

For information
on 27 November 2000

Legislative Council Panel on Economic Services

Price increase of newspapers

Purpose

The purpose of this paper is to respond to a LegCo Member's request for information on the recent price increase of newspapers.

Price increase

2. On 18 October 2000, 12 Chinese-language newspapers increased their prices by \$1. They did not – and did not have to – notify any Government department of the increase. In the announcements published by individual newspapers, they explained that :-

(a) their prices had remained unchanged for some years, with some stating their last price revision to be on 1 October 1994; and

(b) the price increase was due to the increase in production cost, with some stating in particular the increase in price of paper.

3. According to some press reports, the price increase was the result of discussions among the newspapers concerned. This is borne out by the reference, in some of the newspapers' announcements, to "a common decision among members of the industry" 「經同業公議」.

4. After the price increase, the prices of 17 major Chinese-language and English-language newspapers in active circulation are as at Annex.

HAB's views

5. With 47 registered newspapers (including the 17 referred to in the preceding paragraph), there is keen competition in the newspaper

industry. Though the price-setting among the newspapers concerned increases the cost for purchasers, consumers still have a choice in terms of price (as price differentials continue to exist) and more importantly, in terms of contents (with each newspaper differing in coverage of particular types of news, editorial style and special columns).

6. There has been little public reaction to the price increase. On the other hand, a price-cutting war between some newspapers in the past gave rise to worry in the community about some newspapers being driven off the market and thus, reducing the choice of consumers.

7. As the newspaper industry is very much a free market with consumers having a wide choice, there is no ground for the Government to intervene in its pricing. Any such intervention might spark off worry about infringement of press freedom.

Home Affairs Bureau
November 2000

Annex

The following newspapers increased their price w.e.f. 18 October 2000:

<i>Newspaper</i>	<i>Name in English</i>	<i>New price</i>	<i>Old price</i>
蘋果日報	Apple Daily	\$6	\$5
東方日報	Oriental Daily News	\$6	\$5
信報	HK Economic Journal	\$6	\$5
香港經濟日報	HK Economic Times	\$6	\$5
明報	Ming Pao Daily News	\$6	\$5
星島日報	Sing Tao Daily	\$6	\$5
文匯報	Wen Wei Po	\$6	\$5
香港商報	HK Commercial Daily	\$6	\$5
新報	HK Daily News	\$6	\$5
大公報	Ta Kung Pao	\$6	\$5
公正報	HK Globe	\$6	\$5
太陽報	The Sun	\$5	\$4

The following newspapers did not increase their price on 18 October 2000:

<i>Newspaper</i>	<i>Name in English</i>	<i>New price</i>	<i>Old price</i>
成報	Sing Pao Daily News	\$5	\$5
中國日報	China Daily	\$5	\$5
A 報	A Daily	\$3	\$3
南華早報	South China Morning Post	\$7	\$7
	iMail	\$6	\$6