

Uganda: Publishers increase newspaper prices

 By [Walter Wafula](#)

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Publishers of Uganda's most read newspapers will increase cover prices of their publications this July as they move to cushion their profits from rising production costs. On Tuesday, 28 June 2011, New Vision Printing and Publishing Company Limited (Vision Group), the publisher of *The New Vision* newspaper, said it would increase the cover price of the weekday newspapers from UGX1,200 to UGX1,500, on 1 July 2011.

The Monitor Publications, the publisher of the *Daily Monitor*, followed with a similar price announcement on Wednesday, while the *Red Pepper* said it would increase its cover price to UGX2,000 from UGX1,500. The weekend versions of the dailies have not been affected as their price levels were already within the new costs. Other affected papers include; vernacular newspapers such as *Bukedde* and *Kamunye* which are published by Vision Group and Red Pepper, respectively.

Surge in production and distribution expenses

Commercial executives from the publications attributed the increase in prices to the surge in production and distribution expenses of the newspapers such as newsprint, ink and fuel as well as the depreciation of the shilling - the local currency, against the US dollar.

"We have been forced into a situation where we need to increase the price of our papers, particular the English daily and *Bukedde*. This is because we are finding ourselves in an untenable situation where costs are increasing on a regular basis," said Tony Glencross, the Vision Group chief commercial officer told the *New Vision* on Monday.

The shilling has depreciated by 13% since January to as high as UGX2600 against the dollar on 28 June. The average cost of both petrol and diesel has gone by 38% to an average of UGX3,450 per litre from Shs2,500 per litre at the beginning of the year.

The cost of diesel has gone up by half the January price of UGX2,200 per litre increasing transportation costs in the country. "The cost of fuel has also recently escalated and newspaper transportation remains a key cost area of all newspapers," Brian Mukisa, the marketing manager, Monitor Publications said in the *Daily Monitor* on Wednesday.

The cost of a kilogramme of paper has gone up to UGX2,900 per kilo from UGX2,00, Emmanuel Bazooba, the chief circulation manager of the *Red Pepper* said in the newspaper on Wednesday.

50% cut in advertising

Decisions by the publishers to increase their cover prices will closely follow the 50% cut in advertising budgets of the Uganda government by Maria Kiwanuka, the minister of finance. The minister made the announcement while presenting the nation's 2011/12 financial year budget that comes into effect on 1 July 2011. The slashing of government advertising budget in addition to a 30% cut in allowances enjoyed by civil servants, is expected to save the state UGX40 billion, according to the minister.

By increasing their cover rates at the start of the new financial year, Uganda's publishers appear to have moved to plug the gap that could be opened by the reduction in revenue from the government. In addition to increasing cover prices, some of the publishers have also increased their advertising rates a move that might cushion them against the government action.

The price increments will be detrimental to newspaper consumers' especially individual buyers whose pockets are already overburdened by price increments of almost all products in the country. Uganda's inflation surged to 16.1% in May - the highest since 1994, up from 11.1% in April 2011 on the back of high food and fuel prices.

ABOUT WALTER WAFULA

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