

# New Zealand's largest media firms sign merger deal

WELLINGTON: New Zealand's two largest media companies signed a merger agreement on Wednesday, although the planned deal still needs approval from the country's competition watchdog to proceed.



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NZME and Fairfax Media NZ said they would reach a combined audience of 3.7 million, more than 80 percent of New Zealand's 4.5 million population.

"The merger will present opportunities for NZME to significantly enhance our integrated offerings to both our audience and our advertising clients," NZME chief executive Michael Boggs said in a statement.

Australian-owned Fairfax NZ publishes titles such as Wellington's Dominion Post and the Christchurch Press, as well as running New Zealand's most popular news website [stuff.co.nz](http://stuff.co.nz).

NZME owns the New Zealand Herald and a string of radio stations.

The companies said in a joint statement that the merger plan would "(increase) the ability to compete in digital advertising with global competitors".

The companies have given no estimates of job losses but former NZ Herald editor Tim Murphy suggested earlier this year that 750 positions could be slashed from the combined entity's headcount of 3,300.

The union representing journalists, Etu, has also raised concerns it will reduce competition in New Zealand's already concentrated media sector.

Under the proposed deal, Fairfax NZ will receive NZ\$55 million (\$41 million) cash from NZME and a 41-percent stake in its former rival, giving it two board positions.

NZME said the proposal would be put to shareholders in October or November.

The New Zealand Commerce Commission is currently examining the merger plan and will make a final determination by mid-March next year.

NZME was up 2.74 percent at NZ\$0.75 on the New Zealand stock exchange after the announcement, while Fairfax was 0.20 percent higher at Aus\$0.98 on the Australian market.

*Source: AFP*

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