# Uk raises foreign state stakes in newspapers to 15%, sparking media independence fears



In a significant move reflecting the shifting dynamics of media ownership in the UK, a recent delegation from the United Arab Emirates met with officials at Downing Street shortly before the government announced a major law change that permits foreign state investors to acquire stakes of up to 15% in British newspapers. This change marks an increase from the previously proposed limit of 5%-10%, which was initially set by the previous Conservative government.

The meeting in March involved senior Emirati representatives, including Varun Chandra, a business adviser to Labour leader Keir Starmer, who reportedly sought clarification on the impending ownership regulations. This dialogue aligns with broader governmental efforts to encourage foreign investment at a time when the UK's economic landscape is struggling and there is a clear desire to attract international capital. The proposed legislative change could enable the UAE to take an investment stake in the Telegraph, anticipated to be facilitated through an investment vehicle known as IMI, linked to the royal family of Abu Dhabi.

This decision, while seen by some as a necessary step towards economic revitalisation, has raised concerns among journalists and politicians alike regarding the undue influence that foreign states could exert over British media. Critics argue that allowing increased stakes in influential publications like the Telegraph compromises editorial independence. Fraser Nelson, a former editor of the Spectator, described the government's approach as “an indefensible sellout, in defiance of parliament’s vote to protect press freedom.” Additionally, prominent figures such as Andrew Neil have called for accountability from the culture secretary, suggesting her position is untenable in light of this shift.

The Liberal Democrats have indicated their intent to challenge the legislation in the House of Lords, with party spokesperson Max Wilkinson asserting that the move endangers the integrity of editorial decisions within the press: “It’s a plan we wholeheartedly reject,” he stated. There is palpable concern that this legislative development may divide the Conservative party, with many members apprehensive about the implications of foreign ownership over media narratives that could influence public opinion and policy.

As the backdrop to this controversy unfolds, the Telegraph's ownership saga, ongoing for nearly two years, has been marked by high-profile bids, including an aborted attempt by Abu Dhabi-backed RedBird IMI to acquire the newspaper for £550 million due to national security concerns. Under the new regulations, it is expected that RedBird will move forward with a proposal allowing a 15% input from IMI, effectively rekindling interest from potential investors following the previous restrictions.

In the wider context, opposition to foreign ownership in UK media has been demonstrated by public sentiment; a recent poll indicated that two-thirds of voters oppose foreign government ownership of domestic media organisations, echoing the sentiments of many Conservative constituents. Indeed, the UK media landscape has been characterised by intense debates surrounding the balance of foreign investment and national interest. The rise of digital media and the profound effects of declining print sales have stirred further anxieties about the financial sustainability of traditional newspaper entities.

The far-reaching implications of this new law could alter not only the ownership dynamics within the media but also set a precedent for future regulations regarding foreign influence and investment in the UK. As the media industry grapples with technological challenges and changing consumer behaviour, the ramifications of this legislative decision will undoubtedly be scrutinised in the coming months, both in Parliament and through public discourse. The balancing act sought by government officials, trying to secure financial backing while preserving press freedom, may prove to be a contentious endeavour that shapes the media’s future in the UK.

### Reference Map

1. Paragraph 1: [[1]](https://www.theguardian.com/media/2025/may/16/uae-delegation-no-10-officials-law-change-telegraph)
2. Paragraph 2: [[1]](https://www.theguardian.com/media/2025/may/16/uae-delegation-no-10-officials-law-change-telegraph), [[2]](https://www.ft.com/content/30e10b98-1958-449d-86b5-284a05c7c1dc)
3. Paragraph 3: [[1]](https://www.theguardian.com/media/2025/may/16/uae-delegation-no-10-officials-law-change-telegraph), [[3]](https://www.ft.com/content/6fae45ce-5885-4842-8e3c-34b5e19713f2)
4. Paragraph 4: [[1]](https://www.theguardian.com/media/2025/may/16/uae-delegation-no-10-officials-law-change-telegraph), [[4]](https://www.ft.com/content/51909404-e0ec-4266-bdc1-cf34281bd40b)
5. Paragraph 5: [[1]](https://www.theguardian.com/media/2025/may/16/uae-delegation-no-10-officials-law-change-telegraph), [[5]](https://www.telegraph.co.uk/news/2024/03/12/foreign-governments-poll-owning-uk-media-firms/)
6. Paragraph 6: [[1]](https://www.theguardian.com/media/2025/may/16/uae-delegation-no-10-officials-law-change-telegraph), [[2]](https://www.ft.com/content/30e10b98-1958-449d-86b5-284a05c7c1dc), [[3]](https://www.ft.com/content/6fae45ce-5885-4842-8e3c-34b5e19713f2), [[4]](https://www.ft.com/content/51909404-e0ec-4266-bdc1-cf34281bd40b)
7. Paragraph 7: [[5]](https://www.telegraph.co.uk/news/2024/03/12/foreign-governments-poll-owning-uk-media-firms/), [[7]](https://www.telegraph.co.uk/politics/2024/03/08/rishi-sunak-amendment-uae-telegraph-deal/)
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## Bibliography

1. <https://www.theguardian.com/media/2025/may/16/uae-delegation-no-10-officials-law-change-telegraph> - Please view link - unable to able to access data
2. <https://www.ft.com/content/30e10b98-1958-449d-86b5-284a05c7c1dc> - The UK government has announced plans to permit foreign state investors to acquire stakes of up to 15% in British newspapers. This decision follows the blocking of a £550 million acquisition of The Telegraph by Abu Dhabi-linked RedBird IMI due to national security concerns. Previously, foreign ownership was entirely restricted, though a 5% passive investment cap was under consultation. Media executives had lobbied for more flexible rules, particularly given concerns that restrictive policies could impede investment from state pension funds like those from Norway, Canada, and Australia. The announcement may reignite political debate, especially among Conservative MPs worried about foreign influence over influential right-leaning publications. RedBird Capital, currently leading the race for The Telegraph, is expected to allow a minority stake for IMI, which is linked to Sheikh Mansour bin Zayed Al Nahyan, the Emirati royal. Talks with other potential buyers, including Todd Boehly and Dovid Efune, continue. The government aims to balance press independence with financial sustainability in the evolving media landscape.
3. <https://www.ft.com/content/6fae45ce-5885-4842-8e3c-34b5e19713f2> - In recent developments, the Telegraph Media Group, a significant UK media entity, has garnered significant public and governmental attention due to concerns over a potential takeover by Abu Dhabi-backed RedBird IMI. The UK government promptly intervened to prevent this acquisition due to opposition from many of the newspaper's journalists and Conservative party members. Despite the general trend of foreign ownership in the UK's national press, this situation has highlighted issues of foreign influence and editorial independence, especially considering the Telegraph's influence within the Conservative party. Sheikh Mansour of the UAE, majority backer of the acquisition, faced considerable criticism over this attempt. Amidst a politically vulnerable period for Rishi Sunak's government, blocking the bid reiterates the enduring political and media influence of national newspapers in the UK. This intervention could inadvertently lead to a more consolidated control of media ownership, favoring traditional Fleet Street entities like Murdoch's News UK or DMGT, over new, foreign-backed proprietors.
4. <https://www.ft.com/content/51909404-e0ec-4266-bdc1-cf34281bd40b> - The UK government is considering increasing the threshold for foreign state ownership in British media from 5% to 10%. This change responds to concerns that a lower limit would hinder transactions in the media industry. The Conservative government had previously prohibited foreign states from owning stakes in UK media, blocking the acquisition of The Telegraph by a UAE-backed investor. The law provided an exemption for small passive investments, but the consultation to set the threshold at 5% was ongoing when the Labour government took office in July. Media executives fear that a low threshold would restrict access to investments from wealthy state funds, particularly from Norway, Canada, and Australia. The final decision by the government to set this threshold could be controversial, given the debate over the risks of foreign influence in UK media.
5. <https://www.telegraph.co.uk/news/2024/03/12/foreign-governments-poll-owning-uk-media-firms/> - A poll conducted by Lord Ashcroft, a former Tory donor-turned-pollster, found that two-thirds of voters believe foreign governments should not be able to own UK media organizations. The survey of 5,299 adults was conducted amid concerns over the United Arab Emirates-backed takeover of The Telegraph. Respondents were informed about the Telegraph bid and asked whether foreign governments should be involved in the ownership of UK media outlets. Sixty-six percent agreed that foreign governments should not own UK media outlets, directly or indirectly. Opposition was highest among Conservative voters, with 76% opposing foreign government ownership. The result of investigations into the bid by Ofcom, the media regulator, and the Competition and Markets Authority have been handed to the Culture Department, with no decisions yet announced.
6. <https://investmentpolicy.unctad.org/investment-policy-monitor/measures/4711/united-kingdom-prohibits-foreign-state-control-over-newspaper-enterprises> - On 24 May 2024, the United Kingdom adopted the Digital Markets, Competition and Consumers Act 2024. This Act amends the Enterprise Act 2002 to prevent foreign state control over United Kingdom newspaper enterprises. Specifically, it prohibits foreign states, or entities connected to them, from owning, controlling, or influencing newspapers or periodical news magazines in the United Kingdom. If the Secretary of State has reasonable grounds to believe that a merger involving a United Kingdom newspaper has resulted or would result in such foreign state ownership, control, or influence, they must issue a 'foreign state intervention notice' to the Competition and Markets Authority. The new regime empowers the Secretary of State to block or reverse foreign state influence in newspaper mergers following the Competition and Markets Authority's investigation.
7. <https://www.telegraph.co.uk/politics/2024/03/08/rishi-sunak-amendment-uae-telegraph-deal/> - The UK government is considering an amendment to the Digital Markets, Competition and Consumers Bill that would give Parliament a veto on foreign states taking over UK news organizations. Lady Stowell, the Tory chairman of the Communications and Digital Committee, has tabled an amendment to the bill that would allow Parliament to block such takeovers. Earlier this week, more than 100 MPs pledged their support for the amendment. Led by Robert Jenrick, the MPs wrote: 'If major newspaper and media organizations can be purchased by foreign governments, the freedom of the press has the potential to be seriously undermined.' The proposed takeover of The Telegraph by RedBird IMI, a fund 75% backed by Abu Dhabi’s Sheikh Mansour bin Zayed Al Nahyan, has been a significant factor in prompting this legislative consideration.