

AUGUST 2019



Media Influence Matrix: Georgia

Funding Journalism

Author: Giorgi Jangiani

Research consultant: Ekaterine Basilaia

Editor: Marius Dragomir

About CMDS

The Center for Media, Data and Society (CMDS) is a research center for the study of media, communication, and information policy and its impact on society and practice. Founded in 2004 as the Center for Media and Communication Studies, CMDS is part of Central European University's School of Public Policy and serves as a focal point for an international network of acclaimed scholars, research institutions and activists.

CMDS ADVISORY BOARD

- *Clara-Luz Alvarez*
- *Floriana Fossato*
- *Ellen Hume*
- *Monroe Price*
- *Anya Schiffrin*
- *Stefaan G. Verhulst*

About the Authors

Giorgi Jangiani is a researcher at the Center for Media, Data and Society. He's currently a Master's candidate in European Public Policy at CEU. He focuses on the integration of Eastern European countries to the EU and public policy transfer and improvement. Prior to attending CEU, he worked at the think tank Georgia's Reforms Associates (GRASS), where he as Project Manager/Research Fellow supported projects on the EU-Georgian Integration. He also holds an M.A. in Diplomacy and a B.A. in International Relations from the Tbilisi State University.

Ekaterine Basilaia is currently a lecturer and a researcher at Tbilisi State University. She is co-author of the book "The Role and Limitations of non-Governmental Policy Advocacy in Georgia: Groups and Media in Agenda-Setting" (2016). She was a senior researcher in Georgia for the Horizon 2020 WOSCAP project (2016-2017), studying the EU's engagement and communication strategies in Georgia. Besides her academic background in the past years, she has co-authored the country reports on the state of the media for Media Sustainability Index by International Research and Exchanges Board (IREX).

Marius Dragomir is the Director of the Center for Media, Data and Society. He previously worked for the Open Society Foundations (OSF) for over a decade. Since 2007, he has managed the research and policy portfolio of the Program on Independent Journalism (PIJ), formerly the Network Media Program (NMP), in London. He has also been one of the main editors for PIJ's flagship research and advocacy project, Mapping Digital Media, which covered 56 countries worldwide, and he was the main writer and editor of OSF's Television Across Europe, a comparative study of broadcast policies in 20 European countries.



Hungary, 1051 Budapest, Nador u. 9

Tel: +36 1 327 3000 / 2609

Fax: +36 1 235 6168

E-mail: cmds@ceu.edu

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.

MEDIA INFLUENCE MATRIX ADVISORY BOARD

- Special Advisor: Dean Starkman
- Media Management and Economics: Philip M. Napoli
- Research and methodology: Amy Brouillette
- Research and advocacy: Susan Abbott, Minna Aslama
- Civil Society & Technology: Kate Coyer
- Policy: Francesca Fanucci
- Data: Attila Batorfy, Jessie Labov

CMDS TEAM

- Director: Marius Dragomir
- Editorial consultant: Tom Popper
- Research: Eva Bognar, Roni Dorot, Dumitrita Holdis
- Design and outreach: Robert Nemeth
- Coordinator: Mihaela Groza

TABLE OF CONTENTS

FUNDING JOURNALISM

Sources of Funding	4
Shifts in Journalism Funding	4
Popular News Media	5
Consumer Trends	5
Key players	9
Funding Trends	14
Influential News Media	21
Key Funders	22
Non-Governmental Funders	22
State Funding	24

SOURCES OF FUNDING

Shifts in Journalism Funding

The largest funders in the Georgian media are the government (through the state budget) and the banking sector with their associated companies (through advertising spending).

In 2018, public broadcasters received the largest portion of public money, over GEL 60m, which is worth nearly 75% of the entire television ad market. The amount of annual funding that public media get from the state budget is regulated by legislation: the broadcasting law says that this subsidy should be equal to at least 0.14% of the country's Gross Domestic Product (GDP).[1] The two broadcasters that receive state funding are GPB and Adjara TV.[2] Two other key sources of public investment in the media are political advertising and government spending on buying press services.

Although news is a product in high demand, the news media is hardly a lucrative business in Georgia. The advertising market has declined in recent years. In 2018, the television ad spending declined to GEL 56m (US\$ 22m) from GEL 68m (US\$ 27.2m) in the previous year. Between 2016 and 2018, six of the ten largest television companies on the market incurred losses.

Of all media though, the print media sector has experienced the most dramatic decline in advertising revenues and paid circulation in recent years. One of the most popular newspapers, *Liberali*, a non-tabloid publication, cancelled its print edition and moved online in 2017. *Tabula* magazine and *Batumelebi*

newspaper followed suit. Other print media are considering moving to the internet as their print circulations have been steadily declining.

Even though print media are increasingly looking to the internet as a solution to their crisis, no major developments in building sustainable income strategies for media (online subscriptions or paywalls) have been noted to date.[3]

It's not only newspapers that are struggling to monetize on their digital products. News portals that started online and have only an internet presence are also under the cosh. Journalists and editors say that it is difficult to change media consumption habits in Georgia. One of them said that the small size of the market prevents successful introduction of subscription-based models. "It is not reasonable," an editor interviewed for this report said. Slow growth of internet usage doesn't help either. In spite of the rise in the number of internet users in the recent years, only 60% of the total population uses the internet.[4]

Overall, no media outlet is profitable in Georgia. They need more income than what they generate through commercials (or government funding) to cover their expenses. That's where donations from grant-making organizations or businesses kick in. However, that is not sufficient. Lack of sustainable financing model makes media outlets vulnerable.

[1] Law of Georgia on broadcasting available online at <https://matsne.gov.ge/en/document/download/32866/39/en/pdf> (accessed on 22 May 2019).

[2] Georgia's former state television was transformed into a public service broadcaster in 2004 following the adoption of the Broadcasting Law. The government has no role in determining the budget target/funding level of public broadcasters. Any natural person having a taxable income in Georgia shall pay the public broadcasting fee.

[3] The newspaper Resonance used to offer access to its archived news only to its paying subscribers online.

[4] See "Georgia" in Freedom House, available online at <https://freedomhouse.org/report/freedom-net/2018/georgia> (accessed on 17 May 2019).

The power factor

Who owns and influences the broadcast media in Georgia

Direct & indirect influence	Operator	Prominent news media assets	Radio	Annual income 2017 (GEL)	Annual income 2018 (GEL)
Government	Public broadcaster	Channel 1 Channel 2	Radio 1 Radio 2	42,323,930	48,494,934
Kibar Khalvashi - links with Georgian Dream – Democratic Georgia political party	Rustavi 2	Rustavi 2 Channel 3 Channel 4		32,267,166	32,257,917
Patarakatsishvili family	Imedi group	Imedi TV GDS TV Maestro	Radio Imedi	26,857,719	28,578,674 771,459 439,030
Tsereteli family	TV Pirveli	TV Pirveli		2,517,940	3,354,509
Government	Public broadcaster Adjara TV	Public broadcaster Adjara TV	Radio Adjara	6,773,617	7,628,513
Political party <i>Alliance of Patriots of Georgia</i>	Media Union Obiektivi	Obiektivi TV		1,469,125	1,925,974

Source: CMDS research

Popular News Media

Consumer Trends

News consumption in Georgia is relatively high compared to other European countries. A total of four out of the 10 most popular television programs in Georgia are newscasts or talkshows aired in primetime, according to the latest data for April 2019.[5] (*See Influential News Media chapter in this report*)

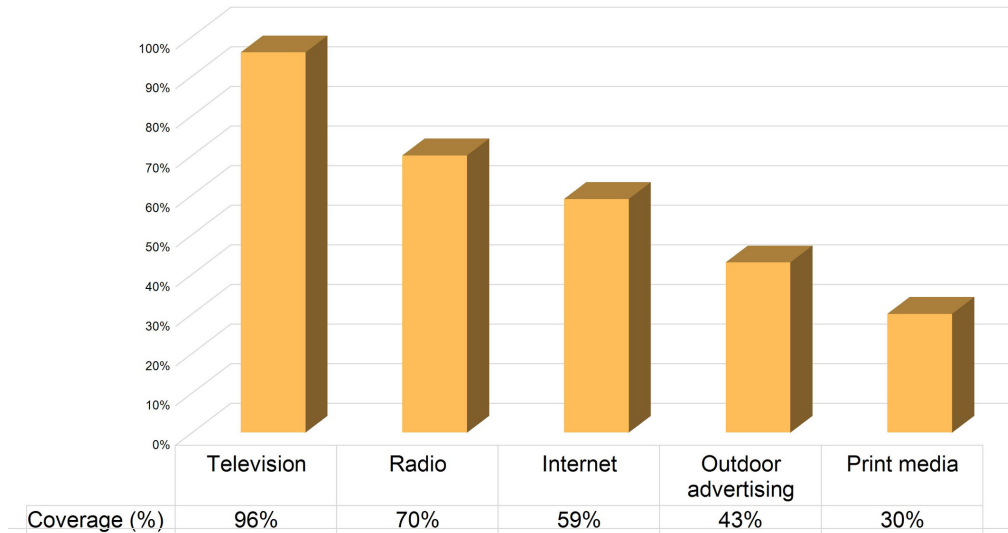
The most popular source of news and information among Georgians is television. Nearly every household in the country owns a television set; television coverage reaching some 96%. Moreover, government-supported projects aimed at equipping households in need with technology used to capture digital television signal helped television defend its dominant position. For example, during the digital switchover in 2015 (when broadcasters gradually moved from analog to digital broadcasting), the Government subsidized set-top/decoder boxes for households under the poverty line, offering them also free guidance about the use of the new technologies.[6] Without a set-top box and knowledge about how to use it, many households could have lost access to television entirely.

[5] TVMR, “Nielsen Television Audience Measurement’s Official License,” available online at http://www.tvmr.ge/#!en/tam_results/2--:107/April%202019 (accessed on 24 May 2019).

[6] To be able to watch television after Georgia’s broadcasters switched to digital signal, households had two options: to either buy a new digital television set (which is quite expensive for the average or poor households in Georgia) or to buy a much cheaper set-top box, which is a device that decodes the digital signal into an analogue one, allowing households to watch television still on their old television sets.

Media outreach

Media distribution/coverage (% of total population), Georgia, Jan-May 2018

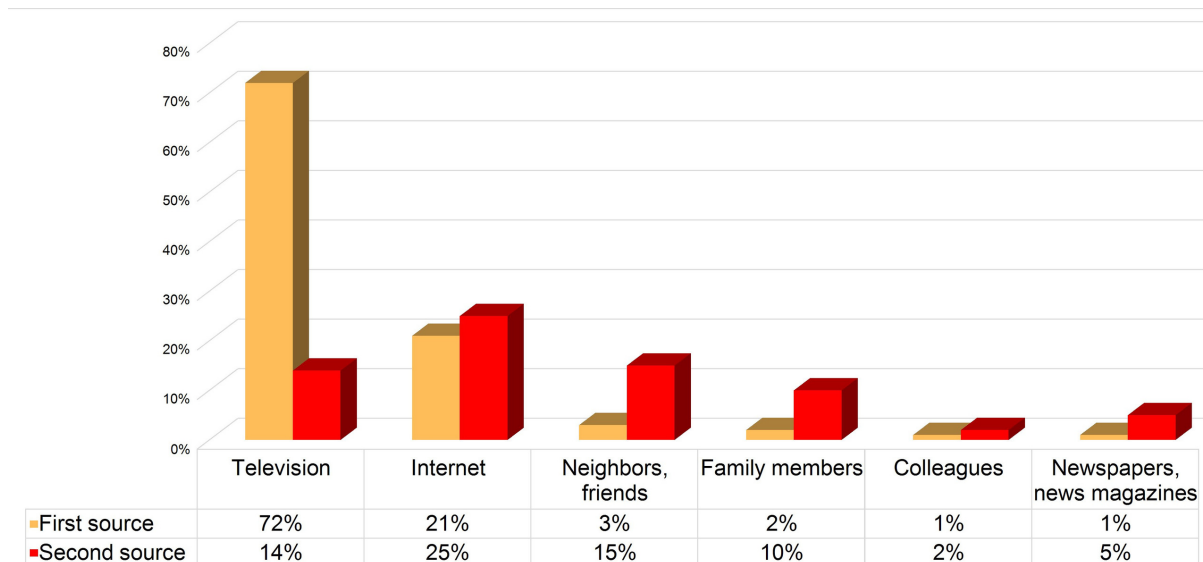


Source: ZenithOptimedia, 2018

In 2019, some 72% of the Georgian population was getting information primarily from television, which is a decline from 87% in 2015, but yet a healthy share, demonstrating that the average Georgian watches news on a regular basis and possesses certain knowledge about current affairs.

Getting informed

Key sources of news in Georgia, 2019



Source: NDI

Note: The question asked in the survey was the following: “What are your main sources of information for receiving news about Georgian politics and current events (first and second main sources)?”

The internet is becoming increasingly popular in Georgia, particularly among the young generations (those aged 14 to 29). Some 18% of the overall population gets news primarily from the internet. Nearly half of the Georgian youth follow political news online, an interest likely triggered by the rising number of web-based news agencies as well as the expansion of traditional media online, according to data from Friedrich Ebert Foundation (FES), a German political foundation.[7]

The increasing popularity of the online news media has been driven, among other things, by the rising internet penetration. Since 2010, the number of fixed internet users has increased by half a million, and the number of mobile internet users by two million, which is significant in a country of 3.5 million.[8] However, internet penetration is still low and mostly concentrated in the capital city of Tbilisi and other large cities. Meanwhile, the number of citizens who use internet on a daily basis reached 54% in 2018, according to data from the Caucasus Barometer[9]; nevertheless, almost a third of the Georgians never or rarely used the internet.

The country is faced with a few major barriers to improved access to internet. One of them is poor infrastructure at regional and municipal levels. Lack of infrastructure is a major problem especially for people living in rural areas located in less accessible, mountainous areas. Lack of digital skills coupled with low levels of affordability are also barriers to improved connectivity especially for older people. Some 68% of the population aged 55+ never use the internet, according to NDI. Nevertheless, in spite of all these barriers, the number of people for whom the internet is the primary source of information has considerably increased from 4% in 2013 to 18% in 2018, according to NDI.[10]

But in spite of Georgians' interest in television and the internet, neither television stations nor online portals are highly trusted by their consumers. The polarized media environment prompts people to choose broadcasters or online media based on their political preferences. This trend is more visible in the coverage of television channels where affiliation with political parties is more obvious than in the coverage of internet media.[11] For example, more than two-thirds of Georgians believe that Georgian television channels often spread disinformation.

[7] Friedrich Ebert Foundation (FES) (2016), *Generation in Transition: Youth Study Georgia 2016*, available online at <http://www.fes-caucasus.org/news-list/e/generation-in-transition-youth-study-2016-georgia/> (accessed on 20 June 2019).

[8] “მობილური ინტერნეტის მომხმარებლების რაოდენობა 2 მილიონით, ფიქსირებულის კი ნახევარი მილიონით გაიზარდა” (The number of mobile Internet users increased by 2 million, and the fixed-line has increased by half a million), BPN, 14 April 2018, available online at <https://www.bpn.ge/article/44467-mobiluri-internetis-momxmareblebis-raodenoba-2-milionit-piksirebulis-ki-naxevari-milionit-gaizarda/> (accessed on 16 April 2019).

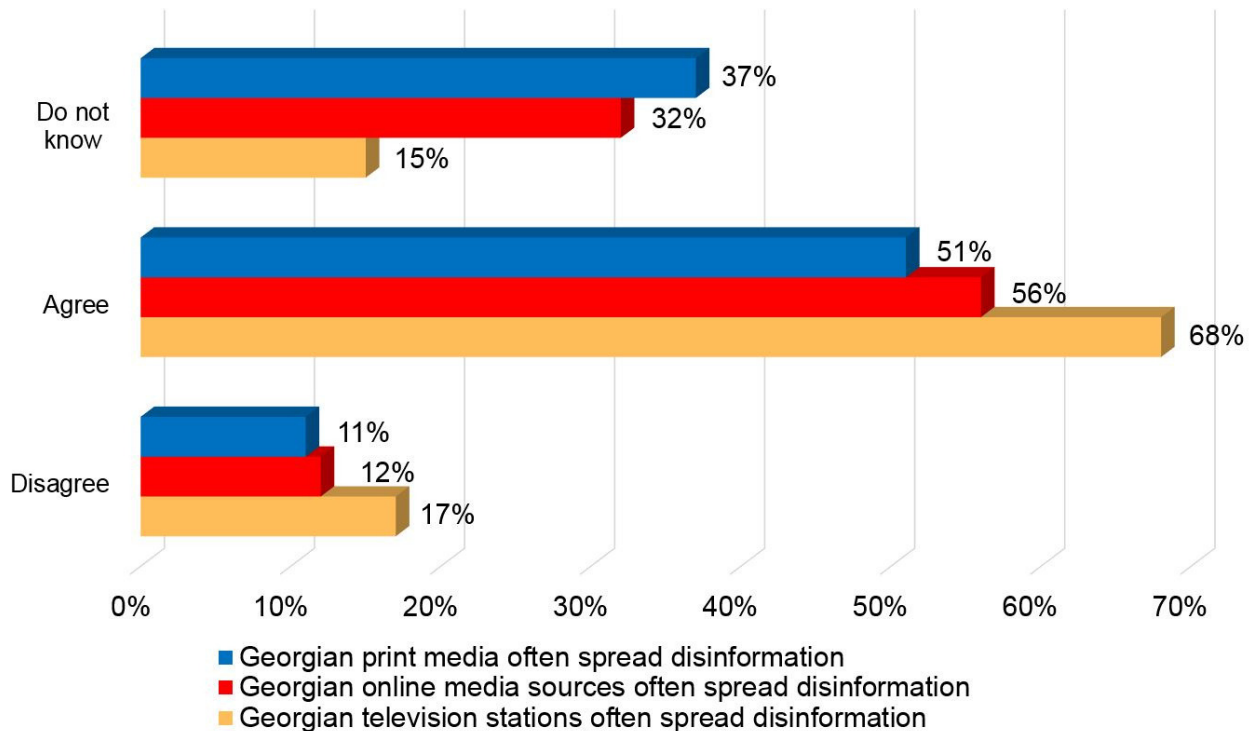
[9] NDI Georgia. Library of NDI Georgia Public Opinion Research, available online at <https://www.ndi.org/georgia-polls> (accessed on 24 May 2019).

[10] NDI Georgia. Library of NDI Georgia Public Opinion Research, *cit.*

[11] “Media Monitoring of the 2018 Presidential Elections in Georgia,” UNDP, 13 December 2018, available online at http://www.ge.undp.org/content/georgia/en/home/library/democratic_governance/media_monitoring_2016-2018.html (accessed on 29 April 2019).

Trust building in Georgia

Main source of political news and current events in Georgia



Source: NDI

Data on radio ratings have been lacking since 2017 mostly because foreign donors stopped funding such projects after 2015 and because radio broadcasters are not willing to share what they consider to be market-sensitive information.

In line with global trends, print media have experienced the most extreme decline in audiences and revenue on the Georgian media market. But unlike other countries where the newspaper industry has been employing a variety of strategies to diversify their income streams, including more intense digital marketing and testing new distribution strategies aimed at revenue generation, the Georgian print media haven't taken full advantage of the opportunities brought about by digital technologies for several reasons, including fear to lose readers, a poor level of technological development and low tech literacy levels. Moreover, in spite of many examples elsewhere, the Georgian print media do not show any intention to fully switch to the internet in the near future. *(See Print Media Funding chapter in this report)*

Key Players

Television

At first glance, the Georgian media landscape is fairly diverse, with a total of 98 television channels in operation. However, two television groups dominate the television market. Together, they command nearly two-thirds of the Georgian audience. They are Rustavi 2 Media Holding (which runs Rustavi 2, the most popular channel in the country, Komedi TV, now Channel 3, and Marao, now Channel 4) and Imedi Media Holding (which also runs three television channels: Imedi TV and GDS, the second and third most popular television channels, respectively, and Maestro TV)



As of July 2019 Kibar Khalvashi, a businessmen, allegedly having close ties with Georgian Dream political party, became the official owner of Rustavi 2 television channel following a decision of the European Court of Human Rights (ECHR) according to which there was no violation of the principle of fair trial over the ownership battle of Rustavi 2. On the same day, Khalvashi applied to the National Public Registry of Georgia (NAPR) and registered himself as owner of the channel. [12] According to the registry data, 60% of the shares in the station are registered under his name. He owns the remaining 40% through Panorama, a limited liability company. [13] Before Khalvashi took over the channel, majority of the shares of the Rustavi 2 media group were owned by the Karamanishvili brothers, businessmen allegedly close to the former President Mikheil Saakashvili.

Imedi Media Holding is owned by the family of Badri Patarkatsishvili, a controversial Georgian businessman who aspired to become President of the country, but died suddenly in 2008 in London. (See more about the companies with the highest influence in Georgia's media and politics in *Government, Politics and Regulation: Georgia, Media Influence Matrix project*.)

The two most viewed television channels in Georgia, Rustavi 2 and TV Imedi are by far the largest television players, with an audience share of over 50% combined. Other television channels are simply unable to compete with such big players because of the high costs related to the operation of a television broadcasting enterprise as well as the high politicization of the television space that forces television operators to engage in political contests.

Nevertheless, this highly concentrated market structure has created demand for smaller, niche media outlets. TV Pirveli is such an outlet. The channel was launched in 2015 as a sports channel, but it soon received a broadcast license that allowed them to also air news content. Today, TV Pirveli is the fifth most popular channel and the third most popular news reporting outlet in the country. According to local journalists, as an increasing number of people require less “polarized” news, by focusing on “impartial” and “well balanced” news production, TV Pirveli has bolstered its popularity. Most of its daily programs are political talk shows and business news reports.

Georgian Public Broadcaster (GPB) is the biggest recipient of public funds among all media in Georgia. The broadcaster runs two television channels (Channel 1 and Channel 2) and two radio stations (Radio Pirveli Channel and Radio Two-Channel Music). Some 85% of the Georgian population has access to Channel 1 and 55% to Channel 2. Georgian TV's programs are also available via satellite and over the internet in Europe and Asia.

[12] Kibar Khalvashi Registered as Rustavi 2 TV Owner, accessed at <https://civil.ge/archives/313702>

[13] Ibid

Key television players

The largest television channels by 2019 audience share, 2014-2019

	2014	2015	2016	2017	2018	2019*
Rustavi 2	27.3	29.8	29.2	24.7	28.3	27.8
Imedi	17.4	20.3	22.5	27.9	26.5	26.6
GDS	1.8	1.7	4.7	6.5	6.63	6.4
TV Pirveli	n/a	n/a	0.8	1.4	3	4.1
Channel 1	3.9	5.1	2.1	3.2	3.1	3.9
Marao	n/a	0.6	1.9	2	1.6	2.1
Mesame	6.9	6.1	5.1	4.2	3.5	1.5
Maestro	12.9	6	5.4	2.2	1.5	1.4
Silk Universal	n/a	n/a	n/a	n/a	n/a	1.3
Kavkasiya	1.1	1.1	0.5	0.7	0.9	1.1
Ajara	n/a	n/a	n/a	1.5	1.1	0.9
Music Box	0.5	0.3	0.4	0.3	0.4	0.7

*data for the second week of May
Source: TVMR Georgia, 2019

Online News Market

Online news media are slowly gaining foothold in Georgia. According to ZenithOptimedia, an advertising agency, the online media in Georgia already reaches some 60% of the Georgian population. The digital business is growing, prompting television channels, radio stations and newspapers to extend their coverage to the internet.

The Georgian internet market is dominated by foreign, non-media players, according to data from Alexa, an analytics company. The most popular websites in Georgia are the social network Facebook, the video-sharing website YouTube, the search engine Google (all American owned), the Georgian entertainment portal Adjara.com, and the Russian technology platforms Yandex.ru and Ok.ru. Ambebi.ge is the sole local media portal among the top 25 most popular websites in Georgia.



The traffic leaders

Most popular websites in Georgia, 2019

Website	Daily time on site	Daily pageviews per visitor	% of traffic from search	Total sites linking in
Youtube	8:53	5.09	11.40%	1,943,921
Google.com	8:13	10.68	0.70%	2,481,963
Facebook.com	9:30	3.94	7.60%	5,073,778
Adjara.com	3:04	2.31	17.70%	3,883
Google.ge	3:52	4.65	4.60%	1,442
Yandex.ru	6:37	3.32	0.50%	239,933
Ok.ru	4:45	2.22	2.40%	42,254
Myauto.ge	22:40	13.80	10.70%	108

Source: Alexa

The five most visited media portals in Georgia are two news portals, Ambebi.ge and On.ge, two video streaming websites (Intermedia.ge and Palitravideo.ge) and the website of the television station Rustavi 2.

Ambebi.ge and Palitravideo are owned by the Kviris Palitra holding. Ambebi.ge is a news portal covering a variety of topics, including politics, social issues, medical topics and sport news. Palitravideo specializes in airing news videos.

Co-owned by OMedia group and Proesco Production, On.ge publishes mostly hard news and analysis, heavily using multimedia tools to make its content more attractive.[14] Finally, Intermedia.ge is fully based on user-generated content on various topics. The company pays its users for the content they produce. Intermedia.ge is owned by Palitra Holding.

Online news offering

Top news portals in Georgia, 2019

Ranking	Website	Daily time on site	% traffic from search	Total sites linking in
25	Ambebi.ge	5:31	14.30%	354
36	Intermedia.ge	4:48	25.205	225
37	Palitravideo.ge	6:07	2.90%	54
41	On.ge	11:06	19.60%	86
44	Rustavi2.ge	3:43	3.80%	22,145

Source: Alexa

[14] More about On.ge on the portal's website at <https://on.ge/about> (accessed on 24 May 2019).

Audience data about Georgia's news websites differ from source to source. Ambebi.ge is considered to be the most visited news website with nearly 164,000 unique users in March 2018, according to Top.ge, a Georgian analytics company. It is followed by Intermedia.ge and Palitravideo.ge, Interpressnews.ge, Newposts.ge, Kviris Palitra, Rustavi2.ge, Primate.ge and On.ge.

According to TVMR, a market consultancy, Intermedia.ge is the leading news website, followed by a few newly emerged news portals such as Imedinews.ge and Itar.ge. However, most sources indicate that Ambebi.ge is the most popular news portal in the country. In a 2017 poll, it was mentioned as the favorite news source online followed by News.ge, Interpressnews.ge, Presa.ge, Myvideo.ge and Newposts.ge.[15]

Radio

Radio is the least popular medium in Georgia. But in spite of its low audience, radio operators succeeded in finding their niches in the market. At regional level, radio has become a more community-focused enterprise. The nationwide radio channels tend to provide more entertainment, designed to better reach typical radio audiences such as car owners. In 2015, a report from the Georgian broadcast regulator, the Georgian National

Communications Commission (GNCC), found that 58% of the people listened to radio for at least 15 minutes a day.[16] Some 82% of listeners reported that they listened to radio while driving, during morning or evening commutes. Only 16% of respondents listened to radio in the afternoon.[17] Traffic jams are thus much loved by radio channels as they greatly increase the number of their listeners, according to a radio channel manager.



According to data from GNCC for February 2019, there are 32 radio broadcasters in Georgia. The radio audience measurement system in the country has been scrapped in 2015 as foreign donors suspended their support for the initiative mostly as a result of the declining rentability of the radio business. As local radio operators can't afford to pay for this measurement system, no audience data are available for the radio market in Georgia. Nevertheless, since 2013, radio operators have increasingly moved into mobile phones and internet. Some 20% of all radio listeners in Georgia tune in via mobile phones and 5% by internet.[18] Today, most of Georgia's radio stations air programs both free-to-air and through their websites.

Most of daytime radio programs are generalist, but there are channels that focus on niche topics (such as sports, business and health) and on community-targeted content. For example, the radio channel Iveria is fully focused on religious programming. Primetime programming on radio consists mostly of music and entertainment. Radio channels licensed to air generalist programming offer at least two newscasts a day.[19]

[15] "Survey of Public Opinion in Georgia, Feb 22-Mar 8, 2017" International Republican Institute (IRI), available online at http://www.iri.org/sites/default/files/iri_poll_presentation_georgia_2017.03-general.pdf (accessed on 10 June 2019).

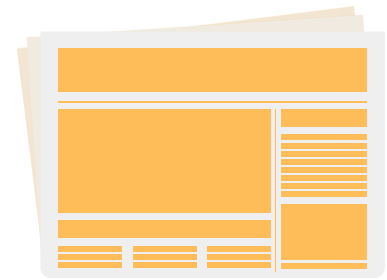
[16] GNCC, რადიო მაუწყებლობის მიმართ საზოგადოების დამოკიდებულებებისა და ინტერესების განსაზღვრა (Defining public attitudes and interests towards radio broadcasting), available online at [http://webcache.googleusercontent.com/search?q=cache:nL09oYXkvyw\]:www.gncc.ge/uploads/other/1/1743.doc+&cd=1&hl=en&ct=clnk&gl=uk](http://webcache.googleusercontent.com/search?q=cache:nL09oYXkvyw]:www.gncc.ge/uploads/other/1/1743.doc+&cd=1&hl=en&ct=clnk&gl=uk) (accessed on 6 March 2019).

[17] GNCC, Defining public attitudes, cit.

[18] Misha Meparishvili, კვლევა: რადიოს მსმენელთა რაოდენობა გაიზარდა | ნეტგაზეთი (Research: Number of Radio Players Increased), Netgazeti, 6 February 2014, available online at <https://netgazeti.ge/life/29227/> (accessed on 21 June 2019).

[19] რადიო „ივერია“ – საპატრიარქოს რადიო მაუწყებლობა (Radio "Iveria"-Georgian Patriarchate's Radio Broadcasting), available online at <http://radioiveria.ge/geo/> (accessed on 7 March 2019).

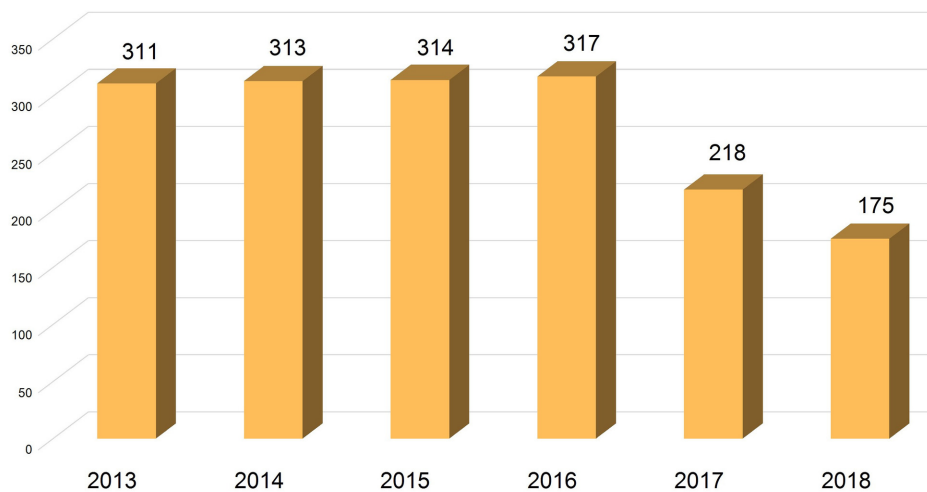
Print Media



The Georgian print media market has been grappling with a massive decline in sales. Print newspapers are disappearing at a rapid pace. However, precise data about circulations and readership are lacking as there is no agency in charge with auditing print circulations. In 2016, according to the latest available data, the combined circulation of all (317) registered newspapers, including trade and commercial papers was 111,217 copies. Annually, a total of 60.4m newspapers and 27.4m magazines were printed in the country.[20] In 2017, the number of registered newspapers decreased to 218. Of those, 38 are dailies, weeklies and monthlies.

According to local media experts interviewed for this report (see Methodology in Media Influence Matrix: Georgia), Georgian newspapers, in an attempt to decrease production costs, circulate fewer copies than declared. Much of the newspapers' net growth is generated from cutting expenses related to printing and distribution.

Print media in Georgia: Number of newspapers



Source: GeoSTAT

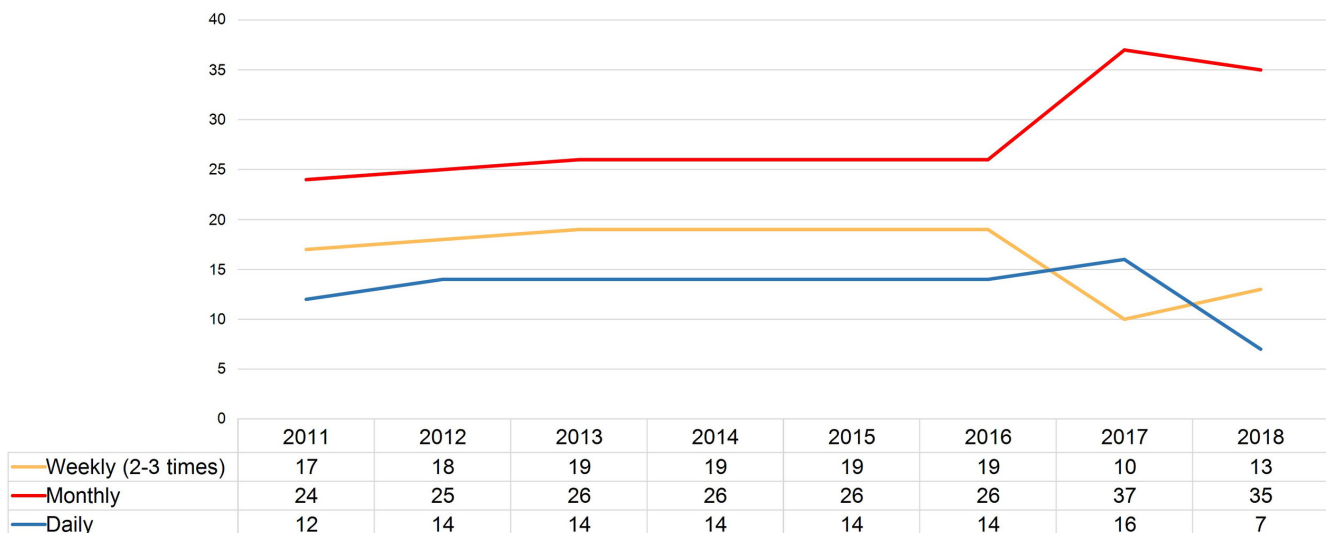
Like television, the daily newspaper market in Georgia is concentrated in the hands of a few players. The largest among the well-established publishers, by reach, is Palitra Holding, publisher of Kviris Palitra, Georgia's best-selling non-tabloid weekly. Its circulation is higher than the circulations of the next three largest daily newspapers combined. However, like many of its competitors, Kviris Palitra's sales have continuously dwindled since 2013. Today, Palitra's media wing runs three weekly newspapers, three weekly magazines, eight periodical magazines, more than 20 internet portals, radio and television, a news agency and a publishing house specialized in literature.

[20] Maia Mikashavidze, "Georgia-Media Landscape," European Journalism Centre (EJC). 2019, available online at <https://medialandscapes.org/country/pdf/georgia> (accessed on 26 February 2019)

Palitra Media portfolio

- Interpress News (ipn.ge), a news agency and popular news website
- Radio Palitra
- Palitra TV, a cable television channel
- Newspapers: Kviris Palitra, Sitkva da Sakme, Kvela Siakhle, Lelo, and the English language Georgian Journal
- Magazines: Gza, Reitingi, Literaturuli Palitra, Ojakhis Mkurnali, Karibche, Arsenali, Karuseli, Dakali, Istoriani, Sabavshvo Karuseli, AutoBild, Gemrieli, Brotseuli
- Websites: Kvirispalitra.ge, Sportall.ge, Mkurnali.ge, Palitratv.ge, Ipn.ge, Interpressnews.ge, Georgianjournal.ge, Marao.ge, Saqme.ge, Photokonkurs.ge, Astrologi.ge
- Book stores: Biblusi, a chain of 26 book stores, nine of which are located in Tbilisi
- Publishing houses: Kolori and Lelo

Newspapers circulation in Georgia, 2011-2018



Note: Non-periodic publications and local newspapers are not included in these numbers
Source: GeoSTAT

Funding Trends

The state budget plays a significant role in the Georgian media market. Thanks to public money, the public broadcaster is by far the best financed player in the country's media with a yearly budget of GEL 52.1m (€16.7m), the bulk of it coming from the state budget.

Experts and journalists interviewed for this report said that new technologies have not had any significant effect on media consumption patterns among Georgians mostly because technological development in the country has not yet reached the level where people would fully switch to the internet for news. Only a few Georgian media outlets have developed mobile applications in spite of a high (and growing) level of smartphone usage.

Such delayed technological adoption is explained by a few factors. First, media applications on mobile phones are not used much, which didn't convince publishers of the effectiveness of

mobile apps in the news business. Secondly, updating and maintaining apps are still costly for the Georgian media outlets, which have to outsource such work to third parties. Finally, creating an app doesn't mean that it will be popular and generate profits for media outlets. Add to that the major role of the social network Facebook in generating readership for news media outlets and one can explain the slow technological development in the country.

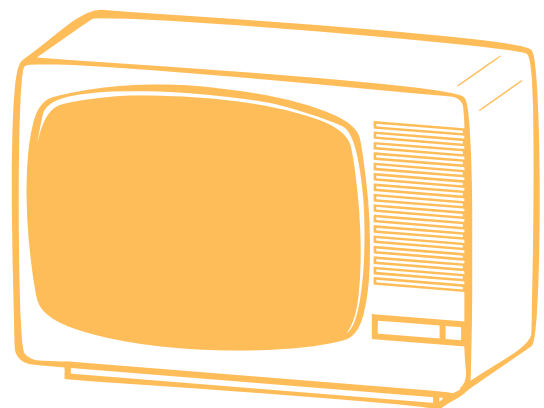
Although today there are 5.16m mobile phones[21] in use in Georgia, a country with a population of approximately 3.5 million, smartphone penetration still has massive potential to grow, which means that more experimentation with applications and technologies in the news industry is likely to happen in the following years.

The print media sector in Georgia, in particular, has been badly ravaged by technological disruption, losing audience and bleeding vast amounts of money. The reasons for this decline are manifold, according to journalists and experts interviewed for this report. First, advertising revenues, a key source of funding for print media, have been moving into the online space; on the other hand, revenues generated from online ads don't flow to the local media market, but go, in a large proportion, to American owned tech giants such as Google and Facebook. Economic hardship also contributed to the decline as people have been spending less on purchasing print publications. Finally, the print media market in Georgia is very weak and can hardly afford investments in technologies that would push their products to a level where they can charge for online content or successfully compete with tech giants on the ad market. Not many media companies, for example, would afford to hire IT specialists, designers or data visualization experts.

Experts expect the latest technological advances, including technologies powered by Artificial Intelligence (AI) and Virtual Reality (VR), or image-recognition software, to enable print media to take a leap to new forms of audience engagement that would help them better monetize their products.

Television Funding

In Georgia, commercial television funds itself mostly through advertising. In the past years, the ad revenue spent on television has gone down. The overall income generated by television increased between 2013 and 2018 from GEL 74.9m (US\$ 45m) to some GEL 110.6m (US\$ 41.81m). However, because of the devaluation, in recent years, of the local currency (the *Lari*), the value of the revenues generated by television has plummeted.



The broadcast regulator, GNCC, in a 2017 report accused the advertising agencies of charging inflated service fees, making advertisers pay more money without bringing any benefits to media outlets.[22] Representatives of ad agencies rebuffed these allegations, claiming that the methodology used by the GNCC to analyze the advertising market was flawed.

[21] Although it is not known how many of those are smartphones, experts agree that sales of smartphones have been on the rise in Georgia in the past few years.

[22] "2012-2017 წლების სატელევიზიო სარეკლამო შემოსავლების ანალიზი" (2012-2017 TV Advertising Revenue Analysis), GNCC, available online at <http://gncc.ge/uploads/other/3/3001.pdf> (accessed on 10 November 2018).

Most of the financing in television continues to come from ad sales and personal donations. In 2018, television broadcasters pulled in revenues of GEL 55.79m (US\$ 21.09m) from advertising, which was US\$ 6m less than in the previous year.

Television business

Revenues of television operators in Georgia, 2013-2018

Year	Total income		Income from advertising	
	GEL m	US\$ m	GEL m	US\$ m
2013	74.9	45	66	39.6
2014	94.6	53.3	84	47.3
2015	86.1	37.9	72.6	31.9
2016	96.9	40.9	81.4	34.4
2017	97.5	38.6	68.4	27.2
2018	110.6	41.8	55.8	21.1

Source: GNCC

In 2018, the television advertising market was dominated by TV Rustavi 2 and TV Imedi, which together pulled in some 99% of the total television ad spend. Some GEL 30.4m in ad revenues were collected by Rustavi 2 and another GEL 26m by TV Imedi.

In 2018, the television ad market has grown on an annualized basis, in both Georgian and foreign currencies, for the first time after 2016. However, it is unclear whether this growth was driven by market-related factors or was a direct consequence of the increase in the available ad space triggered by legal provisions adopted in 2017 that gave the public broadcaster the right to carry more commercials than before.

Advertising revenues of prominent television broadcasters, in GEL million, 2015-2018

	GPB	Rustavi 2	Imedi	GDS	Adjara TV	Iberia	TV Pirveli	Maestro	OBIEKTIVI	Total
2015	0	35.58	24.18	1.71	0	0.74	0.11	5.12	0.55	72.59
2016	0	41.08	26.25	2.03	0	1.87	1.29	5.49	1.04	87.38
2017	0	30.76	26.86	1.82	0	2.99	2.39	0.68	0.5	74.96
2018	2.88	30.39	26.03	n/a	0.02	0	3.23	0.42	0.41	74.78

Source: GNCC

Ad spending increased sharply after September 2018, mainly as a result of the unusually high expenditure for political advertising in the run-up to the presidential elections. Throughout the year, the month of December is usually the most lucrative for television stations and August is the least profitable. That changed in 2018 when, because of the presidential elections that triggered a steep increase in political ad spend, television collected the highest amount of ad revenue from October on.

The television advertising pie

Advertising spend collected by television stations, in GEL, Sep-Dec 2018

	Sep 18	Oct 18	Nov 18	Dec 18
Rustavi 2	2,366,409	3,541,476	3,421,840	2,939,600
TV Imedi	1,740,844	2,701,032.19	2,383,656	2,996,795
Pirveli	138,846	555,484.93	457,117	266,308
Iberia*	343,966	-	-	-
GPB	140,238	27,514.51	155,440	27,122
Total	4,730,304	6,825,507	6,418,054	6,229,826

*after September 2018, Iberia was not in operation anymore
Source: GNCC, 2019

In Q1 2019, television ad spending increased by 8% while advertising time went up by 25%, year on year. All nationwide broadcasters except for the public broadcaster GPB, whose ad income tumbled by 52% between Q1 2018 and Q1 2019, recorded growth in ad revenue in the first quarter of 2019.[23]

Ad income generated by prominent television stations in Georgia, Q1 2017-Q1 2019

	Q1 2017		Q1 2018		Q1 2019	
	GEL	US\$	GEL	US\$	GEL	US\$
Rustavi 2	6,036,818	2,489,409	4,215,064	1,737,239	5,373,360	2,003,938
Imedi	3,837,169	1,582,337	4,120,003	1,698,060	4,268,790	1,592,000
GPB	97,532	40,219	315,201	129,910	151,597	56,536
Pirveli	337,497	139,174	449,554	185,283	618,963	230,836
Obiektivi	60,000	24,742	160,800	66,273	50,500	18,833
Palitra	78,690	24,742	38,389	15,822	121,320	45,245
Total	11,626,197	4,794,308	9,099,823	3,750,494	10,584,532	3,947,390

Source: GNCC

Radio Funding

Like television, radio is also relying on ad revenue to operate. The Georgian radio advertising market has been gradually declining. It was worth US\$ 3.33m in 2018, a decline of over US\$ 1.6m compared to 2013. Because of the Georgian *Lari* devaluation during these years, the decline is not perceptible in local currency.

[23] “მაუწყებლების სარეკლამო შემოსავლები 8%-ით, კომერციული რეკლამისთვის დათმობილი დრო კი 25%-ით არის გაზრდილი” (Broadcasters advertising revenues increased by 8%, and the time allocated for commercial advertising by 25%), GNCC, available online at <http://gncc.ge/ge/news/press-releases/mauweblebis-sareklamo-shemosavlebi-8-it-kommerciuli-reklamistvis-datmobili-dro-ki-25-it-aris-gazrdili> (accessed on 24 May 2019).

Radio business

Revenues of radio stations, 2013-2018

		2013	2014	2015	2016	2017	2018
Radio advertising	GEL m	8.18	8.63	9.31	10.13	8.66	8.45
	US\$ m	4.93	4.9	4.1	4.27	3.46	3.33
Radio income (total)	GEL m	9.37	9.73	13.24	12.58	11	9.95
	US\$ m	5.64	5.52	5.83	5.3	4.4	3.92

Note: calculated at the yearly average exchange rate of the National Bank of Georgia
Source: GNCC

The radio ad market is overwhelmingly dominated by the Fortuna holding whose revenues in 2018 amounted to GEL 4.76m, which accounts for 74% of the total radio ad market. Fortuna runs four prominent radio channels: Fortuna, Ar daidardo, Fortuna+ and Autoradio. Radio Fortuna's share of the ad market has been gradually increasing. Given the gradual decline of the radio advertising market, media experts doubt that the Fortuna's increased in ad income was triggered by addition of new listeners. Some of them expressed concerns that such a big player, instead of investing in attracting new listeners, is rather taking advantage of its size to draw ad income from small enterprises by offering them discounted tariffs.

Key players in the radio market

Revenues of major radio operators, 2017-2018

	2017		2018	
	GEL m	US\$ m	GEL m	US\$ m
Fortuna	4.69	1.87	4.76	1.87
Radio Imedi	1.09	0.43	0.95	0.37
Georgian Radio	0.43	0.17	0.45	0.18
Abkhazetis Khma	0.34	0.14	0.14	0.06

Source: GNCC

Being way less expensive than television commercials, radio advertising attracts more small and medium-size businesses. A radio operator manager in an interview for this report explained that radio channels offer companies access to specific groups of consumers at a relatively low cost. The rising demand for entertainment over news content has prompted several radio channels to invest more in their own recording studios. However, to be successful in the local music radio market, which is not a highly profitable business, substantial amounts of investment are needed. No radio channel has managed to date to deliver, thanks to increased focus on entertainment, the audience figures that local advertisers are increasingly seeking.

Print Media Funding

Faced with a contracting market, print media have dramatically changed their editorial strategies in recent years, most newspapers gradually moving to a model centered on a relatively small, well-defined audience instead of the general public. However, such an audience fragmentation-based strategy didn't translate into higher income often because of economic fluctuations, as explained by an editor of a major Georgian newspaper interviewed for this report.

Palitra Holding, publisher of Kviris Palitra, Georgia's best-selling non-tabloid weekly, has adopted a business model focused on standardizing and centralizing its media assets and products under one umbrella. Besides media outlets, the company owns a printing house and a retail distribution network, which helps them keep the distribution and production costs under control. A director from the newspaper's sales department said in an interview for this report that the print media market is shrinking by an average of 6% every year, with a notable exception in 2015-2016 when it grew by roughly 15%. In spite of this decline, however, the print media operations are still viable, which is the main reason why Kviris Palitra doesn't plan to move completely to the internet in the near future.

Nevertheless, some publications started to focus more on their digital presence. One of the most popular newspapers in the country, Liberali stopped printing and moved online in 2017. It was followed by Tabula magazine and Batumelebi newspaper.

One of the Palitra Holding's audience strategies is to engage its customers to buy its products in packages. For example, it offers its clients discounted packages of goods that combine books and newspapers. This strategy is a response to the emergence of a middle class in Georgia for whom books are an increasingly affordable product. Although this strategy led to a massive increase in the sales of its print publications in 2013-2014, five years later, sales of both books and newspapers tumbled.

Kviris Palitra also tried to engage the less digitally savvy consumers through direct mail, offering them newspaper subscriptions. Eventually, this strategy hasn't generated sufficient income either.

Kviris Palitra's customers

Annual growth of readers of print copy and online portal

	Kvirisitpalitra.ge (online)	Kviris Palitra (print)
2013-2014	18%	-10%
2014-2015	21%	-8%
2015-2016	32%	-12%
2017-2018	19%	-14%

Note: data is calculated on a year-on-year basis
Source: CMDS, 2019

In spite of spurts in investments and some financial backing from donors, the Georgian weekly and monthly news market has shrunk in recent years, and some publications such as the political high-quality news magazines Tabula, Primetime and Liberali folded between 2014 and 2016.

Finally, the Georgian print media have been increasingly facing competition from social media. Unable to attract young readers, local news outlets are forced to invest in ads on social networks. But that investment doesn't see any returns, eventually leading to losses because social media don't directly generate any income for news media companies.

Online news portals say that they can't reach the number of visitors that would lead to profits simply because the online market is still limited in Georgia. On the other hand, media outlets have managed to find ways to increase their traffic by connecting various digital platforms. Such a strategy helps them attracting visitors who spend longer periods of time on their website or their partners' web pages. Although this practice makes users spend more time on a website, it doesn't necessarily increase the number of consumers. Ambebi.ge exemplifies this approach: it streams videos from Palitravideo, publishes news from Ipn news portal, sports news from the Lelo and Sportall.ge, and medical news from the website Mkunrali.ge as well as analysis and commentaries from other magazines, including Kviris Palitra. All of these media outlets are part of Palitra Holding's portfolio. By amassing their content into one space, the company is trying to build a cost-effective cooperation.

The main sources of income for online news media are advertising and donations. Most of the online media in Georgia introduced subscription models before 2015, but they were not successful mostly because few people can afford to spend on content. After 2015, online media began to offer content packaged with other products to attract users. Subscriptions are still offered, but the revenue they generate is a small supplement to their income. Paywalls haven't been introduced yet, but several portals have plans to launch them this year. Forbes Georgia, for example, is upgrading its online platform to make it more compatible with the paywall model, a test version of which is slated to be launched later in 2019.

Donations are another source for funding online news operations. They are either contributions made by owners or grants. Most online media get both types of donations. Grant-making organizations, including Open Society Georgia Foundation, are increasingly focused on funding more media sustainability-related projects and working business models. (*See more about donor organizations in Grant and Philanthropy Funding in this report.*)

Local Media Funding

Local media market was valued in 2018 at GEL 2.66m (US\$ 1m), a decline of GEL 100,000 compared to the year before.[24] That amount is hardly sufficient to keep the local media sector afloat. Many local media, especially smaller channels, have been grappling with losses in recent years, some being forced to shut down. Such was the case of television operator Jikha in Tsalenjikha, a town in western Georgia with a population of less than 9,000.

Political advertising provides a lifebuoy to local media companies, but that is hardly a solution for the financial predicament these media outlets are faced with as it emerges only during the electoral cycles. Most of the political parties spent more than 15% of their budgets received from the state on political ads in local media in the 2018 presidential elections. The law obliges them to earmark at least 15% of their funding to local media.

Overall, Salome Zurabishvili, the presidential candidate supported by the governing Georgian Dream party, spent some GEL 530,000 (US\$ 200,000) in adverts placed in local media. The

[24] Alliance of Broadcasters, არჩევნებმა რა ჰქმნა – 2018 წლის ბოლო 6 თვე რეგიონული არხებისთვის (Analysis of the presidential election campaign on regional media broadcasters), available online at <http://abcdef.ge/არჩევნებმა-რა-ჰქმნა-2018-წლის/> (accessed on 16 July 2019).

United National Movement (UNM), a reformist opposition party, with two candidates, spent GEL 63,000 (US\$ 23,000). The other two prominent parties, European Georgia and the Georgian Labor Party both spent slightly more than GEL 40,000 in local media. Overall, the political ad spend in local media during the 2018 elections exceeded GEL 800,000 (US\$ 303,000), which accounted for nearly half of the total revenue generated by these media in H2 2018.[25]

The dire state of local media in Georgia is clearly a result of the underdeveloped market. But representatives of local media also blame it on policies: they say that amendments to the broadcast law adopted in 2017 that allowed the public broadcaster GPB to carry advertising led to a decline in the ad revenues of local media. (*See Government, Politics and Regulation: Georgia for more information about the legal provisions affecting GPB.*) In H2 2018, the public broadcaster earned GEL 2.4m more in ad revenue than in the same period a year before.[26] (*See more about GPB financing in State Funding in this report.*)

Influential News Media

Television is one of the most influential media in Georgia thanks mostly to its mass-market. TV channels usually build their program strands around family entertainment, which explains why their schedules are dominated by movies, television series and popular shows.

Although news programs do not lead in television program rankings, they are present among the 10 most popular programs. Four of 10 most watched television programs in Georgia, according to an audience measurement sample from April 2019, are news programs or political talk-shows, a sign of how popular political affairs are in the country. The other programs on the list are entertainment, comedy and family shows. In the past two decades, soap operas, which are cheap to produce, have become one of the most popular television genre, filling much of the television broadcasting time. On average, six to eight hours a day are devoted by nationwide channels to soap operas, of which two hours are often in primetime.

By far the most influential television players are the two dominant stations, Rustavi 2 and Imedi. The 10 most popular programs in Georgia come solely from these two channels.

[25] Alliance of Broadcasters, Analysis of the presidential election campaign, cit.

[26] Alliance of Broadcasters, Analysis of the presidential election campaign, cit.

Eyeballs catchers

The 10 most popular television programs in Georgia, April 2019

Program	Date	Day of week	Channel	AMR* (%)	News or political shows
Comedy Show	6 April 2019	Saturday	Rustavi 2	17.2	
Tavisuflebis Monitori Doc Film	6 April 2019	Saturday	Rustavi 2	17.1	
Shut Qalaqshi Serial	8 April 2019	Monday	Imedi	16.7	
Sporti	2 April 2019	Tuesday	Rustavi 2	16.5	
PS	21 April 2019	Sunday	Rustavi 2	16.2	✓
Shabatis Kurieri	6 April 2019	Saturday	Rustavi 2	16.1	✓
Gulferi Serial	22 April 2019	Monday	Imedi	16.1	
Skhva Rakursi	4 April 2019	Thursday	Imedi	15.9	✓
The Vanos Show	5 April 2019	Friday	Rustavi 2	15.7	
Kviris Aqtsentebi	2 April 2019	Tuesday	Rustavi 2	15.2	✓

*AMR: Average minute rating
Source: TVMR

Unlike television, newspapers and news magazines lost their relevance as sources of serious, public affairs content. From 2011 to 2018, the number of readers who used the newspapers and news magazines as second source of news about politics and public affairs fell by nearly 80%; the number of people using them as their first source fell to nil. In 2018, only 5% of people said that newspapers and news magazines are their second most important source of political news, according to NDI Georgia Public Opinion Research 2011 and 2018.[27]

Nevertheless, business publications are a relatively lucrative niche in Georgia's media, addressing an emergent upper class that is the target of the luxury consumer goods industry. According to the business magazine Forbes Georgia, people in this group still value advertisements for luxury goods, which is the main source of funding for business publications. Many luxury goods manufacturers thus continue to spend on ads in prestigious publications as a way to boost their brand awareness. However, the circulation of Forbes Georgia since its launch in 2011 hasn't changed at all. One of the magazine's directors said in an interview for this report that striking the right balance between digital and print is key in today's media environment.

Key Funders

Non-Governmental Funders

Advertising

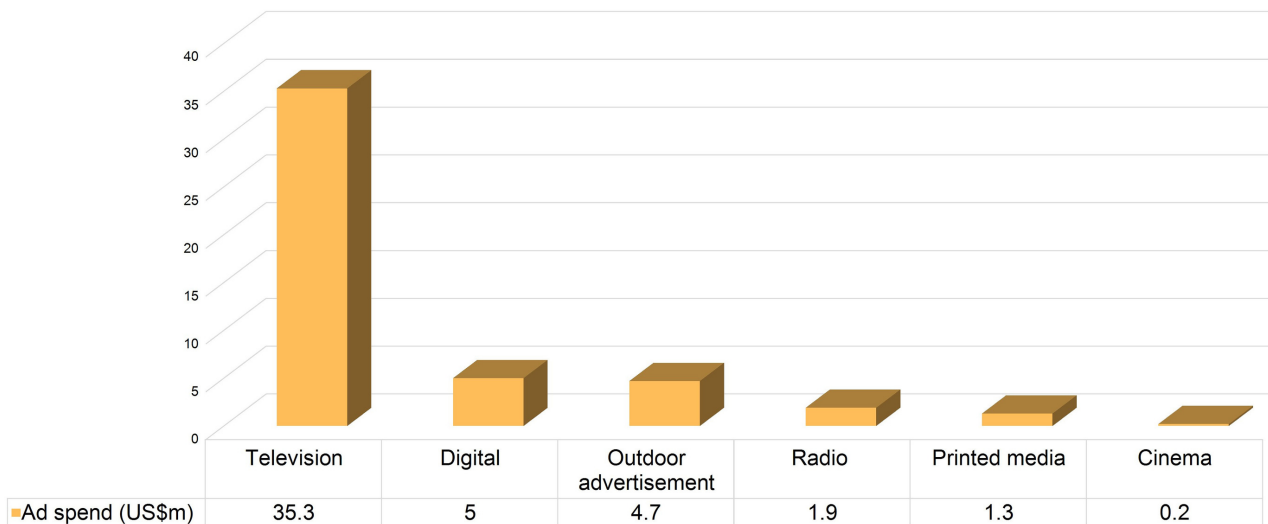
The Georgian advertising market was worth some US\$ 48.4m in 2018, according to ZenithOptimedia. Television accounted for 73% of that. The data on advertising from the local regulator, GNCC, differs slightly, indicating lower ad spending levels. For example, the GNCC estimated that the television ad spend was worth GEL 74.8min 2018, which is roughly US\$ 28m.

[27] NDI Georgia. Library of NDI Georgia Public Opinion Research, cit.

Banks are one of the most influential sectors in the Georgian media thanks to the large amounts of funding that they spend in advertising. Although data about the largest ad spenders in the media are lacking, experts and media practitioners interviewed for this report said that banks are a key advertiser.

Overview of the Georgian advertising market

Total ad spend (US\$m), breakdown by media segment, 2018



Source: ZenithOptimedia

The online advertising market is the fastest growing media segment in Georgia. It doubled between 2014 and 2017 (in US\$ figures) and was forecast to register another healthy growth rate, of 25% (or US\$ 6.3m) in 2018, according to estimates from ZenithOptimedia.

Online advertising market in Georgia

Yearly growth of online ad spend, 2014-2018

Year	Yearly growth (%)	Yearly growth (value, US\$)
2014	-	2.3
2015	4%	2.4
2016	46%	3.5
2017	43%	5
2018f	25%	6.3

Source: ZenithOptimedia

But other than data imported from international ad agencies and market research companies, there is no publicly available home-sourced data on the online advertising market in Georgia. TVMR, an audience measurement company, launched a pilot project in 2016 to conduct online media measurement, but it makes available its results only to customers. Advertisers thus rely mostly on data collected by news portals or generated through codes embedded in online ads.

Industry experts interviewed for this report said that lack of economic sustainability is the biggest barrier to the growth of the online advertising market, discouraging businesses from investing in online services. At the same time, information about the ad spending on social media platforms is inexistent. Many news portals admit that they spend money on social media to promote their work because social networks are best positioned to reach younger readers. They also say that social media offer flexible payment schemes to advertise on their platforms, which makes advertising easy and affordable.

Grants and Philanthropy Funding

Donors have traditionally played a major role in Georgia's media sector. The media sector would have developed much less and at a much slower pace without funding from philanthropies. Although the level of donor funding hardly matches the financing pumped into the media by the Government or commercial advertisers, it is higher than in other countries in the region and in many cases has been instrumental in the operation of media companies.

According to Media Impact Funders, one of the few centralized global databases of donor funding, some US\$ 4.4m have been invested in the media sector in Georgia since 2009. Half of that was accounted for by the National Endowment for Democracy (NED), a soft power donor group funded by the U.S. Congress. Next came the Foundation to Promote Open Society of the philanthropist George Soros, which spent in Georgian media some US\$ 1.1m during the decade starting in 2009.[28]

The other funders contributed only small amounts. They include Europe Foundation, a donor organization using financing from the EU and the Swedish International Development Cooperation Agency (SIDA), a government agency, Mama Cash, a donor-advised fund operating out of Amsterdam and Robert Bosch Stiftung, a German foundation established by the entrepreneur Robert Bosch.

Donor funding has been spent in the past decade on a variety of activities, including media policy and advocacy, training and media production. The journalism organizations that have so far received the largest amount of funding from grant-makers and donors in Georgia are Studio Monitor Nnle, an investigative journalism outfit, Studio Re, a website featuring news and documentaries and Liberali, a social-political magazine.

State Funding

The Government spends a significant amount of money in the media. The biggest contribution goes to the public service media, GPB and Adjara TV. This subsidy has increased significantly since 2014, but much of that growth masked a steady devaluation of the local currency. GPB takes the lion's share of the state funding. In 2018, the funding awarded to GPB accounted for more than 86% of the total state financing earmarked to public media. Between 2014 and 2019, the state funding allocation for GPB surged by more than two-thirds to some GEL 58.5m (according to planned budget data). However, in dollar terms at current prices, the state subsidy was lower in 2019 compared to 2014, as the Lari lost much value during the period.

[28] Full disclosure: Center for Media, Data & Society (CMDS), the initiator of this report, is part of Central European University (CEU), a private school in Budapest and Vienna that was founded by Mr Soros. The research carried out for this report has been carried out independently under the leadership of CMDS.

In spite of its bloated budget, however, when it comes to ratings, the public broadcaster is always outrun by private television channels. Several programs that help GPB's ratings include entertainment programs such as The Georgian Star, MasterChef and Ranina, talk shows (Realuri Sivrce) and games (Wignebis taro and Martivi Logica). Major sport events and music competitions (such as the Eurovision music contest), aired exclusively by GPB, also help boost the public broadcaster's ratings from time to time.

Regulated by law, GPB has to produce programming that is in the public interest and in line with the broadcaster's mission. Its current programming priorities include news and current events, cultural and educational programming, shows about history and healthy lifestyle as well as children programming.[29]

Public media funding

Budget of public service broadcaster GPB and Adjara TV, 2014-2019

		2014	2015	2016	2017	2018	2019p
GPB	GEL m	35.13	38.95	43.3	45.2	52.1	58.5
	US\$ m	19.96	17.15	18.27	18.08	20.51	18.8
Adjara TV and Radio	GEL m	5.89	6.33	6.76	7.1	8.17	8.97
	US\$ m	3.34	2.78	2.85	2.84	3.21	2.88

p: planned
Source: GPB

Another mechanism the state uses to distribute funding to media is purchase of press services through government agencies. In 2017, state agencies spent GEL 6.8m (US\$ 2.7m) on media services. Most of this money, some 56%, was spent on nationwide television. The remainder went to online media (21%), regional television (13%), print media (6%) and radio (1%). Among television channels, TV Imedi won most of the contracts, with a total combined value of GEL 2.45m. Rustavi 2 followed with contracts worth GEL 510,000 and regional television channels with GEL 1.3m. In the online space, government agencies spent GEL 1.44m. Much of that (GEL 341,829) was awarded to companies in the Palitra Holding, followed by Ipress.ge (and its daughter websites).

The transparency of the state funding disbursement process often leaves much to be desired because it's not always possible to track which news provider is getting money. In some cases, the winners of the government tenders are intermediaries, companies that use government money to then buy services from news media outlets.

Political advertising is another substantial source of funding for the media. The 2018 presidential elections, for example, generated an unusually high amount of money for the media. The Government spent GEL 2.24m (US\$ 850,000) on political advertisements on television. The total spending on political ads of the six key presidential candidates combined amounted to GEL 7.01m (US\$ 2.65m), of which some GEL 3.3m (US\$ 1.25m) was spent on television.[30]

[29] საზოგადოებრივი მაუწყებლის 2018-2021 წლების პროგრამული პრიორიტეტები (Priorities of the Public Broadcasting for 2018-2021), available online at <https://1tv.ge/document/sazogadoebrivi-mauwyebli-2018-2021-wlebis-programuli-prioritetebi/> (accessed on 18 June 2019).

[30] "2018 წლის საპრეზიდენტო არჩევნების კამპანიის დაფინანსება - შუალედური ანგარიში - საერთაშორისო გამჭვირვალობა საქართველო" (Interim Report on funding for the Presidential Election Campaign), Transparency International Georgia, available online at <https://www.transparency.ge/ge/post/2018-clis-saprezidento-archevnebis-kampaniis-dapinanseba-shualeduri-angarishi> (accessed on 26 February 2019).

Political advertising*Spending on election ads in the 2018 presidential election, in GEL*

Candidate/Party	Total advertising	Television advertising
Salome Zurabishvili*	5,235,606	2,354,382
United National Movement (UNM)	633,245	472,210
European Georgia	753,648	174,994
Industry Will Save Georgia	277,110	277,110
Total	7,015,469	3,293,123

*supported by Georgian Dream (GD) party
Source: Transparency International Georgia



Tel: +36 1 327 3000 / 2609

Fax: +36 1 235 6168

E-mail: cmds@ceu.edu
cmds.ceu.edu

Postal address:

Center for Media, Data and Society
Central European University
Nador u. 9
1051 Budapest
Hungary



Attribution 3.0 Unported
(CC BY 3.0)