



## Top ten advertising categories (2001)

Advertising sector	% of display ad revenue
Commerce (retail)	38.6
Property	16.5
Consumer services	11.7
Culture/entertainment/sports and tourism	10.1
Media	4.9
Finance & insurance	4.5
Public & social services	4.0
Telecommunications	2.1
Internet	1.7
Auto	1.3

Source: Ibope Monitor

## Top ten advertisers (2001)

Advertiser	Newspaper expenditure US\$ (000)
Lopes Consultoria Imóvel	83,015
Abyara Planejamento	38,253
Casa e Vídeo	36,444
Coelho da Fonseca Emp. Imobiliária	32,251
Casas Bahia	28,928
Renault	28,301
Pão de Açúcar	27,945
Globex Utilidades (Ponto Frio)	27,051
General Motors	26,334
Fiat	26,259

Source: Ibope Monitor

## CROSS MEDIA OWNERSHIP

Owners	Regional TV	National TV	Regional newspapers	National newspapers	Radio
Regional TV licensees	Max. 10 in the whole country (max. 5 VHF and 2 per state)	Max. 10 in the whole country (max. 5 VHF and 2 per state)	No limit	No limit	<b>Local:</b> max 4 AM, 6 FM <b>Regional:</b> max 3 AM (2 per state) <b>National:</b> max 2 AM
National TV licensees	See above	See above	No limit	No limit	See above
Regional newspaper owners	See above	See above	No limit	No limit	See above
National newspaper owners	See above	See above	No limit	No limit	See above
Satellite TV broadcasters	See above	See above	No limit	No limit	See above
Local radio licensees	See above	See above	No limit	No limit	See above
National radio licensees	See above	See above	No limit	No limit	See above
Foreign investors	Forbidden	Forbidden	Forbidden	Forbidden	Forbidden

## ADVERTISING EXPENDITURE &amp; ECONOMIC DATA

## Advertising expenditure

(US\$ millions, in current prices)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Newspapers	1,185	1,837	1,930	2,026	1,887	1,306	1,489	2,270	2,268	2,350	2,433
Magazines	383	591	654	773	788	568	780	736	728	724	720
Television	2,592	3,558	4,537	5,225	4,949	3,237	4,112				
Radio	196	292	315	345	335	284	355				
Outdoor	200	214	254	279	369	284	355				
<b>Total</b>	<b>4,556</b>	<b>6,492</b>	<b>7,690</b>	<b>8,648</b>	<b>8,328</b>	<b>5,679</b>	<b>7,091</b>	<b>6,395</b>	<b>6,405</b>	<b>6,965</b>	<b>7,526</b>

Source: 1994-2000 Intermeios Project, 2001-2004 The Zenith Optimedia Group

Notes: Includes agency commission and production costs (15%), excludes classified, after discounts.

## Main economic indicators 1994-2000

	1994	1995	1996	1997	1998	1999	2000
<b>Gross Domestic Product (US\$ billion)</b>							
at current prices	546	704	775	802	775	564	624
<b>Gross Domestic Product per capita (US\$ 000)</b>							
at current prices	3.6	4.5	4.9	5.0	4.8	3.4	3.8
<b>Population</b>							
Millions	153.7	155.8	157.9	159.6	161.8	164.0	166.1
<b>Ad.spend as a % of GDP</b>							
	0.83	0.92	0.99	1.08	1.07	1.01	1.14
<b>Advertising Expenditure Growth (%)</b>							
at current prices	52.1	42.5	18.5	12.5	-3.7	-31.8	24.9

Source: IFS, The Zenith Optimedia Group



## Research

*Circulation is audited by:* Instituto Verificador de Circulação, which audits more than half the daily press.

*Readership is audited by:* Ipsos-Marplan Pesquisas Ltda.

*Methodology:* For the purposes of penetration and qualification indexes, newspapers are separated into four groups:

1. Tuesday to Saturday newspapers
2. Monday newspapers
3. Sunday newspapers
4. weekly newspapers

Readers of each group are determined by the 'recency and frequency' technique: initially, one tries to ascertain which Monday, Sunday or weekly newspapers have been read/browsed in the last three months, and in the last two weeks in the case of Tuesday to Saturday editions. Next, it is verified how long it has been since each of the publications mentioned above were read for the last time. Those who have read a Monday, Sunday or weekly edition in the last seven days are considered readers of these papers, and those who have read a Tuesday to Saturday edition on the day of the interview or the day before are considered readers of these papers.

## Taxes

*VAT on:*

sales 3%	advertising 3%
newsprint 0	plant 0
composition 5%	(standard rate 18%)

The tax rate on profits is the same for all private companies (between 15% and 33%).

## Discounts

*on:*

post 0	rail 0	telephone 0
telegraph 0	telex 0	

## Ownership

*Does any law exist governing publishing-house ownership, or the registration of shares in newspaper-publishing companies?* Yes, see below.

*Is there any law prohibiting or restricting foreign companies or individuals from owning shares, and in particular, the majority of shares, of domestic daily newspapers?* Yes, Article 222 of the Federal Constitution states:

Newspapers and radio and television stations shall be owned

exclusively by native Brazilians or those naturalised for more than 10 years, and these shall be responsible for their management and intellectual orientation

- Paragraph I: Legal entities shall not participate in the capital stock of journalistic and radio broadcasting companies, except for political parties and corporations whose capital is exclusively and nominally owned by Brazilians.
- Paragraph II: The participation referred to in the preceding paragraph may only take place through non-voting capital and shall not exceed 30% of the capital stock.

*Is there any law prohibiting daily newspaper or periodical publishers from operating radio or television stations in the same locality?* No, but monopolies are forbidden. Article 220 of the Federal Constitution states:

The manifestation of thought, creation, expression and information, in any form, process or medium, shall not be subject to any restriction, with due regard to the provisions of this Constitution.

- Paragraph I: No law shall contain any provision that may present a hindrance to full freedom of press information in any medium of social communication, with due regard to the provisions of Article 5, Sections IV, V, X, XIII and XIV.
- Paragraph II: Any and all censorship of a political, ideological or artistic nature is forbidden.
- Paragraph V: Social communications media may not, directly or indirectly, be subject to monopoly or oligopoly.
- Paragraph VI: The publication of a printed social communications medium shall not be subject to licensing by authorities.

*So as to guarantee disclosure and transparency in the capital structure and to avert silent partnerships, is there a law or rule making it possible to determine who actually owns a publishing company?* Yes, see Article 222 above.

*Is there an antitrust law limiting concentration in the daily press?* Although, as mentioned above, the Federal Constitution prohibits media monopolies or oligopolies, no provisions have been made to enforce this legislation.

*Is further regulation of media concentration expected?* Brazil is revising its constitution and several laws. Many groups are pressing for full regulations on cross-media ownership, but no draft proposals have been made public yet.