

## **Where the Web is a Mystery and the Newspaper is King; India's Millions Write New Chapter for Industry**

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Alfaj Ali smiles as another customer approaches his newspaper stand close to Kolkata's swarming central train station. "It's a good business," he says, passing over a copy of the Bengal Post and tucking the proceeds - about 2½ rupees or just over 3p - into a sock. "Every year I sell more. These days everybody wants a newspaper."

In other countries, the print news trade may be struggling as circulations fall and readers flock to the internet and television for news - but not in India. Here, the industry is enjoying explosive growth, propelled by rising literacy rates, a growing population and a red-hot economy expected to expand by more than 8 per cent this year.

New figures published this week by the Indian Readership Survey showed that the top five national daily newspapers had all gained readers at the end of 2010.

"It's a very good time for the industry," Varghese Chandry, senior general manager of the Malayala Manorama Group said. Malayala publishes a daily newspaper with 9.9 million readers in the southern state of Kerala. "Newspapers are going into virgin territory, places where distribution and printing facilities had not existed previously."

... India's economy is growing and people have more money to spend. The growth will continue."

India's bestselling title, the Hindilanguage Dainik Prakashan, gained an extra 120,000 readers in the last three months of 2010 to hold on to its No 1 slot with an average issue readership of 16.07 million people. Yet it is not only readership that is growing: since 2005, the number of newspaper titles in India has swelled by 40 per cent to 2,700, with most of the growth in new dailies and weeklies published in one of India's 29 regional languages with more than one million speakers. Bengali, for example, is the first language of about 250 million people, more than the number who speak Russian and twice as many as Japanese.

English-language papers, too, are enjoying rapid growth as aspirational readers seek to brush up their command of a language considered essential for entering business or politics.

The Times of India has an average readership of 7.42 million, making it the world's biggest-selling Englishlanguage newspaper.

With a total of 325 million readers, India's newspaper industry generated \$3.8 billion in sales last year, according to the World Association of Newspapers.

Moreover, according to KPMG that figure is set to rise by 9 per cent per year over the next four years to \$5.9 billion, helped by a rising literacy rate from a present 68 per cent

(compared with 99 per cent in the UK) and a rising population of 1.2 billion expected to increase by a further 100 million people by 2020.

Low cover prices, a fraction of those charged in the West, are a further draw. Mr Ali sells a copy of Dainak Bashkar, a Hindi title with a readership of 13.49 million, for two rupees, less than 3p. Buoyant advertising revenue, which grew by 30 per cent between January and March 2010 alone, helps to keep prices down.

So what of the internet? Mr Chandry, whose Malayala Manorama has gained 100,000 readers over the past six months, dismisses concerns about it being a threat to the printed newspaper: "In India the internet has not really affected circulation. The internet may be the future but not for a very long time."

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