

## Media Market Description

### General economic situation

Indonesia, a vast polyglot nation, has struggled to overcome the Asian financial crisis, and still grapples with persistent poverty and unemployment, inadequate infrastructure, endemic corruption, a fragile banking sector, a poor investment climate, and unequal resource distribution among regions. The country continues the slow work of rebuilding from the devastating December 2004 tsunami and from an earthquake in central Java in May 2006 that caused over USD3 billion in damage and losses. Declining oil production and lack of new exploration investment turned Indonesia into a net oil importer in 2004. The cost of subsidizing domestic fuel placed increasing strain on the budget in 2005, and combined with indecisive monetary policy, contributed to a run on the currency in August, prompting the government to enact a 126% average fuel price hike in October. The resulting inflation and interest rate hikes dampened growth through mid-2006, while large increases in rice prices pushed millions more people under the national poverty line. Economic reformers introduced three policy packages in 2006 to improve the investment climate, infrastructure, and the financial sector, but translating them into reality has not been easy. Keys to future growth remain internal reform, building up the confidence of international and domestic investors, and strong global economic growth. Significant progress has been made in rebuilding Aceh after the devastating December 2004 tsunami, and the province now shows more economic activity than before the disaster. Unfortunately, Indonesia suffered new disasters in 2006 and early 2007 including: a major earthquake near Yogyakarta, an industrial accident in Sidoarjo, East Java that created a “mud volcano,” a tsunami in South Java, and major flooding in Jakarta, all of which caused additional damages in the billions of dollars. Donors are assisting Indonesia with its disaster mitigation and early warning efforts.

### Performance of newspapers vs. other media

In 2002 the government enacted a broadcasting law that established an impartial broadcasting commission (KPI) and designated the state as the sole authority to issue broadcasting licenses. In November 2005 the government issued four implementing regulations banning live broadcast of regularly scheduled foreign programs by domestic carriers and giving the broadcast licensing authority to the Ministry of Communications and Information. Although some stations continued to air live broadcasts of foreign news reports, others delayed them to comply with the law. The 2002 law does not specify whether the ministry or the KPI controls issuance of broadcast licenses, so broadcasters continued to apply to both. In May both KPI and a coalition of NGOs separately requested that the Supreme Court review the 2005 implementing regulations, arguing they infringe on media freedom. At year's end the Supreme Court had not issued a decision in either case.

### Readership

Television has a penetration rate of 25.6 percent, followed by radio at 12.8 percent, then newspapers at 8.6 percent and magazines at less than 5 percent, according to 2003 data by Nielsen Media Research.

### Online / Digital Publishing

In November 2006, the Ministry of Information issued a decree creating an agency aimed at preventing online crime among local users. Under the decree, Internet cafes are required to provide the identities of Internet users to the agency on a monthly basis. The Ministry of Communication and Information denied that this agency would monitor online content. Human rights NGOs formed a team to monitor implementation of the decree.

*CIA - The World Factbook; US State Department; WAN from public sources*



Map: CIA – The World Factbook

2.a Population by age and sex (2006)

Age	All individuals		Male		Female	
	000	%	000	%	000	%
0-14	70,746	29	35,966	29	34,750	28
15-64	161,551	66	80,797	66	80,754	66
65 +	13,156	5	5,737	5	7,419	6
<b>Total</b>	<b>245,453</b>	<b>100</b>	<b>122,530</b>	<b>100</b>	<b>122,923</b>	<b>100</b>

Source: CIA - The World Factbook



## 2.b Population by social class and sex (2004)

Social class	All adults 000
A+B	7,776
C1	6,818
C2	5,298
D	5,836
E	3,250
<b>Total</b>	<b>28,978</b>

Source: Nielsen Media Research - Media Index

Data for 7 big cities only: Jakarta, Bandung, Semarang, Surabaya, Ujung Pedang, Medan, Palembang

A = Upper middle class/higher managerial, administrative, professional  
 B = Middle class/intermediate managerial, administrative, professional  
 C1 = Lower middle class/supervisory/clerical/junior managerial  
 C2 = Skilled working class/skilled manual workers  
 D = Working class/semi and unskilled manual workers  
 E = Those at lowest levels of subsistence/state pensioners or widows

## 2.ca Households (occupancy) (2004)

Occupancy	Households 000
<b>Total</b>	<b>56,000</b>

Source: Central Bureau of Statistics

## 3.a Number of titles

	2000	2001	2002	2003	2004	Change (%) 2004/00	2004/03
<b>Total paid-for dailies</b>	<b>396</b>	<b>187</b>	<b>176</b>	<b>202</b>	<b>218</b>	<b>-44.95</b>	<b>7.92</b>
National paid-for dailies	290	160	38	56	58	-80.00	3.57
Regional and local paid-for dailies	106	27	138	146	160	50.94	9.59
<b>Total paid-for non-dailies</b>	<b>746</b>	<b>306</b>	<b>289</b>	<b>331</b>	<b>349</b>	<b>-53.22</b>	<b>5.44</b>
National paid-for non-dailies	290	48	90	112	114	-60.69	1.79
Regional and local paid-for non-dailies	456	258	199	219	235	-48.46	7.31

Source: Indonesian Newspaper Publishers Association

## 3.b Total average circulation per issue

	2000	2001	(000) 2002	2003	2004	Change (%) 2004/00	2004/03
<b>Total paid-for dailies</b>	-	-	<b>4,665</b>	<b>4,567</b>	<b>4,866</b>	-	<b>6.55</b>
National paid-for dailies	-	-	-	2,622	2,761	-	5.3
Regional and local paid-for dailies	-	-	-	1,945	2,105	-	8.23
<b>Total paid-for non-dailies</b>	-	-	<b>5,608</b>	<b>5,617</b>	<b>5,617</b>	-	<b>0.00</b>
National paid-for non-dailies	-	-	-	3,714	3,714	-	0.00
Regional and local paid-for non-dailies	-	-	-	1,903	1,903	-	0.00

Source: Indonesian Newspaper Publishers Association

## 4.a Total number of copies sold or distributed annually

	2000	2001	(mln) 2002	2003	2004	Change (%) 2004/00	2004/03
<b>Total paid-for dailies</b>	-	-	<b>1,679</b>	<b>1,644</b>	<b>1,751</b>	-	<b>6.51</b>
National paid-for dailies	-	-	-	944	994	-	5.30
Regional and local paid-for dailies	-	-	-	700	757	-	8.14
<b>Total paid-for non-dailies</b>	-	-	<b>292</b>	<b>292</b>	<b>292</b>	-	<b>0.00</b>
National paid-for non-dailies	-	-	-	193	193	-	0.00
Regional and local paid-for non-dailies	-	-	-	99	99	-	0.00

Source: Indonesian Newspaper Publishers Association

## 4.d Cover prices (2004)

	(Indonesia, rupiah) min
Single copy	1,930
Subscription <sup>1</sup>	48,000

Source: Indonesian Newspaper Publishers Association

<sup>1</sup> Monthly

## 5.a Newspaper reach (2004)

	(%) Reached
All adults	29.8
Men	37.8
Women	21.7

Source: Nielsen Media Research, Demography

## 6.a Online editions

	2000	2001	2002	2003	2004	Change (%) 2004/00	2004/03
Dailies	-	24	24	28	32	-	14.29
Non-dailies	-	26	26	31	33	-	6.45
Sundays	-	-	67	74	72	-	-2.70

Source: Indonesian Newspaper Publishers Association

## 6.b Online readership (2004)

Newspaper/ Publisher	Website
Kompas	www.kompas.com
Koran Tempo	www.korantempo.com
Republika	www.republika.com
Jawa Pos	www.jawapos.co.id
Bisnis Indonesia	www.bisnis.com

Source: Indonesian Newspaper Publishers Association

## 7.aa Gross domestic product

	(Indonesia, rupiah, bln)				
	2001	2002	2003	2004	2005
GDP	1 684 000.0	1 863 000.0	2 046 000.0	2 303 000.0	2 012 000.0

Source: IFS, ZenithOptimedia

## 7.ab Gross domestic product per capita

	(Indonesia, rupiah, 000)				
	2000	2001	2002	2003	2004
GDP per capita	6,600.0	7,900.0	8,700.0	9,400.0	10,500.0

Source: IFS, ZenithOptimedia

## 7.ac Ad spend as a % of GDP

			(%)		
	2002	2003	2004	2005	2006
Ad expenditure	0.70	0.79	1.03	1.00	0.99

Source: IFS, ZenithOptimedia

## 7.ba Advertising expenditure per medium

	(Indonesia, rupiah, bln)							
	2002	2003	2004	2005	2006	2007	2008	2009
Press	4,023	5,045	6,808	7,835	9,391	11,126	13,060	15,095
Newspapers	3,502	4,378	5,711	6,624	8,158	9,708	11,359	13,120
Magazines	521	667	1,097	1,211	1,233	1,418	1,701	1,975
Television	8,383	10,311	15,296	17,792	20,438	22,891	26,324	30,125
Radio	413	516	595	781	1,016	1,219	1,462	1,690
Cinema	9	11	13	14	15	16	16	17
Outdoor	232	279	719	884	1,150	1,437	1,796	2,185
Internet	2	3	3	4	5	5	6	6
<b>Total</b>	<b>13.062</b>	<b>16.165</b>	<b>23.434</b>	<b>27.310</b>	<b>32.015</b>	<b>36.694</b>	<b>42.664</b>	<b>49.118</b>

Source: Nielsen/IAA, ZenithOptimedia

Excludes agency commission; before discounts; excludes classified advertising; excludes production costs; cinema and internet is a ZenithOptimedia estimate



## 7.c Advertising revenues

	(Indonesia, rupiah, bln)					Change (%)	
	2000	2001	2002	2003	2004	2004/00	2004/03
<b>Total paid-for dailies</b>	<b>1,981.8</b>	<b>2,592.6</b>	<b>3,502.1</b>	<b>5,326.0</b>	<b>6,684.0</b>	<b>237.27</b>	<b>25.50</b>
National paid-for dailies	809.1	1,036.4	1,380.4	3,411.0	-	-	-
Regional and local paid-for dailies	1,172.7	1,556.1	2,121.7	1,915.0	-	-	-
<b>Total paid-for non-dailies</b>	<b>139.9</b>	<b>184.5</b>	<b>236.9</b>	<b>310.0</b>	<b>332.0</b>	<b>137.31</b>	<b>7.10</b>
National paid-for non-dailies	131.4	172.8	222.2	292.0	-	-	-
Regional and local paid-for non-dailies	8.5	11.7	14.7	18.0	-	-	-

Source: Nielsen Media Research - AIS, Media Scene

## 7.e Contribution of display, classified, insert and online advertising to total advertising revenue

	Change (%)				
	1997	1998	1999	2000	2001
Display	-	-	-	66	67
Classified	-	-	-	34	33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>

## 7.f Top newspaper advertising categories (2005)

Advertising sector (Indonesia, rupiah, 000)	Expenditure
Two-wheelers	546,311,000
Communication	541,876,000
Media & ad agencies	383,267,000
Banking & finance	375,076,000
Private vehicles	354,849,000
Corporate ads, social services	344,834,000
Property	325,783,000
Formal education	255,686,000
Hotels & entertainment	240,099,000
Travel & recreation	226,212,000

Source: ACNielsen AdQuest 2005

## 7.g Top newspaper advertisers (2005)

Advertiser (Indonesia, rupiah, 000)	Expenditure
Indomobil Group	275,345,000
Honda	208,896,000
Yamaha	140,454,000
Telkomsel	97,929,000
Nokia	97,849,000
Kramayudha Tiga Berlian	96,878,000
Indosat	78,860,000
Toyota	70,060,000
Daihatsu	63,158,000
Sony Ericsson	61,680,000

Source: ACNielsen AdQuest 2005

## 8.a Top publishing companies (2005)

Publisher (Indonesia, rupiah, 000)	Total revenue
Kompas	1,314,543,000
Jawa Pos	464,307,000
Media Indonesia	387,442,000
Pikiran Rakyat	200,597,000
Bisnis Indonesia	200,085,000
Bali Post	198,337,000
Kaltim Post	182,292,000
Sumatera Ekspres	170,692,000
Manado Post	169,441,000
Suara Merdeka	164,362,000

Source: ACNielsen AdQuest 2005

## Top owners (2005)

Owners (Indonesia, rupiah, 000)	Revenue
Kompas Grup	1,630,397,000
Jawa Pos Grup	1,174,953,000
Media Indonesia Grup	467,465,000

Source: ACNielsen AdQuest 2005

Top newspaper owners

## 8.ba Top paid-for dailies (2006)

Title	Language	Publisher	Circulation	Readership	Cover price	Format	Full page ad rate	
			(000)	(%)	(Indonesia, rupiah) (USD)		Mono	Colour
Kompas	Indonesian	Jacob Oetama	509	7	2,400	0.28	Broadsheet	36,000
Jawa Pos	Indonesian	Dahlan Iskan	370	5	-	-	Broadsheet	-
Rakyat Merdeka	Indonesian	H. Kiki Iswara	350	-	2,000	0.23	Broadsheet	20,000
Suara Pembaruan	Indonesian	Sasongko Soedarjo	238	-	1,900	0.22	Broadsheet	23,000
Republika	Indonesian	G. Radityo Gambiro	200	1	2,000	0.23	Broadsheet	-
Pos Kota	Indonesian	H. Tahar	200	7	1,500	0.17	Broadsheet	15,000
Media Indonesia	Indonesian	Surya Paloh	200	2	2,000	0.23	Broadsheet	-
Koran Tempo	Indonesian	Bambang Harimurti	200	1	2,300	0.27	Broadsheet	-
Pro Aksi	Indonesian	Aris Junaidi	200	-	1,000	0.12	Broadsheet	9,000
Pikiran Rakyat	Indonesian	H. Syafik Umar	183	2	2,000	0.23	Broadsheet	22,500

Source: Indonesian Newspaper Publishers Association, Nielsen Media Research - Demography, Media Scene 2003-2004

## 9.a Employment

	Change (%)				
	1999	2000	2001	2002	2003
<b>Total number of journalists</b>	<b>-</b>	<b>12,951</b>	<b>15,081</b>	<b>17,211</b>	<b>19,341</b>
<b>Total number of employees</b>	<b>-</b>	<b>23,366</b>	<b>27,526</b>	<b>31,666</b>	<b>35,846</b>

Source: IPPN Dept of Information

## 10.a Newspaper colour capability &amp; formats

	Change (%)				
	2000	2001	2002	2003	2004
4-colour newspapers	1,142	493	465	533	567
Broadsheets	396	187	176	202	218
Tabloids	746	306	289	331	349

Source: IPPN Department of Information, The Indonesian Newspaper Publishers Association

## 10.c Newsprint costs

	(Indonesia, rupiah, 000)				
	2000	2001	2002	2003	2004
Average per ton	6,100	5,380	4,350	4,750	5,390

Source: Indonesian Newspaper Publishers Association

## 11. Research

Circulation is audited by  
SGV OetomoReadership is measured by  
Survey Research Indonesia



## 12. Taxes (2005)

Tax	%
Standard VAT	10
VAT on:	
Single copy sales	10
Subscription sales	10
Advertising	10
Newsprint	10
Composition	10
Plant	10

## 14. Discounts (2005)

Discount on rates of	Discount rate (%)
Post	0
Railroad	0
Telephone	0
Telegraph	0
Telex	0
Other <sup>1</sup>	25

<sup>1</sup> 25% discount on airline travel with Garuda Indonesia Airways and Merpati Nusantara. Magazines also receive the discount but only for travel to the following eight cities: Medan, Palembang, Semarang, Solo, Yogyakarta, Surabaya, Denpasar and Ujung Pandang.