

Independent staff target 15% stake in media group

Staff at the publisher of *The Star* and *Pretoria News*, Independent News & Media SA, are setting up a workers' trust as they seek to buy a stake in the local operations of the multinational group, and they have Archbishop Emeritus Desmond Tutu as their patron.

The three trustees are *Cape Times* editor Alide Dasnois, *Business Report* editor-at-large Ann Crotty and Media Workers Association of SA general secretary Tswana Gumani. Dasnois said the trust would be registered shortly with the master of the high court.

"We have had discussions with a number of our staff around the country already and many are in support of it," she said. Dasnois said some preliminary discussions had been held with potential investors but that no actual funds had been raised.

Gumani said the trust was a sign of the newspaper group's workers "fighting back" after years of cost cutting and retrenchments that he claims have left many psychologically battered.

"There are only 1700 staff left since the retrenchments began in 2008 when the company had 5000 staff," he said.

The latest round of possible retrenchments that the union is fighting is that of 20 roundsmen - the people who distribute the newspapers - in the Pretoria region.

"Management have not discussed the issue with us (the union) since they first proposed the retrenchments in May," Gumani said.

The company's management could not be reached for comment.

Gumani said the trust would aim to buy anything from 5% to 15% of the South African company and its collateral would be the intellectual property of its journalists and staff.

He said that so far the trust had "been negotiating its way around political minefields," although he would not elaborate.

Eric Kholwane, chairman of Parliament's communications committee, has gone on record as saying that the government would be opposed to Independent News & Media SA being sold to another foreign owner. "Foreign ownership is not something that has benefited the country as in this case," he said.

The committee has been conducting public hearings into the ownership of the print media.

Independent News & Media in Ireland last week appointed Investec and Cannacord Genuity Hawkpoint as advisers on the possible sale of its South African business.

The sale is necessary as the group battles to service R42bn of debt which matures in 2014.

A research note by Irish stock-broking firm Davy this week welcomed the news that the company seemed serious about selling its South African operations.

Davy said that the group was reviewing several strategies, which included a sale of the South African business, with the objective of refinancing and deleveraging its balance sheet.

Source: *Business Day* via I-Net Bridge

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