



BY BRENDAN BOYLE

THERE IS the traditional news agency (Reuters, the Associated Press, Agence France Press or AFP, Deutsche Presse Agentur or DPA, Britain's Press Association and our own South African Press Association or Sapa) and then there is the new breed of financial information vendor: Reuters, Dow Jones, Bloomberg, AFX, Bridge and, exclusive to South Africa, I-Net.

Though there are elements of crossover, Reuters is the only one that clearly belongs in each category. Most of the traditional news agencies are beefing up their economic coverage, but I don't think my colleagues at AP or AFP would argue if I were to say that their primary focus remains what we broadly call general news. In the same way, Bloomberg and Bridge will report major political events, but their focus remains on financial news.

Reuters remains strong — arguably dominant — in both areas. But those of us who have been in the company for more than a few years

have lived through a profound shift of focus. The Johannesburg newsroom in 1994 was made up largely of general news writers with political and conflict skills. Now, there is not one exclusive general news reporter in the team. Though some are from a general news background, all have developed significant parallel skills as finance writers.

News selection — copy tasting — is quite different in these two arenas because they

serve different users; or perhaps the same users in different phases of their days.

The financial news agency — the other kind of news agency that Reuters also is — responds to demands that are sometimes quite different.

News agencies like Reuters, AP and Sapa are wholesalers whose product is retailed mainly by newspapers, radio and television. Financial news agencies like Reuters, Bloomberg and I-Net are retailers selling a service directly to users via an electronic network. While the news agency delivers its product fast and without spe-

cific deadlines, the information vendor deals as much as possible in real time.

The deadline is always now.

Perhaps the other key difference is that news agency copy typically reflects history — that which has already happened. The information vendor is interested mainly in reflecting what is likely to happen. Clients of the financial news agency look almost solely for history that will help them to take a position on the next event — often a currency transaction a few seconds into the future — on which a profit can be turned.

To give an idea of the scale of these operations: Reuters employs more than 16 000 people around the world including 2 036 journalists in 174 bureaus in 97 countries. We report 277 markets in real time. Our services are sold in 163 countries. Our after-tax profit was £390-million or \$643-million in the year to 31 December 1997, on revenue of £2.9-billion or \$4.8-billion. Media products — what we sell to newspapers, radio, television and the Internet — accounted for only £202-million or about nine percent of that global revenue.

Even on that revenue, Reuters remains the biggest international news agency in the world, but the real money is in transaction products — trading systems — and, mainly, information products, which earned revenue of £1.8-billion last year.

This is the pie for which Reuters, Bloomberg and Bridge are fighting so hard. The general news agency continues to deliver its service on the electronic equivalent of a printer churning out reams of paper. The financial service typically is either a proprietary terminal on a dealer's desk or a data feed into an open platform run by a company or corporation which allows all or many of its staff to read our information on their network terminals.

This is the world of real time. Though it is nice as a journalist or a publicist to see your efforts reflected in the evening newspaper, it is in the realm of real time that you can really influence the world and benefit your boss, your minister or your product.

The reason Trevor Manuel delivered a 3.5% deficit on Wednesday and didn't give the Housing Minister a blank cheque was that the markets wouldn't allow it.

The reason the rand went into free fall in February 1996 and stabilised down 30% a year later was that the markets believed President Mandela was on the way out and no credible successor had been internationally identified.

The market is fuelled by Reuters and its competitors delivering accurate, concise information to dealers in everything from platinum futures to shares on the Namibian stock exchange at their desks in real time.

Much of the million words a day that moves across our network of land and satellite connections is automatically generated by about 4 000 contributors — many of them computers recording share, bond, currency and derivative transactions as they happen.

The rest is generated in our newsrooms, where increasingly specialised teams of financial specialists are tracking trends in all of these areas, highlighting those which they believe the markets would want to know about and collating analysis of the trends that are identified. As services like the Stock Exchange News Service (SENS), and the Internet take over the chore of moving data from source to user, the financial news agencies are shifting their efforts to extraction and analysis of the information. We are increasingly adding value to the information we move to retain our relevance.

There is an insatiable demand for news, information and analysis affecting markets: the more people we hire, the harder they work and the more stories they file, the more the market demands. Whereas we might spend an hour or 90 minutes on a news story, our coverage of, say Reserve Bank governor Chris Stals' presentation to the finance committee at Parliament is largely gutted within 10 minutes. We will measure our performance against our competitors in micro-seconds, we will demand analysis of market-moving events from economists and traders within moments of their happening and we will, quite often, report the market reaction to an item of news before we have finished writing the story itself.

If a company issues a cautionary announcement saying it is in talks with another major player, we would file a single line on it, follow that up a moment later with a paragraph fleshing out the alert and then begin work on the body of a story that explains what we can find out about the event. If the share price moves on the cautionary announcement, we will have a paragraph out on that before the second or third paragraph of the main story has been written. We probably will have the views of a sector analyst on the wire within five minutes of the first indication that the price is moving.

As with the commentary and analysis of more general news, our reports on financial

This is the world of real time. Though it is nice as a journalist or a publicist to see your efforts reflected in the evening newspaper, it is in the realm of real time that you can really influence the world.

The deadline is always

now

events are based on the views and analysis of people with standing in that arena.

We will want to speak to CEOs — and usually do. We will want to hear from chief economists and usually do.

The financial product combines the news definition that I mentioned earlier with the separate value system of the information industry. When a share price moves, it is behaving contrary to expectation and making news. When two companies merge they are behaving contrary to expectations and making news. When a senior executive resigns he is behaving contrary to expectations and making news.

But while we might decline to report expected activities in the general news arena, financial information is made up to a large part of detailed information that confirms expectations.

The distinction is founded on the different uses that clients have for the information we provide. Traders in any share, bond or commodity make their decisions as much on an expectation confirmed as they do on the basis of an unexpected development.

What they need, though, is to have that information a moment before a competitor trading in the same instrument and that is why this category of agency reporting is so crucially affected by speed — and, of course, accuracy. The motto of this field, which is borrowed, I believe, from the old United Press, remains: "Get it first, but first get it right."

Serving this market requires a sharp focus on the news and information that it will want to see — and on that it will not want to be bothered with. Though a financial information vendor moves huge amounts of information, much of it statistical data, its clients are very sensitive to clutter. They are quick to complain if we fill a screen with news they do not want and even quicker to complain if we fail to report something they do want to read.

While a news agency relies heavily on sources who will take the initiative to come forward, the financial news agency relies heavily on a network of contacts we can reach for a better and timely input.

Both the news agency and the financial news agency specialise in moving news fast. That can mean minutes or occasionally hours on a general news story and seconds or occasionally minutes on a financial story.

News agencies are more focused than most other media, providing a core service with focused analysis and commentary. Input to a news agency file needs to be brief, to the point and from the right source.

News agencies are the frontline of reporting, whether it be on human tragedy or market developments. We have limited numbers of people to deploy and they are used, generally, only for the main stories of the day. This can mean that a news agency quite often will decline to cover an appealing, interesting or worthy story offered by a news source who, just a day before, it was fighting for a front row seat on another story.

Brendan Boyle is bureau chief of Reuters in Johannesburg.

The naked truth about transformation

BY SANDILE MAMELE

WHATEVER programme has been undertaken by the media to restore credibility and dignity to itself, the introduction of the much talked about transformation will always leave something to be desired.

At whatever level we examine the process — new relationships in the newsrooms, top positions for blacks, the human admixture in boardrooms and cocktail parties — transformation is quite simply the replacing of white men by the same species with a different hue.

Without any doubt, transformation as a strategy to introduce renaissance in the media lacks totality, is incomplete and empty of meaningful content.

It is true that a handful of black males have risen in the ranks, creating the false impression of overhauling the media industry, siting top-dog decision-making meetings and having their voices heard in the right circles.

But these men have been chosen precisely to speak in an accent that resonates with Africanness as measured by skin colour, which does not change the subject of the issues.

The unusual success of transformation is that it constitutes, from the very first day that it was pursued, the minimum demand of radically changing the print and broadcasting industry.

To tell the truth, the proof of its achievement lies in a whole economic superstructure not being changed from the bottom up.

The extraordinary importance of this strategy is that it is willed, dictated by the few powerful individuals who own the monopolies that determine the content of the news given to the nation.

But the danger of this phenomenon is equally lost to seasoned white male journalists in the form of perhaps not realising that the system is merely reinventing itself at their expense.

Transformation, which supposedly set out to change the order of the media world, obviously, is a programme of gradual unfolding to avoid disorder in what makes the economic system work.

But it has not arrived with the magical results of assuring white males who have been the storm troopers of a handful of media owners.

The way it has been superficially explained is that it is a political and histori-

cal process that can only be understood by the profile of a handful of black males whose presence in the upper echelons should signal the end of the road of their white male rivals.

Many people have discerned significant movement in the media industry simply because more and more black males (and white females) are supposedly taking up positions, offices, and privileges that have been the prerogative of white males.

But there has been no meeting of philosophical or economic forces, opposed to each by their very nature, which owe their fight to the place of man in society.

Instead, a handful of black males identified for their allegiance to exploitation and oppression have been brought together with their white counterparts to carry out the entrenchment of the system.

Now the black male and his white counterpart are neither rivals nor enemies but close friends and collaborators.

In fact, those who are dissatisfied with the substance and content of transformation and affirmative action, for that matter, are right when they speak about it as a gimmick to hide the gluttony of a few.

For those who own the economy have promoted selected black males (and some white females) into positions of privilege to perpetuate the existence of an economic system that exploits.

The successful media practitioners who have benefited a great deal from so-called transformation owe the fact of their achievement and recognition to upholding white, supremacist, patriarchal, capitalist society.

And yet transformation has not failed to be a point of contention between black and white, for it has successfully distracted focus from the burning issue: an exploitative economic system.

The naked truth about transformation in the media is the lack of a complete calling to question the unchanging economic system.

If we want to describe it precisely, we might find it in the well-worn words: add a few black faces at the top. That is why, when many try hard enough to think, soon it is realised that the more things change, the more they stay the same.

You do not turn any society upside down with a programme that does not overcome obstacles in changing the character of the nation.

Sandile Mamele is features editor at City Press and will join Sunday World shortly.

Those who are dissatisfied with the substance and content of transformation and affirmative action are right when they speak about it as a gimmick to hide the gluttony of a few.