

Independent News workers hope for 25% stake

Workers at [Independent News & Media SA \(INMSA\)](#) are hoping to get a 25% stake in the company, but sketchy information supplied by the potential new owners, Sekunjalo Independent Media, prevents them from making a definite decision, Media Workers Association of SA (Mwasa) secretary general Tuwani Gumani said yesterday.

"We would like to ultimately have a 25% stake as this is an intellectual property company and it means that its human capital has to be incentivised. However, we have not received sufficient information to make any decision on what size stake we should negotiate for," he said.

Gumani said the union had met representatives of Sekunjalo Independent Media informally but no substantive information was exchanged.

"All that we agreed on is that we welcomed the fact that Independent News & Media SA will be returned to South African ownership," he said.

Mwasa claims to have as members more than half of the 1,700 employees at INMSA, although the company says the representation is closer to the 33% mark. "We will be going through a verification process and then we will see the exact membership," Gumani said.

Staff at the newspaper group has been hoping that Sekunjalo Independent Media will bring capital investment and rejuvenate the local group after its Irish owners, Independent News & Media, have used it to bolster their ailing international business.

Many 'sacrificed for overseas interests'

The South African operation has sold off almost all its fixed assets, including its iconic Newspaper House in Cape Town, and has outsourced its printing operations to Caxton. "There used to be 5,000 people employed by INMSA, but so many have been sacrificed for overseas interests that we are hoping local ownership will help," Guwani said.

In its submission to the Competition Commission following Sekunjalo Independent Media's takeover notice to the authority, Mwasa complained that the company's assertion that there would be no retrenchments was misleading.

"It is impossible for Mwasa to know how seriously to take this statement by Sekunjalo.

"Throughout the notification, Sekunjalo refers to the fact that it is 'newly formed and has not traded previously', that it has no assets, no turnover and no market share, among other statements.

"In addition, Sekunjalo states that no firms control Sekunjalo," the Mwasu letter to the Competition Commission said.

Sekunjalo Independent Media responded to the Mwasu concerns in a lawyer's letter saying they were without substance since no retrenchments were envisaged at this stage.

The letter also stated that other information, such as the composition of the consortium that wanted to buy INMSA, was not Mwasu's concern and thus no response was needed.

According to Sekunjalo Independent Media's submission, shareholders include Mandla Mandela - an African National Congress MP and grandchild of Nelson Mandela - politically connected businessmen Iqbal Survé and Sandile Zungu, and various unnamed groupings.

The Government Employment Pension Fund will buy 25% of INMSA for about R500m.

Independent News & Media is to have a special meeting in Dublin on June 17 to vote on the deal.

Source: Business Day, via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>