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Fifteen Years of Passauer Neue Presse (Polskapresse) and Orkla Media on the Polish Regional Press Market

Streszczenie: Autor artykułu opisuje najważniejsze momenty związane z kilkunastoletnią obecnością dwóch zagranicznych koncernów (Passauer Neue Presse i Orkla) na polskim rynku regionalnej prasy codziennej. Począwszy od pierwszych inicjatyw wydawniczych, poprzez fazę ostrej konkurencji między obu spółkami i kształtowanie się duopolu, a na spluralizowanym monopolu skończywszy. Autor podsumowuje dokonania Orkla i Passauera w poszczególnych regionach Polski. W artykule jest także mowa o ekspansji kapitału zagranicznego na rynki lokalne oraz o konsolidowaniu spółek wydawniczych i fuzjach tytułów należących do obu koncernów. Zakończenie aktywności Norwegów (Orkla) w Polsce, wykupienie ich gazet przez brytyjski fundusz Mecom i utworzenie dziennika ogólnopolskiego przez Passauera, zdaniem autora, wyznacza nowy etap na rynku prasowym w Polsce. Może się on zakończyć monopolizacją regionalnej prasy codziennej.

Słowa kluczowe: Passauer Neue Presse (Polskapresse), Orkla (Mecom, David Montgomery), prasa regionalna/lokalna, monopolizacja, duopol, monopol spluralizowany, UOKiK, RSW, Komisja Likwidacyjna, fuzja, konsolidacja.

Key words: Passauer Neue Presse (Polskapresse), Orkla (Mecom, David Montgomery), regional/local press, monopolization, duopoly, pluralized monopoly, UOKiK, RSW, Liquidation Committee, fusion, merger.

Summary: The author of this article has described the most important facts that refer to a fifteen-year presence of two foreign concerns (Passauer Neue Presse and Orkla) on the Polish local daily press market. Starting from the first press actions, through the stage of fierce competition between both companies and shaping duopoly to the end of plural monopoly. The author has summed up the achievements of Orkla and Passauer in particular regions in Poland. The article tells about the expansion of foreign capital on local markets and the consolidation of press companies and mergers of the titles that belong to both concerns. According to the author, the end of Norwegian (Orkla) activity in Poland, a buy-out of their newspapers by British Mecom and a creation of a nationwide daily by Passauer means the onset of a new stage on the Polish market which may end with a monopolization of the regional daily press market.

The early 1990s were a revolutionary time for Polish media. Ongoing was “the country’s transformation after it regained its political sovereignty, its domestic and foreign policy was being shaped according to democratic rules as well as the people’s interests, needs and based on its history, traditions and values”¹. New regulation went into effect which changed the media market, especially the printed media. Some of the more important acts were: an article from March 8, 1990 on local government, an article from March 22, 1990 liquidating the state owned “Prasa-Książka-Ruch” and an article from April 11, 1990 abolishing censorship. The first article not only established new levels of government but also “directed all local level matters [...] to the district government, allowed it to become financially independent, decide about its own budget and finance local government press”². The second article did away with a monopoly of the printed press on a national as well as

¹ P. Dąbrowski, B. Rogowska (ed.), *Z badań nad przemianami politycznymi w Polsce po 1989 roku*. Wrocław 1998, p. 7.

² P. Michalczyk, *Media lokalne w systemie komunikowania*, Katowice 2000, p. 165.

local level. The third allowed the establishment of free press, “This way Poland officially became a democratic country where the press enjoys real, legal and material freedom”³.

It was a time of change, especially for regional and local press. R Filas called this first phase one of dynamic development with lively enthusiasm and forced transformation⁴. In connection with Liquidation Committee activities, as a result of the March 22, 1990 article, most of the existing press gained new management⁵. Up until mid 1991, according to K. Schliep, 71 titles were given over to new editorial administration (journalist associations were created), for 78 others were bidden on, 8 continued to be state owned, and 20 were left as nobody wanted them⁶. Also, at the same time, many new titles were being created and published. According to W. Chorążka, within the first two years (from mid 1989 to mid 1991) established were 3 000 new local press titles⁷.

From the perspective of the last years, however, it can be said that one of the most important factors in the development of this market, regionally and locally, was the entry of two foreign investors. One was the Norwegian group, Orkla, which debuted in Poland in 1990. The other was the German media group, Passauer Neue Presse (part of Verlagsgruppe Passau). Officially, it entered the market in 1994 but it bought the first assets in December 1993. Since then a lot has changed. Both, regional and local press under the ownership of foreign investors were subjected to ruthless and not always fair competition and underwent great change. Newspapers, initially published in black and white and on poor quality paper, now were being prepared by professionals, printed in colour, with numerous inserts and gadgets as well as with lively graphics. The ten years of acute rivalry between Orkla and Passauer for regional markets were named by some observers as a partitioning of Poland⁸. Although this statement may be somewhat exaggerated, a “pluralist monopoly” seems to fit a lot better⁹.

In June 2006, Orkla management decided to pull out of media activity and sold their assets (not only Polish) to a British investment fund, Mecom. It was David Montgomery, a British businessman, who became the owner of 11 regional dailies and also came into possession of 51% of shares in Presspublice which publishes “Rzeczpospolita”. The regional dailies were now under the management of Media Regionalne, a partnership created toward the end of 2006. Nearly at the same time, the management of Polskapiresse (representative of Passauer Neue Presse in Poland) announced that in 2007 the company will launch a new product, of national scope as a direct competitor to “Gazeta Wyborcza”. Hence, we may ask the question - does this mean that Polskapiresse will focus on regional development or will it be marginalised? This is one of the most imperative questions within the context of this new project.

A dozen years or so of foreign investors’ presence on the Polish market have altered this market irrevocably. Due to this, from time to time it is debated whether it was worth to hand over to foreign investors almost the entire press sector in exchange for financial support. Has their influence been more positive or negative? These are also important issues which are worth taking a closer look at, especially in view of the end of the Orkla – Passauer rivalry.

³ R. Kowalczyk, *Prasa lokalna w systemie komunikowania społecznego*, Poznań 2003, p. 332.

⁴ R. Filas, *Pięć lat przemian mediów masowych w Polsce: bilans wstępny*, “Zeszyty Prasoznawcze” 1994, nr 1-2, p. 57-66.

⁵ I’m talking about managers not owners because in many cases it was after several years that privatisation occurred, the same with the inflow of foreign capital.

⁶ K. Schliep, *Prywatyzacja prasy*, [in:] G. Kopper, I. Rutkiewicz, and K. Schliep (ed.) *Media i dziennikarstwo w Polsce 1989-1995*, Kraków 1996, p. 129-138.

⁷ W. Chorążka, *Prasa lokalna i sublokalna w Polsce 1989-91*, “Zeszyty Prasoznawcze” 1999, nr 3-4, p. 42-51. Local press means press within one voivodeship (then 49 in Poland), a large city or a group of medium towns, according to Chorążka.

⁸ E. Wilk, *Hold bawarski*, „Polityka” 1997, nr 40, p. 18, 20-21.

⁹ R. Filas, *Prasa polska w procesie przemian 1989-1991*, Kraków 1991, p. 38.

The beginnings of Orkla and Passauer Neue Presse in Poland

The Norwegians (Orkla) entered the Polish market in 1990. In August of that year they established in Lower Silesia a partnership, Norpol-Press and together with NSZZ “Solidarity” began publishing the daily “Dziennik Dolnośląski”. Orkla spent 60 000 USD on the project and leased the necessary computer and printing equipment. The trial issue of the daily came out on August 31st and the first – on September 24th. The daily was printed from September 1990 to April 1991. According to W. Kozłowski, it was a first colour daily in Poland¹⁰. The Norwegians did not interfere in the daily’s content which, in the long run, proved to be a mistake. Probably, they assumed that anything under the auspices of Solidarity was doomed for success. Meanwhile, management was taken over by Ryszard Czarnecki, a Christian-nationalist, who made the daily strongly politically oriented. This way “Dziennik Dolnośląski” served as his party’s propaganda newspaper which the readers did not approve of. The sales of the daily quickly fell from 20 000 to 10 000 and in April 1991 it began to be printed as a weekly. In the 78th issue, on August 12th, the publisher made a statement that, “opinions presented in “DD” are not shared by Norpol-Press as well as most of the editorial staff”. The following issue was a strike one. In the end, the newspaper made it to parliamentary elections in October 1991 but a month later it was finished.

The fate of “Dziennik Dolnośląski” was an important lesson for the Norwegians. The following investments they planned much more carefully. From then on Orkla did not launch new titles but rather invested in older ones, those with a good reputation and a steady base of readers. The first of these was “Słowo Polskie”, printed since 1945 in Wrocław¹¹. In June 1991, Orkla, together with “Słowo’s” publisher, created a joint-venture, Słowo Media Ltd. and took over 1/3 of the shares. The Norwegians invested 4.25 mln zloty in this project as well as some equipment¹². The following years, they bought more shares in the joint-venture¹³.

As far as the beginnings of Passauer Neue Presse in Poland, we need to mention the name Robert Hersant. It was his activities which led, in 1994, to the building of Passauer’s power on the market of daily regional press¹⁴. After the Liquidation Committee committed the existing before 1990 press titles, came a new phase of crucial changes, named by R. Filas “the phase of seeming stabilisation and surface changes”¹⁵. It was a time of another privatisation, from mid 1991 to the end of 1992. This is when many ownership transformations took place in regional companies, the way they were managed and their sources of financing (foreign investment). This is what Z Bajka writes about that time, “the Germans were very organized in their activity, attempting to decide which market segments they could take over in the future [...] but it was Hersant’s company which fought for the Polish market consistently from beginning. It was he who gained control over the biggest regional dailies as well as “Rzeczpospolita”. He came into possession of a lot of regional press shares as a result of RSW “PKR” liquidation bid”¹⁶.

¹⁰ W. Kozłowski, *Siódme przykazanie [“Dziennik Dolnośląski”]. Czy rzecznik prasowy jakiegokolwiek partii powinien szefować niezależnej gazecie*, “Przegląd Tygodniowy” 1991, nr 31, p. 8-9.

¹¹ The first issues, due to war devastations, were published in Legnica, under the name “Pionier”. The following year, after a survey, the name was changed to “Słowo Polskie”.

¹² Before the denomination, 425 000 PLN after the calculation.

¹³ For more detail see: A. Szynol, *Prasa codzienna na Dolnym Śląsku w latach 1989-2003*. Wrocław 2004. See Chapter 3.4. “Globalizacja dolnośląskich dzienników” and table 9 on p. 61.

¹⁴ About this transaction which changed balance of power on the market later on in the article.

¹⁵ R. Filas, *Dziesięć lat przemian mediów masowych w Polsce (1989-99) (Propozycja periodyzacji)*, “Zeszyty Prasoznawcze” 1999, nr 1-2, p. 31-58.

¹⁶ Z. Bajka, *Kapitał zagraniczny w polskiej prasie – lata dziewięćdziesiąte*, “Zeszyty Prasoznawcze” 1999, nr 1-2, p. 22.

Hersant began his acquisition of regional dailies' shares and assets at the beginning of 1991¹⁷. In March of that year he gained control over "Wieczór Wybrzeża"¹⁸. Two months later he bought 72% of shares in the national sport daily "Tempo". In June, he had 68% of shares in "Dziennik Łódzki" and 72% in "Express Ilustrowany". In November, took place one of the most important and biggest transactions. "Dziennik Zachodni" was sold for the record price of 40 mln zloty to Prasa Śląska in Katowice of which Hersant owned half. In June of the following year he took control of another big newspaper, "Dziennik Bałtycki". In March 1993, following his strategy of gaining control of a selected market segment, he bought the majority of shares in "Trybuna Śląska" and a month later, he gained control of "Gazeta Krakowska". Most of these transactions took place via the intermediary of Socpresse company. In some cases it was Polska-Press which was listed as the investor¹⁹ and in one case ("Express Ilustrowany") it was Tower company, all controlled by Hersant.

There were, however, two transfers, which were particularly interesting. In December 1993, an unknown Swiss company, Interpublication A.G., took over 50% of "Gazeta Wrocławska" shares and several months later, the same company bought 25% of shares of "Dziennik Polski". In 1994, the investor's real plans came to light. Behind Interpublication was the German group Verlagsgruppe Passau. Several years later Passauer representatives explained their decisions²⁰. This was due to general dislike for foreign capital, especially one from over the western border. In Lower Silesia it was additionally justified by historical reasons. After long years of being in German hands, such buy-outs could have been seen as an attempt to come back to old days. Once people got used to foreign investment (Swiss, French, German, American, British, Norwegian), they also changed their attitude to German capital. And so it was, German investors played a key role in the shaping of modern, Polish, regional press market development.

Orkla-Passauer: from competition to duopoly

After Orkla invested, in June 1991, in "Słowo Polskie" in Wrocław, the next move was another Lower Silesian daily, "Wieczór Wrocławia"²¹. In July 1993, the Norwegians bought 46.7% of its shares. That same year they also became co-owners of "Głos Pomorza" in Koszalin²², and, in 1994, of two other regional dailies, "Gazeta Współczesna" in Białystok and "Nowiny" in Rzeszów. According to Bajka's calculations, in early 1994, foreign capital on regional press market amounted to about 50%, and if you take into account single circulation, foreign publisher investment it was at about 65%²³. As K. Cira stated, Orkla's strategy on the Polish market was that of 'taking small steps' thanks to which the Norwegians gradually gained dominant positions in the selected newspapers²⁴. According to Orkla's data, used by Cira²⁵, in 1994 the company also bought 50% of shares in "Gazeta Pomorska" (Bydgoszcz) and 51% in "Kurier Poranny" (Białystok). The following year, Orkla bought the

¹⁷ Z. Bajka, *Kapitał zagraniczny w polskich mediach*, "Zeszyty Prasoznawcze" 1997, nr 1-2, p. 5-22.

¹⁸ It was taken over by "Dziennik Bałtycki" at the end of 2001.

¹⁹ Also written: Polska Presse, Polska-Press. Polskapresse will represent Passauer Neue Presse in Poland.

²⁰ Jacek Czynajtis, Polskapresse Oddział Prasa Wrocławska director, said in an interview from 25.05 2001 that "this was done to fool public opinion which was, at the time, very anti-German investment in the media. Hence, a Swiss company was presented".

²¹ It was an urban daily, published in the afternoons until 1997, after the merger of Orkla and Passauer it was liquidated.

²² Some journalists left the publishing house and established Dziennikarska Oficyna Wydawnicza Rondo which published "Głos Koszaliński" with "Głos Słupski". The daily was bought out in 2006 by Orkla.

²³ Z. Bajka, *Kapitał zagraniczny w polskich mediach*, "Zeszyty Prasoznawcze" 1994, nr 1-2 i 3-4, p. 5-22 i 5-8.

²⁴ K. Cira, *Zagraniczne koncerny prasowe na polskim rynku dzienników regionalnych*, "Zeszyty Prasoznawcze" 2000, nr 1-2, p. 7-33.

²⁵ This data is not always the same as provided by the companies. The issue of transparency and access to information on companies can be the subject of an entirely separate article.

majority of shares in “Dziennik Wschodni” (Lublin) and in “Dziennik Wieczorny” (Bydgoszcz)²⁶. In 1996, it came into possession of 33.8% of shares in “Nowa Trybuna Opolska”, the most popular daily in the region. In May of that year, the Norwegians also bought, from Hersant, shares in Presspublic²⁷. Two years later, Orkla gained control of the most popular daily in South-West Poland, “Gazeta Lubuska”, printed in Zielona Góra. One of the toughest battles for the regional market took place in Szczecin. The Norwegians attempted to take over two newspapers with very long tradition, established right after the II World War. They were successful with “Głos Szczeciński” but not with “Kurier Szczeciński” (with much larger circulation). When, in January 2004, Orkla bought 0.5% of its shares from someone who inherited them, the public opinion was outraged. The newspaper’s chief editor, Andrzej Łapkiewicz, made a statement that Kurier will remain in the hands of its staff and will never fall into the hands of foreign capitalists. Orkla gave up. In 2004, the company bought two more dailies from Kielce, “Echo Dnia” and “Słowo Ludu”, previously owned by M. Sołowow²⁸. At the same time, Orkla continued to increase their share percentage in the companies it already invested in (Wrocław, Bydgoszcz, Białystok, Rzeszów).

In the meantime, a turning point in Passauer Neue Presse activity on the Polish market was a transaction which took place in September 1994. Hersant, who ran into financial difficulties in his own country, decided to sell his assets in Poland to Passauer. For 100 mln DM the Germans bought from Hersant eight regional dailies. They were: “Dziennik Bałtycki” and “Wieczór Wybrzeża” (Gdańsk), “Dziennik Łódzki” and “Express Ilustrowany” (Łódź), “Dziennik Zachodni” and “Trybuna Śląska” (Katowice)²⁹, “Gazeta Krakowska” and a sport daily “Tempo”³⁰. Also, two other titles need to be mentioned in which the Germans invested earlier, “Gazeta Robotnicza” and “Dziennik Polski”. The first, in the late 1990s, changed its name to “Gazeta Wrocławska” (earlier “Robotnicza Gazeta Wrocławska”) and became the most important daily in its region³¹. As J. Kraszewska noticed, after the French-German transaction Passauer Neue Presse became a more influential regional press publisher in Poland than was Hersant³². According to estimates by A. Howzan, foreign capital (Orkla and Passauer) controlled up to 70% of regional daily press publication³³. According to T. Kuczyńska, it was even over 70%³⁴. In the late 1990s, the Germans entered the Poznan market, buying, in 1996, “Gazeta Poznańska” and “Express Poznański”³⁵. In March 1997, F. X. Hirtreiter, a Passauer representative in Poland, became the sole owner of “Wiadomości Dnia” in Łódź³⁶, and in August 1998, of “Gazeta Olsztyńska”³⁷. This is how Passauer Neue Presse might was built in Poland. Its official representative is Polskapersse with six regional departments: Bałtycka Press, Łódzka Press, Śląska Press, Krakowska Press, Poznańska Press and Wrocławska Press.

Everything that has happened on the regional press market in Poland within the last ten years still evokes much controversy. At the beginning of foreign capital investment inflow, many journalists and experts warned that this process may be threatening to Polish

²⁶ This one, similar to “Wieczór Wrocławia”, was transferred to be printed in the morning, later it became part of “Słowo Polskie Gazeta Wrocławska” on 1.12.2003, “Dziennik Wieczorny” became part of “Gazeta Pomorska”.

²⁷ A year earlier the French increased their ownership from 49 to 51%.

²⁸ Combined by Orkla in June 2006.

²⁹ The newspapers were combined in December 2004.

³⁰ Sold three years later to J. Marquard.

³¹ In 2003, it was the only strictly regional daily in Lower Silesia.

³² J. Kraszewska, *Gazetowa zdrapka (Był Francuz, jest Niemiec)*, “Polityka” 1994, nr 40, p. 1 i 6.

³³ A. Howzan, *Uderzenie w głowę (Ring prasowy: Niemcy w wadze ciężkiej, Polacy – w papierowej) [Udział kapitału zagranicznego w polskiej prasie]*, “Polityka” 1994, nr 50, p. 23.

³⁴ T. Kuczyńska, *Gazety z innego świata [Udziały obcego kapitału w mediach]*, “Tygodnik Solidarność” 1994, nr 20, p. 1, 10-11.

³⁵ This one combined with “Gazeta Poznańska”, which later merged with “Głos Wielkopolski”.

³⁶ Merged with “Dziennik Łódzki”.

³⁷ J. Kałwak, *Myślenie surowo wzbronione (o prasie regionalnej)*, “Gazeta Polska” 1999, nr 43, p. 10.

printed media freedom. T. Kuczyńska asked rhetorically, is this internationalisation or colonisation³⁸. A. Halber stated that the press market is ruled by gangster law, imposed by foreign media groups³⁹, “What is Polish public opinion if half of local newspapers and one third of weeklies are owned by foreigners” –asked, in the mid 1990s B. Klukowski⁴⁰. Sharp competition between Passauer and Orkla has led to a division of spheres of influence in different regions, as was noted by G. Sieczkowski⁴¹. Deputies described the situation as another partitioning of Poland and journalists said that, “Poland has become a German press colony”⁴². A duopoly was created, with the exception of *Gazeta Wyborcza*’s regional issues and a few newspapers not controlled by either of the two companies, such as “*Kurier Szczeciński*”.

Conquest of local markets

Orkla and Passauer activity was not solely limited to regional dailies⁴³. Everywhere where foreign investors gained control over the press printed in regional cities (mostly capitals of voivodeships), also began competition for readers of local or sub-local newspapers. This is because, “foreign investors see local press as a competitor to their regional dailies [...] but also because they see a chance to increase the circulation of their press”⁴⁴. As K. Zawiślak noticed, foreign investors quickly figured out how they can squash the competition⁴⁵. There are local journalist accounts of how Orkla and Passauer brutally fought for power, “The Germans will either buy me out or destroy me with colour or price” said someone at a conference of local editors and publishers in Warsaw⁴⁶. Jacek Czynajtis, a former director of *Polskapresse Wrocław*, in a conversation with me said that he often used force in order to gain control of local markets. When one publisher offered an excessive price for his weekly, Czynajtis said that they will buy him out when the market is down and his financial aspirations change⁴⁷. All in all, Orkla and Passauer had different strategies in the way they gained control and ran the local newspapers. According to A. Hejman, the Germans generally unified the papers they took over while the Norwegians let them remain as they were⁴⁸. Passauer mostly bought out local papers in financial difficulties and then inserted them into their regional dailies. “I am interested in doing away with competition and I do not care about local press”, said Robert Sakowski, chief editor of “*Gazeta Olsztyńska*”, as was noted by W. Darski⁴⁹.

For example, in Lower Silesia *Polskapresse Wrocław* within a few years managed to buy out six local weeklies: in Zgorzelec, Głogów, Oleśnica, Świdnica and Syców. The German investor also began printing his own weeklies, as supplements to “*Gazeta Wrocławska*”. In comparison, Orkla was much weaker in accession of local press. It was predominantly occupied by its Lower Silesian assets (“*Słowo Polskie*” and “*Wieczór*”

³⁸ T. Kuczyńska, op. cit.

³⁹ A. Halber, *Polacy tracą wpływy na rodzimym rynku prasowym*, “*Wiadomości Kulturalne*” 1994, nr 8, p. 23.

⁴⁰ B. Klukowski, *Szybki taniec na wolnym rynku*, “*Wiadomości Kulturalne*” 1995, nr 8, p. 4.

⁴¹ G. Sieczkowski, *Czekając na najlepszy schemat (Polska codzienna prasa regionalna powoli wypracowuje swój model)*, “*Rzeczpospolita*” 1996, nr 250, p. 4.

⁴² P. Sieradzki et al., *Niemiecka prasa [Polska stała się już niemiecką kolonią medialną]*, “*Wprost*” 2003, nr 43, p. 28 and on.

⁴³ There is extended bibliography on press typology. This is according to Ośrodek Badań Prasoznawczych UJ: regional press (voivodeship), local (district) and sublocal.

⁴⁴ R. Kowalczyk, op. cit., p. 242.

⁴⁵ K. Zawiślak, *Tajemnice obcego kapitału*, “*Przegląd Tygodniowy*” 1995, nr 47, p. 21.

⁴⁶ B. Sułek-Kowalska, *Wy na górze, my na dole (Niezależna prasa lokalna)*, “*Tygodnik Solidarność*” 1998, nr 41, p. 4.

⁴⁷ See footnote 20.

⁴⁸ A. Hejman, *Jak utrzymać się na rynku (koncentracja kapitału i monopolizacja a niezależna prasa lokalna)*, “*Rzeczpospolita*” 1998, nr 193, p. 6.

⁴⁹ W. M. Darski, *Prasa pod presją (czasopisma lokalne)*, “*Tygodnik Solidarność*” 2000, nr 22, p. 13.

Wrocławia”) and only took over three local weeklies, in Legnica and in Głogów. In regions with rich press traditions both companies attempted to reach local readers by offering local (ie. “Dziennik Zachodni” has got 32 district weeklies) or even sub-local supplements (neighbourhood weeklies published by Media Pomorskie) to their dailies.

In Wielkopolska, Polskapresse was also very active in taking over local and sub-local newspapers. “Gazeta Poznańska” bought out seven papers⁵⁰ while “Głos Wielkopolski” (of which Polskapresse owned 24.5% of shares) had majority ownership in seven weeklies and minority in three other ones. Passauer, in the late 1990s, had a strong position also in Northern Poland, it included in its “Dziennik Bałtycki” 17 local weekly supplements and in “Gazeta Olsztyńska” – 11. According to data by Agora, toward the end of 2004 Polskapresse owned 83 local weeklies⁵¹.

In response to foreign capital expansion local publishers in many places tried to defend themselves by forming mini publishing associations (ie. Wydawnictwo Pomorskie in Tczew, Południowa Oficyna Wydawnicza in Jarocin or Errata in Wałbrzych). Some formed larger units such as Stowarzyszenie Gazet Lokalnych⁵². Thanks to such activity, according to W. Chorążka, it was easier to obtain advertising, printing was less expensive and it was easier to carry out customer surveys (which small publisher could not afford on their own)⁵³. Most of all, it was easier not to be sold to foreign concerns.

Orkla and Passauer focused on horizontal regional and local market penetration. To this day there is discussion whether the inflow of foreign capital and its expansion was more positive or negative for the Polish market and there are advocates for both points of view. In Poland, in the early 1990s, capital was a necessity but what is more, according to T. Kowalski, it was experienced management which companies were in need of⁵⁴. After the political turnover, those in charge of Polish publishing houses were usually self-appointed chief editors or experienced journalists who generally did not possess the managerial skills necessary to run companies. The effects were lack of thought out strategy, product promotion mistakes or lack of any marketing. That it why, on the other hand, “Gazeta Wyborcza” and its supplements enjoyed such spectacular success. Within five years it beat the competition, also on the advertising/classifieds arena, against newspapers with very long traditions. This is what happened in Lower Silesia where Gazeta, with its regional supplement “Gazeta Dolnośląska” (“Gazeta Wyborcza Wrocław” since 2001) became the most popular daily ahead of “Gazeta Wrocławska” (Polskapresse), “Słowo Polskie” and “Wieczór Wrocławia” (Orkla).

Polish apprehensions regarding foreign capital grew together with their expansion. T. Kuczyńska stated that these investors had a growing influence on politics and that, “future reforms will be steered by multinational media corporations”⁵⁵. In 1994, there were proposals to limit foreign capital in the printed media and to establish a bureau managing the press market, similar to the KRRiT⁵⁶. A. Howzan, although he was not against foreign influence, stated that their buying out companies entirely has lead to their “dominance in the material and spiritual sphere”⁵⁷. He said that Polish politicians, when they liquidated RSW, did not have the required imagination. B. Klukowski was of a similar opinion when he said that, “freedom of the press is determined by those who have the money”⁵⁸. The press is full of

⁵⁰ Z. Bajka, *Prasa codzienna w Polsce pod koniec lat dziewięćdziesiątych*, “Zeszyty Prasoznawcze” 2000, nr 3-4, p. 136-148.

⁵¹ Based on internal materials provided from Agora marketing.

⁵² Presently the association encompasses 58 publishers, owners of 73 newspapers with a total circulation of 400 000. Data from: <http://www.gazetylokalne.pl/index.php?page=czlonkowie> . 16.04.2008.

⁵³ W. Chorążka, *Kieszonkowe koncerny*, “Rzeczpospolita” 1997, nr 8, p. 5.

⁵⁴ T. Kowalski, *Gra dopiero się rozpoczyna*, “Tygodnik Literacki” 1991, nr 22-23, p. 1, 12.

⁵⁵ T. Kuczyńska, op. cit., p. 11.

⁵⁶ A. Halber, op. cit., p. 23.

⁵⁷ A. Howzan, op. cit., p. 23.

⁵⁸ B. Klukowski, op. cit., p. 4.

'safe' issues, due to which journalists do not get into trouble with the government or publishing house owners and their interests. This opinion seems to be more true today than ever.

Within public debate on the press there were even stronger accusations, not always supported by reliable information. One of such was the claim that Passauer managers get paid off by owners to print what they like and to ridicule Polish rights to Silesia⁵⁹. In 1997, there were two other controversies much discussed not only by regional press. The first was regarding the dismissal of "Słowo Polskie" chief editor, Jan Wawrzyniak. According to Orkla's representatives, Wawrzyniak, after his interview with president Kwaśniewski, promoted the SLD party before the parliamentary elections and published a politically slanted article. However, there was no talk of politics in the interview. The editorial office responded with texts such as, "Let's defend our Slavic rights. Let's defend our newspaper from being changed by the Nordics"⁶⁰. Despite the protests, the chief editor lost his position. Later, during a Senate debate, Maria Berny (SLD) commented that Norwegians have right-wing inclinations and this influences the regional daily. This incident resulted in people not believing in Orkla's objectivity. The other incident took place in August 1997 in "Dziennik Bałtycki" which accused president Kwaśniewski of meeting with a former Soviet agent, Władimir Ałganow⁶¹. The president took the daily to court. Franz Hirtreiter, a Passauer representative in Poland, wrote an apologetic letter, described by some as 'Bavarian Homage'⁶². Even though the president, in the end, decided not to sue the newspaper, Dziennik's chief editor, Andrzej Liberadzki resigned from this position. These two examples show that criticisms of foreign investors taking over Polish newspapers and influencing their independence were not altogether unfounded.

On the other hand, let's not forget about the advantages brought by foreign investment into our country⁶³. "A liberal approach to the printed media market in Poland in the 1990s resulted in its great quantitative and qualitative development"⁶⁴. Let's take for example the graphic layout which has, within the ten years, dramatically changed for the better. The differences are clearly visible – colourful pages and photographs (instead of black and white), better organization with different sections, better quality paper and better, more user friendly daily format. The management of regional weeklies was taken over by professional, experienced staff equipped with modern technology and Western know-how. Before the foreign corporations made profits, they had to spend large amounts of money on printing houses. Such fast development would definitely not have been possible without Orkla and Passauer. And since the changes that have taken place are irreversible, it is pointless to ponder on what the market would look like if there was no foreign capital or if it was severely limited. It should be noted, however, that most people are of the opinion that foreign investment should be controlled and limited in media corporations⁶⁵.

Consolidation. From duopoly to pluralist monopoly

The two media corporations fiercely fought, for over ten years (1993-2003), for leadership of the regional market in Lower Silesia. Orkla owned two dailies there, "Słowo

⁵⁹ T. Kuczyńska, *Prasa – coraz mniej polska*, "Tygodnik Solidarność" 1995, nr 24, p. 15.

⁶⁰ M. Urbanek, *Lewy wywiad(kulisy dymisji naczelnego "Słowa Polskiego")*, "Polityka" 1997, nr 16, p. 30, 32.

⁶¹ Similar accusations were made by journalists of "Życie".

⁶² E. Wilk, op. cit.

⁶³ J. Flankowska, *Zalety i wady obecności kapitału zagranicznego w polskich mediach drukowanych – próba systematyzacji problemów*, "Studia Medioznawcze" 2002, nr 5, p. 121-130.

⁶⁴ T. Kowalski, *Ekonomia polityczna obecności kapitału zagranicznego w mediach w Polsce*, "Studia Medioznawcze" 2002, nr 5, p. 25.

⁶⁵ M. Gierula, M. Jachimowski, *Kapitał zagraniczny w mediach polskich w opiniach społecznych*, "Studia Medioznawcze" 2002, nr 5, p. 61-69.

Polskie” (regional scope) and “Wieczór Wrocławia” (distributed primarily in Wrocław). However, poor management of both newspapers, including ill-targeted promotion campaigns, bad strategic decision making (making Słowo similar to “Gazeta Wyborcza” and transforming Wieczór into a tabloid) resulted in these newspapers being less popular than Polskapresse’s “Gazeta Wrocławska”. Orkla even established, in December 2001, a new publishing house in order to try to save the papers but it was too late. On September 4, 2003, the Norwegians sold the two dailies to Passauer. The Germans did not hesitate long and in December they consolidated all three newspapers into one, “Słowo Polskie Gazeta Wrocławska”. “Wieczór Wrocławia” practically ceased to exist, although, for some time its logo was still used on one of the supplements within the newly created paper.

Both corporations, after the buy outs and gaining positions on local markets, began ‘tidying up’ their assets. This meant a consolidation of newspapers, combining publishing houses as well as management in companies close to each other. The goal was to maximise profits as well as effectiveness of management and to minimise costs. Toward the end of the 1990s and at the beginning of the new century, there was still acute competition between Passauer and Orkla as well as with local supplements of “Gazeta Wyborcza”. However, later on there was more cooperation between the foreign investors and less of working against each other.

Orkla first tried to save its dailies. Their publishing was switched from afternoon to morning (“Wieczór Wrocławia” and “Dziennik Wieczorny”). When this did not help, it was decided to combine them with stronger newspapers in the region. “Dziennik Wieczorny” was added to “Gazeta Pomorska” and, in December 2003, “Wieczór Wrocławia” – to the earlier combined “Słowo Polskie” and “Gazeta Pomoska”. Although these dailies were present inside the regional papers, in the minds of the readers and advertisers they have ceased to exist⁶⁶. Toward the end of 2001, in Wrocław created was the Dolnośląskie Wydawnictwo Prasowe (publishing house) which attempted to reform “Słowo Polskie” and “Wieczór Wrocławia” but in the end both papers were sold to Passauer. One of Orkla’s last strategic moves before selling the assets to the British was the consolidation of publishing houses in Pomorze. The Szczecin Press and Dziennikarska Oficyna Wydawnicza Rondo were combined in April 2005 to create Media Pomorskie. It was a clear forecast that in the near future “Głos Pomorza”, “Głos Szczeciński”, “Głos Koszaliński/Głos Słupski” will be combined into one or two dailies. The merger, though, was completed by the new owner – Mecom. But before that happened, in spring of 2006, the Norwegians managed to combine two dailies from Kielce, “Echo Dnia” and “Słowo”⁶⁷. “Echo Dnia” continued to be the name but 30 people lost their jobs.

Passauer, just like Orkla, was engaged in similar activities. First, it was the dailies which came out in the evenings. Due to their falling popularity, they were merged with the bigger regional dailies. In December 1999, “Express Poznanski” became part of “Gazeta Poznańska”. Toward the end of 2001, also “Wieczór Wybrzeża” was enclosed in “Dziennik Bałtycki” while, in October 2000, “Wiadomości Dnia” went out of print altogether. In the Łódź region, it was not profitable for Passauer to publish three similar dailies, “Express Ilustrowany”, “Dziennik Łódzki” and “Wiadomości Dnia”. Hence, “Wiadomości” were merged with “Dziennik”. One of the more spectacular consolidations on the regional market was the merger of two Upper Silesian dailies, “Trybuna Śląska” and “Dziennik Zachodni” in December 2004. Passauer stayed with the name “Dziennik Zachodni” which became the largest regional daily in the country. The fusion was profitable for the owner, however, 60 people lost their jobs as a result.

⁶⁶ It is difficult to precisely establish the final date of print as the newspapers were usually phased out gradually (inserts, single pages, finally just logos).

⁶⁷ Earlier “Słowo Ludu”.

An imperative factor which greatly influenced the shape of the regional press market were various court verdicts. The two most important ones regarded market monopolisation in Wielkopolska and Lower Silesia. On February 11, 2004, The Consumer and Competition Protection Bureau (UOKiK) decided that the consolidation of Oficyna Wydawnicza Wielkopolski (“Głos Wielkopolski” publisher) and Polskapresse Oddział Prasa Poznańska (“Gazeta Poznańska” publisher) was illegal and monopolistic in character. The court banned the merger and ordered Polskapresse to pay a fine of 50 000 Euro (235 820 EU the highest possible fine). The court decision was appealed. In March 2005 the Court dismissed the UOKiK president’s complaint and 13 months later (5.04.2006) the Consumer and Competition Appellate Court (SOKiK) sustained the verdict. This meant that Polskapresse could merge its papers, which happened on December 4th that year. In Wielkopolska, presently there remains only one regional daily, “Głos Wielkopolski”.

The other case was also as a result of UOKiK president’s complaint from 11.02.2004 regarding the sale of “Słowo Polskie” and “Wieczór Wrocławia” to Polskapresse (previous owner was Orkla). UOKiK president ruled that “Słowo Polskie” need to be sold back and it ordered Polskapresse a fine of 50 000 EU. This decision was also appealed and the SOKiK dismissed UOKiK president’s complaint on October 5, 2005. However, this decision was also appealed and after ten months, on September 21, 2006, The Appellate Court dismissed SOKiK’s ruling and handed the case over to the District Court in Warsaw. Half a year later (19.03.2007) the case came up before the court but for administrative reasons it was suspended for an indefinite period of time⁶⁸. On June 6, 2007 the case was dismissed but a week later the Anti-monopoly Bureau president appealed this decision once again. There may finally be a decision made by the end of April 2008 (the case was suspended again) but the verdict will only have symbolic meaning. As can be seen from the above, for over four years the regional press market in Lower Silesia was run according to how the investors wished, without any verification by the Polish legal system. The changes that have taken place during that time, especially regarding people’s mentalities and customs, are, for the most part, irreversible.

The division of the market between Orkla and Polskapresse and their growing cooperation have resulted in the forming of a peculiar arrangement, instead of acute competition we have something like a pluralist monopoly⁶⁹. After the events in Lower Silesia, the two companies did not fight in any other market. As said above, they began cooperating. On the advertising market their activities were supported by Media Tak, a media house in which Polskapresse had majority ownership and Orkla possessed 41% of shares. In 2005, both companies began publishing school books and then popular Polish classic literature together and enclosing them in their press. Representatives of both companies have declared that their cooperation in going even further, including the editing process. The question that remains is – Is this what competition looks like between two independent companies on a free press market?

Mecom instead of Orkla and what’s next with regional press in Poland

In June 2006, everyone knew that a revolution was about to hit the Polish press market meaning that that all Orkla assets will be sold to a British investment fund, Mecom, of which the owner is David Montgomery. He bought the assets (not only Polish) for nearly 900 mln EU. The transaction caused much controversy not only in Scandinavia but also in Poland. The press described Montgomery a tough player and a businessman without scruples. The forecasts were that his goal was to buy the assets and sell them in order to make quick profit

⁶⁸ Because the UOKiK director changed within this time.

⁶⁹ R. Filas, *Prasa polska...*, op. cit. According to T. Kowalski (footnote 64) oligopolistic structures were created.

and perhaps his initial activities seemed to be in tune with such speculations. When he took over, in October 2006, he announced that his goal is to increase profitability from 7% to 35%. A month later he created Media Regionalne, a company to manage the assets in Poland⁷⁰. As a result of a merger in Media Pomorskie, in January 2007, a fifth of staff lost their jobs (46 people, including 26 journalists). Since January 12, 2007 Media Regionalne Pomorze (Pomerania) publishes only one newspaper with local supplements, “Głos Dziennik Pomorza” (instead of “Głos Pomorza”, “Głos Szczeciński”, and “Głos Koszaliński/Głos Słupski”).

As far as statistics from the second half of 2007, the table below shows the ranking. Out of 15 voivodeships in Poland (without Mazowieckie), the best readership have those dailies which used to belong to Orkla. “Gazeta Lubuska” is in first place with 53% of readership and 35% advantage over “Fakt” (18.15%) in second place. The following three places belong to dailies owned by Mecom, “Nowa Trybuna Opolska”, “Gazeta Pomorska” from Bydgoszcz and “Echo Dnia” from Kielce. It should be pointed out, however, that high readership percentage does not necessarily mean high sales. Świętokrzyskie and lubuskie voivodeships are not very rich regions, regarding readership traditions and people’s standards of living, hence sales there were not among the highest. Owning two dailies in Podlasie does not help boost overall sales either (31 000 daily on the average). Sometimes not very strong newspapers fought against even weaker competitors, as happened in Podkarpacie where “Nowiny” (circulation 30 500) competed against “Super Nowości” (circulation 16 700). Among old Orkla dailies, it was “Gazeta Pomorska” which had the highest sales (over 84 600) and “Gazeta Lubuska” (46 800) as well as “Głos Dziennik Pomorza” after the merger (close to 42 000).

Polskapresse, although it possessed less newspapers, they were of higher market value. “Dziennik Zachodni” sold over 88 000 copies on the average and was in first place out of Polskapresse newspapers. In second place was “Głos Wielkopolski”, after the merger with “Gazeta Poznańska”, with over 52 600 sold copies on average. In third was “Dziennik Bałtycki” with 52 100. Moreover, Polskapresse had a strong position in the Łódź region with two daily newspapers. Although “Dziennik Łódzki” had higher readership, it was “Express Ilustrowany” which possessed better sales (53 200 daily). Altogether both dailies sold over 100 000 copies daily. For Polskapresse problematic remained the issue of “Dziennik Polski” ownership (25% of shares) which sold much better (45 300) than their fully controlled “Gazeta Krakowska” (over 30 600). Finally, there was “Gazeta Olsztyńska” (31 700 copies), officially published by Edytor but with Franz Hirtreiter as the main owner.

The weakest among regional dailies was “Słowo Polskie Gazeta Wrocławska” losing to “Gazeta Wyborcza” and “Fakt” but we need to take into consideration its complicated history⁷¹. A region where for a long time neither Orkla nor Passauer were able to gain a leading position (always behind “Gazeta Wyborcza” or “Fakt”) was the Zachodniopomorskie voivodeship. There “Kurier Szczeciński” competed against the tabloid by Axel Springer Polska. With the merger in Media Pomorskie and the creation of “Głos Dziennik Pomorza”, “Kurier” lost its position. It should also be mentioned that in August 2007 Mecom bought “Życie Warszawy” from Michał Sołowow and this way the British gained ground in the Mazowieckie region where previously neither company had any dailies.

⁷⁰ They are: “Gazeta Codzienna Nowiny”, “Dziennik Wschodni”, “Echo Dnia”, “Gazeta Współczesna”, “Kurier Poranny”, “Gazeta Pomorska”, “Głos Dziennik Pomorza”, “Gazeta Lubuska”, “Nowa Trybuna Opolska” and “Tygodnik Ostrołęcki” as well as free of charge newspapers in five cities.

⁷¹ Cf. A. Szynol, *Dolnośląska prasa codzienna – bilans zamknięcia, bilans otwarcia*, [in:] *Studia nad mediami i komunikowaniem masowym*, ed. by J. Fras, Toruń 2007, p. 188-204.

Table 1. Most popular regional dailies in Poland, including circulation and sales in the second half of 2007.

Daily	Voivodeship	Publisher	Ranking	Readership in the region	Avg. circulation and sales	
Gazeta Lubuska	Lubuskie	Orkla-Mecom	2.Fakt-18,15	52,82	58 440	46 847
Nowa Trybuna Opolska	Opolskie	Orkla-Mecom	2.Fakt-23,45	48,48	41 834	30 890
Gazeta Pomorska	Kujawsko-pomorskie	Orkla-Mecom	2.GW-18,84	45,91	96 377	84 636
Echo Dnia	Świętokrzyskie	Orkla-Mecom	2.GW-16,48	42,77	49 023	38 125
Gazeta Olsztyńska/Dz.Elbląski	Warmińsko-mazurskie	Edytor/Hirtreiter	2.GW-10,04	36,68	41 746	31 675
Głos – Dziennik Pomorza	Zachodnio-pomorskie	Orkla - Mecom	2.Kurier Szcz.-21,42	31,65	56 483	41 952
Dziennik Zachodni*	Śląskie	Polskapresse	2.GW-23,27	30,75	116367	88 414
Gazeta Współczesna	Podlaskie	Orkla-Mecom	2.Kur.Por.-23,32	30,73	23 772	16 138
Dziennik Łódzki*	Łódzkie	Polskapresse	2.Ex.II.-23,38	28,65	65 016	48 568
Dziennik Bałtycki*	Pomorskie	Polskapresse	2.Fakt-15,51	28,46	68 728	52 075
Nowiny	Podkarpackie	Orkla-Mecom	2.Sup.Now.-18,51	27,30	41 533	30 462
Głos Wielkopolski*	Wielkopolskie	Polskapresse	1.Fakt-22,59	21,28	74 287	52 632
Dziennik Polski	Małopolskie	Jagiellonia/Polskapresse	1.Fakt-22,04	18,88	65 917	45 272
Dziennik Wschodni	Lubelskie	Orkla-Mecom	2.Fakt-16,14	18,68	20 776	14 762
Słowo Polskie Gaz.Wrocławska*	Dolnośląskie	Polskapresse	1.GW-21,91 2.Fakt-17,46	14,67	53 925	35 062

Source: by author, based on SMG/KRC data and ZKDP circulation and sales ZKDP⁷²

Both, Polskapresse and Media Regionalne were also active on the market of free press. The Germans, through Media4 company, have been publishing, since June 2005, “Echo Miasta”, a bi-weekly for seven cities, with a total circulation of 684 000 per week. Since Orkla did not print its own free of charge newspaper, Media Regionalne are presently in the process of establishing such a paper on a national level. The company does have, however, some regional free press such as: “Teraz Słupsk”, “Teraz Koszalin”, “Teraz Toruń”, “Teraz Gorzów” and “Moje Miasto” in Szczecin. Media Regionalne activities, in contrast to Orkla’s, are much more multilevel (intermedia) in character, although it is not known whether this trend will continue in the future since the new owner has not disclosed his plans.

After long months of preparation, on October 15, 2007, Polskapresse launched its new project. Earlier in the year there were announcements that Passauer is preparing to create a

⁷² CCS data from VII-XII 2007, *Press* 3/2008, p. 107. ZKDP data from ZKDP website at <http://www.teleskop.org.pl/> Readership in percentages, circulation and sales in number of copies.

* means newspapers part of “Polska” project, discussed later on in the text.

national daily. As a result, some significant changes took place, for example, Julian Beck, the vice-president of Polskapresse and chief editor of “Dziennik Łódzki” was dismissed⁷³. He was replaced by former chief editor of “Newsweek”, Tomasz Wróblewski, who also took some people with him to the new job. One of them is Paweł Fąfara, chief editor of a new daily, “Polska”. Despite announcements that there will not be any name changes of regional newspapers, they were in a way altered, by adding a foreign name (“The Times”). This resulted in many people perceiving the same newspaper as something entirely new, for example, “Słowo Polskie Gazeta Wrocławska” changed to “Polska The Times Gazeta Wrocławska”. This approach is very similar to one which Passauer used in the Czech Republic⁷⁴ where the company enjoys a monopolistic position on the market of regional dailies.

In places where Polskapresse did not have any newspapers, created were ones with a common name “Polska” plus the name of the city or region (Białystok, Opole, Kielce, Koszalin, Kujawy, Lubuskie, Mazowsze, Metropolia Warszawska, Olsztyn, Rzeszów, Szczecin). So far they have not been very popular with readers as it is extremely difficult to compete with newspapers which have long traditions (ie. with “Gazeta Lubuska” or “Nowa Trybuna Opolska”). Aside from the “Polska” project, Polskapresse managed to take over “Kurier Lubelski” and it can now compete with Orkla’s “Dziennik Wschodni” in that region. The German company is now present in all regions in Poland due to which it can more successfully compete with Agora on the advertising and classifieds market.

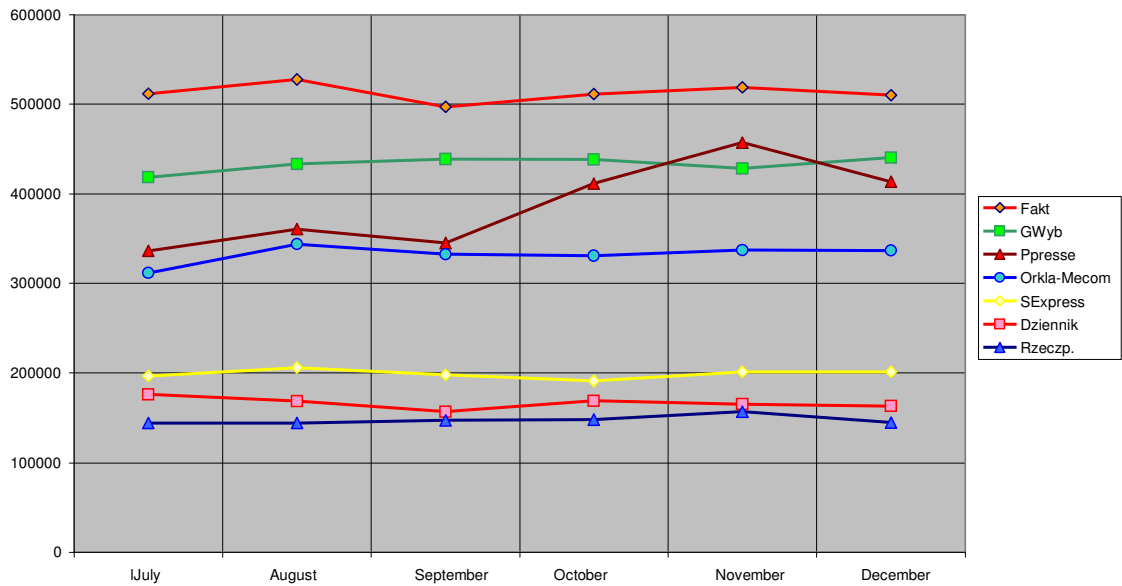
The foreign investors’ activities on the Polish press market can be somewhat disquieting as far as the future shape of regional press. Consolidations of publishing houses and newspapers leads us to believe that the companies do not take readers into consideration. Chart 1 shows the position of Polskapresse and Orkla-Mecom’s dailies in comparison to national dailies in the second half of 2007⁷⁵. Overall, Polskapresse’s regional dailies (including “Głos Wielkopolski”, “Dziennik Bałtycki”, “Dziennik Łódzki”, “Express Ilustrowany”, “Słowo Polskie Gazeta Wrocławska”, “Gazeta Krakowska”, “Dziennik Zachodni”), and, since October 2007, eleven new papers as well as “Kurier Lubelski”, gave the company a place in the top three. In November, its sales were even higher than “Gazeta Wyborcza” (457 000, GW – 428 000). As far as Orkla-Mecom’s sales (“Głos – Dziennik Pomorza”, “Gazeta Pomorska”, “Gazeta Lubuska”, Nowa Trybuna Opolska”, “Echo Dnia”, “Nowiny”, “Dziennik Wschodni”, “Kurier Poranny” and “Gazeta Współczesna”) and, since August 2007, “Życie Warszawy”, they were somewhat lower, 332 000 daily on average, but not far behind Polskapresse. It shows that these companies are strong and even the biggest publishers, such as Axel Springer Polska (“Fakt”, “Dziennik”), Agora (“Gazeta Wyborcza”, “Metro”) and Murator (“Super Express”) need to keep that in mind.

⁷³ He was responsible for the merger of dailies in Łódź and in Wrocław.

⁷⁴ Z. Bajka, *Wariant czeski czy oryginalnie polski?*, Data from 10.10.2006. Taken on 23.03.2007 from <http://wirtualnemedial.pl/blog/index.php?authors/10-Zbigniew-Bajka/archives/436-Wariant-czeski.-czy-oryginalnie-polski.html>

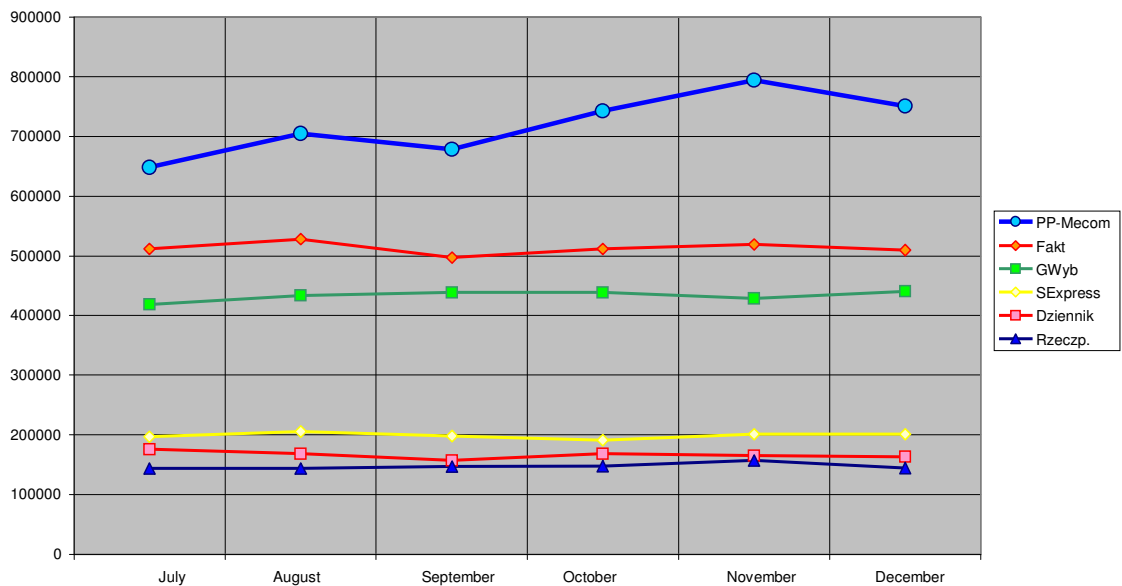
⁷⁵ ZKDP data.

Chart 1. Sales of national and regional dailies , VII—XII 2007



If, for some reason, the two companies Polskapresse and Mecom were to merge, created would be a definite, new market leader, ahead of “Fakt” or “Gazeta Wybrocza” which is shown in Chart 2.

Chart 2. Sales of dailies after the Polskapress and Mecom merger possibility, VII-XII 2007



Although the above chart illustrates a hypothetical situation, something like this can theoretically happen as it did in the Czech Republic where Passauer, via its Vltava-Labe-Press partnership, practically monopolised the media sector. If either of the two companies decides to pull out of Poland, the competitor will be very interested in taking over his assets and nothing will then stand in the way of a merger which will create a new market leader. The media consider David Montgomery, the owner of Mecom, a profiteer who, after obtaining his

goal profitability, will not hesitate to sell his assets at the right moment. Also, Polskapresse is doing everything to make its products attractive, most of all to the potential new owner. So far, there is ongoing competition between the two companies, something which the regional market has not witnessed to this degree. For readers, it is profitable but, surely, this situation will not last long.

Conclusion

A dozen or so years of Orkla and Passauer presence on the Polish regional and local press market have changed this market irreversibly. For the Norwegians, it is a closed chapter. Orkla entered the market in 1990, at first without success. It was 1991 and 1993 particularly which proved to be crucial years for foreign investors. The mid 1990s were a time of acute competition between Orkla and Passauer. In the late 1990s, the focus was on consolidation of publishing houses, newspapers and conquering of left over local and regional markets. After three years of slump on the market⁷⁶, the Norwegians decided to pull out of Lower Silesia and started cooperating with Polskapresse. The last three years of Orkla's presence on the Polish market were marked by increasing consolidation and fight for any remaining markets. October 2006 was a turning point and the end of Orkla's activity in Poland. Its assets were bought by Mecom and managed from then on by Media Regionalne. It is probable that in the future, after they attain desired profitability, they will be sold again. If UOKiK does not object, this segment of the market may be taken over by the Germans or another strong media group, such as the one owned by Rupert Murdoch.

Although Passauer entered the Polish market later, first via Interpublication company in 1993, it has been a key player since September 1994. This was due to the memorable transaction with Robert Hersant. The Germans were able to take over the best regions in the country, with rich press traditions and high economic potential, and gained an advantage over Orkla. Regions such as Pomerania, Wielkopolska, Silesia (Lower and Upper), Łódzkie and Małopolskie are those which make Passauer so powerful. The Germans were quick to buy out the desired assets in the late 1990s and it was easier for them to wait out the economic slump. The last several years were also marked by increasing consolidations and mergers of publishing houses and newspapers. In 2007, a major project was launched which enabled Passauer to attain a position among the top press companies.

Verlagsgruppe Passau management has resulted in a severe marginalisation of regional dailies. Paradoxically, this might lead to the creation of new press on the local markets. The question is whether it is possible after years of expansion by foreign investors and their monopolistic tendencies. Will there be anyone brave enough to locate capital in such a risky business? A lot will depend on readers and their needs for news different from the presently available uniform version presented by the foreign investors.

⁷⁶ R. Filas named this period of time (2000-2003) a phase of growing media domination in the conditions of economic slump. Cf. R. Filas, *Rośnie dominacja mediów elektronicznych – nowa faza przemian polskiego rynku*, "Zeszyty Prasoznawcze" 2003, nr 3-4, p. 7-34.