

Zim media houses call for shorter ad payment terms as haemorrhage persists

Zimbabwe's Advertising Media Association (Adma) says it is negotiating fresh payment terms for newspaper and broadcast advertisements, as Zimbabwe's economic crisis appeared unrelenting after inflation climbed to a record high of close to 8 000% in September.

By [Dumisani Ndlela](#) 26 Oct 2007

Speaking at a meeting of advertising gurus in Harare on Wednesday, October 24, 2007, Pilate Machadu, Adma chairman, said the media had been under assault from the economic crisis, now in its eighth year, with a marked decline in ad spending and falling membership taking a heavy toll on the sector.

He said payment terms for advertising agencies to media houses were unfavourable. Advertising agencies pay for advertisements placed in newspapers, radio or television after 30 days.

"Thirty days against cash payments to our major suppliers of inputs, for instance, newsprint, plates, inks, etc. This is something we're working on to come up with realistic payment terms that will enable the media to survive and at the same time enabling advertisers to continue advertising," Machadu said.

Adma groups the country's media houses and grants recognition to advertising practitioners in the advertising placing business in Zimbabwe.

Machadu said there were currently 26 unaccredited advertising agencies in the country, and these were mainly nascent operations with a very small client base.

The last time Adma agreed with advertising agencies to lower the payment period was in May 2003, when it reduced the 45-day payment system, which it said had "severely threatened the continued existence of media houses", to a 15-day payment term, although this failed to materialize. However, Adma subsequently amended its by-laws to reduce the payment terms to the current 30-day system.

Before the government blitz that forced prices down 50% in June, a new proposal had been agreed by media houses for a three-tier payment system that penalized 30-day payments and rewarded cash payments with a rate 25% cheaper than that offered to advertisers paying within 15 days.

Agencies that paid after 30 days paid a rate 25% higher.

"This system failed to take off because we feared government was going to think we had introduced new prices," Machadu said.