



In response to the Inquiry's terms of reference relating to the existence of, and possible reasons for, a price gap in IT delivered products between Australia and other countries, I draw the committee's attention to the pricing of a year's digital subscription to The Economist magazine:

Australia: A\$219.99

USA: A\$124.50 - **43% less**

Germany: A\$148.00 - **33% less**

United Kingdom: A\$177.27 - **19% less**

(Price quotations from Economist website; exchange rates of US\$1.02, GBP0.66 and EUR0.84 to the A\$ quoted on xe currency, 14/7/12)

The Economist is an international magazine published around the world in 8 regional editions of substantially similar content. From a review of the contents of various regional editions published on the Economist website, the only major difference between regional editions appears to be that the UK gets additional articles. There is no specific Australian edition - we get the AsiaPacific edition.

As far as I know The Economist (digital or print editions) has no substantial infrastructure here which is greater than it has, say, in the USA or Europe. Digital subscriptions for Australia appear to be handled out of the UK (that is the contact number given). Print distribution is managed by Economist Asia in Singapore.

Based on those factors, there is no reason I am aware of why the Economist digital edition should cost any more in Australia than in the USA or Europe, or why the publisher's returns should be any less than they are in the USA or Europe if it chose to charge prices offered to German or American customers to Australian subscribers.

David Poole
NSW
14 July 2012