# UK raises foreign ownership cap in newspapers amid Telegraph takeover chaos



The ongoing saga surrounding the ownership of the Telegraph has reached yet another significant juncture, highlighting troubling governmental overreach masked as regulatory oversight. On May 15, the UK government's introduction of a new law allows State-Owned Investors (SOIs), including sovereign wealth funds and public pension schemes, to hold up to a 15% stake in British newspapers. This ludicrous increase from the previous 5% cap not only invites foreign interference but also undermines the integrity of British media.

This policy shift comes on the heels of a two-year landscape marked by chaotic ownership changes. In June 2023, Lloyds Bank took control of the Telegraph and Spectator from the Barclay family due to crippling debts of £1 billion. This financial debacle opened the door for foreign entities like RedBird IMI, a US-based investment firm with ties to Abu Dhabi’s ruling family, to show interest in acquiring our national publications. RedBird’s £600 million bid, orchestrated by Sheikh Mansour bin Zayed Al Nahyan, faced backlash in Parliament, leading to a senseless ban on foreign state ownership of UK media—a response that should have been more decisive.

The government's new legislation pretends to find a balance by acknowledging the financial needs of UK media while allegedly shielding against foreign influence. Culture Secretary Lisa Nandy has made dubious claims about protecting “media plurality” while providing lifelines to cash-starved publishers. Yet, how can we trust assurances about media integrity when a 15% stake could still wield substantial influence over editorial direction, as critic Nils Pratley has pointed out?

In a startling development, Gerry Cardinale’s RedBird Capital is now pursuing full control of the Telegraph Media Group. They are reportedly considering limiting the role of their Abu Dhabi partner to alleviate concerns about foreign state influence. This manoeuvring shows a clear disregard for the potential consequences of allowing foreign interests to shape our media landscape—a matter that should concern every patriotic citizen.

Other bidders, such as Dovid Efune, are touted as offering a “British bid.” However, the support they’ve garnered from Brexit supporter Jeremy Hosking and former Chancellor Nadhim Zahawi does little to quell suspicions about the viability of these bids against the tide of foreign money. This crowded field reflects not merely an escalating rivalry but a troubling rise in foreign dependency, particularly in light of the new ownership cap.

Media executives might be welcoming the government's relaxed regulations, but those advocating for a more robust position should be vocal against the impending risks of foreign influence. Investments from sovereign wealth funds—far from being a safeguard—could compromise the very essence of competitive journalism in the UK. The revival of debates about foreign investment should serve as a wake-up call to all who cherish our national identity.

In conclusion, the ownership saga of the Telegraph goes beyond mere business transactions; it encapsulates critical concerns about press freedom, national sovereignty, and the future of media integrity in a globalized landscape. As these events unfold, the implications for ownership and funding on journalistic independence and media plurality must remain at the forefront of our collective consciousness. The establishment’s efforts to normalize foreign interference cannot go unchallenged; the stakes are far too high for our nation’s press.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://leftfootforward.org/2025/05/sale-of-the-telegraph-takes-another-turn/> - 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 aims to provide media companies with access to sovereign wealth funding while preventing undue foreign influence. The move follows the 2023 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. Culture Secretary Lisa Nandy confirmed additional plans to extend takeover scrutiny beyond print media to include online news and magazines. Media executives, who had lobbied for more flexible rules, welcomed the change, 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, controlled by UAE Vice-President Sheikh Mansour. 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/be4ad336-4e4c-4334-93f5-a1b9d4f117e0> - Gerry Cardinale’s RedBird Capital Partners is considering a move to gain full control of the UK's Telegraph Media Group, potentially ending a two-year-long sale process. The initiative aims to address British government concerns over foreign state ownership by reducing the role of Abu Dhabi-based IMI, RedBird's partner in the current joint venture. RedBird has engaged with UK media and investment partners to form a consortium for the purchase, with RedBird as the lead investor. The newspaper was put up for sale after Lloyds Banking Group seized it due to unpaid debts by the Barclay family. A £550 million deal by RedBird IMI was earlier blocked due to national interest concerns. RedBird is also exploring partnerships with other interested parties, including Lord Rothermere’s DMGT and Todd Boehly. If Cardinale proceeds, his existing partial ownership with IMI puts him in a strong position. RedBird manages $12 billion globally and seeks to recover prior investments in the venture. The deal is overseen by former CNN chief Jeff Zucker and advised by Robey Warshaw and Raine.
4. <https://www.ft.com/content/65f44300-a9dc-49f6-8986-3962695b6de7> - Dovid Efune, owner of the New York Sun, has relaunched his bid to acquire the Telegraph newspaper with the backing of notable British figures, including Brexit supporter and investor Jeremy Hosking and former UK Chancellor Nadhim Zahawi. Efune, originally from the UK, had previously been in exclusive talks to buy the Telegraph from Abu Dhabi-backed RedBird IMI but struggled to secure U.S. funding. With new backing from Hosking and Zahawi, Efune’s offer is being portrayed as a “British bid,” given the predominantly British financial support. While Aryeh Bourkoff at LionTree is advising Efune, rival RedBird’s Gerry Cardinale is also vying for full control of the Telegraph and engaged in talks with UK investors including Lord Rothermere’s group. The ownership contest began when Lloyds Banking Group seized the Telegraph due to debts from the Barclay family. RedBird IMI subsequently assumed control for £550 million, but full ownership was blocked by the UK government over foreign state-ownership concerns. However, new government plans to increase the foreign ownership cap to 15% may influence the outcome. Efune is due in London for further discussions, signaling escalating competition for control of the prestigious British newspaper.
5. <https://www.ft.com/content/de12bbb3-2625-4934-9eaf-be437ed448c8> - Gerry Cardinale, after leaving Goldman Sachs in 2012 and founding RedBird, initially struggled without leveraging the bank's massive balance sheet. However, he capitalized on continuous deal flow and support from wealthy families to raise $100 million in his first round of capital. Over the past decade, RedBird has amassed $10 billion in assets, focusing largely on sports, media, and entertainment. Recent investments include acquiring All3Media and Italian football club AC Milan. A contentious bid to take control of the UK's Telegraph newspaper has faced political scrutiny concerning press freedom and foreign influence, with RedBird emphasizing its commitment to editorial independence. Cardinale's strategy blends creative financial solutions and partnerships with industry veterans. His ethos promotes a culture of collaboration and innovation at RedBird, aspiring to evolve the private equity paradigm.
6. <https://apnews.com/article/7f767ec46cdaa66f2b9a639a73def6b5> - The Abu Dhabi-backed investment fund RedBird IMI has withdrawn its bid to acquire Britain's Telegraph Media Group, which includes the right-leaning Daily Telegraph and Sunday Telegraph newspapers, as well as The Spectator magazine. This decision follows strong opposition from the U.K. government, which raised concerns regarding the impact on freedom of expression and the accurate presentation of news. To address these concerns, the government announced new legislation to block foreign state ownership of British media and initiated an investigation into the takeover's potential effects on journalistic freedom. As the deal, orchestrated by RedBird IMI and managed by former CNN chief Jeff Zucker, was deemed 'no longer feasible,' the fund emphasized its commitment to supporting the publications' staff and readers. Britain's Culture Secretary, Lucy Frazer, emphasized the importance of maintaining a free press as a cornerstone of democracy and pledged to monitor the media group's transition closely.
7. <https://www.theguardian.com/media/2023/nov/20/redbird-imi-telegraph-spectator-barclay-family-loans-debts> - The Abu Dhabi-backed investment fund RedBird IMI has said it is to take control of the Telegraph and Spectator after agreeing loans to repay debts owed by their publishing group’s previous owners, the Barclay family. The deal would entail a joint venture between the US firm RedBird Capital and International Media Investments of Abu Dhabi providing loans to the family, allowing them to pay off their debts to Lloyds Banking Group and take back the publications within weeks. However, sources close to the situation said the auction of the titles – which kicked off earlier this year after the Barclays lost control of the group over £1.16bn of unpaid debts owed to Lloyds – was continuing. It emerged last week that the family intended to fully repay their debts with funding from Abu Dhabi. However, Conservative MPs voiced concerns at the weekend over the danger of foreign influence, asking the government to use national security laws to investigate potential risks around the bid. RedBird IMI said on Monday it had 'reached an agreement to provide a package of loans to the Barclay family allowing them to pay off their debt to Lloyds Bank in full and bring the Telegraph and Spectator out of receivership'. The terms of the agreement are that RedBird IMI would provide a £600m loan, secured against the Telegraph and Spectator, and 'a loan of a similar amount secured against other Barclay family businesses and commercial interests'. MPs want UK national security law used to vet Barclay family’s Telegraph offer. RedBird would then have an option to convert the loan secured against the Telegraph and Spectator into equity, and said it 'intends to exercise this option at an early opportunity'. 'Any transfer of ownership will of course be subject to regulatory review and we will continue to cooperate fully with the government and the regulator,' it said. The government launched an investigation in 2019 into the sale of stakes in the Independent and Evening Standard to an investor with strong links to Saudi Arabia. A group of Conservative MPs – including the former health minister Neil O’Brien – have written to Frazer, as well as the deputy prime minister, Oliver Dowden, and the business secretary, Kemi Badenoch, expressing concerns over the Barclays’ Abu Dhabi-backed deal. RedBird IMI added: 'Following transfer of ownership, RedBird Capital alone will take over management and operational responsibility for the titles under the leadership of RedBird IMI chief executive Jeff Zucker. International Media Investments will be a passive investor only. 'RedBird IMI are entirely committed to maintaining the existing editorial team of the Telegraph and Spectator publications, and believe that editorial independence for these titles is essential to protecting their reputation and credibility. 'We are excited by the opportunity to support the titles’ existing management to expand the reach of the titles in the UK, the US and other English-speaking countries.'