

Rupert Murdoch's Sky takeover plans impeded by UK Government

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9/12/2017

In a blow to Rupert Murdoch's takeover plans, the British Government will refer Twenty-First Century Fox's bid for satellite broadcaster Sky to the competition regulator.

Culture Secretary Karen Bradley told lawmakers on Tuesday that she intended to refer the takeover to the Competition and Markets Authority because of concerns that the deal might concentrate too much power in one company's hands.

Mr Murdoch's media group is trying to buy the 61 per cent of Sky it does not already own.

Currently, he owns British newspapers including the Sun and The Times of London.

Ms Bradley said she was also "minded" to refer it out of concerns about broadcasting standards.

She said there is a risk, "which is not purely fanciful," that the merger would not be in the public interest.

In a statement on Tuesday, Fox said it was "disappointed" in the decision, and that UK broadcast regulator, the Office of Communications (Ofcom), had previously advised the government that the deal did not raise concerns about broadcast standards.

But Ofcom said in a July report that the Sky takeover may "have the effect of amplifying the influence of members of the Murdoch Family Trust over the political process".

| *"We urge the secretary of state to take a final decision quickly," Fox said.*

Fox also said the deal, announced in December 2016, was now likely to be completed by June 30, 2018, "subject to any further delays in the decision-making process".

The takeover values Sky, which broadcasts Premier League soccer and top film and television offerings in Britain and other European markets, at 18.5 billion pounds (\$30.6 billion).

Murdoch's critics rejoice

An earlier attempt to buy the remaining shares was scuttled by the 2011 phone-hacking scandal that rocked Mr Murdoch's British newspapers and led him to close the 168-year-old News of the World.

Ms Bradley's announcement was seen as a victory for Mr Murdoch's critics, who have been emboldened by scandals over alleged racial discrimination and sexual harassment at his US TV network Fox News.

They say Mr Murdoch does not meet the requirement that UK media owners be "fit and proper" people.

Ms Bradley said that, because of submissions she had received over the summer, "I am now minded to refer the merger to the (regulator) on the grounds of genuine commitment to broadcasting standards."

She said one area raised by critics of the deal was "what they termed the 'Foxification' of Fox-owned news outlets

internationally."

British broadcasters are bound by stricter rules governing balance and neutrality than those in the United States, where Fox News' partisan style has won it a large audience.

It is "important that entities which adopt controversial or partisan approaches to news and current affairs in other jurisdictions should, at the same time, have a genuine commitment to broadcasting standards here," Ms Bradley said.

Tom Watson, media spokesman for the opposition Labour Party, congratulated Ms Bradley on her decision.

"This is the first time a minister in the current government has ever stood in the way of what the Murdochs want, and frankly it's about time," he said.

Douglas Wigdor, a US lawyer representing current and former employees who are suing Fox for racial discrimination, also welcomed the announcement.

Mr Wigdor, who previously wrote to Ofcom listing allegations against Fox News, said he was "hopeful that Fox will now waive any gag orders so that other individuals can provide relevant information without fear of reprisal."

Once a formal referral takes place, the regulator will have six months to conduct an investigation.

Sky said in a statement it was "disappointed by this further delay".

"Nevertheless we will continue to engage with the process as the secretary of state reaches her final decision," the company said.