406,292	361,761	404,927
Net profit (€)	-1	16,029	4,894	8,591	-10,075	897

Key financial indicators for Heureka Evolution, 2012-2016

Sales revenues (€)	22,001	27,497	27,538	70,947	115,959
Net profit (€)	-149	-1,705	-2,922	4,970	30,153



Sales revenues (€) for Sofian



Sales revenues (€) for Heureka Evolution

22 Ria Gehreroova, "Undercover at a Slovak fake news website", NewsMavens, 15 Jan 2018, available online at <https://newsmavens.com/news/aha-moments/1041/undercover-at-a-slovak-fake-news-website>

23 "Soud pravomocně potrestal Čechokanadana za zpochybňování holokaustu" (Court definitively sentenced a Czech-Canadian man for questioning the Holocaust), 29 Sep 2011, available online at https://zpravy.idnes.cz/cechokanadan-vladimir-stwora-dostal-za-text-zpochybnujici-holokaust-definitivne-podminen-y-trest-ia9-/krimi.aspx?c=A110929_161338_krimi_zep

Some politicians now and then speak about fake news, but they have not taken any concrete steps to combat misinformation. Slovak President Andrej Kiska told the European Parliament in 2017 that the EU should be more active in fighting the Russian propaganda.⁽²⁴⁾ Journalists interviewed for this report are in agreement that, in fact, the government should not try to regulate fake news because that will give authorities carte blanche to meddle in content regulation, which is going to have a negative effect on independent reporting.

A strong response to misinformation though came from the digital advertising industry. The digital marketing agency Net Success in cooperation with Seesame, a competitor, established in 2016 the website Konspiratori.sk (meaning “conspirators” in Slovak) that keeps tabs on fake news websites targeting the Slovak market. A total of 38 organizations, mostly marketing and PR agencies, but also technology firms, support the project. The initiative is aimed at convincing advertisers, particularly large ones, to scotch their ads on dubious websites where content is “far from representing ethical and balanced news.”⁽²⁵⁾

Konspiratori.sk has a board that reviews on a regular basis websites reported via an online form by any concerned reader. The decision to include a website on the Konspiratori black list is made according to a set of rules that takes into account the score (from 1 to 10 where 10 indicates high likelihood that a website is bogus) that each board member gives to a site. Now, a list of 120 websites are featured on Konspiratori.sk as fake news sites.

The composition of the review board is diverse, consisting of people coming from a range of fields including political science, journalism, medicine and history. Publishers are also supportive of the initiative. Alexej Fulmek of the Slovak publishers association is an honorary member of the review board. According to the founders of Konspiratori.sk, the site is having growing impact. An increasing number of people are responding to their invitation to report fake news websites. Their readership is also growing thanks to a series of campaigns online aimed at dissuading advertisers from putting their money on fake news sites. In its first year, Konspiratori.sk ran a total of 17,000 online campaigns.⁽²⁶⁾ More importantly, the number of big advertisers joining the initiative has been rapidly growing. They include the oil refinery Slovnaft, carmaker Hyundai and the fashion retailer Alain Delon.⁽²⁷⁾

24 “Slovak President Kiska tells MEPs: EU needs strong leaders with passion for the cause”, *European Parliament News*, 15 Nov 2017, available online at <http://www.europarl.europa.eu/news/en/press-room/20171110IPR87823/slovak-president-kiska-eu-needs-strong-leaders-with-passion-for-the-cause>

25 “Začal sa boj proti konšpirátorským webom. Značky im odstrihnú inzerciu” (*The fight against conspiracy websites started. Brands to cut their advertising*), *Medialne.sk*, 18 Apr 2016, available online at <https://medialne.etrend.sk/marketing/zacal-sa-boj-proti-konspiratorskym-webom-znacky-im-odstrihnu-inzerciu.html>. See more about the initiative also at <https://www.konspiratori.sk/en/why-this-initiative.php>

26 “Konšpiratori.sk uviedli „Bullshit Detector“. Upozorní na pochybné weby” (*Konspiratori.sk launched Bullshit Detector. It warns about dubious sites*), *Medialne.sk*, 4 May 2017, available online at <https://medialne.etrend.sk/internet/konspiratori-sk-uviedli-bullshit-detector-upozorni-na-pochybne-weby.html>

27 “Konšpiratori.sk pridali ďalšie pochybné weby, tipy však prišli aj na Sme či Denník N” (*Konspiratori.sk added more dubious sites, but reports about Sme or DenníkN also came in*), *Medialne.sk*, 12 Jul 2016, available online at <https://medialne.etrend.sk/internet/konspiratori-sk-pridali-dalsie-pochybne-weby-tipy-vsak-prisli-aj-na-sme-ci-dennik-n.html>



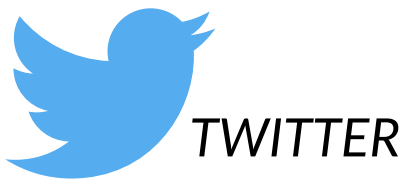
Google has a major influence in the Slovak news media through its own video-sharing platform YouTube, which is now the second most popular social network in Slovakia thanks to a rapid rise in only two years. However, the reach of news media on YouTube is very low. Only one media house in Slovakia, TV Joj, has more than 100,000 YouTube subscribers and over 414 million views. Second comes at a distance Markiza TV with less than 90,000 subscribers and 75 million viewed videos.

Most watched on YouTube

	NUMBER OF SUBSCRIBERS	TOTAL VIEWS OF UPLOADED VIDEOS
<i>Televizia Joj</i>	209,412	414,000,094
<i>Televizia Markiza</i>	89,797	74,830,833
<i>HBO CZ SK</i>	36,487	54,814,809
<i>Markiza-uputavky</i>	37,450	52,496,886
<i>RadioExpres</i>	55,178	45,363,456
<i>Fun Radio</i>	33,647	26,084,835
<i>TopSpeed.sk</i>	28,640	18,233,047
<i>Dennik N</i>	12,694	12,011,283
<i>Radio Europa 2</i>	6,116	5,746,883
<i>Aktualne.sk</i>	1,280	1,829,357

Ranking of the most popular media on YouTube in Slovakia, April 2018

Source: Socialbakers



In spite of its low reach compared to Facebook, Twitter is broadly used in the Slovak journalistic community. The most popular Slovak accounts on Twitter belong mostly to celebrities such as Peter Sagan, a Slovak bicycle racer, Marian Gaborik, an ice-hockey player, or Dominika Cibulkova, a tennis player. The most popular Slovak media outlet on Twitter is the daily Sme, which is the seventh most followed account in the country with over 161,000 followers.

The loudest tweets

NUMBER OF FOLLOWERS

<i>Sme</i>	161,602
<i>Pravda</i>	17,195
<i>Trend</i>	15,746
<i>Hospodarske noviny</i>	14,804
<i>Radio FM</i>	14,559
<i>Dennik N</i>	14,527
<i>Ta3</i>	11,077
<i>Strategie SK</i>	6,986
<i>Novy Cas</i>	5,948
<i>Zive.sk</i>	5,143

Ranking of the most popular media on Twitter in Slovakia, April 2018

Source: Socialbakers

FINANCIAL SUPPORT

Other than their potential as a distribution platform, foreign internet companies do not have any other form of direct cooperation with Slovak news media. An exception is Google, which has given funding to develop journalism projects in Slovakia through its Digital News Initiative (DNI) project. DNI has committed to spend over the course of three years a total of €150m to support creativity in digital journalism and business models development in Europe.

Launched in 2015, DNI awarded three grants in Slovakia by April 2018. Two were won by N Press, the publisher of DennikN, to develop an open-source tool for subscription business, and one went to vot.sk, a project aimed at creating a website and an app that would give readers context for news they are faced with every day. In total, Google awarded some €1.16m in Slovakia by April 2018. Most of it, nearly 96% of that, was given to N Press.

Methodology

This report is part of the *Media Influence Matrix project* initiated by the Center for Media, Data and Society (CMDS) and run as part of the Media & Power Research Consortium.

The country reports in the Media Influence Matrix series aim to research the changing landscape of:

- government and policy space, with a focus on the changes in the policy and regulatory environment;
- funding, with a focus on the key funding sources of journalism and the impact on editorial coverage;
- technology in the public sphere, with a focus on how technology companies, through activities such as automation and algorithm-based content distribution, impact news media and journalism.

The research focuses on news media, including newly emerged players. The study is neither aimed at exhaustively mapping the entire media industry nor is it intended to target specific media sectors. Instead, it maps the most popular and most influential news media on a country-by-country basis and analyzes their changing relations with politics, government and technology companies.

Researchers are collecting data and information following a common set of research guidelines (See Research Guidelines in Appendix I below). The analysis in these reports is carried out by researchers with experience in the country, under the guidance of a team of editorial supervisors and experts. The reports are reviewed by a team of experts selected by our advisory boards.

For each country report, a list of sources used in each chapter of the report is available. In the categorization of technology companies in all country reports we use the methodology of the Ranking Digital Rights project, which divides companies in two groups. The first group, internet and mobile, includes the so-called “mobile ecosystems,” companies that create mobile devices and products. In the second category, telecommunications companies, we include service operators that offer connection and access services such as voice, data or cable connections.

“In 2015, Ranking Digital Rights (RDR) launched its inaugural Corporate Accountability Index, which ranked 16 Internet and telecommunications companies. For the 2017 Index, RDR has expanded the ranking to 22 companies, which includes all of the companies ranked in the 2015 Index as well as six new companies. In addition to Internet and telecommunications companies, this year’s Index will include companies that create mobile devices and products we call makers of “mobile ecosystems.” We also added several new services to companies we previously analyzed in 2015.” (Source: RDR)

Data and Information Collection For the Slovakia Report

The report is based on:

- Data and information collected in the period January-March 2018 following a common set of research guidelines (See Research Guidelines in Appendix I below)
- Monitoring of 25 news media outlets in Slovakia going back to 2010 (or as much as the search engine of the respective news outlet permitted), referred to in the list of sources below as “Media Monitoring Slovakia 2018”
- We conducted for this project interviews with 16 journalists and media experts based in Slovakia. The interviews were conducted via phone and email between November 2017 and February 2018. (Referred to in the list of sources below as “Media Influence Matrix Slovakia: Journalists Survey”)

Detailed sources of information used for Slovakia report:

GOVERNMENT SPACE

LEGAL OVERVIEW

Legal analysis of key laws affecting news media and journalism

REGULATORY AUTHORITIES

Analysis of the regulatory environment in Slovakia focused on the following research questions:

- a). What have been the key changes in regulation of news content in the past 5-10 years?
- b). Who are the key influencers and most powerful institutions in regulation of news content?
- c). How transparent is the regulatory process when it comes to news media?
- d). What impact do these influencers have on news media and journalism?

Operational aspects

Broadcast media and frequency spectrum

Remit and tasks

- Documents and reports from Council for Broadcasting and Retransmission (*Rada pre vysielanie a retransmisiu*, RVR) and the Regulatory Authority for Electronic Communications and Postal Services (*Urad pre regulaciu elektronickych komunikacii a postovych sluzieb*, RU)

Board composition

- Documents and reports from Council for Broadcasting and Retransmission (*Rada pre vysielanie a retransmisiu*, RVR) and the Regulatory Authority for Electronic Communications and Postal Services (*Urad pre regulaciu elektronickych komunikacii a postovych sluzieb*, RU)

Funding

- Documents and reports from Council for Broadcasting and Retransmission (*Rada pre vysielanie a retransmisiu*, RVR) and the Regulatory Authority for Electronic Communications and Postal Services (*Urad pre regulaciu elektronickych komunikacii a postovych sluzieb*, RU)
- Reports of international think tanks
- Government budget records

Internet regulators

- Documents and reports from Council for Broadcasting and Retransmission (*Rada pre vysielanie a retransmisiu*, RVR)
- Analysis from Slovak think tanks
- Data from industry associations

Data protection regulators

- Documents and reports from the Office for Personal Data Protection (*Uradu na ochranu osobnych udajov Slovenskej republiky*, UOOU SR)
- Government budget records

Other institutions with regulatory powers

- Documents and reports from the Ministry of Culture, Slovak Trade Inspection (*Slovenska obchodna inspekcia*, SOI), the Antimonopoly Office of the Slovak Republic (*Protimonopolny urad Slovenskej republiky*, PMU)
- Records from corporate documents
- Media Influence Matrix Slovakia: Journalists Survey

Decision-making process

Key decision-makers in regulation and policymaking

- Media Monitoring Slovakia 2018
- Media Influence Matrix Slovakia: Journalists Survey

Transparency of decision-making in media regulation

- Documents and reports from Council for Broadcasting and Retransmission (*Rada pre vysielanie a retransmisiu*, RVR)
- Media Monitoring Slovakia 2018

FUNDING JOURNALISM IN SLOVAKIA

SOURCES OF FUNDING

Shifts in journalism funding

Analysis of the key trends in funding journalism focused on the following research questions:

- a). What were the main changes in funding news media and journalism in the past 5-10 years?
- b). Who are the key funders and owners of news media and journalism?
- c). How big is the role of government in funding news media?
- d). How are sources of funding affecting independent reporting?
- e). Are there any policy implications for journalism funding?

Popular news media

- Industry reports and statistics: Eurostat, Eurodata TV Worldwide, Radioprojekt, ABC SR, AIMmonitor, TNS Infratest, PMT/TNS, Median SK, MML-TGI, Gemius
- Data extracted from the Slovak Trade Registry
- Corporate reports
- Documents and reports from RTVS
- Media Monitoring Slovakia 2018
- Media Influence Matrix Slovakia: Journalists Survey

Influential news media

- Industry reports and statistics: PMT/TNS
- Corporate reports
- Media Monitoring Slovakia 2018
- Media Influence Matrix Slovakia: Journalists Survey

Key funders

Non-governmental funders

- Industry reports and statistics: Carat, Kantar TNS
- Documents and reports from Media Development Investment Fund (MDIF), Media Impact Funders, OCCRP

Government funding

- Government budget records
- RTVS Annual Reports and other documents
- Data from Central Registry of Contracts (*Centralny Register Zmluv*, CRZ)
- Media Monitoring Slovakia 2018
- Media Influence Matrix Slovakia: Journalists Survey

TECHNOLOGY, PUBLIC SPHERE AND JOURNALISM

Analysis of the key trends in technology and journalism focused on the following research questions:

- a). What are the main changes in news content consumption driven by new technologies?
- b). Who are the largest, most influential technology companies?
- c). How are the power relations between technology companies and government?
- d). How do technology companies influence news media and journalistic content?

TECHNOLOGY OVERVIEW

- Data and statistics from the Ministry of Transports and Construction in Slovakia
- Web data and statistics from StatCounter, Gemius
- Data and information from sources at Facebook, Twitter and Google

ROLE OF TECHNOLOGY IN MEDIA AND JOURNALISM

Overview and profiles of key players

Operational aspects

- Methodology of the Ranking Digital Rights project
- Data extracted from the Slovak Trade Registry
- Corporate reports
- Media Monitoring Slovakia 2018
- Media Influence Matrix Slovakia: Journalists Survey

Technology companies and government

- Documents and reports from Council for Broadcasting and Retransmission (*Rada pre vysielenie a retransmisiu*, RVR)
- Data extracted from the Slovak Trade Registry
- Media Monitoring Slovakia 2018
- Media Influence Matrix Slovakia: Journalists Survey

Technology companies and media

- Data and statistics: Socialbakers, Crowdtangle
- Data extracted from the Slovak Trade Registry
- Data and information from sources at Facebook, Twitter and Google
- Media Monitoring Slovakia 2018
- Media Influence Matrix Slovakia: Journalists Survey

GOVERNMENT SPACE

REGULATORY AUTHORITIES

Operational aspects

Broadcast media and frequency spectrum

- **Remit and tasks** (*Describe the most media-relevant tasks of the regulators involved in these areas*)
- **Board composition** (*Describe the composition of the main decision-making body, focusing on rules on the appointment and sacking of board members*)
- **Funding** (*Present the annual budget of the regulators for the past five years and indicate the source of funding*)

Print media regulators

- **Remit and tasks** (*Describe the most media-relevant tasks of the regulators covering print media operations*)
- **Board composition** (*Describe the composition of the regulators' main decision-making body, focusing on rules for appointment and sacking of board members*)
- **Funding** (*Present the annual budget of the regulators for the past five years and indicate the source of funding*)

Internet regulators

- **Remit and tasks** (*Describe the most media-relevant tasks of the regulators, focusing on rules on distribution of online content*)
- **Board composition** (*Describe the composition of the regulator's main decision-making body, focusing on rules for appointment and sacking of board members*)
- **Funding** (*Present the annual budget of the regulator for the past five years and indicate the source of funding*)

Data protection regulators

- **Remit and tasks** (*If a data protection regulator is in operation, describe its remit focusing on the tasks that are most relevant for media*)
- **Board composition** (*Describe the composition of the regulator's main decision-making body, focusing on rules for appointment and sacking of board members*)
- **Funding** (*Present the annual budget of the regulator for the past five years and indicate the source of funding*)

SOURCES OF INFORMATION RECOMMENDED

For Remit/tasks and Board composition:

Statutes and legal acts

Legal studies

Annual reports

For Funding:

Government budget documents

Articles in the media

Decision-making process

Key decision-makers (*Write short profiles of the key decision-makers working for the regulatory authorities described above, focusing on those with a known interest in the media*)

Transparency of decision-making (*Describe the main mechanisms in place to ensure transparency of the decision-making process and how they function in practice*)

Impact (*Present case studies of regulatory decisions that directly or indirectly had an impact, both negative and positive, on media and journalism*)

SOURCES OF INFORMATION RECOMMENDED

For Key decision-makers and Transparency:

Articles in the media
Academic studies
Reports by think tanks and policy institutes
Interviews with local experts and journalists

For Impact:

Articles in the media
Interviews with representatives of media companies
Academic studies
Surveys

INFLUENCERS

Internal/local

Industry players (*Describe the main media companies that have the highest influence in the regulatory decision-making process. Refer to three categories of companies: news media operators, media-related companies such as advertising and PR agencies and companies totally unrelated to media that exert influence on media regulators. Explain the key motivations for their interest in the regulatory process*)

Civil society (*Profile the most prominent civil society groups, including NGOs, professional associations, academic institutions and think tanks, religious groups, community media that influence the regulatory process*)

External

External factors (*Describe international bodies, including intergovernmental organizations that can influence the regulatory process in the country and present cases where they concretely influenced regulatory decisions*)

SOURCES OF INFORMATION RECOMMENDED

For Internal/local:

Articles in the media
Investigative reports
Interviews with local observers and experts

For External factors:

Articles in the media
Academic studies
Reports by think tanks and policy institutes
Reports by international bodies

FUNDING

SOURCES OF FUNDING

Shifts in journalism funding

Popular news media (*Describe changes in the funding of the most popular news media: refer to the share of funding sources – i.e. advertising, subscriptions, donations, etc. — in their total budget. Choose the news media according to the size of their audience, including both broadcasters and online-only media. Describe in a few sentences the editorial coverage of the media, highlighting any relevant biases, particularly ideological*)

Influential news media (*Describe changes in the funding of the most influential news media: refer to the share of funding sources – i.e. advertising, subscriptions, donations, etc. — in their total budget. Choose these news media according to their influence among policy makers, business elites, community leaders and other locally relevant communities. Include both broadcasters and online-only media. Describe in a few sentences the editorial coverage of the profiled media, highlighting any relevant biases, particularly ideological*)

Key funders

Non-governmental funders (*Describe the biggest funders of media and journalism, including key advertisers, philanthropies, political parties or other organizations*)

Government funding (*Describe the main forms of public spending in the media, i.e. allocations for public media, state advertising or state subsidies, the institutions and people in charge of deciding whom to fund and the criteria used in selecting the recipients of public funding. Present the annual government spend in the media for the past five years and profile the key recipients focusing on their ownership, editorial coverage and audience*)

SOURCES OF INFORMATION RECOMMENDED

For Popular and Influential news media:

Reports by trade and professional bodies

Interviews with media experts and representatives of media companies

Company annual reports

Articles in the media

For Key funders:

State budget documents and analyses

Reports by the national audit authorities

Annual reports of public or state media

Advertising agency reports

Survey by industry bodies and professional associations

Annual reports of philanthropic organizations and political parties

Articles in the media

TECHNOLOGY, PUBLIC SPHERE AND JOURNALISM

ROLE OF TECHNOLOGY IN MEDIA AND JOURNALISM

Overview and profiles of key players

Operational aspects *(Describe the largest technology companies, by number of users, that produce or distribute media content, focusing on their ownership (i.e. local or foreign players) and their local operations (i.e. physical office in the country). The companies profiled here can be social media, telecommunications companies, ISPs, etc.)*

Technology companies and government *(Describe the relation of the largest technology companies (as defined above) with the government, referring to compliance with local legislation and regulations, cooperation with government over data handling, ownership links to officials or people working with the authorities.)*

Technology companies and media *(Describe the relation of the largest technology companies (as defined above) with media and journalists, referring to mutual support or other forms of cooperation with media outlets, automation methods including algorithms used in distribution of media content, joint monetization models, ownership links with people in the media industry)*

SOURCES OF INFORMATION RECOMMENDED

For Operational aspects:

Data from global social media
Local technology market reports
Trade registry data
Articles in the media

For Technology companies and government:

Policy reports and analysis from think tanks and policy institutes
Legal studies
Trade registry data
Articles in the media
Interviews with social media representatives

For Technology companies and media:

Academic studies
Market reports
Trade registry data
Heuristic analysis of social media data
Interviews with social media representatives



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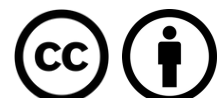
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