<u>Press release: New review launched of press sustainability in the UK</u>

The UK has always benefited from a strong, well established and diverse press sector. However over the past decade the way in which people consume news has been transformed.

Many UK newspapers have a strong online presence but falling print circulations and changes to advertising trends have caused the press sector to experience declining revenues. Latest figures show that around two thirds of local authority areas don't have a daily local newspaper.

The review will investigate the overall health of the news media, looking at the range of news available and how the press is adapting to the new digital market — including the role and impact of online platforms such as Facebook and Google, and the digital advertising supply chain.

DCMS Secretary of State Matt Hancock said:

Robust high quality journalism is important for public debate and scrutiny — but as print circulations decline and more readers move online, the press faces an uncertain future.

This review will look at the sustainability of the national, regional and local press, how content creators are appropriately rewarded for their online creations, and ensure that the UK has a vibrant, independent and plural free press as one of the cornerstones of our public debate.

A key focus of the review will be the local and regional press, who face an uncertain future. The review will also assess the operation of the digital advertising supply chain including funding flows and its role in creating or reducing value for publishers. It will also look at 'clickbait' and low quality news and if there is more that can be done to tackle this issue and undermine any commercial incentives associated with it.

Also within the review's remit will be an examination of how data created or owned by news publications is collected and distributed by online platforms.

A panel of experts will be appointed in the coming months to lead the review.

As well as identifying challenges, the review will make recommendations on what industry and government action can be taken, with a final report expected in early 2019.

David Dinsmore, News Media Association chairman, said:

The NMA welcomes this announcement today on behalf of the national, regional and local news media industry. This review acknowledges the importance of journalism in a democratic society, the vital role that the press takes in holding the powerful to account and producing verified news which informs the public.

Viable business models must be found that ensure a wide variety of media are able to have a long and healthy future. Through digital platforms, news content is more widely consumed than ever before but the revenues to sustain the investment in that quality content are challenged. This review on a sustainable future is very welcome.

Notes for Editors

- Recent estimates suggest that current average annual revenue per digital media user is only c.f15, compared to c.f124 per print media user: <u>"UK</u> News Media: an engine of original news content and democracy — A study on the economic contribution of the UK news media industry", Deloitte, December 2016
- 2. An estimated two thirds of Local Authority Districts in the UK now not served by a local daily newspaper: "Monopolising local news: Is there an emerging local democratic deficit in the UK due to the decline of local newspapers?", Gordon Ramsay and Martin Moore Centre for the Study of Media, Communication and Power, May 2016
- 3. Panel members are yet to be decided and will be made up of individuals with experience in some of the core sectors under review, bringing a range of voices and expertise to the process.
- 4. The review will not address politically motivated disinformation and propaganda.