

Determining the Timely Reach and Circulation Figures of the Newspapers for the Year 2018



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Bhutan InfoComm and Media Authority
Royal Government of Bhutan

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List of Abbreviations

BICMA	Bhutan InfoComm and Media Authority
MoIC	Sub-District
DoIM	Department of Information and Media
BBS	Bhutan Broadcasting Station
RGoB	Royal Government of Bhutan

Definition

Dzongkhag	District
Dungkhag	Sub-District
Thromde	Municipality

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EXECUTIVE SUMMARY

Bhutan InfoComm and Media Authority (BICMA), hereon referred to as the Authority, is required to carry out annual circulation audit of all the publishing newspapers as per the Information, Communication and Media Act of Bhutan 2018. The audit is done in order to ascertain the circulation numbers, the timely reach and the presence of the newspapers in the country.

The report provides a comprehensive audit and study of the circulation numbers and the timely reach of the newspapers in various parts of the country for the year 2018. The audit of the circulation numbers was carried out by Ugyel Consultancy to corroborate and assess the circulation, distribution and non-distribution figures that were provided to the Authority by the newspaper firms. During the process of the audit of the circulation figures, a situational analysis and discussion of the ground reality for the circulation and distribution of print media in the country was also conducted.

The approach and methodology adopted for the audit of the circulation figures, timely reach and reach of papers in various Dzongkhags and Dungkhags were both qualitative and quantitative. The quantitative approach included a questionnaire for the survey and field visit. In order to achieve the objectives and to collect data from the newspapers, distributors and printers, three separate questionnaires were designed in May 2019 seeking data on their newsprint runs, circulation, distribution network, income and expenditure. The qualitative approach was mainly desk job, where all the data was collected from the Authority and the publishers and compiled so as to be able to corroborate the data for analysis. The report furthermore took into account the various terminologies and definitions prescribed by the Circulation Audit Guidelines for Publications to ensure that the meanings and understanding of various definitions used in the print industry were not misinterpreted or misunderstood.

Results from the study show a downward trend in both print and circulation numbers in recent years for most newspapers, with some newspapers showing a decrease of more than 50% in the number of print runs between the years 2013 and 2018. For most private papers, the prints numbers have stabilised at 1200 copies per issue, with the only national language paper printing

only 600 copies every week. At the time of the study, Gyalchi Sarshog, the last Dzongkha newspaper closed down its operations in May 2019. Kuensel is still the largest newspaper in the country, despite a downturn in its print and circulation numbers.

The study also clearly shows that majority of the newspaper do not have coverage and presence in most Dzongkhags, with some papers only covering 4 Dzongkhags. The Bhutanese is the only newspaper with nationwide guaranteed reach in print distribution. Though there is regular dispatch of newspapers from Thimphu, most of the consignments were found stockpiled at bus terminals and never reach the agents. For the consignments that do arrive, it was found to reach within the stipulated time, except for few far-flung Dzongkhags like Samdrupcholing, Samdrup Jongkhar and Lamoizhingka, Dagana.

The heavy reliance on the public transport and bus drivers and agents, who do not understand the time factor in the newspaper business have also exacerbated the situation further. There is a lack of communications in the entire supply chain; between the publishers, agents and the bus drivers. This total lack of feedback and readjustment of consignments have led to a distinct trend in the country; the print numbers and distribution numbers are not proportionate to the sales numbers. Thus, the dispatched numbers and coverage are not a true indication of the circulation numbers since most of the consignments were found stockpiled at bus terminals or unsold with the agents.

An important finding was the increase in use of mobile communications in sourcing and spreading information instantaneously and freely by every member of the society, whereby the sales of newspapers are severely affected. This widespread adoption of mobile technology, high mobile data network penetration in the country, freely accessible online content and a changing demography of consumers meant that most newspapers have begun adopting online and social media approaches to capture readership. Most of the newspapers promote sales through e-circulation, and share their PDF versions with their e-subscribers via emails. It was found that these PDF versions were then freely shared on social messaging apps, thereby removing the need to purchase the print copies.

However, the small number of reported sales for the most rural Dzongkhags were found to be all made up of these guaranteed institutional sales to schools, colleges, institutes and government offices, and very rarely accounted for retail sales. It was also noted that promotional activities to create visibility by the publishers were found to be lacking in all the Dzongkhags, except for Kuensel that distribute advertisement signboards to their agents.

There is high incidence of newsprint wastage throughout the 20 Dzongkhags. The stockpile of undistributed and unclaimed newspapers in bus stations, and the lack of sales clearly indicate newsprint waste at and over 90% for all the publishers. Kuensel require their agents to retain the cover strip with the masthead and issue number for accounting purposes and leaves the rest to be utilized on the agents' discretion. For the other publishers, the agents use their own discretion to either repurpose the paper or sell it as scrap once the newspaper becomes a back issue.

A financial analysis was performed on the 2018 calendar year financial data for all the newspapers, although the financial data provided was limited and have not been verified or audited for the purpose of this analysis. It was concluded that most of the newspapers show negative profit margins. Overall, the combination of low circulation and sale numbers coupled with a lack of print readership has led to sustainability issues for all the private papers.

1. INTRODUCTION

Bhutan's rugged and mountainous terrain, coupled with a scattered and dispersed human settlement, has brought about many challenges when delivering services to its people. The situation is more complex for the media industry in general. In the wake of these challenges, the print media industry has to deal with its own unique set of problems in its endeavour to achieve wider circulation and timely reach.

The launch of the Bhutan Broadcasting Station (BBS)-television in 1999 brought information to the furthest corners and enlightened the nation. However, the Bhutan Living Standard Report (BLSR), 2017¹ states that only about 70% of the households have television connections, still leaving about 30% of the population in the "news desert". "News desert" is a concept where majority of the population, particularly in the rural parts of the country, were unaware of the happenings in the rest of the country. The situation is compounded by the twin difficulties of an un-conducive transportation network and the unique nature of newspapers to remain valid, achievable only through timely delivery.

In recent times, the widespread adoption of mobile communications technology coupled with the high mobile data network penetration in the country, has brought about a new set of challenges for the print media to stay relevant in the modern age, where content and news are expected, not only fast and instantaneously, but also free.

The Royal Government of Bhutan (RGoB) has recognised the phenomenon globally known as, "the death of the print media" and has addressed it over the years with print subsidies, training workshops to improve the quality of journalism etc. Contrary to these mitigating efforts of the RGOB, the effort of the newspapers to have print coverage in all 20 Dzongkhags and Dungkhags, without taking into accounts the lack of readership in these places, is adversely affecting their sustainability.

¹National Statistical Bureau, Bhutan, <http://www.nsb.gov.bt/publication/files/pub2yo10667rb.pdf>

To study the sustainability and financial performance of the individual newspapers, a financial analysis was conducted on the audited financial statements of these papers that were provided by the Authority. Based on these statements, Kuensel was the only newspaper that showed a net profit margin. Moreover, Kuensel was also the only newspaper that had a positive debt to equity ratio and a healthy cash runway, thereby indicating that Kuensel was the only newspaper that had more assets than liabilities.

2. THE PRINT MEDIA LANDSCAPE IN BHUTAN

The information and media environment in Bhutan have undergone unprecedented changes in the past decade with the government's liberalization policy of the information and media markets, in particular, newspaper, cable television and radio.² Prior to this, Kuensel was the only newspaper which was founded in 1967. It remained the only paper till 2006, when two private newspapers were founded: Bhutan Times became the first government authorized privately owned newspaper, and later that year Bhutan Observer, a rural centric paper, also began publication. In 2008, the first privately owned daily newspaper in English, Bhutan Today was

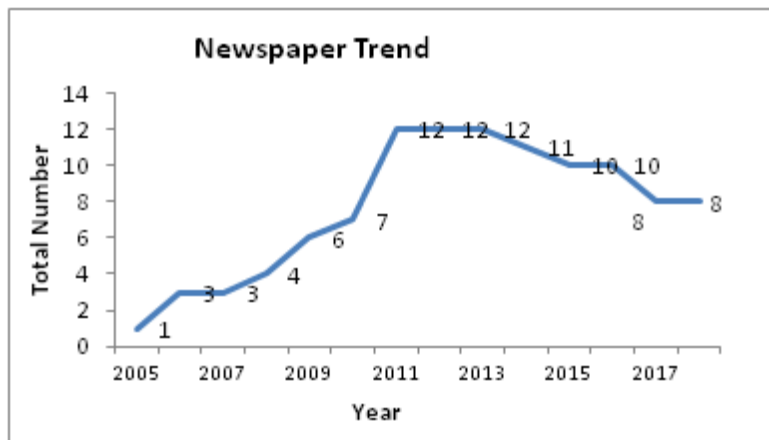


Figure 1: Newspapers trend over the years

launched, and by late 2009, the nation's first financial newspaper, Business Bhutan, began publication. The country continued to see an increase in the number of newspapers, contrary to the global trend which was experiencing a sharp decline in the number of newspapers as an effect of the change in news consumption and various other online competitors on the internet. The increasing trend continued despite the various challenges that the media faced, such as the lack of media professionalism, difficult access to public information, unbalanced and urban-biased coverage and limited media literacy³. By 2012, print media had mushroomed from 4 newspapers in 2008 to 12 newspapers. All these newspapers relied on government advertisements for approximately 80 percent of their income⁴.

The development of the Draft Guidelines for Government Advertisement in 2012 and the decline in government spending on advertising, which amounted to a staggering drop of 32% between

²Media Impact Study 2013, MOIC.

³Bhutan Information and Media Impact Study, 2013 and Media Development Assessment, 2010

⁴Media Baseline Study, 2012 Bhutan Media Foundation

the years, 2012 to 2013⁵, reversed the trend with the closure of some newspapers. By 2018, there were only 7 licensed newspapers, including Kuensel. At the time of the study, Gyalchi Sarshog, the last national language newspaper, shut its operation in May 2019.

In addition to the decrease in advertising revenue from the government, the newspapers witnessed a continuous decline in the reported circulation numbers brought about by the

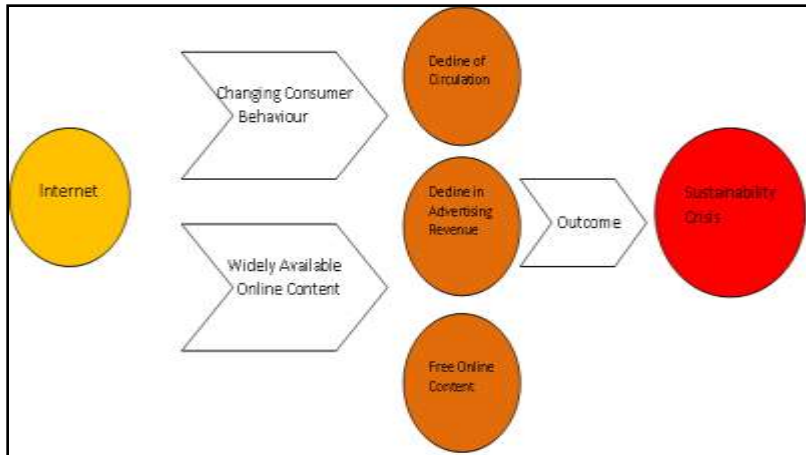


Figure 2: Diagram displaying the problems leading to sustainability

pervasiveness of television and radio, which were still the most reliable source of news and entertainment for the rural masses⁶. The proliferation of mobile smart phones and the pervasiveness of the mobile internet network in the country brought about a new set of challenges for the

print media, where changing behaviour meant that the consumers demanded for instant and free news. Again, being a mountainous country with a verbal history for communication and news consumption, the situation was aggravated for the print media with most of the people relying on various social platforms such as WeChat, Facebook etc. for consuming local news and gossips. Sharing of the soft copies of newspapers via these social media platforms only made a bad situation much worse for the sales and circulation of the printed newspapers.

⁵ Private Newspaper Study: Proposed Strategy to Over the Crisis, QED Group, 2014

⁶ Media Development Assessment, 2010

3. SCOPE OF THE STUDY

3.1 Objectives of the Study

The objective of the study, as defined in the terms of reference (TOR), is to carry out an independent review on the performance of the seven licensed newspapers in the country. The review would include, but was not limited to the following:

- a. Auditing and securing the accurate circulation figures by verifying and validating the circulation figures as claimed by the individual newspaper; both printed and circulated record.
- b. Verifying and validating the financial performance of the individual newspapers.
- c. Determining the timely reach of the individual newspaper.

With the stated objectives, the scope of the study would then be as follows:

- a. Review and validate the circulation figures, both printed and circulated copies by:
 - checking the print and sales for each issue and mode of distribution
 - checking and validating the status of actual unsold copies returned by the sales agent/distribution centres to determine the newsprint wastage (if any)
- b. Review the financial performance (revenue and expenditure) of the newspapers including the sustainability of the newspaper publishers.
- c. Review and validate the reach claimed by the individual newspapers.
- d. Determine the timely reach of the newspapers in all Dzongkhags and Dungkhaq headquarters and thromdes.

3.2. Limitations of the Study

This independent review on the performance of licensed newspapers was done by determining the timely reach of newspapers nationwide and validating the circulation figures of these publishers by conducting field visits and interviews of agents in the 20 Dzongkhags and Thromdes, as prescribed in the TOR. This field visits and interview of agents were conducted

over a period of two months and took place from April – June 2019. The assignment was conducted to verify the circulation numbers and sales of the 7 publishers for the year 2018. The study takes into account circulation numbers, without the subscription numbers of the publishers. It was found that most publishers handled subscriptions directly and to locate and verify their subscribers scattered all across 20 Dzongkhags was difficult. The circulation numbers take into account the institutional sales and over the counter sales of the agents.

The inherent challenge during the verification was the lack of bookkeeping by the various agents which potentially posed a serious problem to using the data collected during the two months of the assignment and applying it for the whole year of 2018. To counter this problem, complete cross-check of circulation data obtained from the Authority, the publishers and with additional onsite verification of these numbers with the agents was conducted. Once we were able to determine that the circulation numbers have remained same or relatively stable for at least the past year, we applied it to the audit. We also relied on the data obtained from the Authority and the publishers when it was felt that the data from the agents was deficient.

The agents were capable of only rudimentary bookkeeping and accounting, as most of them were found to be illiterate. Therefore, it was challenging for the some of the distributors trying to ascertain if the reach was for current issues or back issues, as most distributors do not have the capacity to keep track of the daily or weekly consignments. They were only able to indicate the number of copies they received for circulation for a specific time duration. However, the distributors could not account for the number of consignments sent by the publishers that got lost during transfer. It was found that the copies not delivered to the agents were left at bus stations around the country, though these consignments were not allowed to be opened for verification due to fear of incurring cost of the entire consignment by the publishers (in case of accounting). Some of the consignments are also lost, but nobody can account for the exact number. For such cases, the consultants resorted to corroborating the numbers furnished by the Authority, the publishers and printers with that of the sales and unsold numbers.

Sometimes the field visits coincided with a number of shops being closed at that particular time, or the names of these agents did not tally with the names provided by the publishers, and locating these agents proved difficult, and in some cases, futile, as some businesses were closed down for

good. At such times, the verification of agents themselves, and the distribution and circulation of newspapers was not possible. However, in order to maintain uniformity and consistency, the enumerators ensured that all the agents in remote Dzongkhags were interviewed when located.

4. METHODOLOGY

The approach and methodology adopted for “Determining the Timely Reach and Circulation Figures of the Newspapers for the Year 2018” were both quantitative and qualitative. The quantitative methodology was done by conducting a survey and field visit to distributors in all the Dzongkhags, the printing presses in which the newspapers printed their papers and the publishers. Both the questionnaire design and survey were carried out by the consultants to ensure a well-rounded approach to interviews, and to include qualitative findings that are unique and interesting.

The qualitative methodology employed was to research all relevant documents and study research papers relevant to the study. The research also included various documents and data that were available with the Authority. The data collected were used as a reference during the analysis for the survey data. In addition to the desk research, a semi-structured interview and discussion with the publisher was also conducted to obtain insights, facts and perspectives to analyse the data.

4.1. Questionnaire Design

Questionnaires were designed to achieve the objectives of the study such as the timely reach, the circulation figures, returned copies and the sustainability of the newspapers. In addition to the objectives, the questionnaire was also designed to be able to gather information on the coverage and sales of the newspapers. All the information gathered would then be used to achieve the objectives of the study.

The questionnaire designed was mainly closed-ended to ensure that the answers were more specific rather than open-ended answers which generally lead to misinterpretation of the data gathered. The sample of the questionnaire is given in Annexure-A. In order to field test the questionnaire, a survey was first conducted in Trashigang to ensure that the questionnaire was properly designed to be able to get all the data necessary for analysis. After the field test survey, the feedbacks were then incorporated and the questionnaire was redesigned.

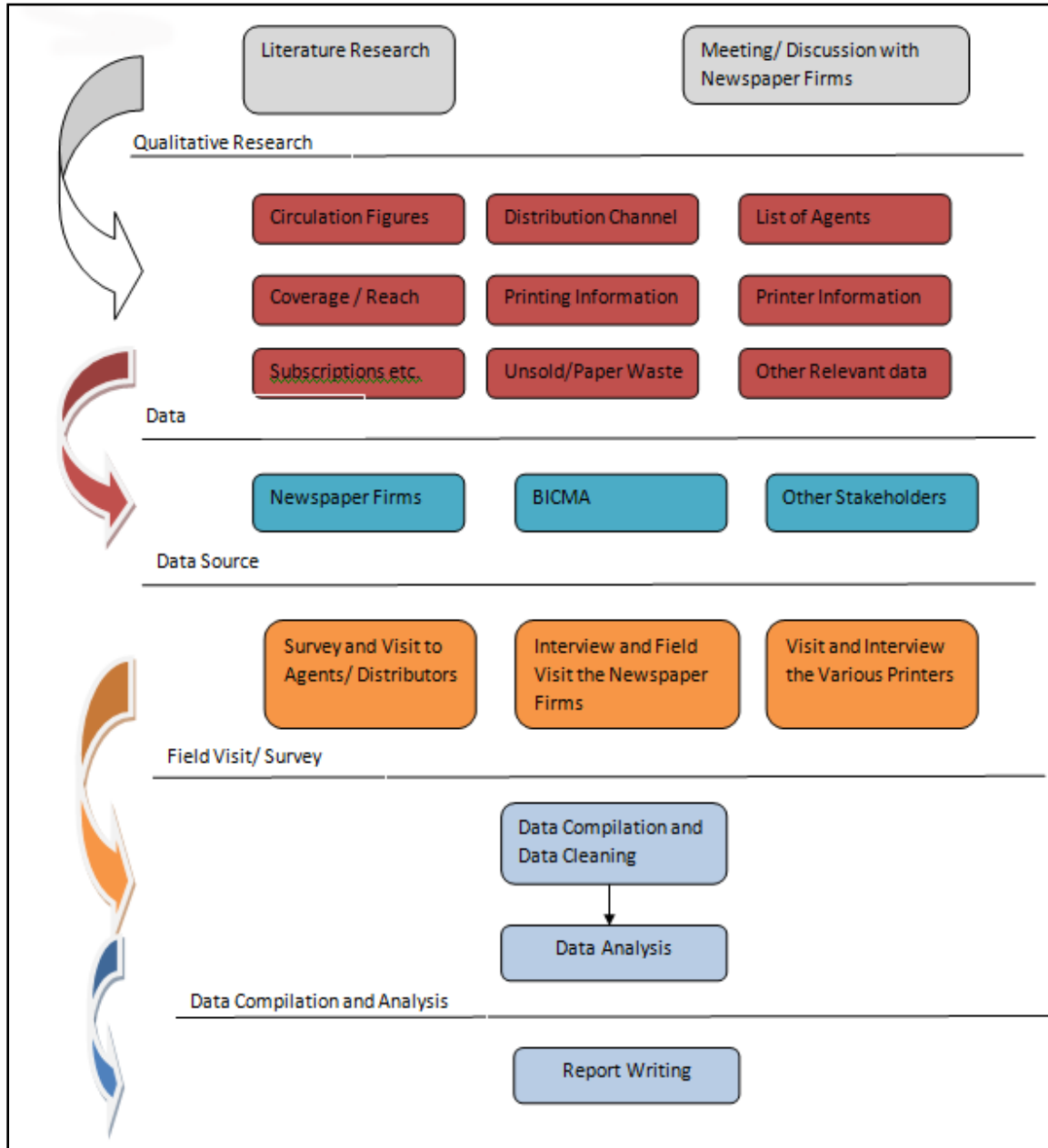


Figure 3: Description of Methodology

4.2. Survey and Discussion with Publishers

The field visit to the Publishers was done two times during the course of the study:

- i. The first was to get the list of the circulation figures, distributors/agents for the Dzongkhags and the printer information.
- ii. The second was filling out the questionnaire for the distributors to gather relevant data to achieve the objectives of the study. In addition to the questionnaire, a semi-structured interview and discussion was also done with the publishers to obtain perspectives, insights and facts relevant to the study.

The list of Publishers included all the active print media houses which are listed in Annexure-B.

4.3. Field Visit and Survey

During the field visits, the lists of distributors obtained from the publishers were used for the survey and interviews. After determining that number of agents for each Dzongkhag and Dungkhangs were few, it was decided that the field visits and survey would cover all the distributors outside of Thimphu, which has the highest number of distributors. With regard to Thimphu, the selection of the distributors was based on the following criteria:

- i. Thimphu Core – this included the distributors in the main core area in Thimphu town.
- ii. Probability of high sales – these included distributors that had a probability of high sales due to the high traffic of customers, even without shops, viz. the vegetable market in Thimphu town.
- iii. Probability of low sales – this included the non-core areas such as outskirts of Thimphu town.

The survey was then conducted based on the questionnaire that was designed.

4.4. Field Visit to Print House

Having obtained the list of printers from the publishers, a field visit and a survey with a questionnaire were conducted to gather all relevant data such as print runs, schedule of printing,

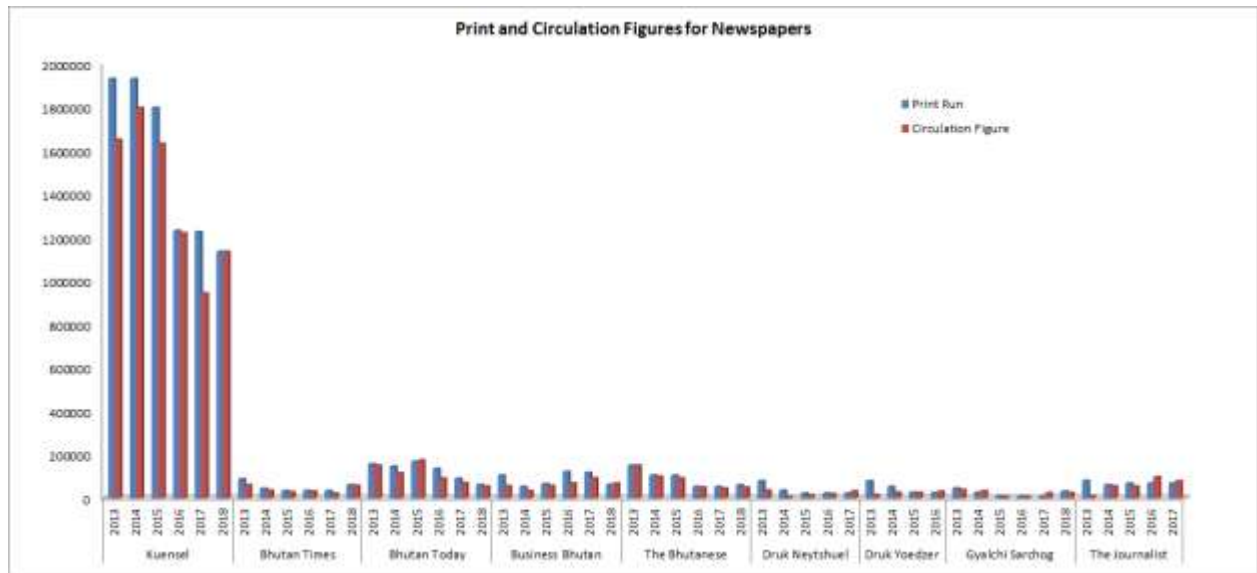
printing cost, pickup and delivery of the printed issues. Additionally, the field visit was also used to obtain other useful insights such as the audit of the print runs etc.

5. FINDINGS

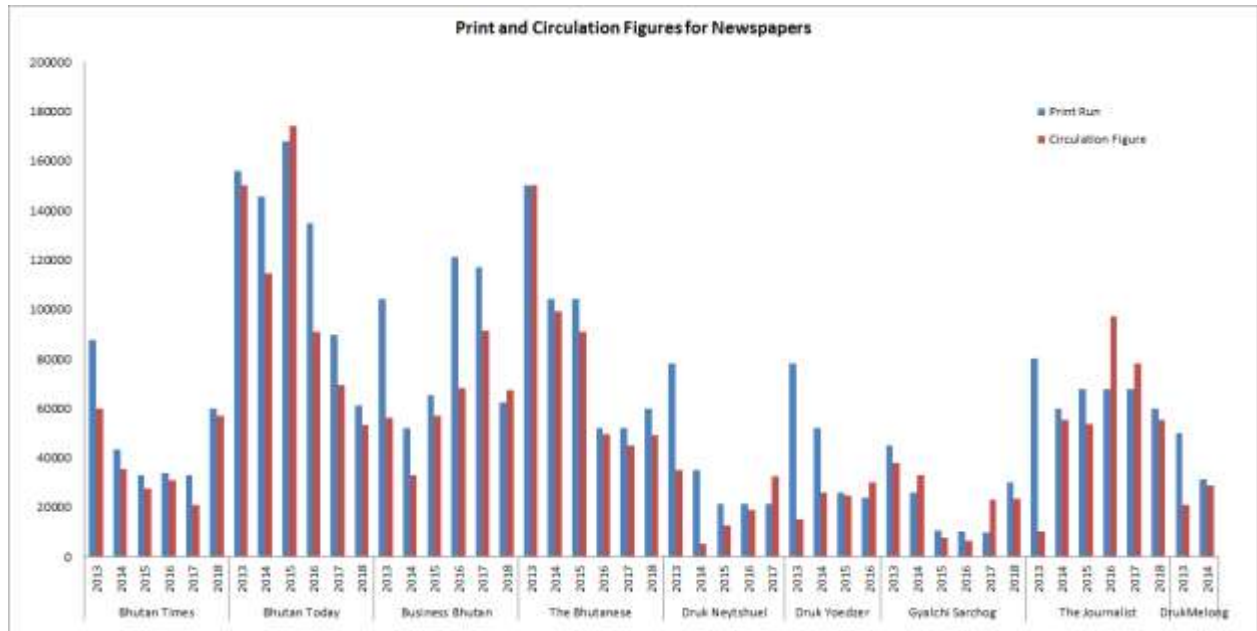
In this section, the key findings from the field visit and survey to the Dzongkhags and Dungkhangs is discussed. An in-depth analysis of the findings is done in section 7 of the report.

5.1 Decline in the Circulation Numbers

The graphs 1 and 2 show the print and circulation figure year on year from 2014 until 2018, compiled from the data that was submitted to the Authority by the publishers. The graph 2 represents that same data without the data of Kuensel, which being a daily paper, dwarfs the numbers of other papers.



Graph 1: Graph displaying the decline of print and circulation for newspapers



Graph 2: Graph displaying the decline of print and circulation for newspapers (excluding Kuensel)

The graphs 1 and 2 give a clear indication of the downward trend in both print and circulation numbers in recent years for all the publishers, with the exception of Business Bhutan which shows a gradual increase in both the print and circulation number between the years 2014 to 2017. Though, for the year 2018, Business Bhutan too follows the trend of other newspapers, showing a decrease in the both their print and circulation numbers. For all the publishers with the exception of Kuensel, Business Bhutan and the Journalist, there is a decrease of more than 50% in the number of print runs between the years 2013 and 2018.

From the graph figures, the Journalist shows higher circulation numbers than the print runs for the years 2016 and 2017. This can be attributed to the fact that the circulation numbers may have reflected both the print and e-copies for The Journalist. It may be the case of the other papers, but the data is only apparent for The Journalist. The inconsistency in the data is discussed in detail in the subsection *Data Records*.

5.2 Print and Circulation of Newspapers

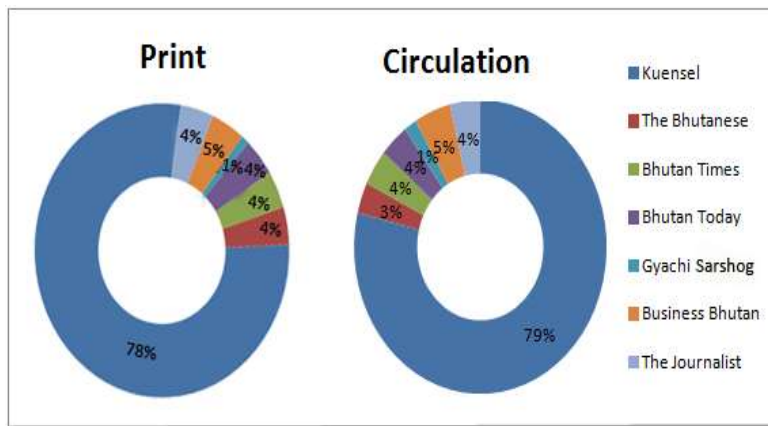


Figure 4: Print and Circulation Figures for the Year 2018 (percentage)

The figure 4 displays the print and circulation numbers in both a donut chart and tabular form from the data that was compiled by the Authority. Kuensel is by far the largest newspaper in the country, dominating both in terms of print volume and circulation numbers. The

circulation numbers submitted may be/is inclusive of both print and e-circulations numbers.

5.2.1 Print

Both Gyalchi Sarshog and Kuensel Dzongkha edition⁷ has the lowest print numbers with only 600 copies per issue, while all the other private newspapers have similar print numbers at and over 1200 copies for the year 2018. The reason behind the similar print numbers for most private papers is due to the print subsidy provided by the government to the private newspapers, which subsidizes printing cost of 300 copies for Dzongkha and 600 copies for English newspapers. The Authority set the minimum print numbers for every publication at 600 copies for Dzongkha newspaper and 1200 copies for English newspapers in April 2018. The print subsidy from the government is for a period of two years and was applied from July 2018.

Kuensel, as the only daily newspaper⁸, has the highest print runs as it prints 260 issues of both English and Dzongkha for a year and prints 51 issues of their Saturday paper for both languages. For the private newspapers, it was found that they all had a print of 50 out of 52 weeks for 2018. Individually Kuensel prints, on average, 3000 copies for English and 600 copies for Dzongkha.

⁷ Kuensel Dzongkha daily and Saturday issues are 600 copies each.

⁸ Kuensel is daily paper, with no print on Sunday.

5.2.1.1 Printing Cost

The cost of printing is comparatively higher for Bhutan when compared to its neighbour in the south, and this is mainly due to the high cost of import and transport of raw materials. As the cost per paper depends largely on the total number of print runs, the cost per paper was found to vary between the newspapers depending on the number of copies. The printing cost for Kuensel differs as it has two daily as well as two weekend⁹ issues with rates ranging from Nu. 8.00 to Nu. 19.50. For the private newspapers, the printing cost for 1200 copies was verified to at Nu. 14.80, 1500 copies at Nu. 15.75 and 600 copies at Nu. 20.00.

Total Print Copies	Printing Cost per Paper (in Nu)
600	20.00/14.80/19.50*
1200	15.75
1500	14.8
3000	08.00/ 12.50*

**Cost for Kuensel Saturday issues*

Table 1: Cost of Paper

5.2.2. Circulation

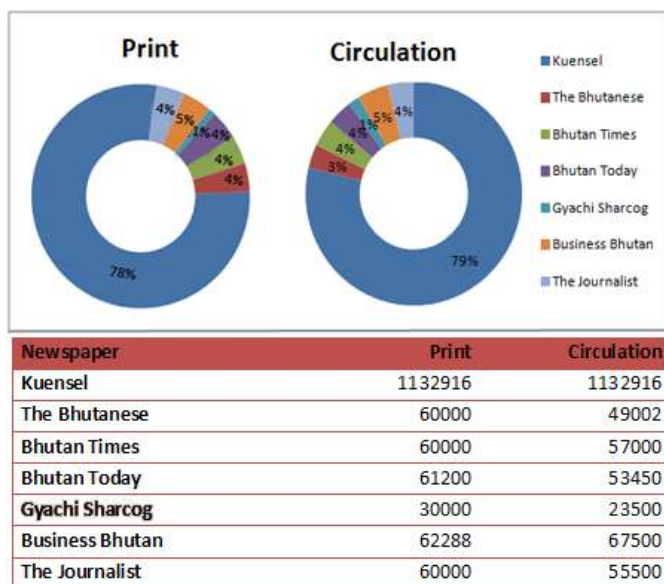


Figure 5: Print and Circulation Numbers

As per the data, it was found that the circulation numbers and the dispatched copies for distribution is the considered the same. Kuensel reports exactly the same print and circulation numbers, while Business Bhutan reports over 5000 copies more circulation number than their print numbers. As shown in figure 5, Kuensel dominates circulation over the other private papers. It also indicates that approximately between 4500 – 11,000 copies are not circulated

⁹ Saturday issue for both Dzongkha and English.

annually by the private newspapers.

5.2.2.1 Circulation Cost

The cover price of most English papers is Nu. 10.00 while for Dzongkha papers, it is Nu.5 and Nu.10 for Kuensel and Gyalchi Sarshog respectively. The bus charges for the transportation of consignments can range from Nu.75 to Nu.200, depending on the size of the packages.

5.2.3 Audit of the Circulation Numbers of Newspapers, Printed and Circulated

In order to audit the printed and circulated numbers, the data was collected from both the distributors and the printers. These numbers were then cross-checked with the records that were submitted to the Authority and was found that it tallied with the numbers that were recorded during the field visit. However, for those newspapers whose presence was not found in the Dzongkhags, the circulation numbers could not be audited. Even though the newspapers have physical reach, the information gathered from the field shows that there was no circulation of the print copies in the communities.

5.2.3.1 Printers

The majority of the publishers, with the exception of The Journalist, used Kuensel printing press for printing their weekly issues. The Journalist prints most of their issues in-house and uses Kuensel only for emergencies caused due to technical problems with their own printing press. Kuensel printing press, as a state-owned company, maintains proper records and it was found that the numbers for print runs tallied with the numbers submitted to the Authority by the publishers. In the case of The Journalist, it was found that for the emergency print runs at Kuensel, the print numbers tallied as well.

It was also found that the print numbers for the private newspapers do not fluctuate for regular issues and remains stable at 1200/1500 copies for English and 600 copies for Dzongkha. However, during interviews it was noted that that print numbers and pages do go up during issues that coincide with important dates and events. Both the printers' and the publishers' record do not reflect such fluctuations either through increase in numbers or cost.

5.2.3.2 Distributors

During the field visits and consultations with the distributors, it was found that most of the subscriptions are handled directly by the publishers, and these agents only conducted institutional and retail sales. Since it was difficult to locate and verify subscribers scattered all across the country, the study only takes into account circulation numbers of the agents. The records with the circulation numbers were verified with the number the distributors received and it was found to tally. Though the agents, who were mostly illiterate and unable to keep track of

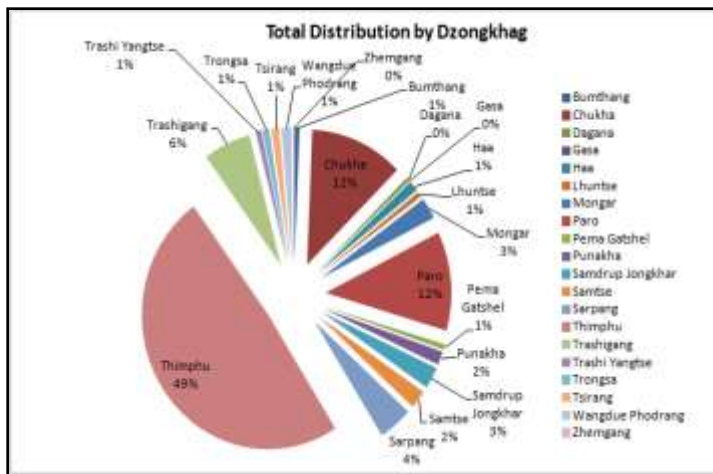


Figure 6: Total Distribution by Dzongkhag

the issues, were still able to indicate the number of copies they received for each consignment. Further, as per the records shared by the publishers, the number of copies for other agents in rural Dzongkhags are very small, mostly ranging from 5 copies to a maximum of 40 copies.

Further, the number of agents in the regions are far less, with some localities registering only one agent, than the urban towns. The agents in the urban towns, like Thimphu and Paro, each received the highest number of all the newspapers.

It was found that most dzongkhags had zero circulation of the print copies through their respective agents, which was evident by uncollected, unopened and unsold copies found in every Dzongkhag and the sales records.

5.3 Coverage

A recurring challenge during the field visit was the difficulty in locating the agents and their shops. During the survey, it sometimes coincided with shops being closed at that particular time, or the names provided by the publishers did not tally, and in some cases, it was found that some shops have been closed for good. At such times, the verification of agents themselves, and the distribution and circulation of newspapers was not possible. Therefore, the study takes into

account coverage from located and verified agents only. The study also does not take into account presence of newspapers through direct print subscriptions, but only through agents, as these subscribers are difficult to locate. Further, the data is only representative of survey done at the Dzongkhag Headquarters, Dungkhangs and Thromdes, and also includes few townships that were enroute to other Dzongkhags.

5.3.1 Findings of the survey

After conducting the field visit, the only newspaper found to have coverage in all 20 Dzongkhags for 2018 is the Bhutanese, followed by Kuensel which has presence in 18 Dzongkhags with confirmed no print presence in Gasa and Zhemgang. The results of the survey also showed that the other five papers, viz. Bhutan Times, Bhutan Today, The Journalist, Business Bhutan and Gyalchi Sarshog has coverage of upto 6 Dzongkhags, despite their claim. The table below indicates distribution claims made by publishers and verified by their print subscription list - which for all publishers were found to be legitimate - but the agents or subscribers could not be located. For eg: Kuensel claims print reach in Dagana, but this could not be verified at Dagapela since their agent's shop could not be located. Even after inquiry with the locals and projects employees, they were unsure if Kuensel was sold at Dagapela.

Kuensel	Bhutan Times	The Journalist	The Bhutanese	Bhutan Today	Gyalchi Sarshog	Business Bhutan
NOT IN	ONLY IN	ONLY IN	AVAILABLE IN	ONLY IN	ONLY IN	ONLY IN
Bumthang*	Chukha	Paro	All Dzongkhag headquarters	Paro	Paro	Dagana
Dagana*	Paro	Sarpang		Sarpang	Sarpang	Paro
Gasa	Sarpang	Thimphu		Thimphu	Thimphu	Sarpang
Samtse*	Thimphu	Tsirang		Tsirang	Tsirang	Thimphu
Zhemgang	Tsirang					Tsirang
						Wangdue

Table 2: Coverage of Newspaper

**Denotes shops were either closed or not located*

5.3.1.1 Unique Findings

While the results of the survey show that Kuensel does not have reach in Samtse and Dagana, it would be erroneous to make such a claim as their distributors were not located or the shop was found to be closed during the field visit, though a physical copy of the paper was found, for which it could not be verified if it was direct subscription or purchased through a local agent. Therefore, the reach of Kuensel in Samtse and Dagana is reflected as “no coverage”. The same argument and reasoning can be used for most of the papers despite the survey showing them not to have a reach, in contrast to the claim made by the publishers.

5.3.2 Reliability of Public Transport for Delivery of Newspapers

Most of the publishers claim to have distribution to atleast 15 Dzongkhags and this may be true from the point of distribution, with the publishers doing their due diligence in sending off their newspapers meant for these destinations through the public transport. Nevertheless, discussions with the bus operators/owners revealed that they feel their responsibility is to take it from Point A to Point B, and it does not extend to delivery of the consignment beyond the bus terminals. If the consignments were not picked up on time by the distributors, then it was either stocked at the terminal or disposed of, as was the case in Trongsa bus terminal.

5.3.3 Stockpiling in Eastern Dzongkhags

For the five newspapers, namely The Journalist, Bhutan Times, Business Bhutan, Bhutan Today and Gyalchi Sarshog, their papers do not reach most Dzongkhags for distribution. The newspaper consignments meant for the eastern Dzongkhags of the country, viz. Trashigang, Trashy Yangtse, Samdrup Jongkhar, Lhuntse, Pema Gatshel, Mongar, Bumthang and Trongsa, were found stockpiled at the bus terminals or lost, and not delivered to the distributors. In fact,



Figure 7: Stockpile of Newspaper at bus terminals

consignments of all the newspapers for the last two years or more for Trashigang, Trashy Yangtse, Samdrup Jongkhar and Pema Gatshel, were found stockpiled at the Trashigang bus terminal. The same was the case at the Mongar bus terminal for newspapers destined for Lhuntse and Mongar distributors.

5.3.4 Loss & Pilferage of Newspaper Consignments

If the consignments are not picked up on time by the agents, it was either taken to the next destination or left by the side of the road or dumped at the bus stations. The agents may pick up the consignments from the side of the road, but most times it gets misplaced or lost. For direct bus routes, the loss is minimal, though an agent in Gelephu lamented that sometimes the bus drivers deposits the consignment into the luggage room, where a fee is levied for the storage. When that happens, the agent intentionally leaves the consignment behind, as the fee is more than their profit margin. In the case of Trongsa, since the bus station is small and lacks storage space, the newspapers are thrown away if it isn't collected within 2-3 days.

During the field visit of Phuentsholing, it was found that pilfering may be occurring at the bus station. The sale of newspapers as scrap was found to be prevalent in most urban areas and border town, therefore, pilferage was a possible presumption for Phuentsholing as the claimed distribution numbers and the circulation numbers did not match, but it was verified with the bus drivers that there were regular consignments of papers. It was found that some publishers used the Bhutan Post bus service for transferring their consignments, which was seen to arrive at the General Post Office. But a few publishers also used the public transport buses which took the consignments to the bus terminal. Consignments via Bhutan Post buses were found to have guaranteed delivery, but consignments that came in via the other buses were left at the bus counters to be picked up. However, the Phuentsholing bus station was the only station where stockpiled newspapers were not found, while the verified number of copies from located distributors were far lower. On inquiry at all the bus counters, it was found that the all the consignments were picked up by a few individuals, possibly hawkers, claiming they are recruited to pick up the papers for distribution. The several attempts to locate these individuals to verify their claim, and to find out which agents they delivered to, or what they did with the papers were unsuccessful.

5.3.5 Alternate supply chain of The Bhutanese

The Bhutanese utilizes the Bhutan Post and its mailbags for most Dzongkhags, with the exception of Thimphu, Paro and Trongsa, for the delivery and circulation of their newspapers.

The mailbags guarantee delivery and reach of The Bhutanese to all the Dzongkhags every single time, and they are the only paper that does not suffer loss and pilferage.

5.4 Timely Reach

The Circulation Audit Guidelines defines back copies as follows:

“any issue of publication which is not current. The current issue is defined as follows:

- a) *Daily Publication: Day of the date of imprint only (in the case of evening newspapers including copies despatched prior to the issue for the following date is published)*
- b) *Weekly: Upto the date of imprint of the next issue”*

For the purposes of this report, the timely reach is therefore defined as “if the time taken to reach destination is prior to the issue of the next publication”. Timely reach also does not take into account delays by factors, such as road block and other natural disasters, since it is unavoidable and beyond the control of the publishers.

A crucial factor that affects timely reach is the timely dispatch of consignments. Therefore, it was confirmed by Kuensel printing press that there is timely collection of copies by all the publishers in order to organise and ensure their dispatches for various destinations were on the first buses out of Thimphu. For nearby town of Paro, agents corroborated that the newspaper copies were delivered and left outside their shops even before they opened for the day. The consignments meant for Phuentsholing and Gelephu also left on the early buses out of Thimphu.

5.4.1 Finding of the survey

Using the interpretation of the “timely reach” as defined above, it was found that the timely reach of all papers for the year 2018 were found to be within the acceptable time limit. Most of the Dzongkhag headquarters received their newspaper within a day or two from the date of

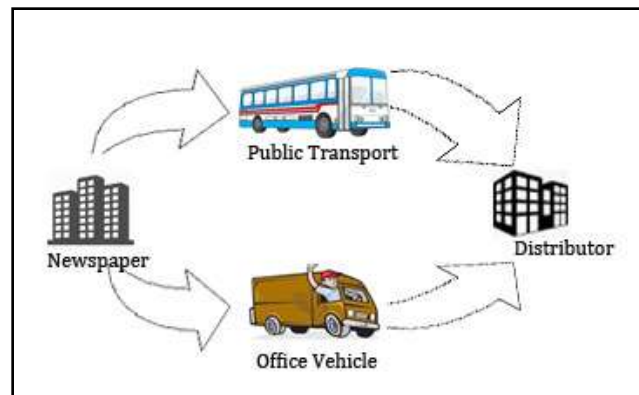
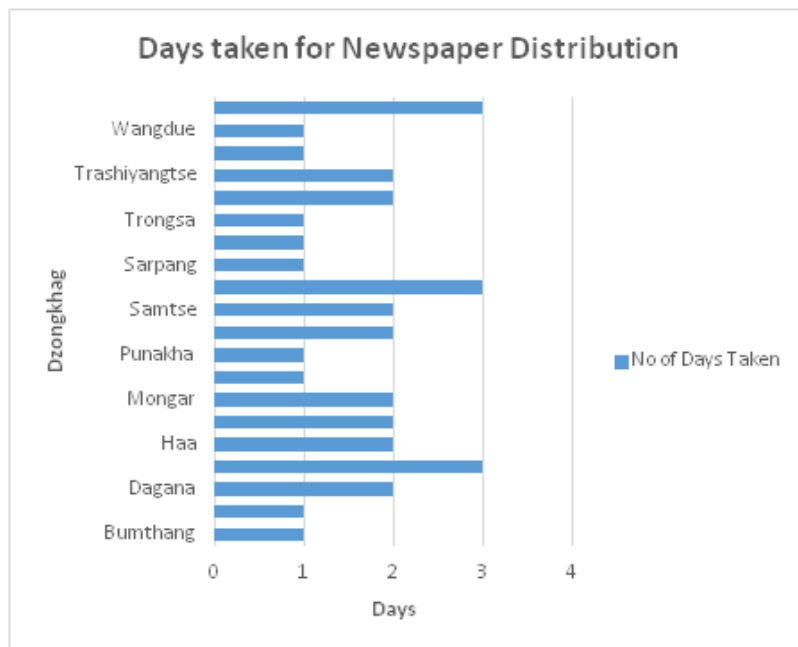


Figure 8: Distribution Network for Newspapers

publication, despite the inherent challenges of the transportation network.

5.4.1.1 Unique findings

The few exceptions with timely reach was found for remote distributors in far-flung Gewogs like Samdrup Choling in Samdrup Jongkhar and Lhamoizingkha in Dagana, that took three days or more for the paper to reach due to infrequent bus services.



Graph 3: Timely Reach of Newspapers

Despite these challenges, it was found that Pema Gatshel received its Kuensel issues within a day of publication even without a direct bus service between Trashigang and Pema Gatshel. This happened because of use of trucks for the last leg of delivery: once the consignment meant for Pema Gatshel was dropped off at Narphung by the buses, it was

then picked up by truck drivers on their way to Pema Gatshel and dropped off at the distributors.

5.4.2 Publisher-Agent Relationships

The timely reach of newspaper consignment is also thoroughly undermined by the consignments being stockpiled at bus terminals, with nobody to distribute it. Upon inquiry, it was found that the primary agent for the eastern dzongkhags at Trashigang had already informed the publishers that he did not want to be the distributor for their papers. However, the publishers continued to send consignments to his address, and due to his lack of concern and incentive to further distribute the newspapers, the newspapers began to be stocked, thereby affecting the timely manner even when it arrives on time from Thimphu or Kanglung.

5.4.3 Effects of Bhutan Post mailbag schedule

For The Bhutanese, the timely reach of its consignments were solely determined by the Bhutan Post's schedule for their mailbags. However, it was found that Bhutan Post does not have daily mailbags for most of the locations that take a journey time of two or more days, making the timely reach of The Bhutanese similar to all the other papers. Sometimes, as in the case of Khaling, it so happened that despite a regular bus service between Trashigang and Khaling, the paper can only be delivered a day later than Trashigang because of the mailbag's schedule.

5.5 Effects of Proximity on Timely Reach

The urban towns, such as Thimphu and Paro, owing to its proximity to the printing press and access to designated delivery vans, either company owned or hired for this purpose, received the papers within the early hours of the distribution day. Evidently, the circulation numbers are also the highest for these towns which made more cost sense to deliver the paper directly and cut out the middle man.

5.5.1 Secondary Base at Kanglung

For Kuensel, having a secondary printing and distribution base can be considered advantageous as it cuts short the time taken for delivery time to all its destinations in the east. Trashy Yangtse gets delivered Kuensel copies from the Kanglung base and it was found that an agent in Trashy Yangtse town was able to sell a few copies if the daily paper arrived by mid-morning with the first bus traveling out of Trashigang. The agent's sale was solely dependent on the time taken for the newspaper to reach the shop, because if the paper didn't arrive by mid-morning, there would be no sales for that day.

5.6 Sales of Newspapers

Although advertisements are the primary source of income for all newspapers, the sales of the print papers are an important factor affecting the advertisements as it ensures the visibility and reach of the newspapers. In this section, we deal with the various factors affecting the sales of the papers.

5.6.1 Findings of the Survey

Irrespective of the publisher, the sales of newspapers were generally found to be dismal, with the survey indicating zero to negligible sales for all non-urban distributors in the country. By far, Kuensel has the highest sales record among all the papers for the English edition in most of the Dzongkhags.

5.6.2 Dzongkha and English Sales

Gyalchi Sarshog's sales number are negligent in every Dzongkhag, though Thimphu shows a slightly better picture for the newspaper. The publisher lamented that the sales numbers are bad because of lack of readers for Dzongkha language paper. This argument can be substantiated by the similar sales number of the Dzongkha edition of Kuensel, which is markedly poor and also barely has a few sales in all the Dzongkhags.

5.6.3 Timely Reach

It was also found that the time taken between destinations has an adverse effect of the sales. Due to the Kuensel's secondary base, the sales number for the east of Bhutan were comparative better for Kuensel than any other paper. The sales as well as agent numbers were markedly higher for Kanglung. The sales of an agent in Trashy Yangtse was solely dependent on the fixed arrival and delivery of the newspaper consignment from Trashigang, and when that did not happen, there would be no sales for that day. The relatively higher urban sales numbers can also be attributed to the fact that there is timely reach of papers, ensuring the validity and freshness of its news.

The internet has brought about the effects that timely reach has on its newspapers. Some of the publishers such as Kuensel and The Bhutanese run an online website, where the news are updated a few days after the print publication. Therefore, if the printed newspaper does not reach the destination, such as Samdrup Choling in Samdrup Jongkhar, before the news is updated on the website, then the sales of the print version is adversely affected.

5.6.4 Print Readership

The sales numbers of any paper have a direct co-relation to the literacy rate in both the urban and rural areas, with relatively higher sales for urban areas due to its high volume of literate people. Nevertheless, the small number of literate individuals in rural communities stated that they all consumed their news online, where it can be accessed for free. The local residents, officials and the agents in the Dzongkhags were interviewed to ascertain the causes of low sales and it was found from these interviews that the biggest competitor is smartphones and how it has changed the way news was being consumed by both literate and illiterate sections of the society.

5.6.5 Cost of Newspaper

The other deterrent to low sales numbers is the cost of buying the newspapers. Though the cover price for most newspapers is a nominal Nu. 10 for English and Nu.5 and Nu. 10¹⁰ for Dzongkha, it is still considered unnecessary cost for news already made stale by the internet and the journey time. The target audience of newspapers are folks, who are both literate and have the buying capacity as well, but these literate numbers are very few in rural areas.

This can be substantiated by the data collected for the urban sales numbers, which is much higher compared to the rural sales, mainly because of the volume of literate population and timely reach that ensures the information in the newspapers are still fresh and relevant.

5.6.6 Mass distribution of PDF copies

Most of the newspapers promote sales through e-circulation, and share their PDF versions with their e-subscribers via emails. It was found that these PDF versions were then shared on social messaging apps. It was also found that Kuensel PDF copies were shared more extensively and daily through these social media apps. It cannot be determined if these PDF copies are illicitly shared by their e-subscribers, as Kuensel claims to have stopped sending PDF versions to their e-subscribers after the launch of their new online platform, that requires a login name and password from all the e-subscribers. Kuensel also claims to have no knowledge or control over how these PDFs copies are acquired or developed for sharing.

¹⁰ Gyalchi Sarshog paper cost

While mobile communications and the internet has the advantage of reducing the cost and providing a timely reach, it has an adverse effect on the sales of the newspapers. The study found that the freely available PDF copies of newspapers through social messaging apps like WeChat and WhatsApp were distributed among groups, with the most common reaction when interviewed, “I am able to get my news at the same time as everyone in Thimphu and do not have to pay for it”. The strategy of circulating PDF versions is one of the reasons behind the low sales numbers.

5.6.7 Effects of Dispersed Settlements

Bhutan has a small and scattered population brought on by its mountainous terrain, and this was also found to have an indirect effect on the sales of print newspapers. Generally, the rural townships are small clusters of shops with the rest of the settlement dispersed far and wide. It was found that the local residents have to travel, in some cases, a good distance to pick up a copy, which to them is highly inconvenient when the same news are available on their smartphones.

5.6.8 Institutional Sales

Broadly, institutional sales account for any sales that are guaranteed sales and supply of copies to government offices/schools/colleges or any institution in their respective locations at the prescribed cover price with or without a term contract. Thereby, the small number of reported sales for the other Dzongkhags, outside of Thimphu and Paro, were found to be mostly made up of these guaranteed institutional sales to schools, colleges, institutes and government offices, and very rarely accounted for over the counter sales. The local agents also understand these sales as subscription sales even though it was found that they do not apply any discount on the sales nor do they maintain a term contract with these institutions.

5.6.9 Sales in Urban Areas

Thimphu, owing to its population size with the largest number of public, corporate and private offices, institutions etc. as well as the largest population concentration command a bigger readership and sales market. It has higher sales via subscription, institutional and retail sales than

Dzongkhag. Paro also have higher sales numbers when compared to other urban areas like Phuentsholing and Paro, where the statistics show low sales.

5.6.10 Lack of Promotion and Visibility

During the field visit, it was found that the publishers have not engaged in any promotional activities in order to create visibility and branding. The attempts to locate agents and their shops were doubly difficult because of lack of signage or advertisement flyers indicating where the



Figure 9: Kuensel Sign Board

newspapers were sold. Kuensel was the only newspaper that had distributed conventional advertisement flyers with “Kuensel Sold Here” to their agents, and most of agents had it visible outside their shops. It was much easier to locate agents for Kuensel than for any other papers.

Like any other product, branding is equally important to newspapers and can have a big impact on sales numbers. But it was not apparent which newspaper was preferred in these localities as the locals considered it all the same. Kuensel, due to its long history still garners more visibility and brand in the Dzongkhags. In fact, while inquiring where the newspapers were sold, one had to be specific and ask where “Kuensel was sold” rather than where “newspapers were sold”. Sometimes, the shops were found not even selling Kuensel but the other papers. The visibility and branding of the newspapers are also thoroughly undermined when their consignments never reach the intended destinations, robbing publishers of sales from impulse and unplanned purchases.

5.6.11 Print Wastage

The sales numbers in relation to the dispatched numbers seems abysmally low, but it should be taken into account that most of the dispatched numbers were found stockpiled at bus stations or lost due to pilfering and displacement. At the time of the study, Kuensel was the only publisher that conducted regular onsite check and balance. Kuensel required that the agents conserve the cover strip with the masthead and issue number for accounting purposes, and allowed the rest of

the paper to be utilized as per the agents’ discretion. For the other publishers, the agents were left unchecked to do what they wanted with the unsold copies.



Figure 10: Stockpile of Unsold Newspaper at Distributors

Most of the agents repurposed the papers or sold it as scrap, once the newspapers became a back issue. It was found that some agents made more money through the bulk sale of newspapers as scrap rather than through retail sales.

5.7 Impact of Mobile Communications

Bhutan as a mountainous country with long journeys between location which resulted in uncertain delivery of newspapers and delay in circulation. Prior to the internet and the use of smartphones, these issues were accepted as inherent characteristics of a developing nation. But with the spread of smartphone use, these latent issues of timely delivery, convenience and costs for the consumers have become pronounced and proven to be a deterrent to circulation and sales.

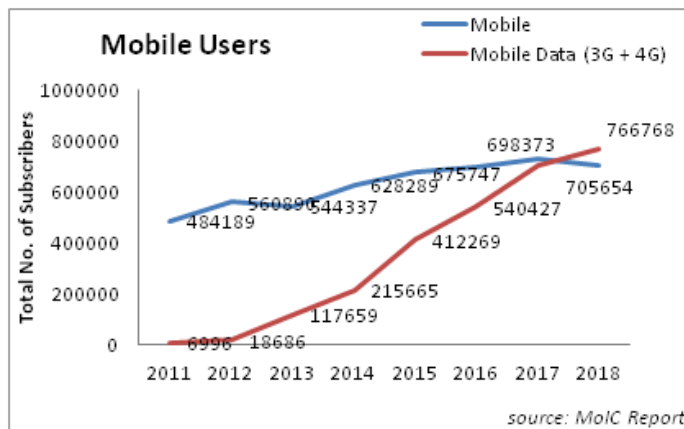


Figure 11: Mobile User Trend

The time spent by newspapers from point A to point B in journey time, no matter how short, is considered as delay by consumers in this age of fast information.

The biggest finding on the impact of mobile communications on Bhutanese society was how instantaneously it was

able to mobilize the once dispersed communities, something which had never been possible with the other forms of communications. The high level of interaction and engagement in social media provides a voice to everyone, and this has been the most transformational and empowering change seen in the Bhutanese community. This widespread adoption of mobile technology, made possible by high mobile data network penetration in the country questioned the relevance of the print media, which are generally criticized for being urban centric. The social media apps allowed news that were more recent and local news to be shared without the constraint of the print media. This has therefore forced the way the publishers deliver their news online, ensuring that they share all breaking news via the social media apps such as Twitter and Facebook.

5.8 Print Readership

The younger generation, the future consumers of the print media, have resorted to using popular messaging and social media apps, viz. WeChat, Whatapps, Facebook, etc. for news and information sharing. These social media apps were found to be very popular for the illiterate population as well, as these have closed the gap on information sharing. This section of the society was never the target of print publishers, so the impact from this shift for the illiterate population is not felt as much. However, the shift to online platforms of the literate population has greatly impacted not only sales and circulation but also readership. The shift to online platform could still mean business for the publishers with e-circulations. But the freely circulated PDF copies of newspapers has greatly affected sales. These PDF copies are shared extensively by consumers as there are no cost implications for them, but has larger consequences on the sustainability of the newspapers.

5.9 Online Strategy of Publishers

The effects of technology can also be felt with how the publishers are now using this medium for information and news sharing. The concept of using online platforms like Twitter and Facebook for breaking news in a new, albeit growing, trend with the newspapers in Bhutan. For weekly papers, these online platforms have provided a cost-friendly yet instantaneous medium for breaking exclusive news and retaining readers.

However, the effect of such a strategy may also have an unintended consequence of affecting the circulation and sales of the newspapers as content becomes freely available during the time taken for the print copies to reach its destinations, for e.g. it does not make sense for a reader in Samdrup Jongkhar to pick up a print copy 4 days later when the exact contents are uploaded on the website within 3 days.

Irrespective of its damaging effect on print sales, it has become important for the publishers to have an online presence. Bhutan has a high number of youth population that source news and information online and this shift is also evident with the older working population.

Since these two mediums are drastically different from each other, the contents also are designed differently. Even among the Bhutanese publishers, there are some newspapers that have different approach to the news and the contents are slightly different as compared to the print version. It was noticed that the content on social media sites like Facebook were presented more informally than the print versions. It was found that papers like The Bhutanese break news prior to their publishing day to stay relevant, and conduct a more thoroughly development of their stories for their print. Kuensel, on their Facebook page, only uploads their published stories and was found not putting information prior to the print content.

5.10 Data Records

During the assignment, one of the challenges faced was the verification of the data available with the Authority and the Publishers.

5.10.1 Publisher Records maintained by The Authority

In addition to the lack of soft copy, the inaccuracy and inconsistency of the data was apparent, with some publishers reporting much higher circulation numbers than their print numbers, without any specification whether the circulation numbers are inclusive of both print circulation and e-circulation.

In general, it is understood that the printed copies are generally equal to the sum of the distributed and non-distributed copies; meaning that their print circulations can never be more than the printed numbers. But the data that is submitted to the Authority has a lot of

inconsistencies with the sum of the distribution and non-distribution numbers sometimes exceeding the print copies, and in most cases, not matching the number of print copies. The inconsistencies in the data can be attributed to the lack of agreed use of terminology used by the various publishers and the Authority; for instance, it has been observed that some publishers include e-subscriptions in their circulation numbers, thereby exceeding the print numbers.

5.10.2 Distributor Records maintained by the Publishers

The study found that the list of the distributors maintained by the publishers were not up-to-date. One of the biggest challenges during field visit was the search for the agents and their shop. Following are some of the discrepancies found in the field:

- Most shop names did not tally with the list from the Publishers
- Individual names are used and not shop names, and sometimes that individual would have sold the shops to a new individual, but that change is not reflected in the records.
- Exact shop locations are not given, which meant going back to some locations already covered, and at times it was not possible due to the long distance.
- Phone numbers of agents were not updated or some were found to not exist, etc.

5.11 The Publisher and Distributor Supply Chain Monitoring

It was noted during the field visits that there are no regular communications happening between the publishers and their agent. The agents are the crucial link between the newspaper publisher and the reader, rendering it one of the more important relationships. However, Bhutan provides a unique set of problems in identifying appropriate agents and establishing a business relationship. The local agents in the Dzongkhags are mostly small shop owners that run grocery shops or small restaurants. They are mostly illiterate and the sales of newspaper is not the primary business for them as the profit margins are relatively small. During the verification of circulation numbers, it was also found that most publishers used the services of same agents in the localities.

5.11.1 Lack of Communication between Publisher and Agent

This lack of regular communication between the publishers and their agents have resulted in the lack of accounting and bookkeeping that it has manifested distinct trends in the local newspaper sector. Unlike the global trend where the distribution numbers are closer to the circulated numbers, Bhutan exhibits larger print and circulation numbers even with very low sales and readership numbers. Logically, if the publishers were recording feedback and applying changes to the supply and distribution system, the sales numbers would be closer to the circulation number. The print numbers should also increase or decrease depending on the sales numbers. Furthermore, the circulation numbers would then be used as an indicator for analyzing sales, print readership etc. This lack of communication indicates an apparent lack of commitment is apparent throughout the supply chain.



Figure 12: Supply Chain Network

5.11.2 Print Wastage

The apathy between the publishers and the distributors may have resulted because of low sales and readership, and it has culminated into a substantial amount of paper wastage in all 20 Dzongkhags. The stockpile of undistributed and unclaimed newspapers in bus stations and the unsold copies clearly indicate newsprint waste at and over 90% for all the publishers. The consistent printing and distribution of copies to all the Dzongkhag even without sales indicate of a larger environmental footprint. For most papers, the minimum number of paper wastage is approximately between 50,000 – 55,000 copies for English and 20,000 – 25000 copies for Dzongkha.

5.11.3 Onsite Bookkeeping and Accounting Visit

Kuensel is the only newspaper in the country that conducts regular onsite accounting and bookkeeping for their distributed copies, and was found to be the only publisher that sometimes made changes after feedback to their distribution numbers for the future consignments. Kuensel

require their agents to retain the cover strip with the masthead and issue number for accounting purposes and leaves the rest to be utilized on the agents' discretion. For the other publishers, the agents use their own discretion to either repurpose the paper or sell it as scrap, once the newspaper becomes a back issue.

5.11.4 High Cost of Bill Collection

The high cost of travel and lack of sales meant that the private newspapers have not conducted onsite accounting and bookkeeping in recent years, according to most private newspapers. The sales number for other Dzongkhags is extremely low or non-existent that it made no economic sense to conduct regular onsite accounting: the expenses incurred to deploy staff for bill collection was far larger than the amount gathered during the bill collection. However, despite the sales numbers for nearby Dzongkhag, there is regular onsite bookkeeping for Thimphu and Paro, with infrequent bookkeeping for Punakha, Wangdue, Tsirang, Sarpang, Haa, etc.

During the study, it was found that during the early years of operations, some of the private newspapers have conducted a few onsite accounting and bookkeeping for Dzongkhags with more than two-day journey time, but in recent years this was not undertaken.

5.11.5 Reliance on Public Transport

The issue of non-delivery and loss of consignment lies in the inherent challenges within the supply chain. The heavy reliance on public transport disrupts the timely delivery of the newspaper consignments as arrival at a destination is never fixed. Generally, most consignments have to be picked up from a drop-off point such as a bus stop or from the side of the road while enroute to the final destination which makes delivery uncertain.

Generally, the publishers contract the services to the buses, its drivers and busboys to transport the consignment from Point A to Point B. While the onus of dropping off lies with these individual publishers, the picking up of the consignment lies with the agents. This was found to

be not as straightforward since the arrival time at a destination may not always coincide with the agents waiting to pick up the consignments, either enroute or at the final stop. When that happens, the drivers and busboys leave it by the side of the road or at the bus counters. The agents may pick up the consignment if not misplaced or lost, but as was the case in Gelephu, a Thromde town, if the consignment is stored in the luggage storage room where a fee is levied, they intentionally leave it behind, as the fee is more than their profit margin. At other times, the consignments being taken to the final destination of the route is prevalent, where it is also basically discarded at the bus stop.

The publishers have tried to incentivize the delivery system by providing something extra to the driver and busboys. But most agents have clearly stated that the burden greatly outweighs the benefits in the newspaper business, thus accounting for their indifference and negligent services. During consultations, the publishers lamented that they cannot verify the delivery of the consignments by the drivers and busboys, as there is no way of determining this information without the input from their agents, which may be sporadic or lacking. According to some agents who claim to have informed the publishers to either completely stop or reduce the number of newspapers, but continue to receive the same number of copies. This trifecta of disinterest, complete lack of accountability and difficulties of monitoring, and lack of sales meant that no parties involved cared enough whether the consignments were received, lost or circulated.

5.11.6 Direct Subscription by Publishers

Most of the agents lament that the publishers have taken even the local institutional sales themselves, leaving them only over-the-counter sales, which is dismal. In order to cut cost and maximize earnings, almost all the publishers handle their subscriptions directly wherever possible. The publishers handle these subscriptions by directly delivering or mailing their print issues. Owing to the very small margin of profit, the publishers stated the difficulty in finding and retaining agents in most Dzongkhags. Even when the publishers have tried to incentivize the paper circulation by offering 20% commission on paper sale which amounts to Nu. 2 per paper, most agents have clearly stated that the burden greatly outweighs the incentives in the newspaper

business, thereby accounting for their indifference and negligent services. Some agents stated that their request to stop being agents have not been heeded by the publishers, and that they still receive regular consignments.

However, in the event of zero sales and onsite accounting, the total cost of paper has to be considered a total loss for the publisher. Therefore, it is indicative why there is considerable push towards direct subscription where the publishers get to retain both the commission and sales. Furthermore, the motivation for distribution may be perfunctory and undertaken to fulfill marketing criteria for nationwide coverage, irrespective of negligible and zero sales numbers.

5.12 Loose Terms and Definition

For the definition of applicable newspaper terms, the Circulation Audit Guidelines¹¹ glossary was used. Some of the definitions were not part of the guidelines, which has led to the ambiguity in the definitions. Further, the reported numbers are not clearly representative of the ground realities in Bhutan, especially with the circulation numbers that do not distinguish between paid circulation and non-paid circulation. Since “circulation is not always the same as copies sold, often called paid circulation, since some newspapers are distributed without cost to the reader.”¹² As per the ground realities, the circulation numbers are not indicative of the sales numbers and most circulation numbers are actually non-paid circulation. By international standards, circulation is one of the principal factors used to set advertising rates. The lack of segregated data of both paid circulation and non-paid circulation may have resulted in an unintentional misrepresentation of the health of newspapers.

Likewise, it was found that the publishers use some the terms “circulation and distribution” loosely and interchangeably. By some international auditing standards, this is admissible. However, for Bhutan, the circulation figures are inclusive of circulated, unsold and lost numbers, and in some cases, even e-circulation. According to the Australian Auditing Standards, distribution numbers relate to the numbers of publications which have been dispatched, while claimed “circulation” figures of a publication would be understood to mean that this was the

¹¹ Circulation Audit Guidelines for Publisher, Department of Information & Media, MoIC.

¹²https://en.wikipedia.org/wiki/Newspaper_circulation

number of copies that has actually reached the intended reader.¹³ For Bhutan, the trend clearly indicates copies being stockpiled, lost or unopened to even have visibility in the areas.

Other terms that could misrepresent the proportion of sales numbers is between “subscription and institutional sales”. The local agents were found to label any guaranteed institutional sales as subscription sales, while the difference is that the institutional sales are generally sales at the prescribed cover price with or without a term contract. Without these guaranteed institutional sales, the circulation through retail sales is negligent for most newspapers outside of Thimphu.

¹³<https://www.asa.org.uk/advice-online/circulation-and-distribution-claims.html>

6. SUGGESTIONS AND RECOMMENDATIONS

Based on the discussions and analysis drawn from the study, this section provides a series of recommendations and suggestions.

6.1 Data Recordkeeping and Maintenance

The records that were submitted to the Authority by the publishers were all in hard copy. The lack of soft copy of the data makes it more difficult for the Authority to verify and validate the data that is sent by the publishers. Therefore, it is suggested that along with a hard copy, signed and verified by the Chief Editor of the publisher, a soft copy of the same data be sent so as to enable the Authority to verify and check the records. This method has the additional benefit of being able to view the year on trend, should the need arise.

6.2 More Comprehensive Financial Reports for Auditing

During the study to check the sustainability of the newspapers, the financial data that was submitted to the Authority was limited to the Balance Sheet and the Trial Balance. While such financial reports are good to get an overall picture of the financial standing of the firm, details such as the sources of income is lacking, thereby making it difficult to actually know how the firm secures its income or from where the funds are being secured. Only with detailed financial statements will the Authority know the true sustainability of the newspaper firms.

6.3 Understanding of Terms and Definitions between Authority and Publishers

The “loose” understanding of definitions for all terms that are used within the publishing industries, particularly between the Authority and the publishers has led to inaccurate data being presented to the Authority. Having a standard Terms and Definitions in keeping with the Bhutanese ground realities will secure a more realistic picture of the print media in the country by providing disaggregated data.

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

ANNEXURE – A: QUESTIONNAIRE FOR DISTRIBUTORS

General Information							
Name of Distributor:							
Type of Establishment:							
Address:							
Phone: Email:							
Client Information: (Please check all relevant)							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Bhutan Observer
Frequency of Distribution							
No. Of copies received							
Cost per copy							
No. Of issues received in a year							
Sales Information							
How many copies of papers are you able to sell?							
How much of the sales are non-institutional subscription?							
How much of the sales are retail sales?							
Distributor Information							
Do you know when you are to receive the consignment of publication on a daily/weekly basis?							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese			
If yes, when do you receive the consignment of papers for this publication?							
How do you receive the consignment of the papers?							
Are there instances when the consignment does not arrive according to the schedule?							
How often does it happen when the consignment does not arrive?							
What are the reasons for the delay/cancellation of the consignment?							
Circulation Information							
Are there times when you are able to sell more copies?							
If Yes, what do you think is the reason?							
What do you do with the unsold/back copies of the paper?							
Do you inform and adjust the cost of the unsold copies with the publishers?							
To Be filled in the Auditors at the site:							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

Time at which the auditors reach the sales centre		
Whether copies had already arrived or yet to be arrived at the sales centre		
Number of copies actually received at the sales centre		
Whether copies received tallied with the dispatch list which was available at the press?		
Whether any unusual activity was observed at the sales centre?		
Number of copies of current issue lying (balance) at the sales centre (time to be recorded)		
Number of copies of previous issues lying at the sales centre		
Any observations		

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ANNEXURE – B: QUESTIONNAIRE FOR PUBLISHERS

Printing Information							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese			
Frequency of Printing	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
Press deadline for printing	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
No of copies printed							
No of pages of news (minus ads, announcements etc.)							
Average no of pages printed							
Average cost for printing above no of copies							
No of issues in a year							
Printing							
Basic Printing Information							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Gyalchi Sarshog
Do you maintain a contract with the publisher for their printing needs?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
If "Yes", what sort of contract do you have with your publisher?	Yearly Half Yearly Quarterly	Yearly Half Yearly Quarterly	Yearly Half Yearly Quarterly	Yearly Half Yearly Quarterly	Yearly Half Yearly Quarterly	Yearly Half Yearly Quarterly	Yearly Half Yearly Quarterly
Does your contract outline the agreement on the no of copies for print order, cost of normal print runs and additional supplements							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

etc. and the deadlines for receiving materials for print run?							
Do you maintain an agree schedule for the print runs with the printer to avoid delay at the print?							
Have you had any issues on the schedule with the printer?							
What kind of problems have you faced with the printing at the printer? (list all)							
Have you faced problems with delay even after you have met the scheduled deadline for print runs?							
Are some of the delays caused by the following?							
How often does the cancellation of a scheduled printing of issues happen?							
What are the reasons for the cancellation of a scheduled printing?							
Does the average no of pages for printing fluctuate?							
How often does the no of pages fall above average?							
When does the no of copies for printing fluctuate? List dates / periods							
How do you make your payment to the printer?							
How often are the payments made by the publisher?							
Do you maintain challan/receipts for payments received?							
Printing Details							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Gyalchi Sarshog
Dispatch and Circulation							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

How long does it take from start to finish of the print once the print order is ready?							
When are you generally informed by the printer that the printed issue is ready for dispatch?							
After being informed, when do you generally collect the issues for dispatch?							
Do you begin to dispatch the issues based on your distribution list?							
Do you have designated personnel for handling your distribution?							
Do you maintain a delivery challan for your publication?							
What mode of transport do you utilize to dispatch your issues to your respective distributors? (please list)							
What time do you generally dispatch your issues through your mode of transport?							
How many days does your publication take to be dispatched from the issue day to the distributors? (list no of days for each location and route taken)							
Please indicate what type of circulation does your paper have (tick all relevant)							
Please list the total no of copies sold, as per Dzongkhag/Dungkhags							
Online presence							
Distributors							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese			
How do you select your							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

distributors?							
Do you offer incentives to your distributors for distributing your publications?							
Do you offer reduced rates below the basic cover price for your distributor?							
Do you raise invoices for the distributor based on the sales no or circulation no?							
Do you account for the unsold copies of your publication?							
Subscription and Promotion							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Gyalchi Sarshog
What is the basic cover price for your 1. Publication 2. Promotion							
Did you offer any premiums with subscriptions?							
Did you offer any reduced rates?							
Did you offer any other incentives?							
Were there any publishing days when no issue was published?							
Were there any publishing days when you circulated extraordinary distribution (5%-10% difference from normal circulation)							
Unsold copies and Paper Waste							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Gyalchi Sarshog
What no of distributed copies are you able to sell?							
Are the unsold copies counted and deducted so that only net circulation is shown?							
Are the unsold copies							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

counted and adjusted in invoices for the distributors?							
If no, what happens to unsold copies that are not adjusted?							
Revenue Source (check all that apply)							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Gyalchi Sarshog
Please include the sources of revenue for your publication							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

ANNEXURE – C: QUESTIONNAIRE FOR PRINTERS

General Information							
Name of Printer:							
Location:							
Phone:				Email:			
Client Information: (Please check all relevant)							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Gyalchi Sarshog
For Publisher/ Newspaper							
Frequency of Printing	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
Press Deadline for Printing	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
Deadline for dispatch (pick up by Publisher)							
Print Order/ No. Of Copies contracted for Printing							
Avg. No. Of Pages for Printing							
Avg. Cost for Printing							
No. Of Press/Print runs in a year							
Printing							
Basic Printing Information							
	Kuensel	Bhutan Times	Business Bhutan	The Bhutanese	The Journalist	Bhutan Today	Gyalchi Sarshog
Do you maintain a contract with the publisher for their printing needs?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

If "Yes", what sort of contract do you have with your publisher?	Yearly Half-Yearly Quarterly	Yearly Half- Yearly Quarterly	Yearly Hal-f Yearly Quarterly	Yearly Half- Yearly Quarterly	Yearly Half- Yearly Quarterly	Yearly Half- Yearly Quarterly	Yearly Half- Yearly Quarterly
Does your contract outline the agreement on the no. of copies for print order, cost of normal print runs and additional cost of supplements, etc. and the deadlines for receiving material for print run?							
Do you maintain an agreed schedule for print runs with the publisher to avoid congestion at the print?							
Have you had any issues with the schedule for the publisher?							
What kind of problems have you faced with the printing for the publisher? (Please list)							
Have you faced problems with delay even after the publisher met the scheduled deadline for print runs?							
Are some of the delays caused by the following? (Please tick relevant)	Machine/Plate related Stockpile/Supply related Power related/ Electricity						
How long does it take for the start and finish of the print run once the print order is out?							
When do you inform Publisher							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

the printed issue is ready for dispatch?							
When are the publications dispatch/collected by the publisher?							
Have you had any instances where scheduled printing was cancelled for an issue?							
What are the reasons for the cancellation of a scheduled printing? (Tick all relevant answers)	Non-submission of printing material Non- payment of outstanding dues Suspension of contract (if any)						
Does the average no. of pages for printing fluctuate?							
How often does the no. of pages fall below average?							
When does the no. of copies for printing fluctuate?							
Do you charge rates based on the no. of pages?							
What rates do you charge based on the no. of pages? (Please list/provide your rates)							
How does the publisher make the payment?	By Cash By Cheque						
Do you maintain books/receipts for payments received?	Yes No						
Printing Details Please fill out attached form)							
Check List to filled by the Auditor at the printer's site							
Is the printer maintaining Print Orders?							

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

Is the printer maintaining Machine Room Returns?	
Is the printer maintaining Newsprint Stock Register?	
Is the printer maintaining Newsprint Bills?	
Is the printer maintaining Wastage Records?	

ANNEXURE – D: SURVEY RESULTS

Dzongkhag	Newspaper	Agents List by Paper	Verified Agents List	Circulation No. by Paper	Verified No. of Copies	Sold Nos.	Timely Reach	Remarks	
Chhukha	Kuensel	Jambala Bookstore	Yes	15 copies (Eng. - 10 Dzo. - 5)	90	13	1 day	All sales are over the counter sales	
		Himalayan Pan Shop	Not located						
		Tara Tshongkhang	Not located						
		Galley Restaurant	Not located						
		Pling GPO	Yes	42 copies (Eng. - 38 Dzo. - 4)	252	42	1 day	All sales are subscriptions to gov. or gov. owned agencies	
		SukrajSubba/Radhika Tshongkhang	Yes	40 copies – (Eng. - 30 Dzo. - 10)		7		5 subscriptions to schools/college, 2 OTC sales	
	The Bhutanese	Pling GPO	Yes	5 copies		20	0	1 to 2 days	
		Pling Town PO	Yes	5 copies		20	0	1 to 2 days	
		Gedu PO	Yes	5 copies		20	0	1 to 2 days	
		Tsimasham PO	Yes	5 copies		20	0	1 to 2 days	
		Hotel Homley	Not located						
		Chungdruk Hotel	Not located						Marked at 3490 copies
	Business Bhutan	Himalayan Pan Shop	Not located						Wrong No and unable to get in touch
		P.D. Enterprise	Not located						Wrong No and unable to get in touch
		SukrajSubba/Radhika Tshongkhang	Yes	10 copies			0		Does not exist
		Pling BOD/Cs	Yes	None		None	0	NA	

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

	Bhutan Times	Pling GPO	Yes	10 copies	10 copies	10		All Subscriptions, only 2 brought down to Pling, the rest 8 is for Gedu
								Marked as 4000 copies distributed
								Non-distribution: 1572
								Free copies: 0
		SukrajSubba/Radhika Tshongkhang	Yes	10 copies			1 Or 2	
	Bhutan Today	No names of agents						Marked as 100 copies distributed weekly
							Annual no. 5750	
Dagana	Kuensel	Mrs. Pema Lhadon	Not located					
	The Bhutanese	Dagana PO	Yes	5 copies	5 copies	0	1 to 2 days	
		Drujeygang PO	Yes	5 copies	5 copies	0		
		DeorajTshongkhang (Lamoizhigkha)						
	Business Bhutan	Laxuman Gurung Tshongkhang	Yes	10 copies	10 copies	1	1 to 2 days	
Gasa	The Bhutanese	Gasa PO	Yes	5 copies	5 copies	0	2 to 3 days	
Haa	Kuensel	TaktshangChundu Restaurant	Yes	50 copies - 30 E, 20 D	50 copies	14-Jan	2 to 3 days	6 OTC Sales, 8 subscription
	The Bhutanese	Haa PO	Yes	5 copies	5 copies	0	2 to 3 days	
Paro	Kuensel	Dema Tshongkhang	Yes	30 copies - 20 E, 10 D	30 copies	1 to 2	1 day	OTC Sales
		Indo Tshongkhang	Yes	10 copies - 5 E, 5 D	10 copies	3	1 day	OTC Sales
		Sherub Wangchuk Sales	Yes	25 copies - 20 E, 5 Dz	25 copies	10	1 day	OTC Sales

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

		Mr. Student Plus	Not an agent					
		TT Rabten Sales	Not located					
		Om General	Yes	10 copies - 10 E, 5 D		1 Or 2		OTC Sales
		Le Meridien		Subscription				
	The Bhutanese	Dema Tshongkhong	Yes	5 copies	5 copies	5	1 day	Pvt. Subscription
		Indo Tshongkhong	Yes	10 copies	10 copies	1	1 day	OTC Sales
		Sherub Wangchuk Shop	Yes	10 copies	10 copies	1	1 day	OTC Sales
	Bhutan Times	Dema Tshongkhong	Yes	10 copies	10 copies	2	1 day	Pvt. Subscription
		Indo Tshongkhong	Yes	10 copies	10 copies	1	1 day	OTC Sales
		Sherub Wangchuk Sales	Yes	10 copies	10 copies	1	1 day	OTC Sales
	Bhutan Today	Dema Tshongkhong	Yes	10 copies	10 copies	3	1 day	Pvt. Subscription
		Indo Tshongkhong	Yes	10 copies	10 copies	1	1 day	OTC Sales
		Sherub Wangchuk Shop	Yes	10 copies	10 copies	1	1 day	OTC Sales
		Om General, Shaba	Yes	10 copies		0		
	The Journalist	Dema Tshongkhong	Yes	10 copies	10 copies	1	1 day	Pvt. Subscription
		Indo Tshongkhong	Yes	10 copies	10 copies	1	1 day	OTC Sales
		Sherub Wangchuk Shop	Yes	10 copies	10 copies	1	1 day	OTC Sales
		Om General	Yes	10 copies		0		
	Business Bhutan	Dema Tshongkhong	Yes	10 copies	10 copies	2	1 day	Pvt. Subscription
		Indo Tshongkhong	Yes	10 copies	10 copies	1	1 day	OTC Sales
Sherub Wangchuk Sales		Yes	10 copies	10 copies	1	1 day	OTC Sales	
Om General		Yes	10 copies		0			
Gyalchi Sarshog	Dema Tshongkhong	Yes	10 copies	10 copies	1	1 day	Pvt. Subscription	
Punakha	Kuensel	Cholingkhar	Yes	4 copies, E	4 copies	2	1 day	OTC Sales

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		Enterprise						
		Tashi Kee Shop/Mr. Yurung	Yes	30 copies- 25 E, 5 D	30 copies	5	1 or 2 days	OTC Sales
		Sabitra General Shop, Lobesa	Yes	10 copies- 8 E, 2 D	10 copies	5	1 or 2 days	1 OTC, 4 Subscription
		Sparks Gallery	Closed					
	The Bhutanese	Cholingkhar Enterprise	Yes	5 copies	5 copies	2	1 or 2 days	OTC Sales
		Punakha PO	Yes	5 copies	5 copies	1	2 or 2 days	OTC Sales
	Business Bhutan	TsheringLhamTshong khag	Yes					
		Sherub Enterprise	Yes	Shop closed down				
		RinchenKuenphen Shop	shop closed	No. does not exist				
	Bhutan Today	Sparks Gallery	Shop Closed/No shop					
Samtse	The Bhutanese	Samtse PO	Yes	10 copies	Not an agent	0		
		Gomtu PO	Yes	5 copies	5 copies	0	2 to 3 days	No timely reach & becomes back issue
		Sipsoo/Tashicholing PO	Yes	5 copies	5 copies	0	3 to 4 days	No timely reach & becomes back issue
Sarpang	Kuensel	DhunganaTshonkhang	Yes	60 copies- 50 E, 10 D	60 copies	2	1 to 2 days	OTC Sales
		D-Bass Enterprise	Yes	25 copies - E	25 copies	2	1 to 2 days	OTC Sales
		Gelephu PO	Yes	30 copies - 24 E, 6 D	30 copies	2	1 to 2 days	OTC Sales
		Sarpang Tar PO	Yes	19 copies - 13 E, 6 D	19 copies	19	1 to 2 days	All Subscriptions, some pvt, some govt offices
	The Bhutanese	D-Bass Enterprise	Yes	10 copies	10 copies	2	1 to 2 days	OTC Sales

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		Sarpang Tar PO	Yes	5 copies	5 copies	0	2 to 3 days	
	Bhutan Times	D-Bass Enterprise	Yes	10 copies	10 copies	2	1 to 2 days	OTC Sales
	Bhutan Today	D-Bass Enterprise	Yes	15 copies	15 copies	2	1 to 2 days	OTC Sales
	The Journalist	D-Bass Enterprise	Yes	10 copies	10 copies	2	1 to 2 days	OTC Sales
	Business Bhutan	D-Bass Enterprise	Yes	10 copies	10 copies	2	1 to 2 days	OTC Sales
		BOD Gelephu Depot	Yes	No copies kept				
		BOD Sarpang	Yes	No copies kept				
	Gyalchi Sarshog	D-Bass Enterprise	Yes	5 copies	10 copies	2	1 to 2 days	OTC Sales
Tsirang	Kuensel	Himalayan Bookstore	Yes	10 copies, E	10 copies	2	2 to 3 days	100%sale with supplementary inserts Pick up from bus stop, not always on time, mostly subscription
	The Bhutanese	Himalayan Bookstore	Yes	10 copies	10 copies	2	2 to 3 days	FYI, OTC sales at Himalayan Bookstore is to govt. offices like the Court, Forest, BAFRA, BMD
		Tsirang PO	Yes	5 copies	5 copies	0	2 to 3 days	
	Bhutan Times	Himalayan Bookstore	Yes	10 copies	10 copies	1	2 to 3 days	
	Bhutan Today	Himalayan Bookstore	Yes	10 copies	10 copies	1	2 to 3 days	
	The Journalist	Himalayan Bookstore	Yes	10 copies	10 copies	1	2 to 3 days	
	Business Bhutan	Himalayan Bookstore	Yes	10 copies	10 copies	1	2 to 3 days	
	Gyalchi Sarshog	Himalayan Bookstore	Yes	5 copies	5 copies	0	2 to 3 days	
Wangdue	Kuensel	Mrs. Wangchuk Dema	Yes	40 copies	Not an agent			

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		Tashi Penjor	Shop Closed						
		JamtshoTshongkhang	Yes	13 copies	13 copies	7	1 to 2 days	OTC sales	
	The Bhutanese	Wangdue PO	Yes	5 copies	5 copies	2	2 to 3 days	OTC sales	
	Business Bhutan	Wangdue Milk Booth	Closed						
		Mrs. Wangchuk Dema	Yes		Not an agent				
		JamtshoTshongkhang	Yes		Not an agent				
Zhemgang	The Bhutanese	Zhemgang PO	Yes	5 copies	5 copies	0	2 to 3 days		
		Tashi Zangmo Shop	Yes	5 copies	5 copies	0	2 to 3 days	left at the PO, does not want to be an agent	
		Tingtibi PO	Yes	5 copies	5 copies	0	2 to 3 days		
Thimphu	Kuensel	DSB Books	Yes	30 copies- 25 E, 5 D	30	20	1 day	4 pvt. Subscription, rest OTC sales 25E, 5Dz	
		Megha Bookstore	Yes	25 copies, - 20 E, 5 D	30	6	1 day	OTC sales 20 E, 5 Dz	
		Ashish Tshongkhang	Yes	5 copies, E	5	3	1 day	OTC sales 18, 3 Dzo, 15 E	
		DungkharTshongkhang	Yes	18 copies, 15 E, 3 D	18	15	1 day	OTC sales	
		ThubtenTshongkhang	Yes	8 copies, 6E, 2 D	8	5	1 day	OTC sales 8, 6 E, 2 Dz	
		Pelbayo General Shop	Yes	5 copies - E	5	2	1 day	OTC sales	
		LL Enterprise	Yes	5 copies, 4 E, 1 D	5	3	1 day	OTC sales 5, 4E, 1Dz	
	The Bhutanese	DSB Books	Yes	10	10	8	1 day	Most of the unsold copies are returned to the publishers. Only few instances when it is left behind.	
		Pekhang	Yes	10	10	6	1 day		OTC sales

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

		DungkharTshongkhang	Yes	5	5	5	1 day	OTC sales
		Megha Bookstore	Yes	5	5	1	1 day	OTC sales
		Jigme Mart	Yes	10	10	2	1 day	OTC sales
		ThubtenTshongkhang	Yes	10	10	5	1 day	OTC sales
		Shopper's Store	Yes	15	15	2	1 day	OTC sales
		LhatshongTshongkhang	Yes	20	20	10	1 day	OTC sales
		Pelbayo General Shop	Yes	5	5	2	1 day	OTC sales
		K&K Tshongkhang	Yes	5	5	2	1 day	OTC sales
	Bhutan Times	DungkharTshongkhang	Yes	10	10	5	1 day	OTC sales
		Jigme Mart	Yes	10	10	2	1 day	OTC sales
		ThubtenTshongkhang	Yes	10	10	5	1 day	OTC sales
		Pelbayo General Shop	Yes	5	5	2	1 day	OTC sales
	Bhutan Today	DSB Books	Yes	10	10	8	1 day	OTC sales
		DungkharTshongkhang	Yes	10	10	5	1 day	OTC sales
		Jigme Mart	Yes	10	10	2	1 day	OTC sales
		ThubtenTshongkhang	Yes	10	10	5	1 day	OTC sales
		Pelbayo General Shop	Yes	5	5	2	1 day	OTC sales
	The Journalist	DungkharTshongkhang	Yes	10	10	5	1 day	OTC sales
		Jigme Mart	Yes	10	10	2	1 day	OTC sales
		ThubtenTshongkhang	Yes	10	10	5	1 day	OTC sales
		Pelbayo General Shop	Yes	5	5	2	1 day	OTC sales
	Business Bhutan	DSB Books	Yes	10	10	8	1 day	OTC sales
		Pekhang	Yes	10	10	5	1 day	OTC sales

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		Megha Bookstore	Yes		5	5	1	1 day	OTC sales
		Jigme Mart	Yes		10	10	2	1 day	OTC sales
		Pelbayo General Shop	Yes		5	5	2	1 day	OTC sales
		DungkharTshongkhang	Yes		5	5	5	1 day	OTC sales
	Gyalchi Sarshog	Pelbayo General Shop	Yes		5	5	4	1 day	OTC sales
Trongsa	Kuensel						E-7 D-2 All subscriptions		Evening (If not mistaken and taken to Bumthang)
		Rabten Enterprise	Yes	E-15 D-5					
	The Bhutanese							Late Evening (If not mistaken and taken to Bumthang)	When verified, the issue of latest publication had not arrived. Still old copy on display
		Pema Tshongkhag	Yes	E-5			Avg. 1/week		
		TsheringWangmo	Yes						Stopped for more than 2 years
	All Other Papers								
Bumthang	Kuensel		Not located						
	The Bhutanese						Swiss Guest House subscription (other than that, no sales)	1 day after date of publication	
		PO	Yes						
	Business Bhutan	BOC	Yes						No papers

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	All Other papers							
Mongar	Kuensel	Wangchuk Medical Shop	Yes	D-20 E-20		D-2 E-5 (Subscriptions) E-3/4 per day D-1/day	Arrives by noon by the bus (if the bus driver does not forget to drop it)	
		DechenTshomo General Shop, Kurizam	Yes	D-5 E-5		No sales		GCIT subscribes directly to Kuensel
		Phuntsho Jordan Tshongkha, Lingmithang, Mongar	Yes	D-5 E-5		Avg. 1/week (E) and Avg. 1/month (D)	Arrives afternoon by the bus (if the bus driver does not forget to drop it)	Tried to market to BHU, schools, Gewog office but all refused
	The Bhutanese	Mongar PO	Yes	5 Nos		1- To Wangchuk Hotel	Arrives on Monday	
		Gyelposhing PO	Yes	5 Nos		No sales	Arrives a week late	
	Other Papers	Wangchuk Medical Shop						Stopped circulations. All papers were found in the bus terminal
	Lhuntse	Kuensel	TshetenDorjiTshongkag					

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

		Jampela General Shop, Tangmachu		D-15 E-15		No sales	arrives by bus daily	
		KesangTobgayTshongkhang, Gorgan		E-2 D-2		No sales	arrives by bus daily (late if the bus driver forgets to drop it)	Still agent due to complaint during election time.
		RinchenGhakilTshongkhag, Autsho		E-5 D-5		Avg 1/week (if arrived on time)		Able to sell all copies during celebrations for pictures
	The Bhutanese	Lhuntse PO				No sales		
	Other papers		Not able to locate					
Trashigang	Kuensel	DechenPeldenTshongkharg, Riserboo, Wamrong		D-5 E-5		Avg. 1 in 2 weeks	Before noon by bus	
		Rangdyel Bakery and Confectionary, Wamrong		E-25 D-20		E-17 D-13 (all subscriptions)	Before noon by bus	Other than subscriptions, no sales
		Chador Wangmo General Shop, Kanglung		E-5 D-5		E- about 15 /week D-5/week	Before shop opens	
		SB General Shop, Khaling		D-3 E-5		Avg. 5/6 per month	Before noon	
		Chimi General Shop, Rangjung		E-18 D-14		E-17 D-13		All sales are subscriptions to schools
		Tenzin GemboTshongkhar, Trashigang Town		E-10 D-5		D (2/3 per week) No english paper sales		E-1 D-1 school subscription but have now stopped

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

	The Bhutanese	Wamrong PO				No sales	Receive on Monday/ Wednesda y/Friday as there is no daily mail service		
		Khaling PO				No sales	Receive on Monday/ Wednesda y/Friday as there is no daily mail service		
		Kanglung PO				All copies sold to Kanglung		Subscription was only recently. Before that, there was low sales. (e.g. Nu. 1000 in 2018)	
	Other papers	Rangdyel Bakery and Confectionary, Wamrong							stopped distribution for 2-3 years
		Chador Wangmo General Shop, Kanglung							stopped distribution for 2-3 years
		SB General Shop, Khaling							stopped distribution for 2-3 years
		Chimi General Shop, Rangjung							stopped distribution for 2-3 years
		Tenzin GemboTshongkhang, Trashigang Town							stopped distribution for 2-3 years

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Pema Gatshel	Kuensel	PhuntshoGyeltshenTs hongkhang		E-7 D-3		2 (both subscriptions)		1 day delay (Trashigang to Narphung, and then to Pema Gatshel via Gypsum Truck)	
	The Bhutanese	PhuntshoGyeltshenTs hongkhang				No sales			
		Nganglam PO					No Sales	Arrives on time	
Other papers	PhuntshoGyeltshenTs hongkhang							stopped distribution for 2-3 years	
Samdrup Jongkhar	Kuensel	SangayWangmoTsho ngkhang, Dewathang		D-15 E-20		E-8 D-4 (Subscriptions) Avg 2/Week		Please refer notes in book for details	
		Samdrup Jongkhar PO		E-32 D-10		All sold (subscriptions)	Same day (evening)		
	The Bhutanese	Samdrup Jongkhar PO		E-5		No Sales	Every Friday Evening		
		Samdrup Choling PO		E-5		Avg 1/month	One week late		
	Other Papers	SangayWangmoTsho ngkhang, Dewathang							Stopped distribution
		SJ Shoppers Stop	Not located						
Forgotten Name Shop		Closed							
Trashie Yangtse	Kuensel	TshewangLhamo General Shop		D-5 E-5		Avg 2/Day (If on time) Otherwise, no sales	Every Afternoon		

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

		SangayChodaTshongkhang, Doksum		E-20		No Sales		
The Bhutanese		Trashi Yangtse PO				No Sales	every Tuesday	
		Doksum PO				No Sales	Every Tuesday	
Other Papers		Mr. Sangay, PhurbaTshongkhang						Stopped Distribution
		SangayChodaTshongkhang, Doksum						Stopped Distribution

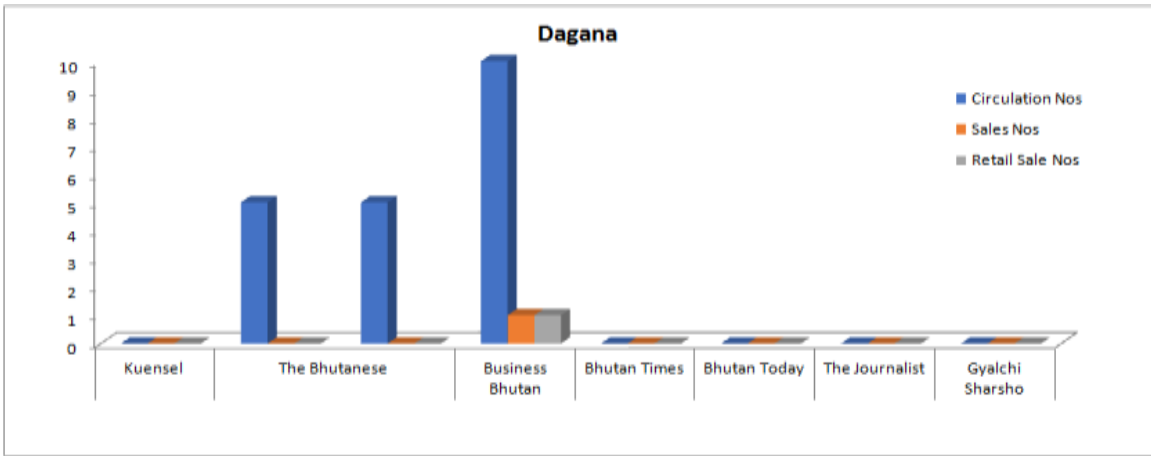
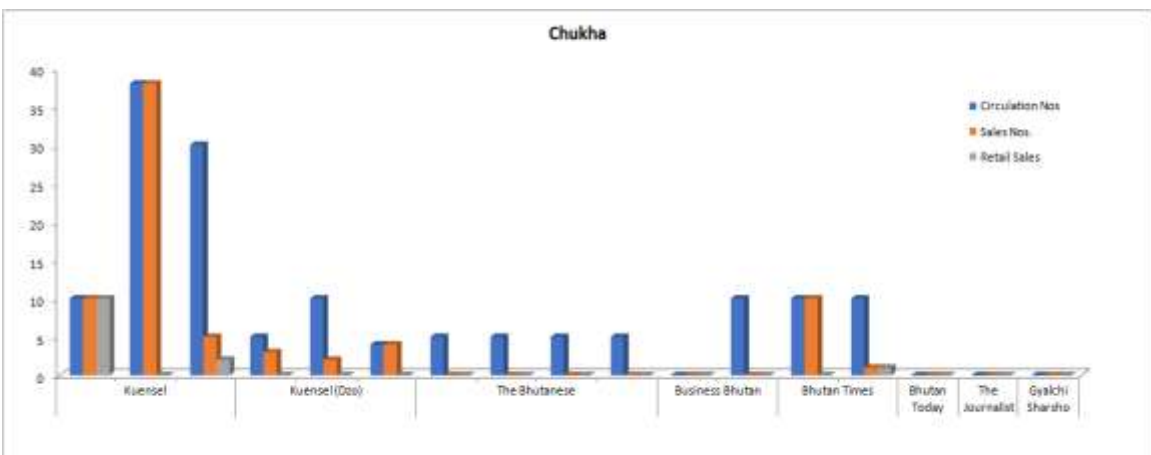
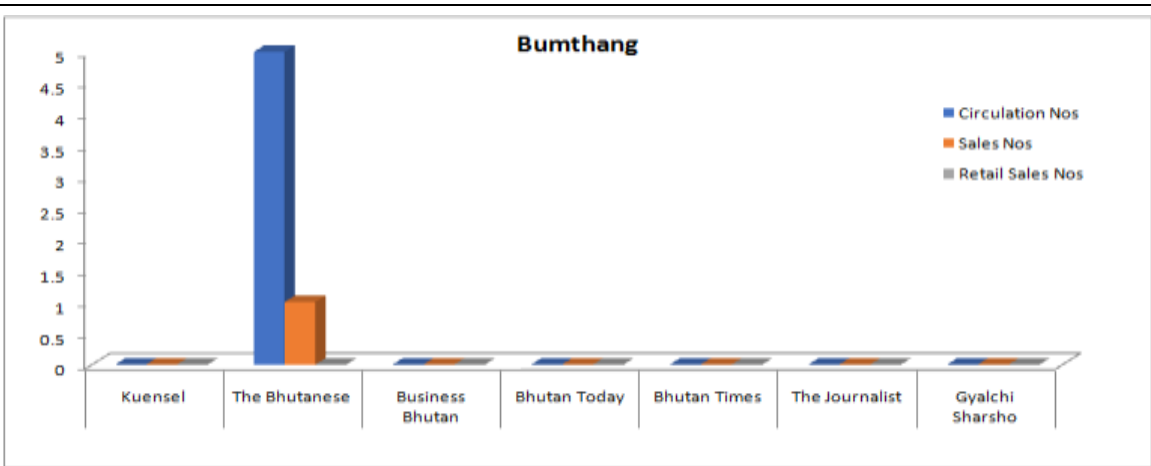


Figure: Survey Results (1)

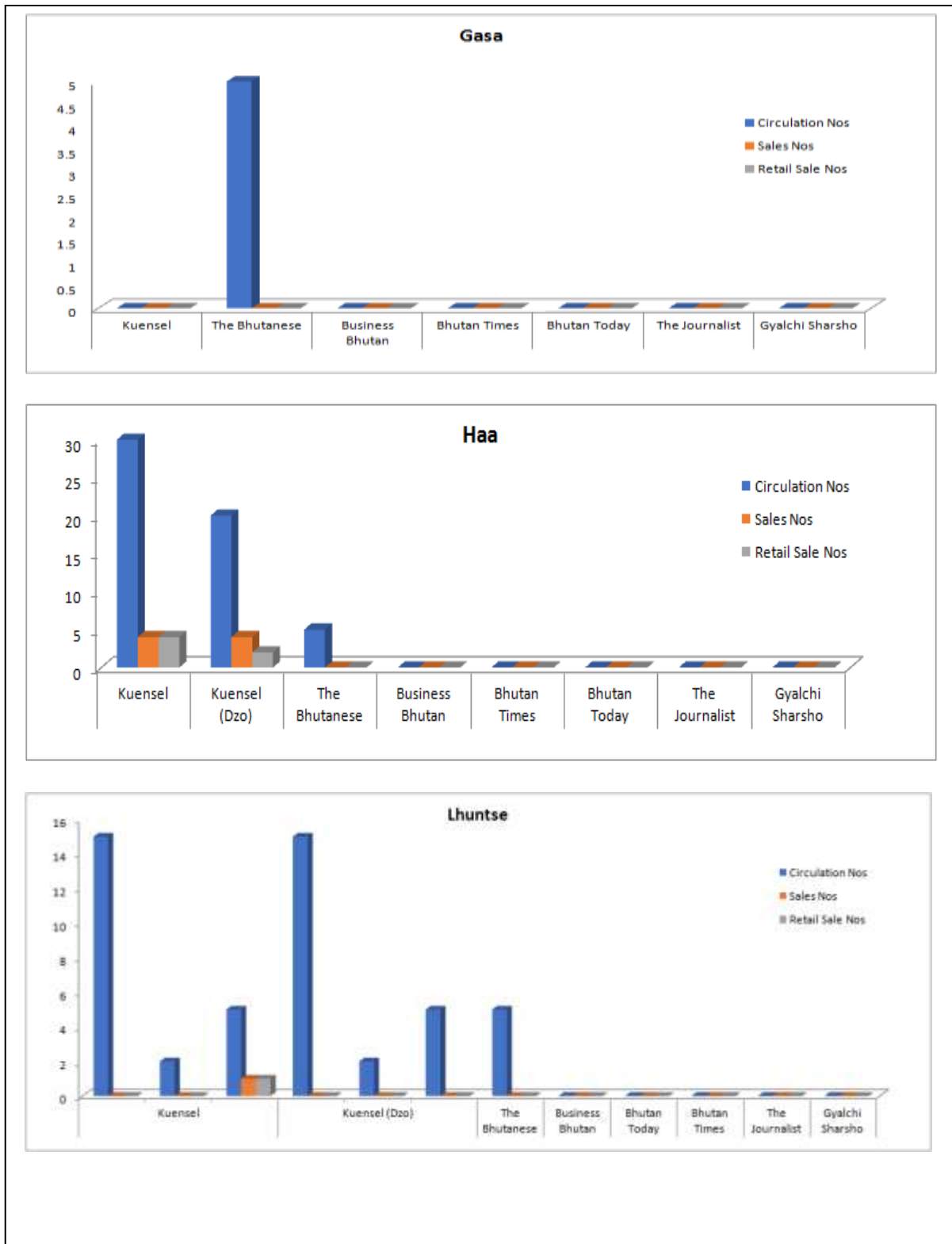


Figure: Survey Results (2)

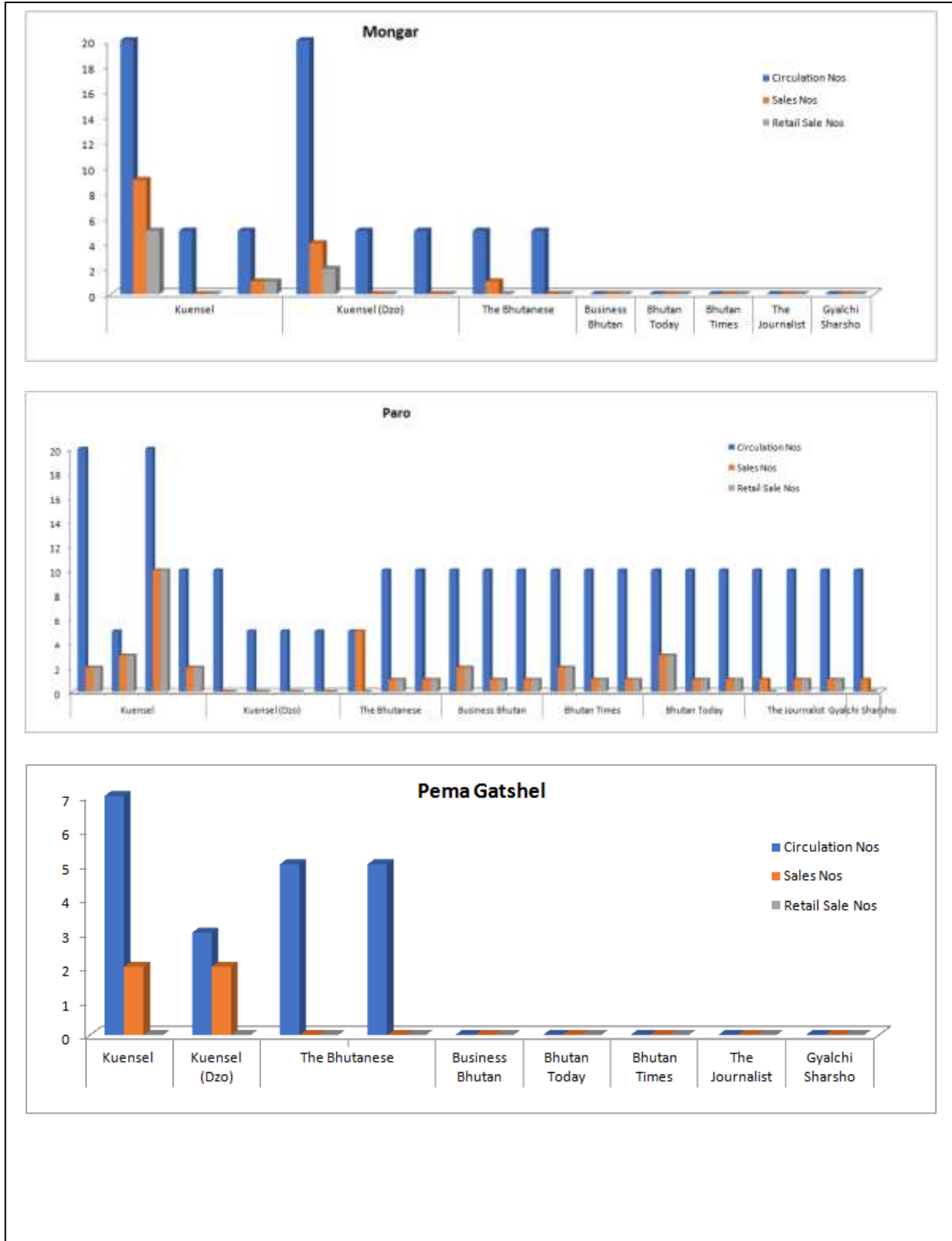


Figure: Survey Results (3)

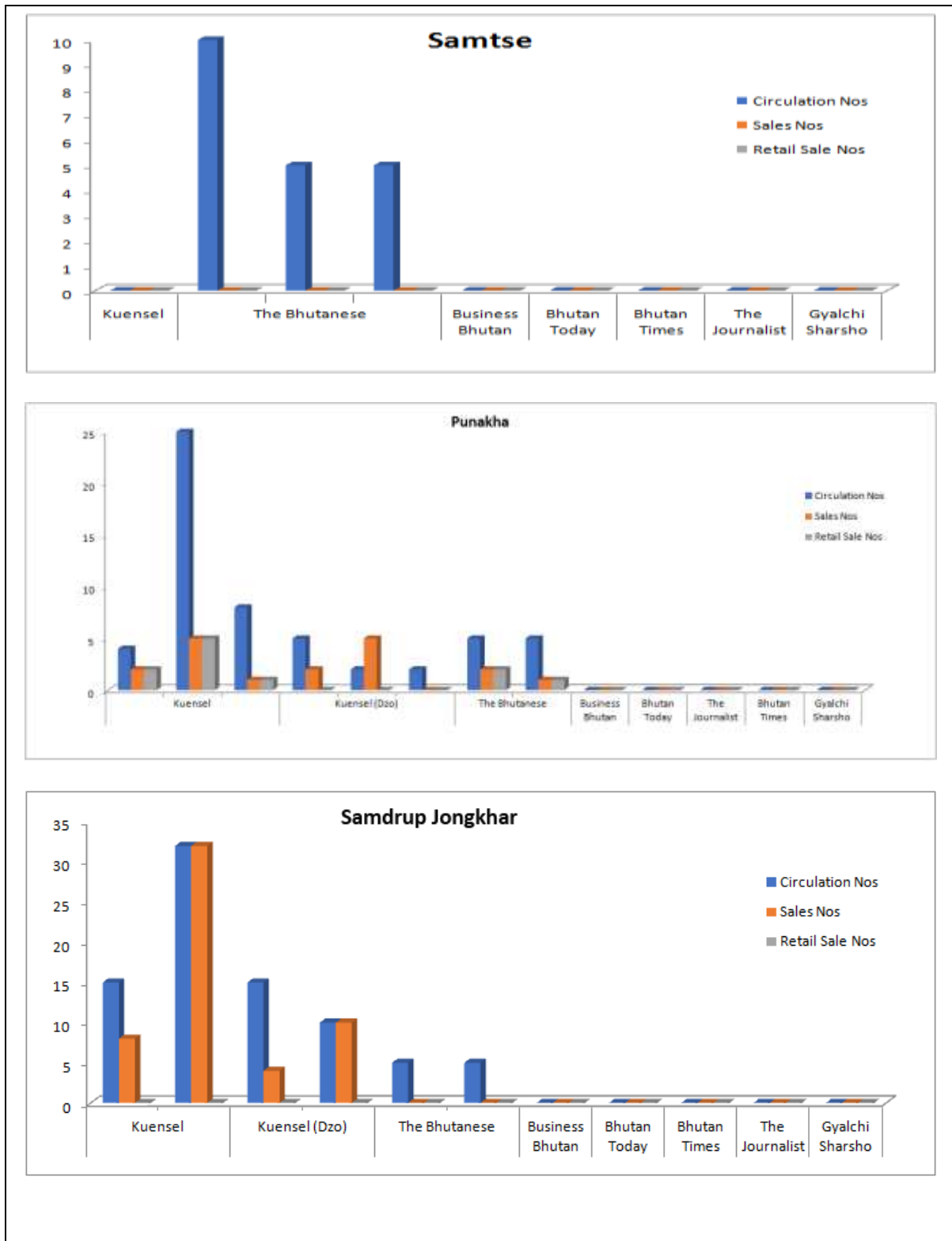


Figure: Survey Results (4)

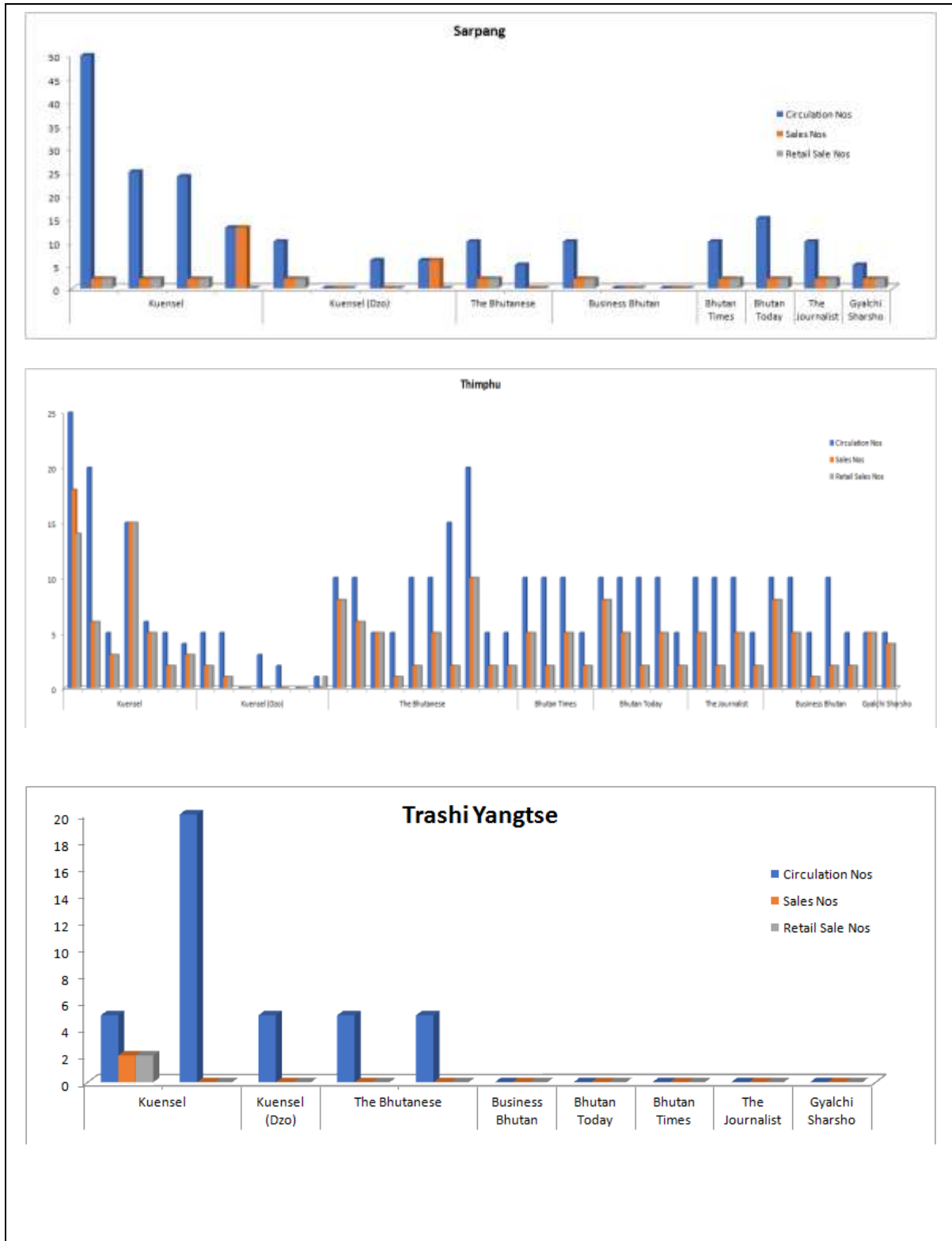


Figure: Survey Results (5)

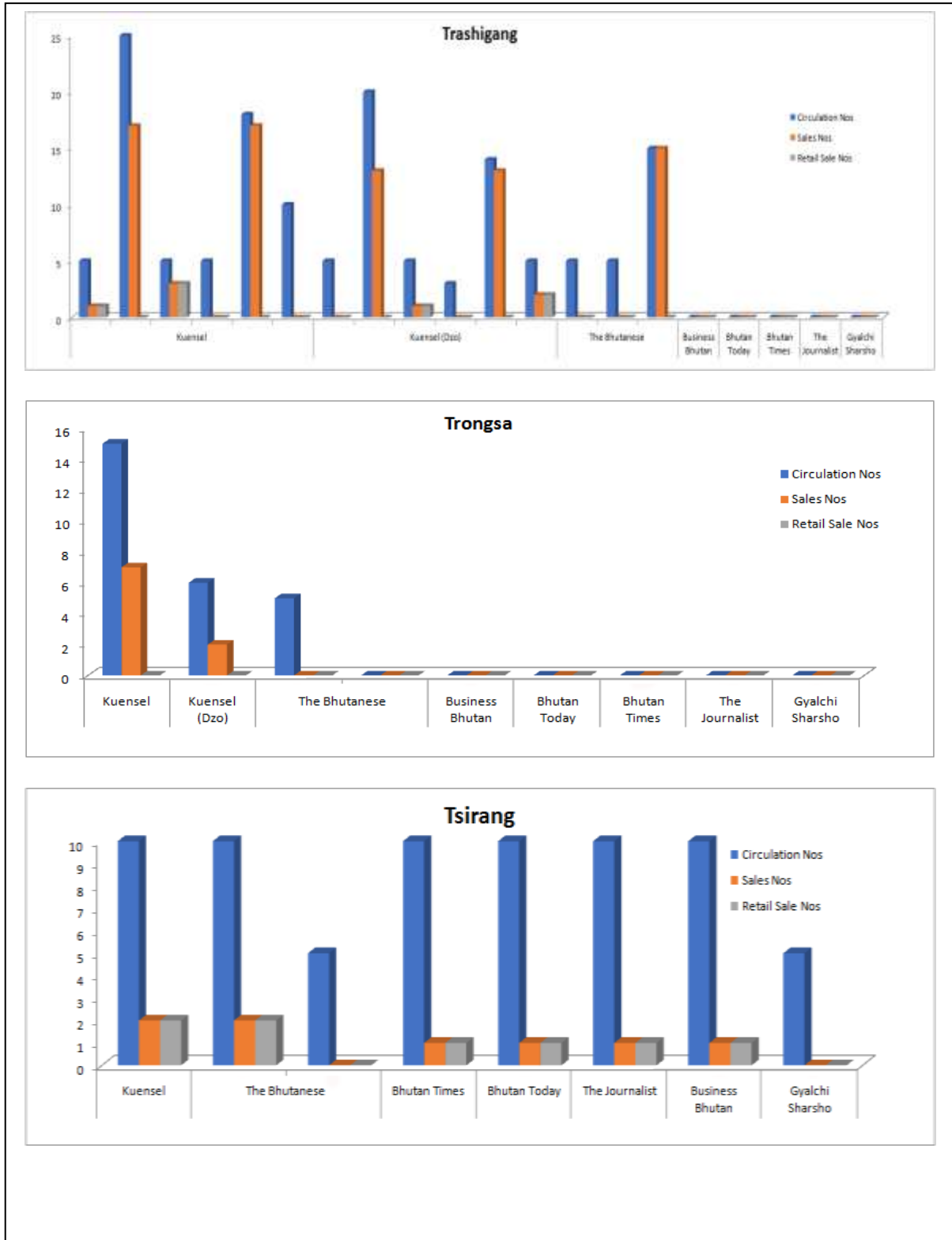


Figure: Survey Results (6)

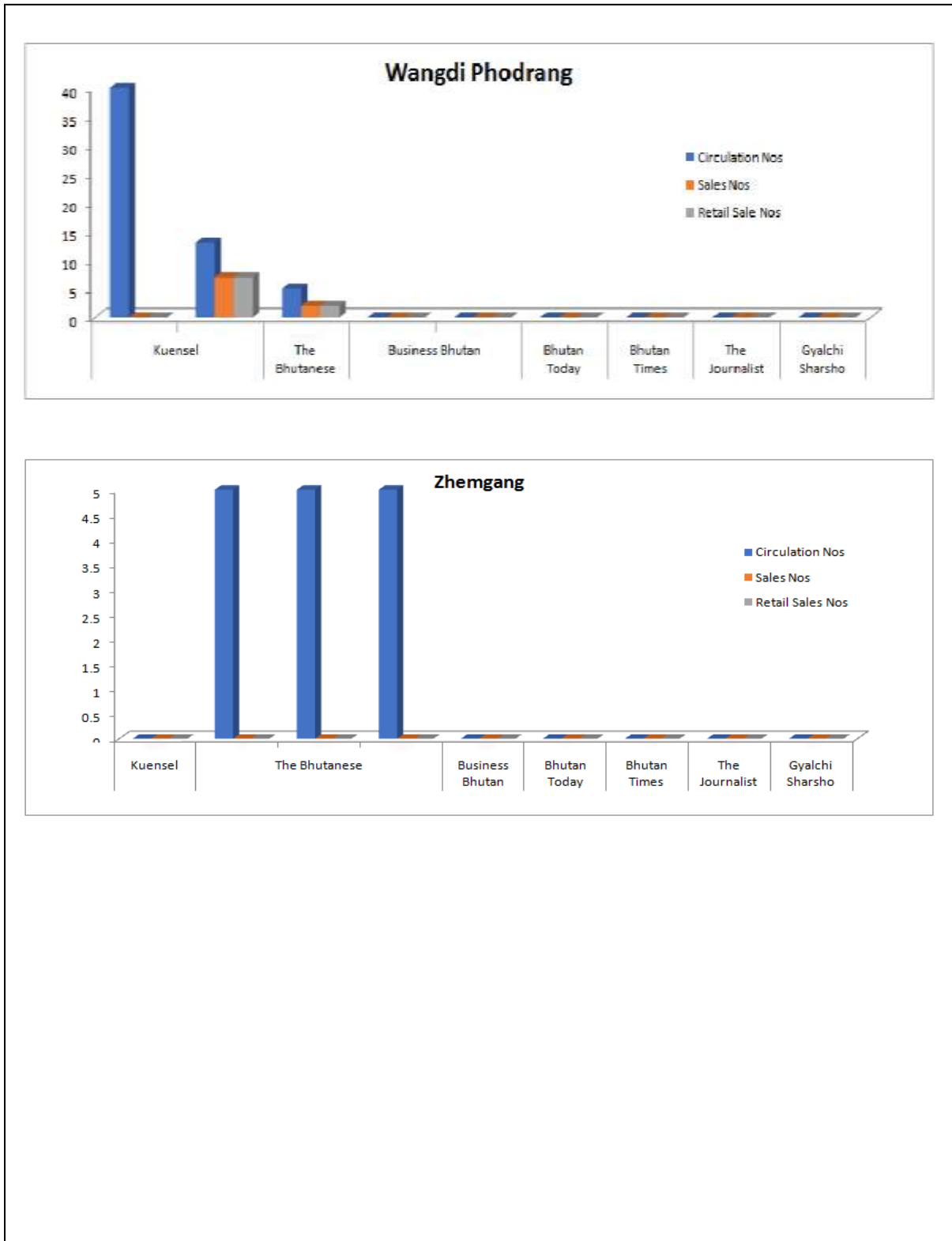


Figure: Survey Results (7)

ANNEXURE – E: DATA SUBMITTED TO BICMA BY THE NEWSPAPER PUBLISHERS

	Kuensel				The Journalist				Business Bhutan			
	D	EC	FC	ND	D	EC	FC	ND	D	EC	FC	ND
Bumthang	4500	159	-	1350	20	-	-	-	10	-	-	-
Chukha	137400	380	-	38472	220	-	-	-	208	-	-	-
Dagana	3500	95	-	1225	10	-	-	-	20	-	-	-
Gasa	0	85	-	-	-	-	-	-	-	-	-	-
Haa	16500	110	-	4785	10	-	-	-	10	-	-	-
Lhuntse	7732	95	-	2860	10	-	-	-	20	-	-	-
Mongar	28576	195	-	8570	5	-	-	-	35	-	-	-
Paro	135900	290	-	36693	110	-	-	-	275	-	-	-
Pema Gatshel	3980	115	-	1553	70	-	-	-	10	-	-	-
Punakha	16500	350	-	4125	60	-	-	-	30	-	-	-
Samdrup Jongkhar	30040	205	-	10514	30	-	-	-	10	-	-	-
Samtse	26700	139	-	5874	60	-	-	-	20	-	-	-
Sarpang	56500	250	-	12995	20	-	-	-	37	-	-	-
Thimphu	546600	661	29700	136650	10	-	-	-	573	-	-	-
Trashigang	78968	165	-	19742	365	-	130	-	20	-	-	-
Trashy Yangtse	6830	105	-	2049	50	-	-	-	10	-	-	-
Trongsa	8400	150	-	2520	20	-	-	-	10	-	-	-
Tsirang	9300	175	-	2511	10	-	-	-	10	-	-	-
WangduePhodrang	14990	215	-	3900	10	-	-	-	32	-	-	-
Zhemgang	0	96	-	0	10	-	-	-	10	-	-	-

D – Distribution
EC – Electronic Copy
FC – Free Copy
ND – Non-Distribution

CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

	Gyalchi Sarshog				Bhutan Today				Bhutan Times				Bhutanese			
	D	EC	FC	ND	D	EC	FC	ND	D	EC	FC	ND	D	EC	FC	ND
Bumthang	5	-	5	-	2000	-	-	0	0			0	955	-	-	-
Chukha	15	-	15	-	5750	-	-	0	4000			1572	2930	-	-	-
Dagana	-	-	-	-	250	-	-	0	0			0	1090	-	-	-
Gasa	-	-	-	-	0	-	-	0	0			0	215	-	-	-
Haa	5	-	5	-	0	-	-	0	0			0	645	-	-	-
Lhuntse	5	-	5	-	0	-	-	0	0			0	215	-	-	-
Mongar	5	-	5	-	800	-	-	0	0			0	430	-	-	-
Paro	5	-	5	-	3000	-	-	0	7000			850	7800	-	-	-
Pema Gatshel	5	-	5	-	1500	-	-	0	0			0	430	-	-	-
Punakha	5	-	5	-	2000	-	-	0	500			300	1075	-	-	-
Samdrup Jongkhar	5	-	5	-	2500	-	-	0	0			0	1290	-	-	-
Samtse	5	-	5	-	1750	-	-	0	0			0	1075	-	-	-
Sarpang	5	-	5	-	1750	-	-	0	500			250	1360	-	-	-
Thimphu	380	-	5	-	22400	-	-	0	44500			1167	22395	-	-	-
Trashigang	5	-	380	-	2750	-	-	0	0			0	2607	-	-	-
Trashigang	5	-	5	-	1750	-	-	0	0			0	1620	-	-	-
Trongsa	5	-	5	-	2250	-	-	0	0			0	500	-	-	-
Tsirang	5	-	5	-	2250	-	-	0	500			388	715	-	-	-
WangduePhodrang	5	-	5	-	750	-	-	0	0			0	215	-	-	-
Zhemgang	-	-	-	-	0	-	-	0	0			0	875	-	-	-

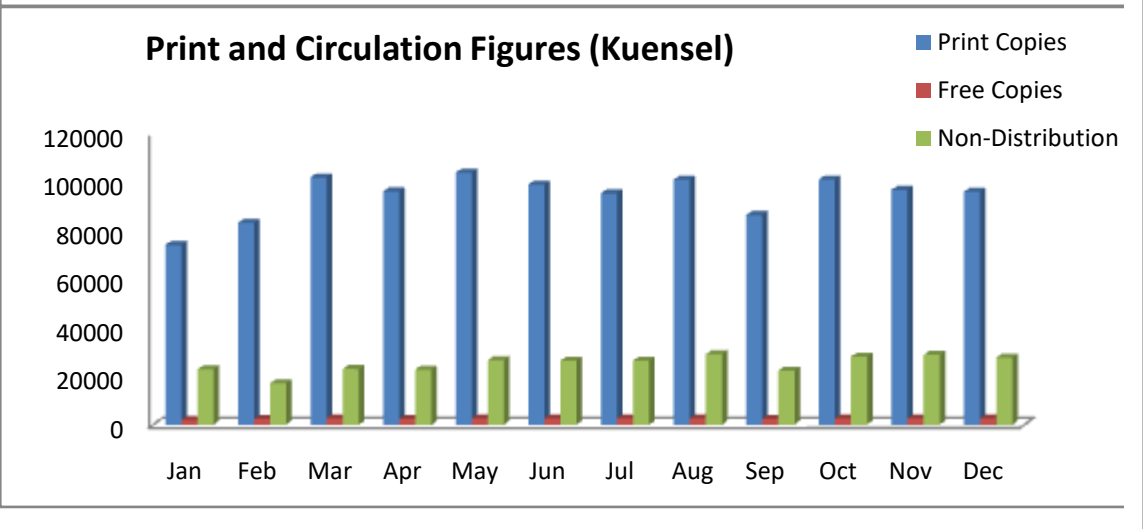
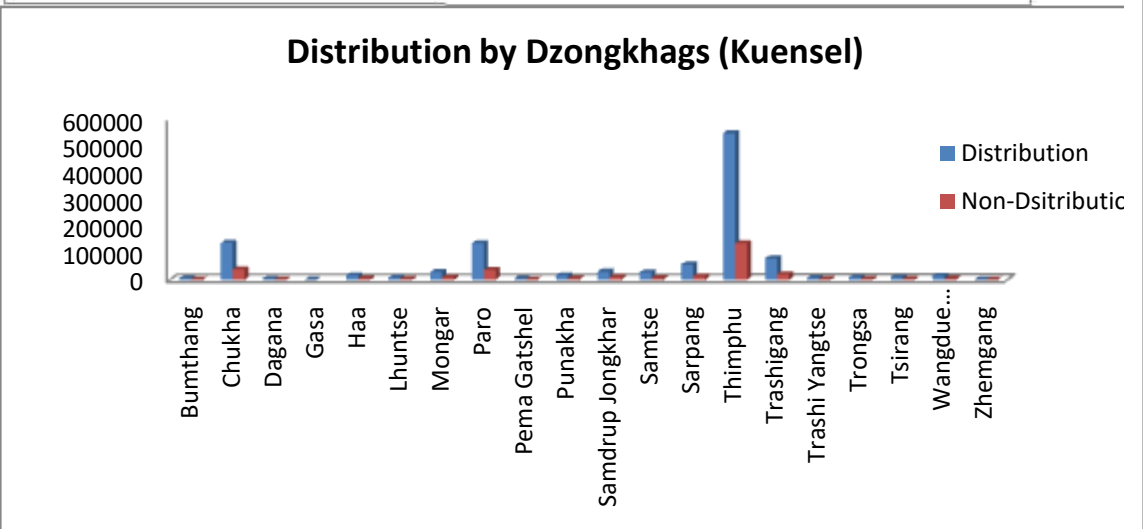
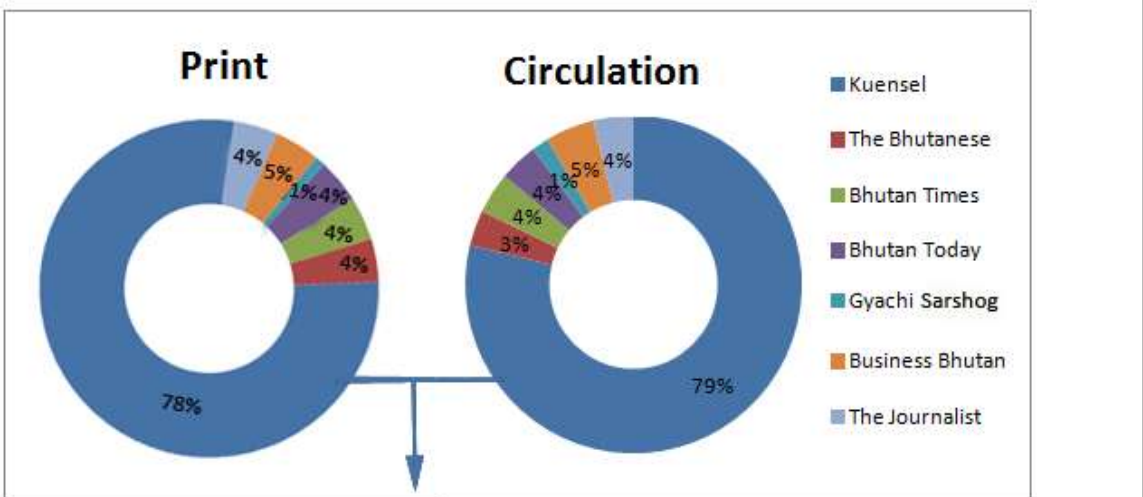
D – Distribution
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CIRCULATION AUDIT OF NEWSPAPERS FOR THE YEAR 2018

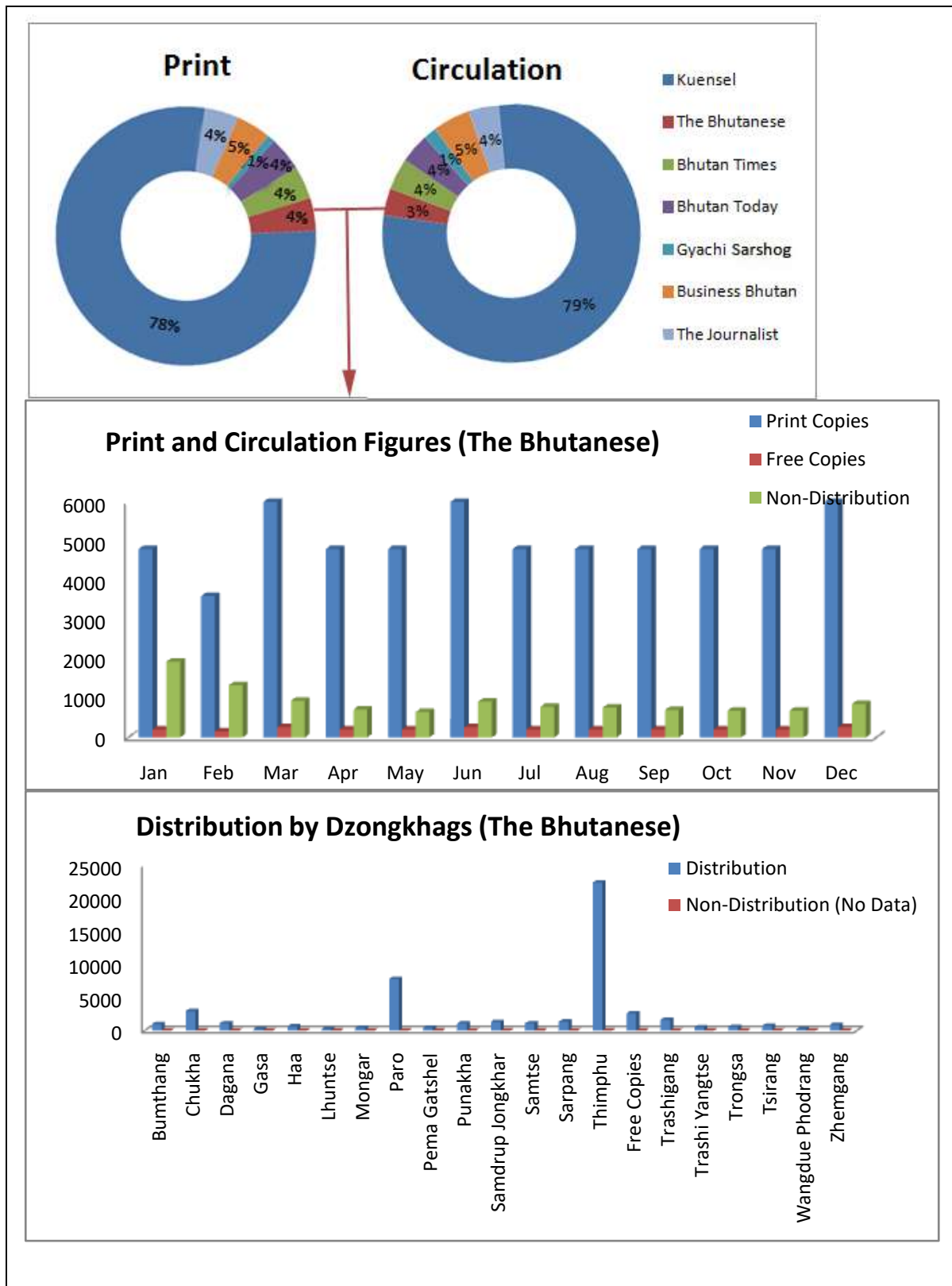
ANNEXURE –F : DATA SUBMITTED TO BICMA BY THE NEWSPAPER PUBLISHERS

	Kuensel			Bhutanese			Bhutan Times					
	PC	FC	ND	PC	FC	ND	PC	FC	ND	PC	FC	ND
Jan	73940	1940	22764	4800	208	1928	4800	200	2624			
Feb	83072	2309	17080	3600	156	1326	3600	150	1968			
Mar	101691	2619	22948	6000	260	935	4800	200	2624			
Apr	95983	2425	22633	4800	208	708	6000	250	3280			
May	103688	2620	26577	4800	208	648	4800	200	2624			
Jun	98843	2526	26354	6000	260	910	4800	200	2624			
Jul	95169	2516	26378	4800	208	780	6000	250	3280			
Aug	100885	2619	28981	4800	208	760	4800	200	2624			
Sep	86275	2425	22175	4800	208	700	4800	200	2624			
Oct	100896	2619	27949	4800	208	680	4800	200	2615			
Nov	96612	2522	28748	4800	208	680	4800	200	2620			
Dec	95862	2560	27558	6000	260	850	6000	250	3270			
Total	1132916	29700	300145	60000	2600	10905						
	Bhutan Today			Gyalchi Sarshog			Business Bhutan			The Journalist		
	PC	FC	ND	PC	FC	ND	PC	FC	ND	PC	FC	ND
Jan	5200	-	-	600	470	130	5044	356	2600	4800	520	-
Feb	3900	-	-	600	470	130	3778	267	1965	3600	390	-
Mar	5200	-	-	600	470	130	6280	445	3275	4800	520	-
Apr	6100	-	-	600	470	130	5015	356	2620	6000	780	-
May	4800	-	-	600	470	130	4975	356	2660	4800	520	-
Jun	4800	-	-	600	470	130	6250	445	3315	4800	520	-
Jul	6000	-	-	600	470	130	4975	356	2660	6000	780	-
Aug	4800	-	-	600	470	130	5011	356	2633	4800	520	-
Sep	4800	-	-	600	470	130	5018	356	2633	4800	520	-
Oct	4800	-	-	600	470	130	4986	356	658	4800	520	-
Nov	4800	-	-	600	470	130	4991	356	653	4800	520	-
Dec	6000	-	-	600	470	130	5965	445	1090	6000	780	-

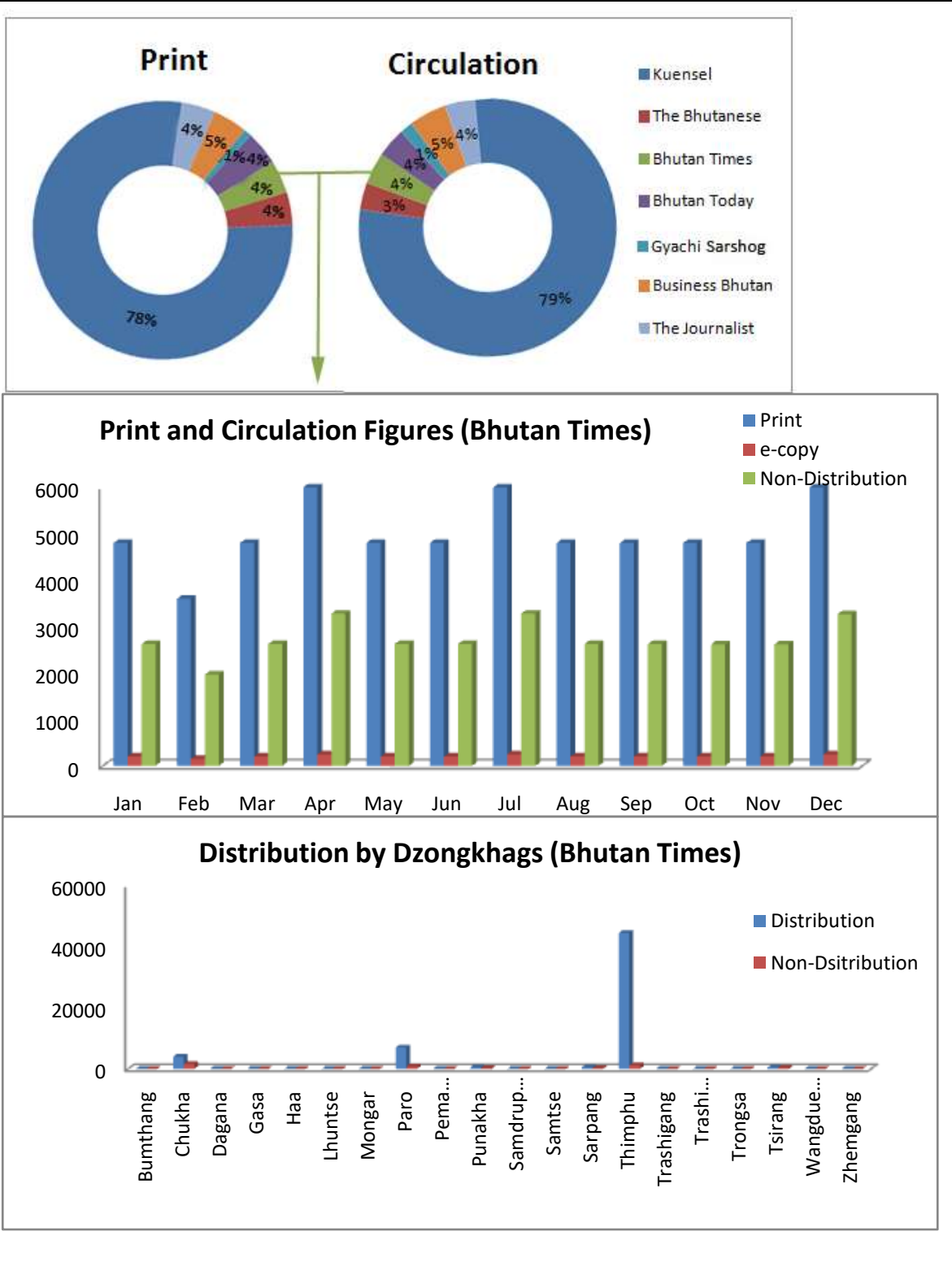
D – Distribution EC – Electronic Copy FC – Free Copy ND – Non-Distribution



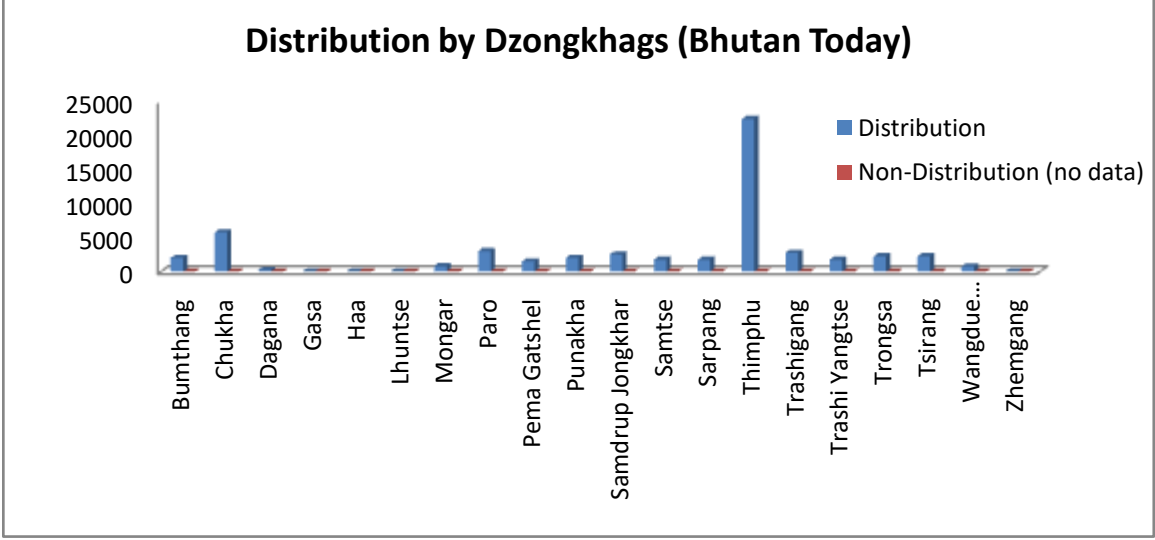
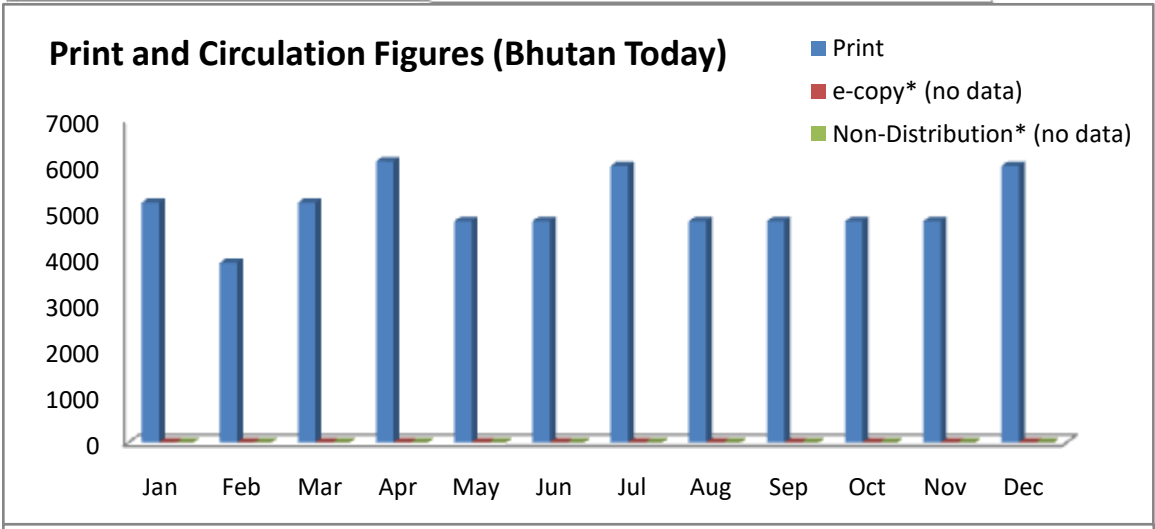
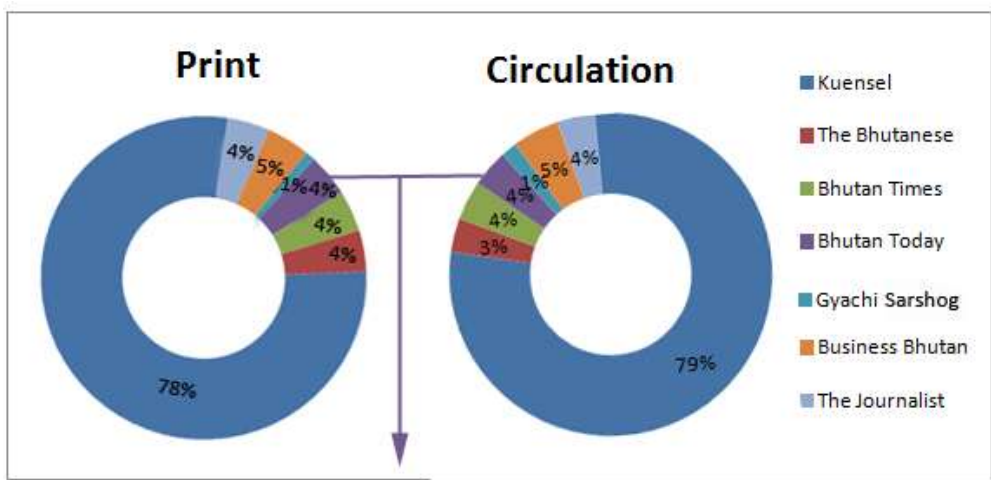
Graph- Print and Circulation Figures for Kuensel



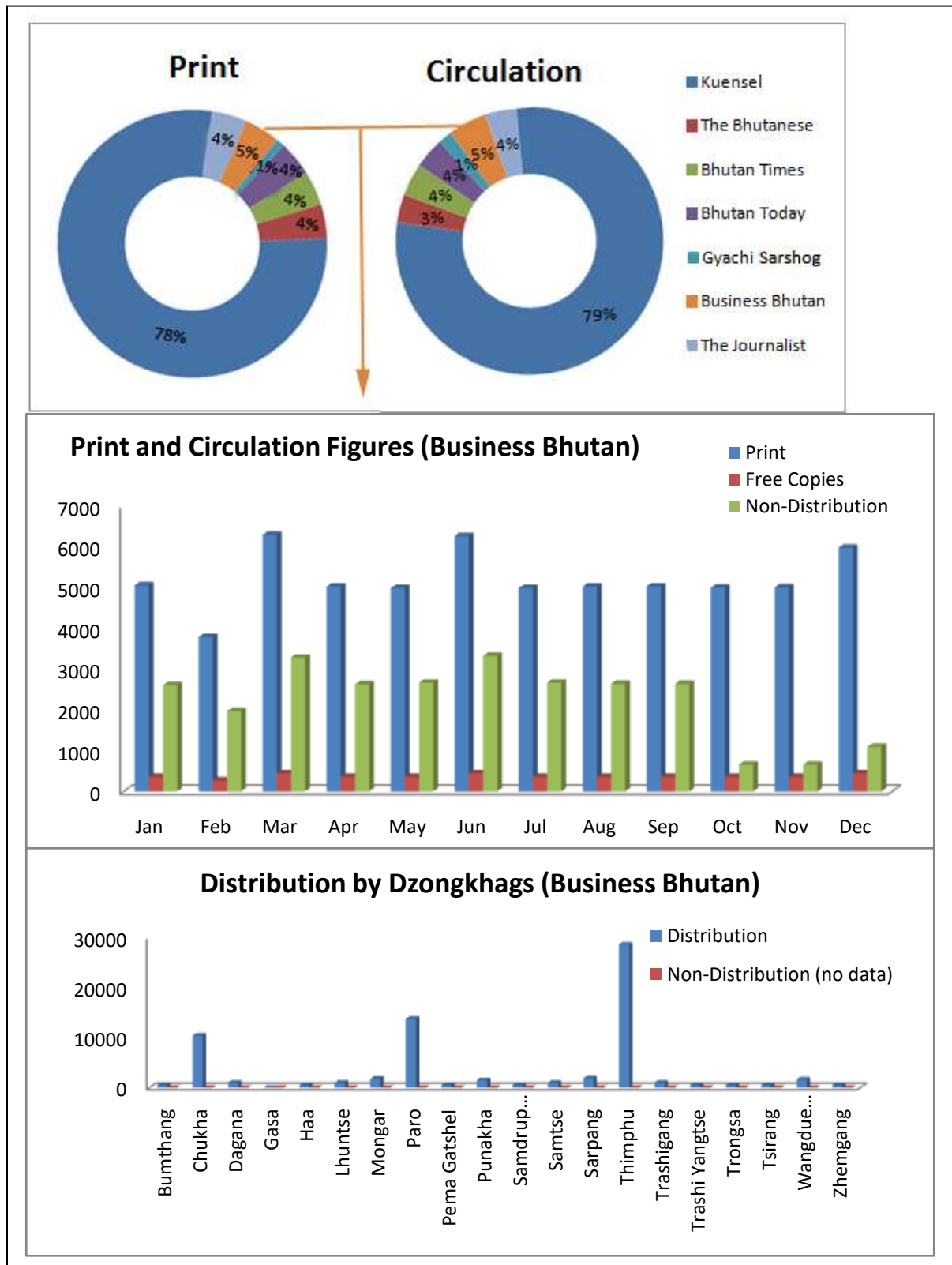
Graph- Print and Circulation Figures for The Bhutanese



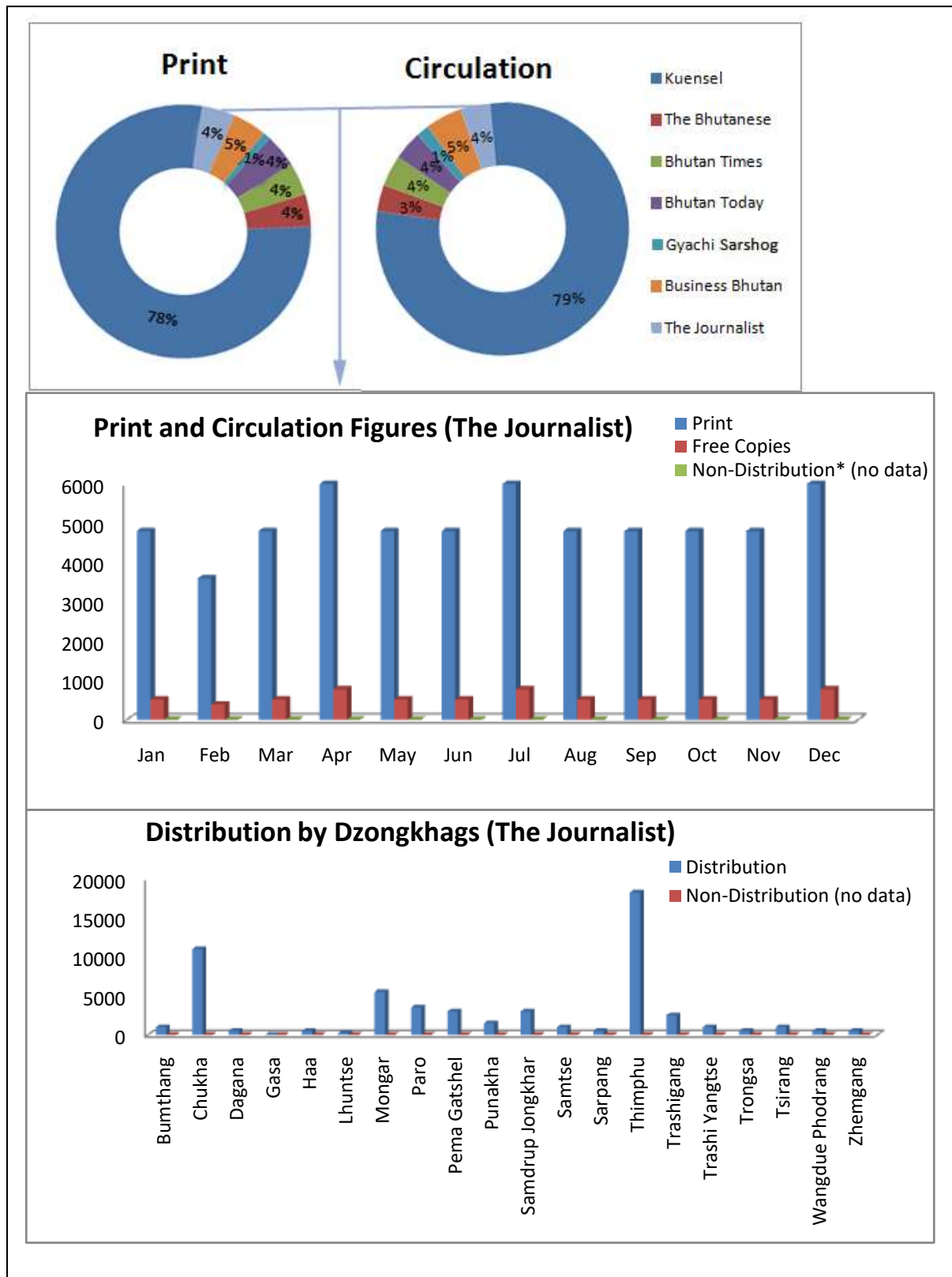
Graph- Print and Circulation Figures for Bhutan Times



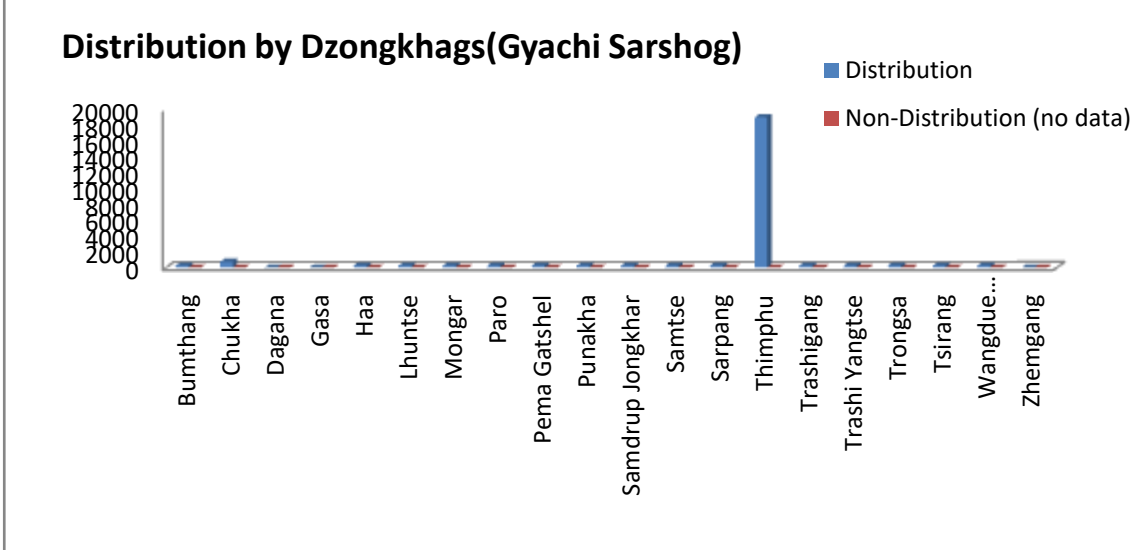
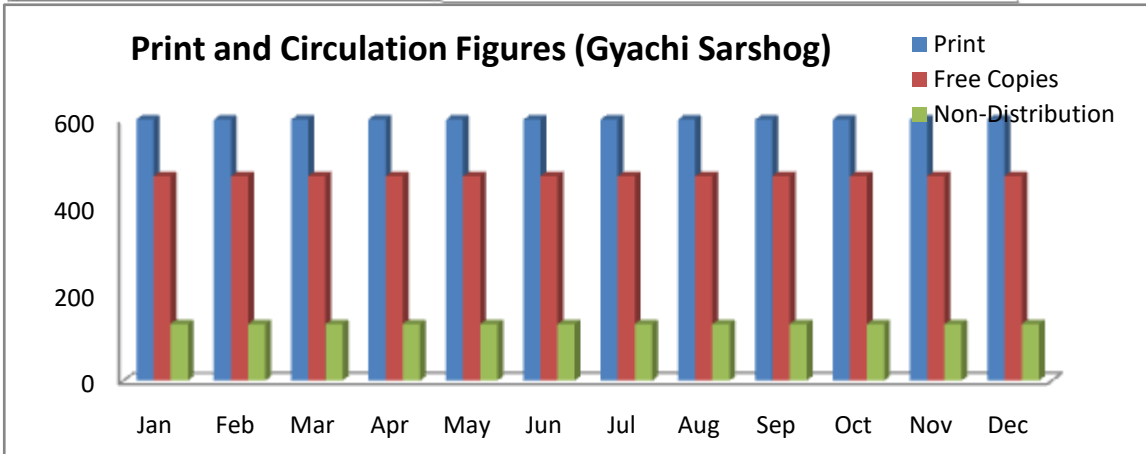
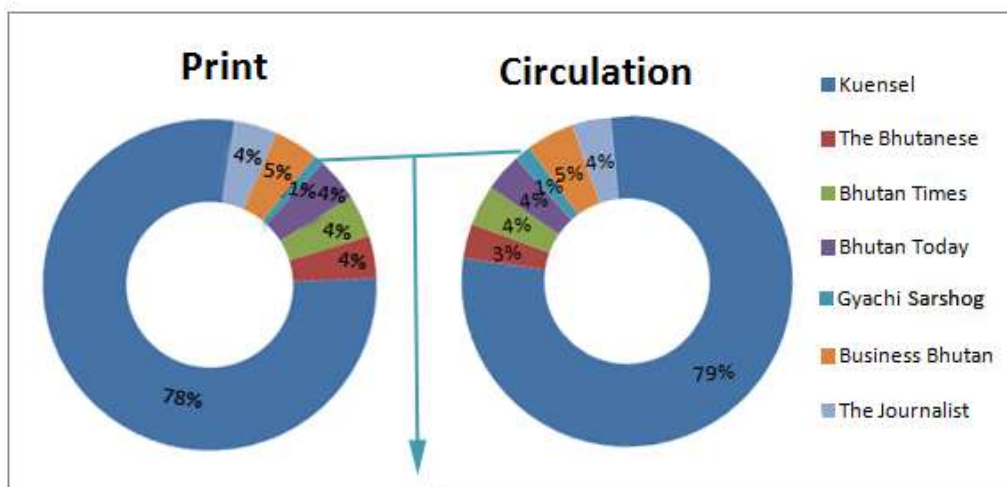
Graph-Print and Circulation Figures for Bhutan Today



Graph- Print and Circulation Figures for Business Bhutan



Graph- Print and Circulation Figures for The Journalist



Graph- Print and Circulation Figures for Gyachi Sarshog

ANNEXURE G- TERMS AND DEFINITION FROM CIRCULATION AUDIT GUIDELINES GLOSSARY

For the purpose of the study, the Circulation Audit Guidelines for Publishers of Department of Information and Media (DOIM), the Ministry of Information and Communications (MOIC) was referred to obtain the various terms and definitions used for auditing. This section gives a list of all the terms and definitions as defined in the document.

1. Back Copies: Any issue of a publication which is not a current issue.
 - 1.1. Daily publication: Day of the date of imprint only (In the case of evening Newspapers including copies dispatched prior to the issue for the following date is published)
 - 1.2. Weekly Publication: Upto the date of imprint of the next issue.
2. Daily Newspaper: A daily newspaper which is printed and published daily for atleast 5 working days in a week except approved holidays.
3. Free Copies: Voucher, exchange and complimentary copies, and copies (if any) given to agents for onward free distribution for which records are available.
4. Local Agent: An agent appointed by a publisher to effect distribution of copies within the town of publication or any of its printing centre.
5. Returns: Copies of publication remaining unsold out of copies indented as notified by agents and accepted by publishers and in case of additional copies supplied without agents' indents, all copies reported as unsold by agents whether or not such claims are accepted by publisher.
6. Print Order: It is utmost essential that a print order duly signed by an authorized official of the publisher is available at the press before the start of the printing process. Any alteration/correction to the print order should be duly authorized. The print order should contain the following information:
 - a) Date of issue
 - b) Total number of pages – main paper + supplements + addons if any to be separately mentioned.
 - c) Total number of copies to be printed
 - d) Number of copies to be printed as per different print runs (details to be provided).

Auditors have been specifically intimated to verify the print order immediately before the starting of the printing process.

7. Non- Subscription Sales: Includes Single, Institutional copies etc.

7.1. Institutional Sales: Copies of newspapers (Dailies & Weeklies) which are either sold directly by the publisher and/or his distributing trade to organisations not connected with newspaper distribution trade provided bonafides of the organization(s) involved in Institutional Sales are established to the satisfaction of the auditors.

7.2 Single Copy Sales: All copies sold to the reader at the prescribed cover price.

8. Subscription Sales: Following guidelines are required to be fulfilled in case of all single subscription offers:

a. Publisher should retain atleast 10% of the cover price of the publication, after taking into account discount on cover price, value of gifts, delivery charges, etc.

b. Subscription requisition / request in writing from the subscriber needs to be obtained by the publisher and / or his agent(s).

c. Supply of subscription copies to a subscriber (excluding Government Organizations) to commence only after the subscription amount is received as above by a publisher and / or his agent(s) in full as per the subscription offer.

d. Subscription copies supplied to the Government Organizations are exempted from collecting money in advance. Subscription amount maybe collected at the end of the subscription period.

e. Valuation of a gift, branded or customized, to be valued at MRP or cost to the publisher plus 15% as applicable. Gift in the form of cash or cash equivalent is however excluded from the purview of gift.

9. Subscriber: Purchaser of a publication on a term contract, whose subscription at the full prescribed rate has been received.

10. Publishing Day: A Publishing day is a day on which the publication is normally published whether as a regular issue or a special issue, and concurrently or separately in the case of a multi-centre publication. Special issues will be excluded only if they are IN ADDITION to the regular issue.