

# Principles of Corporate Governance

Transparency Fairness  
Accountability Responsibility

# Engines for Economic Growth

- Covering Companies
- Covering Mergers and Acquisitions
- Covering Privatization, Government Intervention and Regulation
- Covering Foreign Direct Investment

# Covering Companies

- Covering companies is at the heart of business reporting
- In almost all news organizations, reporters are assigned specific industries and thereby specific companies
- Get to know the company and the sector
- Central question: How will the issue at the heart of a story affect a company's profitability and share price?

# Covering Companies

- What is the mix of companies in Tunisia?  
Are they private, publicly listed or state owned?
- What are the areas where the government has not allowed private sector?
- Stock exchanges in developing countries are small

# Covering companies – good stories

- Company earnings results
- New products
- New marketing initiatives
- Mergers and acquisitions
- Stock market listings and share issues
- Labour disputes
- Management changes

# More Good Stories

- Privatization
- Government intervention and regulation
- Moves in broader economy
- Broader sector outlook
- Economic data affecting sector
- Stock splits, share issues and offerings

# Covering Companies

- Stock market disclosure requirements
- Annual reports, quarterly reports
- All companies – publicly listed or private are audited
- Access to information for private companies harder to get
- Public companies have a PR system in place, non-listed companies usually do not

# Mergers and Acquisitions

- The news of a merger or acquisition
- Affects share prices
- Issues of competition
- Issues of regulation
- Effects on the market: brand, market share
- Example is the pharmaceutical industry



# Questions for Journalists

- How are these decisions made?
- Are shareholders taken into confidence?
- Hostile takeovers
- Do shareholders get the right to vote?
- What is the role of the government
- Do local laws also play a part?
- Who are the new owners?

# Privatization

- Nationalization and Privatization
- Role of the state: education, health, transport, utilities
- What is being sold and why – what is the rationale?
- Regulating the sector
- Level playing field

# Questions in Privatization

- Where is the money going?
- How is it being sold? Strategic sale?
- Is it being competitively bid? Reserve price
- What is happening behind the scenes?
- Do benefits outweigh the costs?
- What about subsidies?
- What is the impact on labor?

# Government Monitoring

- How effective is the government regulator?
- Can people complain and have their issues addressed?
- Is one party being favored?

# Foreign Direct Investment

- FDI helps with economic growth
- Brings much needed capital and foreign exchange into the country
- Brings expertise and new technology
- Training for staff
- Brings better standards
- Creates jobs
- More tax generation for government

# Problem areas

- If ownership becomes too extensive – de-capitalization can occur – repatriation
- Damaging competition for local firms
- Market dominance
- Social protest and disorder