

ONLINE NEWS

Many digital outlets are working to fill reporting gaps created by the strain on resources at traditional media outlets

Online outlets now creating jobs

Online segment is gaining traction and pointing to successful new models and according to the Pew Research Centre, new players are boosting power

Washington. Online news ventures have added nearly 5,000 US media jobs in the past few years, boosting an industry that is still reeling from technology changes, a study showed on Wednesday. The Pew Research Centre's "State of the News Media 2014" report said these digital ventures are creating a more varied set of financial models for news, offering some hope to the troubled sector.

The Pew report said the largest number of journalists producing original reporting are still at newspapers, whose woes have deepened — with employment down 6.4 percent in 2012 and more losses likely in 2013 when final figures are tallied. And the news business, which generates some \$60 billion in annual revenues, still relies on advertising for nearly 70 per cent of its money.

But the online segment is gaining traction and pointing to successful new models, the Pew researchers said. "New players are boosting reporting power, technological talent and financial resources going into news, creating a level of energy not felt for a long time," said Amy Mitchell, director of journalism research for Pew.

While most newspapers have failed to generate significant revenues from

their digital editions, some online news ventures are moving away from the ad-based model, getting support from philanthropists, venture capitalists and other methods such as conferences and events, Pew noted. These ventures "are spurring different ways to think about how to support journalism in the digital age," said Pew researcher Mark Jurkowitz. But Pew cautioned that "this growing investment in digital news does not mean the industry has figured out a consistent formula for monetising that news."

According to Pew, 30 of the largest digital-only news organisations account for nearly 3,000 jobs, and one big area of investment is global coverage. Pew noted that Vice Media has 35 overseas bureaus, while the Huffington Post hopes to grow to 15 countries from 11 this year. Other digital ventures growing overseas coverage include BuzzFeed and Atlantic Media's Quartz. This comes at a time when international reporters working for US newspapers have declined 24 per cent from 2003 to 2010, according to Pew.

Pew said the gains at digital ventures have only modestly offset the losses in print, estimated at more than 16,000 newsroom jobs at newspapers and 38,000 in magazines from 2003 to 2012. But the study said digital is showing strong journalistic efforts in some cases. "Many digital outlets are working to fill reporting gaps created by the strain on resources at tra-



Social media has transformed the news business and poses a challenge to traditional media outlets. PHOTO | AGENCIES

ditional outlets — from niche topic areas like education to international coverage to local community news to investigative journalism," the report said.

The researchers said social media and mobile platforms are also transforming the news business. They found 50 per cent of social network users share or repost news stories,

images or videos, and 46 per cent discuss news issues or events on social networks. More than one out ten online news consumers have submitted their own content — videos, photos, articles or opinion pieces — to news websites or blogs, the report found. About a third of US adults watch digital news videos, and news outlets like the Huffington Post have

been expanding into video, the report noted.

Traditional television has seen mixed results, Pew said. Its analysis of Nielsen data showed fewer Americans watched cable news in 2013, while more tuned into network or local television news — the first increase for local TV news in five years. (AFP)

Govt advised to rethink tax administration procedures

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have resulted in lots of double taxation and daunting tax administration procedures.

The government needs to avoid portraying a desperate revenue collection strategy. There are more and better innovative ways for collecting taxes.

Withholding tax of five per cent on service fees has imposed a lot of daunting tax administration procedures on the relevant taxpayers. Chasing each and every client for a withholding tax certificate makes our life very difficult and warrants additional investment of time and labour which is not productive.

What is the point in registered taxpayers (with TIN numbers) to suffer withholding tax and then claim the same from TRA at the end of the year. What fines and penalties would TRA even fine a taxpayer who did not allow his clients to withhold tax and pay all his corporate tax for the year on time and accurately? Extending imposition of this tax on registered taxpayers was not a correct and productive decision in my opinion.

Excise duty on money transfers is another such example of double taxation. The same money is made

to pay 0.15 per cent excise duty as many times as it changes hands in the country and outside the country. Does this make economic sense? In which developing economy has such a tax been imposed? I am not aware of any.

Less than 50 per cent of Tanzanians use banking services. Imposition of this tax will further hinder penetration of banking facilities and services in rural and other areas. As if commercial money transfers was not enough, this tax also extends its arms around salary transfers. This makes salary costs go even higher. Multinational employers now take this tax into account during manpower planning. This is not healthy for our country.

Consider a business which has imported goods from a foreign country. The Tanzanian importer pays import duty, value added tax, local charges and 'excise duty' on clearing these goods at the ports.

The same importer will also suffer additional excise duty when making payment to the same overseas supplier. This is a clear double taxation instance.

The same concept also applies to retailing of internet bandwidth services. Every time internet bandwidth is retailed, the internet service pro-

vider (ISP) has to charge 17 per cent excise duty. This is another instance of double taxation. Internet service prices have significantly shot up across the country after July 2013. We all have seen significant negative reactions to implementation of TRA's EFD Phase II Programme.

TRA needs to improve its reputation and quality of services if it wants to promote tax compliance and improve its revenue collection. Major changes in tax administration require a lot of public debating and opinions. Imposing significant policy changes like introduction of EFD machines cannot be implemented so fast. Nothing much will be achieved in the long run.

We already see public reaction to the same. We all know how effectively TRA has been able to meet its tax revenue collection targets for 2013/2014. Not much progress has been reported.

Significant adverse variances have been noted and reported. There is therefore a lot to be done in terms of aligning our fiscal policies to promote business growth and building respect and compliance towards the tax authorities.

An as an auditor and consultant, how big is the problem of economic

crime in Tanzania and the extent of corporate theft and corruption?

There are players in the market who pursue money laundering. Such practices are executed through our banking system and outside it.

Our banking sector is not much controlled in terms of regulating payments made outside the country, availability of supporting documents and the likes. Other developing nations like India have extremely strict banking systems to regulate financial crime.

Last but not least, tell us exactly what your company does and what prompted you to invest in this line of business.

I enjoy audit, tax, accounting and finance. I always aspired to be self employed. After 10 years of hard labour I managed to start my own practice firm.

We offer tax consulting, audit and assurance, corporate finance, management consulting, legal and related services.

We pride ourselves in serving multinational companies across UAE, UK, US, Oman, and East African Countries. This field has a lot of opportunities and growth prospects. I would strongly advise my fellow accountants, auditors, tax consult-

ants to set up their own practices and pursue entrepreneurship while quenching their thirst for career development.

And can you tell us about your career and professional background and what prompted you to venture into this line of business?

I had always aspired to establish an audit firm and consulting company that offers the opportunity to utilize my professional financial expertise, extensive business experience, and ability to interact with clients and the business community (at large) on a worldwide basis.

In 2012, I finally managed to realise my dreams and I am now heading my own audit and consulting firms in Hanif Habib & Co Certified Public Accountants; Hanif Habib Advisory Limited; and Quill Accounting and Business Services. With very little time, these firms are well ahead in the race.

In the many years that I have been acting in this line of work, I have managed to prove to be able to handle rapidly changing environments. As a trusted auditor and consultant, I function best at a strategic and tactical level, although I can also carry out operational tasks where necessary.