

Zimbabwe: Cash crisis ruins newspaper sales

By [Dumisani Ndlela](#)

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The Zimbabwe Newspapers (Zimpapers) group has revealed that its newspaper titles have suffered significant sales losses due to an arduous cash crisis, devastating the country's newspaper publishing industry.

Newspaper sales have experienced a decline due to cash shortages. While the newspaper cover prices for the Zimpapers titles as well as the independent weeklies *The Zimbabwe Independent*, *The Financial Gazette* and *The Standard* have been reviewed upward almost weekly, cash withdrawal limits have not moved in sympathy.

Although the bank withdrawal limits were raised to Z\$1000 per day, this is hardly enough. Herbert Nkala, group chairman of the Zimpapers board, said in a briefing on the group's results for the six months to 30 June 2008, that consumers were using the little cash they had on important basic commodities, in the process affecting newspaper sales.

The low cash withdrawal limits, he said, had "put a strain on demand for our publications with our readers unable to buy them despite being affordable."

Nkala also pointed out that shortages of newsprint had resulted in limited supply of newspapers in the market and low advertising content.

Zimpapers, which is listed on the Zimbabwe Stock Exchange (ZSE), is controlled by government and has Old Mutual as the second largest shareholder.

It is the only publisher of daily newspapers - *The Herald* and *The Chronicle* - after a government ban on the independent *Daily News* whose sales had rocketed on the back of increasing pro-government coverage by the two state newspapers.

The state-controlled group also publishes five weekly newspapers as well as a number of monthly magazines.

"Cash shortages that gripped the country for the entire period affected our newspaper sales as consumers utilised the little cash available to buy food and to pay for transport."

"As a result of [these] challenges, capacity utilisation stood at 40% for the (newspaper) division. The division recorded an operating loss of Z\$1,967 quadrillion for the six months period," said Nkala.

To mitigate the effect of the cash crisis on newspaper sales, *The Financial Gazette* recently struck a deal with Innscor Africa's fast foods division, which will allow readers to make purchases using debit cards from Innscor's outlets.

The Financial Gazette and *The Zimbabwe Independent* are currently retailing at Z\$7,000. A reader would require seven cash withdrawals to buy the newspaper on the street.

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on dndlela@yahoo.co.uk

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