

DRŽAVNI ZAVOD ZA STATISTIKU  
CROATIAN BUREAU OF STATISTICS

**Mini- Presentation for SPPI on  
Publishing of directories and mailing lists (ISIC 5812)  
Publishing of newspapers, journals and periodicals (ISIC 5813)  
–with the emphasis on ISIC 5813**

**34th Voorburg Group Meeting  
Paris, 30th September – 4th October 2019**

**Maja Dozet, Croatian Bureau of Statistics**

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# Introduction

**2015** - Development of the SPPI for Publishing activities in Croatia

-The first pilot survey was carried out for the first quarter of 2015

**2016** - SPPI surveying continued as a regular quarterly survey

- SPPI for J58 was disseminated nationally for the first time



# Market conditions and constraints

## Distribution of turnover, enterprises and persons employed for section J in Croatia, 2017

NACE Rev. 2 code	Activities	Turnover	Number of enterprises	Number of persons employed
		In %	In %	In %
<b>J 58</b>	<b>Publishing activities</b>	<b>7.4</b>	<b>12.8</b>	<b>11.7</b>
J 59	Motion picture, video and television programme production, sound recording and music publishing activities	4.9	9.2	4.2
J 60	Programming and broadcasting activities	7.9	3.0	11.5
J 61	Telecommunications	<b>46.0</b>	4.6	21.9
J 62	Computer programming, consultancy and related activities	30.2	61.3	44.1
J 63	Information service activities	3.6	9.1	6.6
<b>Total</b>	<b>Section J</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

- Publishing activities generated 7.4% of total turnover in section J

Source: Structural Business Statistics, 2017, CBS

## Share of J 58 in non-financial services (sectors G, H, I, J, L, M, N and S division 95, NACE Rev. 2), 2017

NACE Rev. 2 code	Number of businesses	Turnover	Number of persons employed
J 5811	0.3%	0.2%	0.3%
<b>J 5812</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>J 5813</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.3%</b>
<b>J 5814</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
J 5819	0.1%	0.0%	0.0%
J 5821	0.0%	0.0%	0.0%
J 5829	0.1%	0.1%	0.1%
<b>J 58</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.8%</b>

- J 58 – small industry within non-financial services

- The strongest classes in division J 58:

- J 5811 Book publishing

- J 5813 Publishing of newspapers

- J 5812 Publishing of directories and mailing lists - no active businesses, persons employed and turnover

Source: Structural Business Statistics, 2017, CBS

# Market conditions and constraints-cont.

## NACE Rev. 2:

58.11 Book publishing

58.12 Publishing of directories and mailing lists

58.13 Publishing of newspapers

58.14 Publishing of journals and periodicals

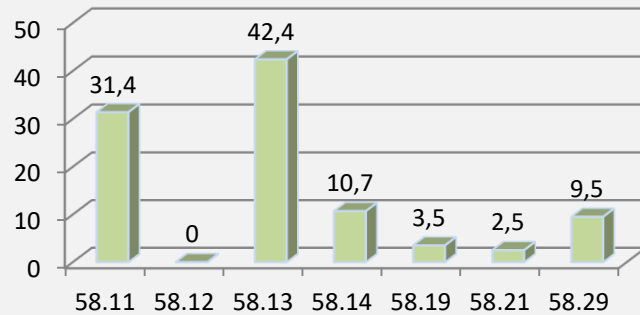
58.19 Other publishing activities

58.21 Publishing of computer games

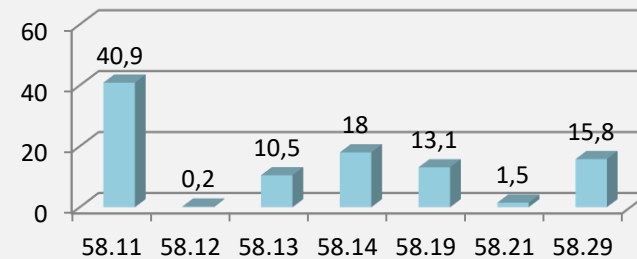
58.29 Other software publishing

## Coverage of statistical units for J 58 by NACE Rev.2 classes of activities

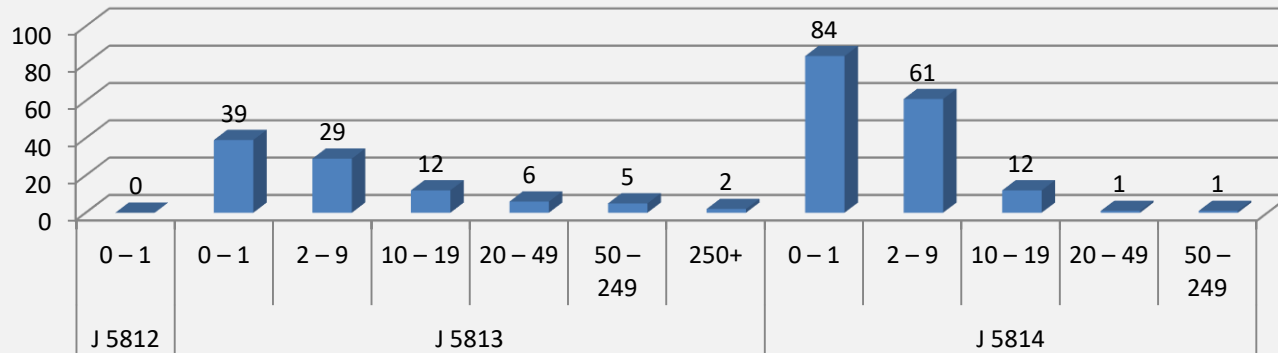
### Turnover share



### Enterprises share

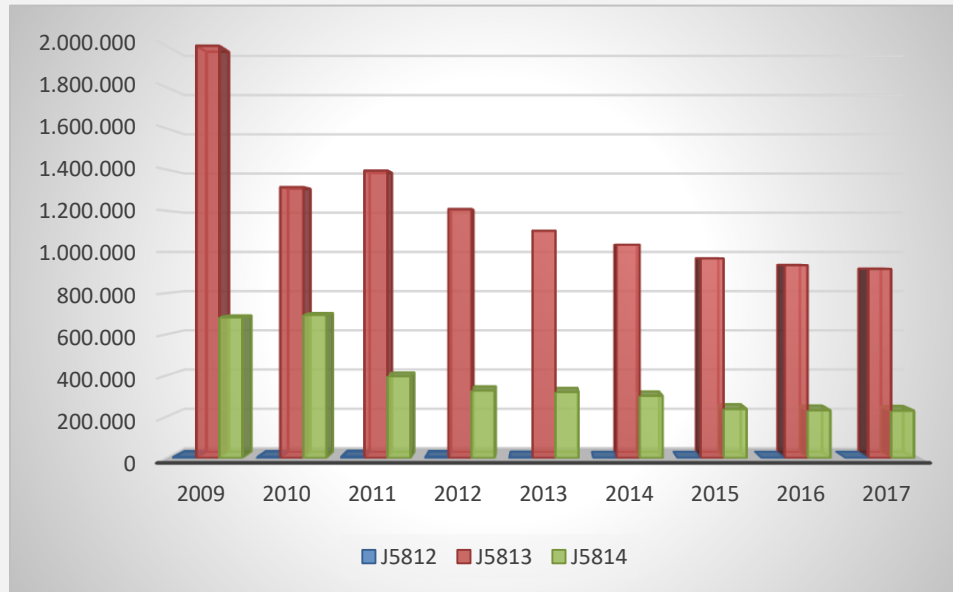


## Distribution of active enterprises by number of persons employed for J5812, J5813 and J5814



# Market conditions and constraints-cont.

## Annual revenue growth, 2009 – 2017, NACE Rev. 2, thousand kuna

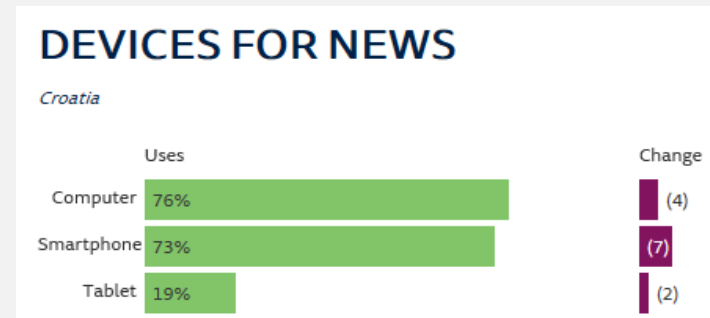
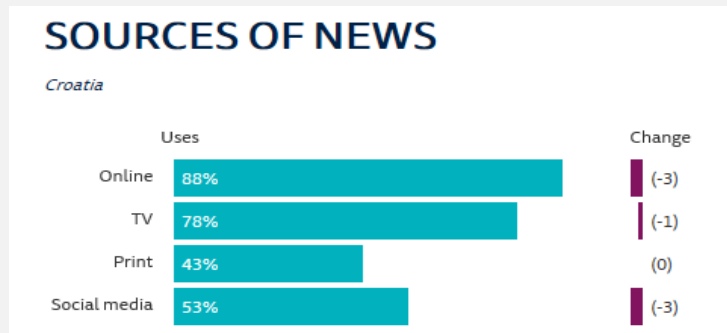


Source: Structural Business Statistics, 2009 – 2017, CBS

- **The global financial crisis left a mark in the media industry**
- **Declining demand for printed publications**
- **The process of transformation of print to digital editions was partly copied to the Croatian market, despite increasing online news audiences**
- **Revenue from digital editions is still rather small, generated mostly from web advertising**

# Market conditions and constraints-trends

- According to CIM\*, in 2018, in the newspaper market, the most popular titles in Croatia:
  - 24 sata (36%)
  - Jutarnji list (30%)
  - Slobodna Dalmacija (10%)
- Advertising spending has continued to decline for print , but the overall advertising market increased .
- Advertising on the Internet, in 2018, rose by 27% in relation to the previous year, and television and outdoors rose by 2%



Source: <http://www.digitalnewsreport.org/survey/2018/croatia-2018/>

\* The Centre for Media and Communication Research (Centar za istraživanje medija i komunikacije – CIM) has emerged as the first university center for the study of media and communication in Croatia

# Market conditions and constraints-trends

- SPPI in Croatia - B2All concept
- J 58 -Difficult to separate prices charged to different end-users of publishing services (publishing of newspapers, journals and periodicals)
- Advertising space in newspapers, journals and periodicals (printed and online) – B2B



**Publishing of directories and mailing lists** -The use of printed directories is waning

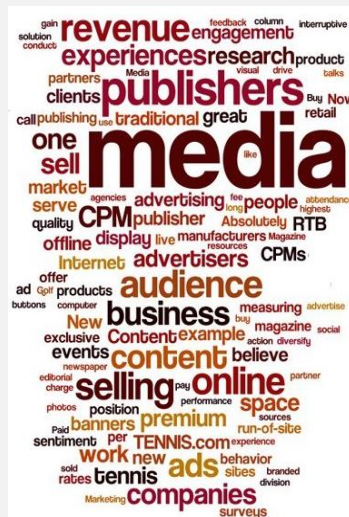
- No active legal units in Croatia registered under the class 5812

**Newspapers** - regularly scheduled publications, present recent news, typically on a type of inexpensive paper

**Newspapers and magazines** – both periodicals, but the periodical publishing is considered a separate branch- includes magazines and academic journals, not newspapers

**An advertisement** - a paid information the publication with the intention to promote, to attract or to create a reputation or good name in the public

- A large part of income for publishers - constituted by the sale of advertising space





# Measurement of SPPI- General framework

- From 2016 SPPIs for J58 are regularly disseminated nationally
- Deflators used in the quarterly GDP calculation for this industry are combination of the CPI and the SPPI
- SPPI for J58 will be used in the compilation of the ISP (Index of Services Production)
- For calculation of ISP - there is a need to disaggregate the quarterly SPPI into three monthly indices
- For J58, for which the quarterly deflator is on disposal, sufficiently correlated auxiliary monthly index will be used for disaggregation

# Measurement of SPPI- Measurement issues

- The classification scheme of services groups is closely related to CPA
- Some inevitable modifications were introduced due to market and output characteristics in Croatia

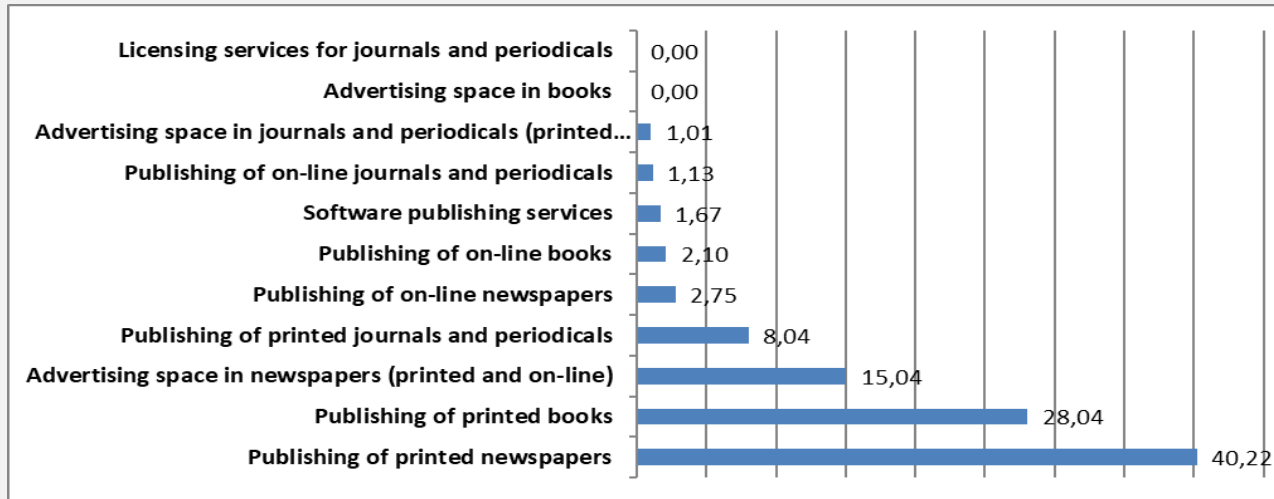
## Relation between service groups in SPPI J 58 questionnaire and CPA v.2.1 classification for classes J 58.13 and J 58.14

Service groups in SPPI J 58 questionnaire	CPA classification code
Publishing of printed newspapers	58.13.10
Publishing of on-line newspapers	58.13.20
Advertising space in newspapers (printed and on-line)	58.13.30
Publishing of printed journals and periodicals	58.14.10
Publishing of on-line journals and periodicals	58.14.20
Advertising space in journals and periodicals (printed and on-line)	58.14.30
Licensing services for journals and periodicals	58.14.40

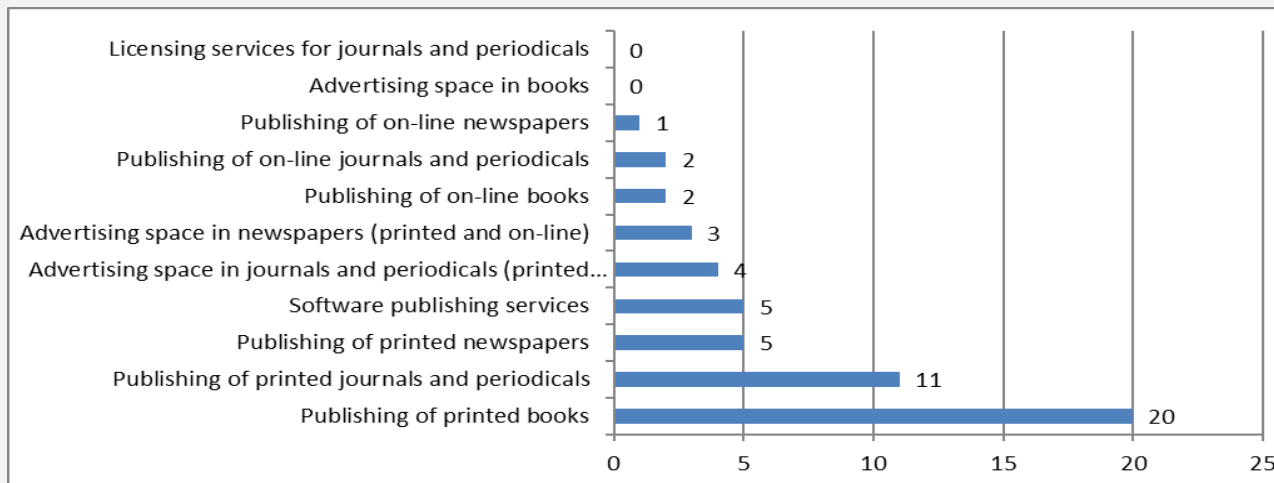
- Methodology used for compilation SPPI in Croatia is based on product approach
- Product based indices are created from service groups selected by sampled reporting units

# Measurement issues-cont.

SPPI survey, share of J 58 turnover by group of services, %, 2017



SPPI survey, number of services by group of services, 2017



## Measurement issues-cont.

- The sampling frame is determined by taking from the Business Register all the units which main activity is according to the 2-digit NACE Code 58
- A cut-off method according to the turnover in every NACE class for Publishing activities industry

### Top down turnover coverage in the sample

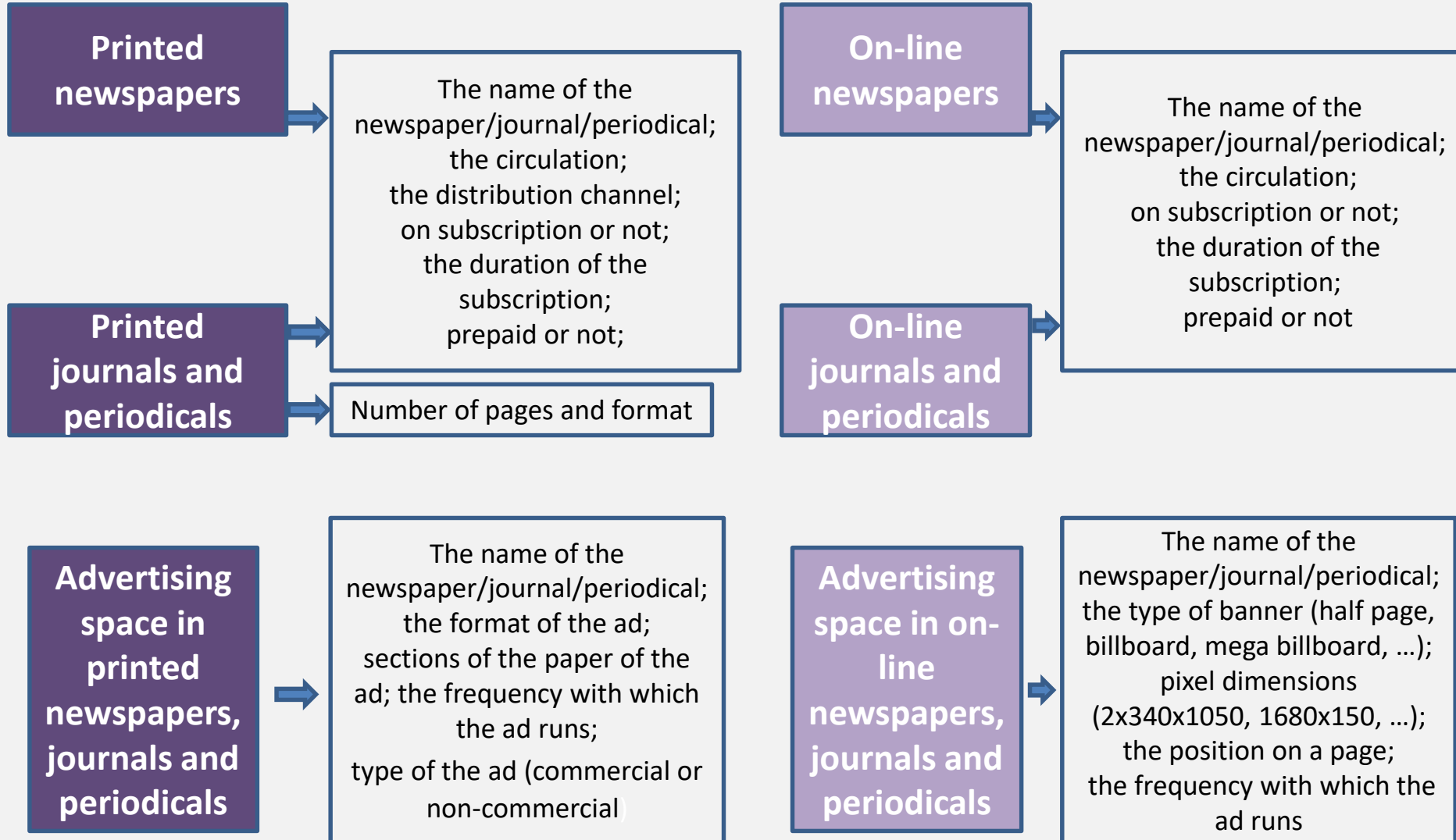
NACE code	Enterprises	Turnover coverage
5811	15	> 70%
5813	6	> 70 %
5814	10	> 50%
5829	7	> 60%

Source: Statistical Business Register, 2018, CBS

- SPPI survey is conducted through a web-based questionnaire quarterly
- SPPI weights are updated annually; data on turnover share according to the group of services are collected for a previous year by using the SPPI survey carried out during the first quarter each year
- The base period in SPPI - the last quarter of a previous year
- SPPI series are calculated using the chain-linking approach

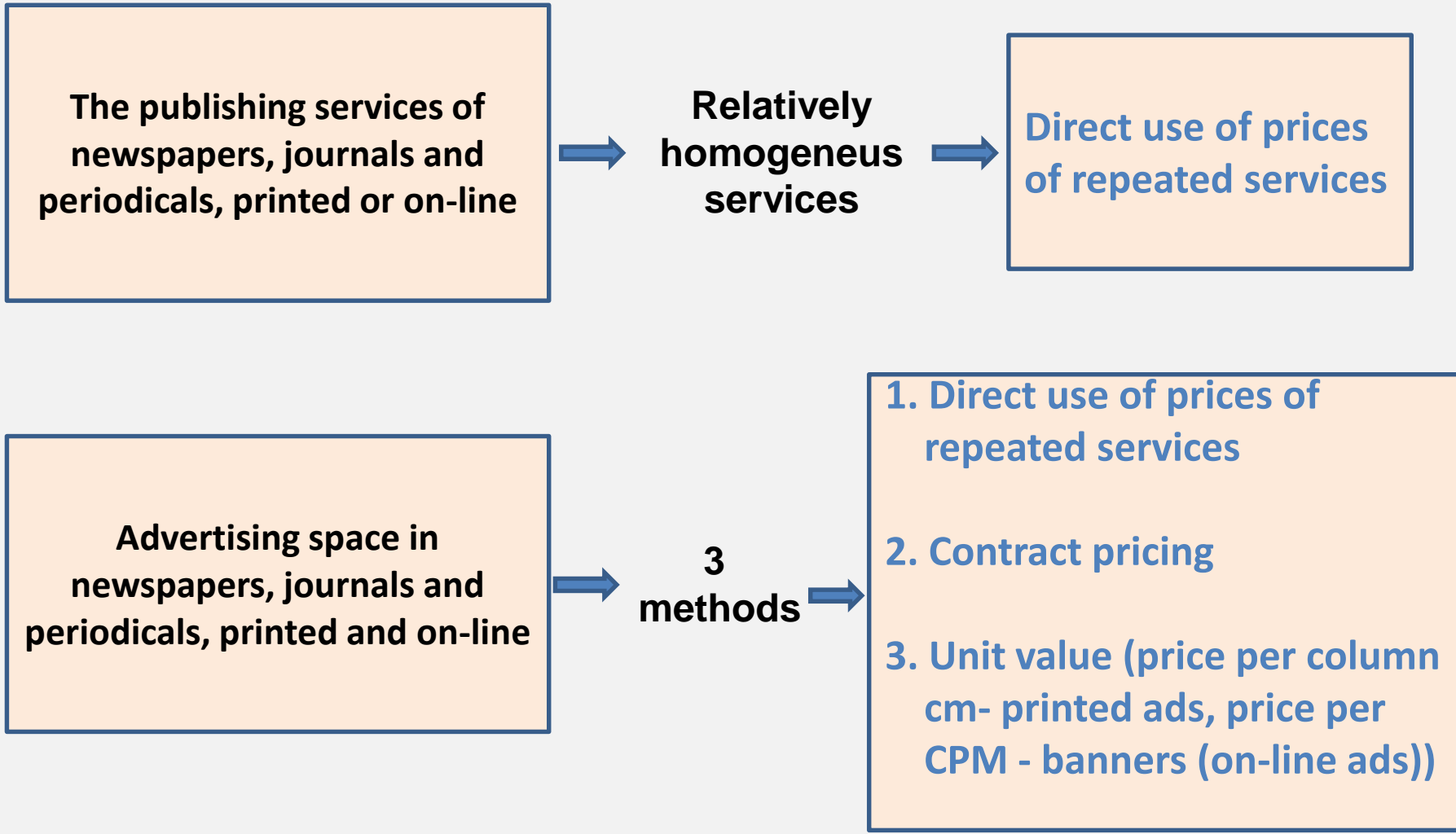
# Measurement of SPPI - Description of pricing methods and criteria for choosing the method

## Price determining characteristics



# Description of pricing methods and criteria for choosing the method-cont.

## Price methods chosen



# Description of pricing methods and criteria for choosing the method-cont.

## Estimation of missing prices

- In SPPI web processing system, imputations for missing prices are implemented automatically:

Price temporarily not available in current quarter

<b>Pricing method</b>	<b>Direct use of prices of repeated service</b>	<b>Unit value method</b>	<b>Contract pricing</b>
<b>Imputation method</b>	<b>Imputation by correction of base price (4qe-1) with price index of the same group service q/4qe-1</b>	<b>Imputation by correction of base price (4qe-1) with price index of the same group service q/4qe-1</b>	<b>Imputation by carry forward</b>

- If the price for current period is missing (item non-response) when the service is cancelled, new (substitute) service is introduced
- If a new service has available substitute prices for current and base period, the imputation method used is overlap method

# Comparability of Price data with Output data

- 2017- the CBS has supplemented the quarterly dynamics of conducting turnover survey with a monthly dynamics of turnover changes in service activities
- Monthly Report on Trade and Other Services and administrative data sources (VAT)
- Data from turnover survey for J58 - collected and disseminated nationally on monthly basis at the two digit level



# Evaluation of measurement

- The global media market in the sector of printed publications has been facing a decreased circulation for several years now
- Croatian market of printed magazine shows the trend of decreasing sales- in line with global trends
- At the same time, Croatian newspaper, magazine and periodical industry does not receive much of additional revenue from digital edition through subscriptions, but mostly from on-line advertising
- In recent years, in Croatia- no active legal units registered under the class code 5812 Publishing of directories and mailing lists (ISIC) as main or even secondary activity
- Quality of the services remains mostly constant if we follow different press titles and distinguish printed from on-line publication.
- The SPPI survey for J 58 in recent years - prices for publishing services of printed newspapers, journals and periodicals tend to be relatively flat in the second and third quarter - changes mostly occur in the first and fourth quarter
- The major newspapers and magazines are sold at the same prices for several years
- The overall response rate for this survey is rather high – it amounts up to 90% on average

# Thank you!

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