

International

As US newspapers slide toward abyss, a bidding war breaks out

Bidding war pits hedge fund operators against civic-minded billionaires

WASHINGTON: Even as US newspapers sink toward an abyss, an unusual bidding war has broken out for a major chain, pitting hedge fund operators against civic-minded billionaires seeking to promote a nonprofit model for the struggling industry.

Tribune Publishing, which owns the Chicago Tribune, Baltimore Sun and other big regional dailies, was set to sell the company to Alden Global Capital at a value of \$630 million, a move that would expand the news operations of the hedge fund with a reputation for aggressive cutting of newsroom staff. Maryland businessman Stewart Bainum had another idea: he initially struck a deal to buy the Baltimore Sun as part of the transaction, but when that plan hit a snag, made a \$650 million offer for the entire chain. Bainum, chairman of

Joining Bainum's effort was Swiss billionaire Hansjoerg Wyss, who told the New York Times he would invest \$100 million; and Mason Slaine, a minority Tribune stakeholder and former CEO of Thomson Financial. Slaine told the Wall Street Journal he would commit the same amount to acquire the Orlando Sentinel and Sun-Sentinel in his state of Florida. Amid efforts to find buyers for other Tribune dailies, a "mystery" investor has emerged for the Morning Call offering \$30 million to \$40 million for the newspaper, according to the Allentown, Pennsylvania daily. If Bainum succeeds, he would likely sell off some of the newspapers—which include the Hartford Courant and Virginian-Pilot—with some potentially becoming nonprofits.

"Alden's strategy has been to cut deep and extract as much value as they can from newspapers," Kennedy said. "Those of us who care about the future of regional newspapers hope that the Bainum group can pull it together." Jon Schleuss, president of the NewsGuild which represents journalists at several Tribune newspapers, has also been pressing for civic support and local ownership in the hope of averting further job cuts.

"Our hope and work is that Alden doesn't win," Schleuss said. "Bainum represent a better alternative." Complicating matters is that Alden already owns a 31.6 percent stake in Tribune, giving it leverage over any transaction. Another 24 percent is owned by Patrick Soon-Shiong, a biotech billionaire who bought the Los Angeles Times from Tribune Publishing in 2018.

Billionaire heroes?

Gabriel Kahn, a former newspaper reporter now on the faculty at the University of Southern California, said the bidding comes at a time when the value of newspapers in the US has plunged. "When you have only two bidders, it is difficult to gauge what the true value of these papers might be. But these assets have never been cheaper," Kahn said.

But Kahn said even so-called benevolent owners may be frustrated by a dismal news media landscape where it is difficult to get digital subscriptions or advertising revenues. Since Soon-Shiong has taken over the Los Angeles daily, "no clear strategy has emerged, nor any clear leadership. It seems obvious that managing this was much thornier than he had anticipated," Kahn said.

"That makes me think that he is done playing civic-minded hero and will take the highest bidder for his Tribune stake." The nonprofit model has been growing in recent years in the United States, and now includes some 300 news outlets.

The movement gained momentum in Philadelphia, where the Inquirer newspaper has been under nonprofit ownership since 2016. Bainum's plan for a nonprofit in Baltimore could build on that momentum. But now, Bainum and his allies are likely to either come away with the full Tribune group or nothing. "These buyers are united by a common interest in the long-term future of local journalism and an antipathy for newspaper investors with a track record of gutting newsrooms for near-term profit," said Jim Friedlich, chief executive of the Philadelphia institute.—AFP

come on the back of three years of recession, worsened by economically devastating lockdown measures taken to quell the global health crisis. Not helping matters was an inflation rate of 36.1 percent in 2020, as incomes failed to increase in tandem with the price of food and other goods. The unemployment rate is over 10 percent. Argentina registered its highest poverty rate of 58 percent at the end of 2002, during its worst economic crisis. Thousands of people marched in Buenos Aires earlier this month to demand food aid. The COVID-19 pandemic has killed some 55,000 people in Argentina out of more than 2.3 million recorded infections. —AFP



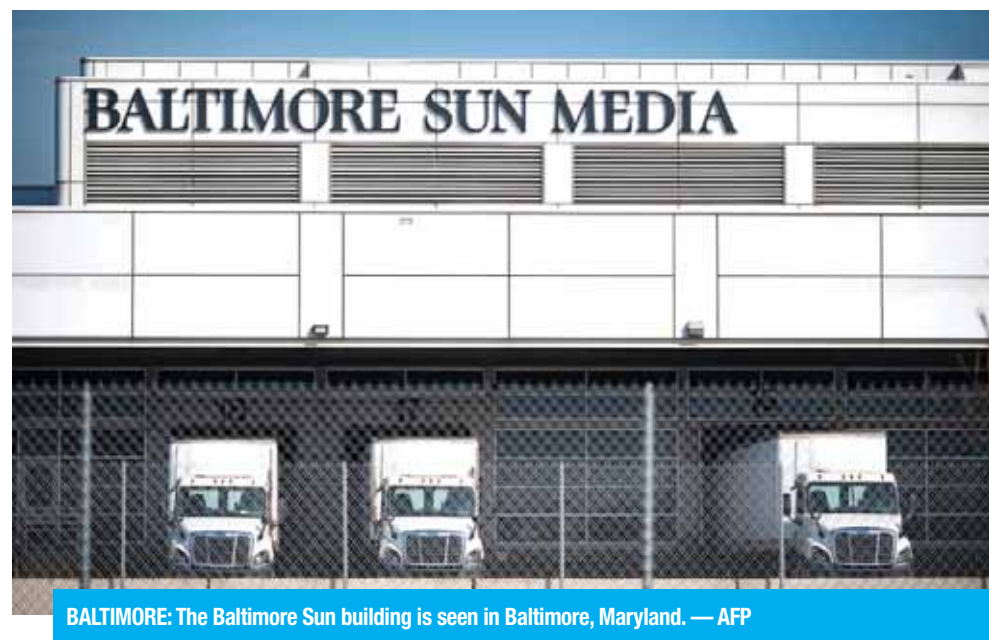
PORT MORESBY: Papua New Guinea's Prime Minister James Marape (right) preparing to receive a dose of the AstraZeneca COVID-19 vaccine in Port Moresby. — AFP

Facebook virus lies 'biggest challenge' to PNG vaccine drive

PORT MORESBY, PNG: Papua New Guinea's health minister yesterday called disinformation spread on Facebook the "biggest challenge" to efforts to curb the rampant spread of COVID-19 in the poor Pacific nation. Jelta Wong said "dangerous" posts and anti-vax conspiracy theories were hampering the drive to get people to seek treatment and testing for the disease as infection numbers soar.

"When Facebook hit Papua New Guinea everybody became an expert," Wong told an online event organized by Sydney's Lowy Institute think tank. "Everybody had a PhD, even sitting under a coconut tree they became a PhD," he said in describing the spread of faulty information about coronavirus by users of the platform. PNG, a poor nation of more than eight million off Australia's northeast coast, reported around 1,000 Covid-19 cases in the first year of the pandemic, but saw more than 5,000 new infections last month alone.

Wong said that low rates of testing meant the real scale of the outbreak was likely much larger. The country's health care system is creaking under the strain, with many workers themselves infected and authorities in the capital, Port Moresby, forced to set up a makeshift COVID-19 clinic in a sports stadium earlier this week. Australia flew an emergency batch of 8,000 doses of vaccine into Port Moresby last week along with a small team of public health specialists to help inoculate frontline health workers ahead of a larger rollout. About 40 percent of the 1,600 staff at the Port Moresby General Hospital have agreed to be vaccinated, according to health officials, while doses will also be sent to hotspots including Lae, Goroka and Vanimo.—AFP



BALTIMORE: The Baltimore Sun building is seen in Baltimore, Maryland. — AFP

Choice Hotels, has pledged to put up \$100 million, a sum match by two other wealthy investors. But it remained unclear if he can raise enough in time to head off the Tribune deal with Alden. "Alden is offering a clean bid: they have cash and are waving it in front of the shareholders," said Dan Kennedy, a Northeastern University journalism professor. "It becomes complicated to ask shareholders to wait until (Bainum) can get his financing together."

Turning point?

The outcome for the Tribune could be a turning point for the troubled sector, either toward a model with civic support for expanded local news coverage, or a pure economic-driven model that could lead to deeper newsroom cuts. Newsroom employment at US newspapers fell by half between 2008 and 2019, according to Pew Research Center, with more cuts reported during the pandemic.

In the 31 large cities that were studied, the country's poverty rate rose from 40.9 percent in the first half of the year to 42 percent in the second, according to the National Institute of Statistics. This represented a steep climb of 6.5 percentage points from the last six months of 2019.

Poverty is defined as the inability to afford a basket of basic food and services valued at some \$600 for a family of four. People who cannot afford a basic basket of only food—about \$250 for a family—are classified as indigent. They numbered 10.5 percent of the population in 2020.

More than 57 percent of children up to age 14 lived in poverty, the data showed. The figures

More than four in 10 Argentines living in poverty

BUENOS AIRES: The economic fallout from the coronavirus pandemic has worsened poverty in Argentina, with some 12 million people in urban areas unable to afford a basket of basic food or essential services in the second half of 2020, official data showed Wednesday.