

The Washington Post

August 10, 2004 Tuesday

## Reuters to Move Editorial Jobs From U.S. and Europe to India

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Financial news service Reuters Group PLC said yesterday it will eliminate up to 20 editorial positions in the United States and Europe and hire up to 60 replacements in India in a move aimed at cutting costs.

The journalists, who will be based at a Reuters facility in Bangalore, will be responsible for compiling tables, writing short research alerts based on analyst reports and polling analysts for earnings forecasts, according to company spokesman Steve Naru.

Journalism positions are just the latest in a long line of jobs -- from **manufacturing** to radiology -- that have been sent offshore in recent years as advances in technology have made it easier to conduct business from abroad. Researchers have estimated that the number of jobs in the United States affected by such moves eventually could stretch into the millions as companies seek to capitalize on the availability of lower-wage workers in countries such as **China** and India.

Naru said while information produced in Bangalore will be distributed on the news wire, Reuters does not envision the journalists reporting or writing actual stories. "We're of the mind that on-the-ground reporting needs to be done by reporters on the ground" rather than from remote locations, he said.

Naru said budgetary constraints were a factor in the decision, though he declined to say how much Reuters would save by eliminating jobs in higher-cost countries like the United States, and hiring lower paid Indian journalists instead. The move is part of an effort by the company to expand coverage of small and mid-cap companies.

"It's all about efficiency. It's all about providing more. And it's about providing cost savings," Naru said.

British-based Reuters, which employs about 500 journalists in the United States and 2,400 globally, has been cutting costs in recent years in a bid to keep up with rival financial news service Bloomberg. The company was unprofitable for the first time in its 19-year history as a public firm in 2002, and it announced plans in early 2003 to cut 3,000 jobs over three years. The cost-cutting helped bring the company back into the black last year.

Reuters had announced earlier this year plans to send six journalist jobs to Bangalore. Naru said the latest hirings in India, which will occur over the coming months, represent an expansion of that pilot program. The Bangalore journalists will work out of a Reuters office that now employs 300 non-editorial workers who help organize market data.

Naru said the company has not yet decided which positions will be eliminated but that cuts will likely take effect over the coming year.

Reuters is not the only media organization to take advantage of the cost savings that offshoring offers. Earlier this summer, the magazine Business 2.0 outsourced reporting and editing duties for one of its issues to Indian journalists.