

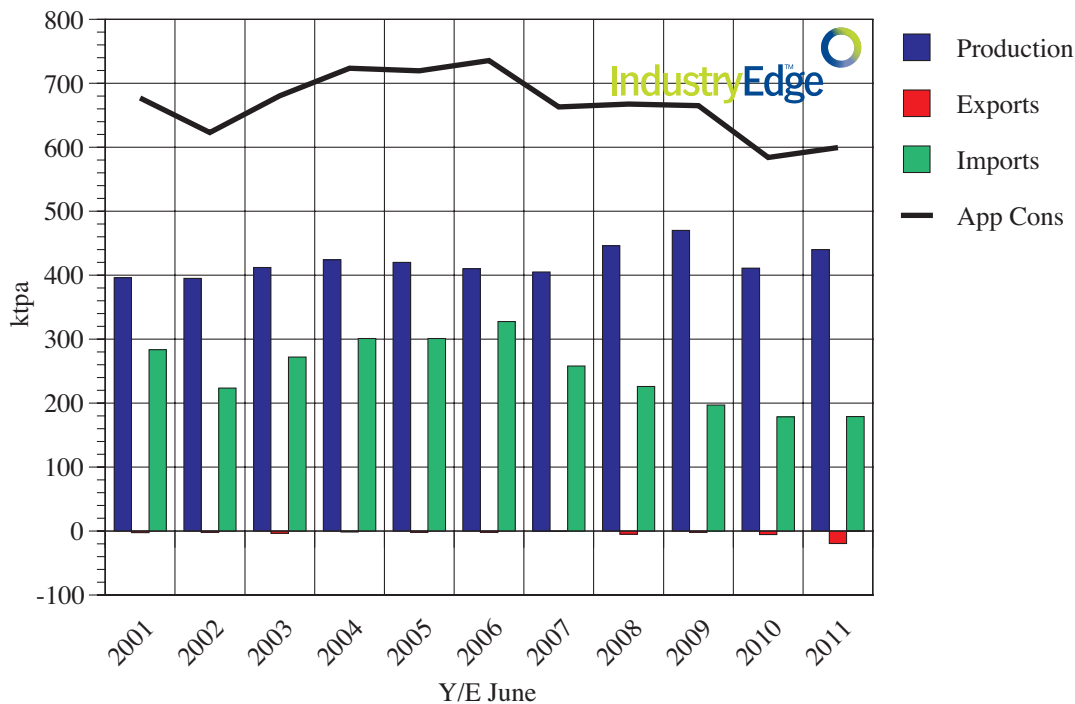
NEWSPAPERS DEFY PREDICTIONS AND TRENDS

In Australia at least, consumption of newsprint demonstrates that newspapers remain a mainstay of news and information services.

Around the world, some newspapers are closing and the business model of 'print only' is under pressure from the immediacy of digital news services and the prevalence of social networking. Deep retail discounting, and the switching of an increasing proportion of advertising to other, especially non-print media, are also part of the picture.

Yet, as the following chart shows, total newsprint consumption is more or less the same as a decade ago.

APPARENT CONSUMPTION OF NEWSPRINT IN AUSTRALIA: 2001 – 2011 (KTPA)



Source: ABS & IndustryEdge research and estimates

Over the course of the last 10 years, consumption of newsprint (which is used exclusively for newspapers and rarely substitutes into other printed products) declined by just 1.2% per annum, and in the most recent year (2010-11), there was a rise of 2.7% on the previous year.

This data might appear to be counter intuitive because it contradicts the 'noise' that suggests the days of printed newspapers are numbered.

Matching this newsprint consumption with the number of newspapers being sold tells a slightly different story. Recent reports of declining newspaper sales are for very short timeframes and should therefore be analysed with great caution. The longer term data on newsprint consumption tells a different story and one that is far more positive for newspapers than most people would expect.

Further details are analysed in the Pulp & Paper Strategic Review 2011 Edition, the most up-to-date and comprehensive source of information on pulp, paper and board products available in Australia and New Zealand. IndustryEdge will publish the 18th annual Pulp & Paper Strategic Review in October 2011.

IndustryEdge also publishes the monthly Pulp & Paper Edge market intelligence report and provides an ongoing subscription based data service of pulp, paper and board products trade in Australia.

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