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Carlos Navarro

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Sale of State-Owned Newspaper El Nacional Suspended Again

by Carlos Navarro

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For the second time in less than one year, the Finance Secretariat (Secretaria de Hacienda y Credito Publico, SHCP) on Jan. 16 announced it had been unsuccessful in attempts to sell the government-owned El Nacional newspaper because offers for acquisition of the enterprise were considered "too low."

The SHCP had decided to sell separately El Nacional's main property in Mexico City, and each of the four regional editions in Monterrey, Tijuana, Hermosillo, and Guanajuato, as part of a strategy to attract more viable offers. However, even this approach failed, since none of the eight bids received were deemed satisfactory by the SHCP's privatization committee.

The SHCP did not disclose what prices it would consider as "acceptable." Still, the rejection of the offers surprised media analysts, since the two bids for the Mexico City edition alone were far higher than the highest bid of US\$149,000 offered by a group of editorial and production staff for all El Nacional properties in July of 1993. Grupo Mexicano de Editores, a group of 15 investors, had offered US\$10 million for the Mexico City property, while a second group of 12 investors, Grupo Corporativo AM, offered US\$5 million.

Financial columnist Alberto Barranco of Reforma newspaper suggested that, given the public relations nightmare caused by the conflict in Chiapas, the government may have had second thoughts about giving up the only newspaper fully under its control. In fact, both Grupo Mexicano de Editores and Grupo Corporativo AM had promised to change the editorial direction of the newspaper. When he submitted the bid on behalf of Grupo Mexicano de Editores on Jan. 14,

William Karam Kassab said the group had plans to transform El Nacional into a profit-generating daily with "objective" news coverage. He also raised the possibility of entering into associations with newspapers in the US, Canada, and Europe. For his part, construction industry magnate Jorge Abud, head of Grupo Corporativo AM, had revealed plans to steer the editorial tone of the newspaper away from its strong pro- government bias.

After Grupo Corporativo AM's bid was rejected, Abud told reporters, "No matter how many times they put it on the table, I doubt that someone will offer much more." A group of six investors led by private consultant Ricardo Cavazos offered the only bid for the Monterrey edition.

The Hermosillo and Guanajuato editions each received bids by two groups, while only one bid was placed for the Tijuana editorial property. El Nacional was initially offered for sale in July 1993 as part of an extensive package of media properties. Those properties, minus El Nacional, were eventually sold to Radio Televisora del Centro, a conglomerate led by businessman Ricardo Salinas Pliego

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