

Our Mission: Cutting-edge reporting

Interview with Fred Kempe, Editor and Associate Publisher of The Wall Street Journal Europe

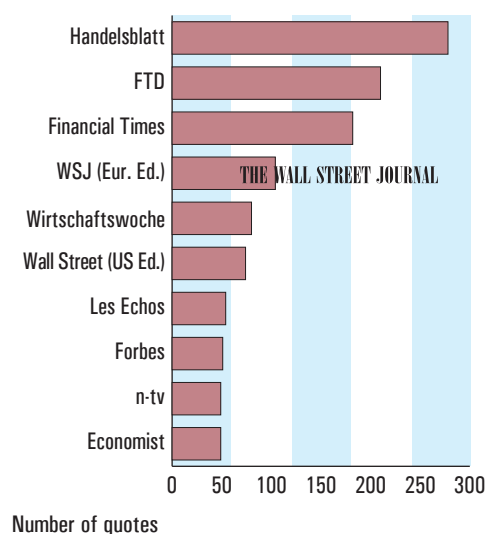
Media Tenor: The **Wall Street Journal** is getting quoted more often. What did you change by getting news out to colleagues?

Fred Kempe: First, with each year we are in Europe we are more part of the continent's culture and discourse. Also, we find that the more exclusive and unique reporting we do, the more we get quoted and noticed. We are also more of a must-read as the business world grows more global but lacks credible sources of global business information. Beyond that, our global corporate communications team works on a 24-hour shift to disseminate news of our key and breaking stories to a world-wide list of key wire and broadcast media. They work closely with the news teams in the U.S., Europe and Asia, as well as the edit page teams in all these regions. News scoops are held under tight embargo and we stipulate that other media credit **The Wall Street Journal** if they refer to our news stories or edit page pieces.

MT: Concerning the use of quotes to underline your own image: what are the topics you want the **WSJ** to be identified with?

Kempe: We like to be identified with cutting-edge reporting on whatever is the most important global business or economic story of the day. Our mission is to serve the global business community with the world's most vital business news and information.

Most quoted business media 01 – 06/2004 in Germany



Source: Media Tenor
01/01 – 06/30/2004

Basis: 11.713 quotes in
37 opinion-leading German media

Key areas are finance, markets, corporate, geopolitics, technology, media and telecommunications.

MT: Although the **WSJ** seems to be business focussed – it is a top source for politics: all European leaders are keen on getting coverage. Do you see the **WSJ** as being more influential on the top level of business or politics?

Kempe: We see a sound understanding of the global political story as a key interest of the business community – so part of our business focus is telling this story best. For example, who wins U.S. or German elections and what policies they'll implement has significant bottom-line impact. Our edit pages (in all three editions of the Journal) provide a platform for the opinions and theories of leading politicians and political commentators around the world. We find increasing demand from Europe's top politicians to appear in our pages with their commentaries because they've recognized our influence and reach. Those pieces are often quoted and followed by others.

MT: Reports on Germany have been reduced throughout the last 15 months – are you already giving up, although with the enlarged Europe, German business could play a stronger role?

Kempe: We are in no way 'giving up' on Germany and neither are our readers. To the contrary. Our aim is to be globally unsurpassed and locally relevant – and this means in every key European center where business is conducted. Germany is the world's third largest economy and hence it is at the top of our list of interests – but covering Germany also includes stories about its leading companies, like Bertelsmann, Siemens, Deutsche Telekom, Deutsche Bank and so on. Our remit of providing global business news for Europe requires close monitoring of the German economy and its German companies and their dealings. We also continue our relationship with **Handelsblatt** that we value very highly. The news-gathering co-operation is still very much in force. We've done two highly followed interviews together with Gerhard Schroeder in this year alone. **The Wall Street Journal Europe** on July 9 featured two German stories on the front page: "Siemens names Kleinfeld as successor to von Pierer" and "Germany is expected to cut jobless benefits".

MT: On the other side you give more and more room to Asia – although in terms of turnover the Chinese business is more based on hope than reality. How strong are your connections with **WSJ Asia**?

Kempe: The China market has always been a very attractive one for us. We established a chief representative office in Beijing in 1993 and a second in Shanghai in 1995. Currently we have two bureaus in China with 17 accredited journalists reporting for the global **Wall Street Journal**, the **Far East-**

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ern Economic Review and Dow Jones Newswires, hence we have more people on the ground in China than any other international media company. The **Asian Wall Street Journal** year after year is voted the “most vital business reading” in the Asian business readership survey. What we’ve found is that our European readers are also significantly increasing their interest in Asia, where foreign direct investment from Europe has grown considerably. We meet their demand for more knowledge particularly about China. We are always looking for ways to expand our global Journal franchise and clearly China is a very important market for us to extend our brand. We announced earlier this year that we will launch a stand-alone **Wall Street Journal** edition for India and we do hope that we will be able to offer an edition for China one day as well. The **Asian Wall Street Journal** and **The WSJ Europe** are vital parts of the Wall Street Journal franchise. We are in constant communication about priorities and news cooperation. It is these editions that enable the **Wall Street Journal** to be truly global.

MT: What are the risks you see for China within the next 6 months?

Kempe: The key question is whether China will have a soft landing from its explosive growth or a hard landing. We’ll watch every aspect of this story. Managing dramatic change is always a risk and, for us, a good story.

MT: Comparing **WSJ Europe** edition to the US edition one sees, that both of you paint a more positive picture on the future of Iraq than your colleagues from the **FT**. How strong is the political influence on the daily news selection?

Kempe: We have always believed that quality, integrity and independence are key to the success of **The Wall Street Journal**. In contrast to the **FT**, our news pages are managed separately from opinion pages – and the reason for that is so readers can clearly differentiate between editorial opinion and news reporting and analysis. Because of this separation between news and opinion, opinion editors have no influence on the news pages.

MT: Looking at the long-term analysis, one sees that value drivers such as reports on innovations, investments or R&D receive less than 1% of the reports on companies. Are you satisfied with this result or do you want to change?

Kempe: I would question this analysis. Just looking at today’s paper it’s clear the percentage is much higher. Our Networking pages and Money and Investing front page, for example, regularly look at innovations and investments. Our regular columns are also often aimed at these areas. We certainly consider this kind of value-added reporting to be exactly what



Fred Kempe,
Editor and
Associate
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our readers seek to learn about companies.

MT: After all the debates on the lack of Chinese walls: what is the **WSJ**-rule on quoting analysts?

Kempe: For stock recommendation-type quotes we cite both the analyst’s rating on the stock and whether the bank the analyst works for has done investment banking work for the company the analyst is talking about. So, for instance, our pan-European pharmaceutical editor has heard said: “There is a consolidation discount built into Novartis’s share price. I think that’s unfortunate, but that’s the price Novartis pays for being as transparent as it is” in informing the market of its acquisition ambitions, says Stewart Adkins, a pharmaceuticals analyst at Lehman Brothers in London. Lehman said it has done banking work for Novartis and doesn’t hold “in excess of 1% of the company’s stock.” Mr. Adkins has a buy recommendation on the stock.

MT: What can be done to reduce the amount of quoting “anonymous analysts”?

Kempe: At our paper, unlike some others, sources belong to the paper, not to individual journalists. That means reporters are required if asked to tell their senior editors the name of their source, even if it must remain confidential to readers. We also try to identify sources as closely as possible regarding their position and their degree of knowledge and familiarity with the situation. We seek to make transparent to readers any agendas the source might have. We also strenuously avoid negative quotes or comments given anonymously.

MT: Where do you see **WSJ Europe’s** position in terms of circulation by the end of this year?

Kempe: We plan flat growth on circulation – but greater revenue per copy. In other words, this means we are increasing the quality of our circulation if not the quantity. We will continue to focus on the readers who are most important – those whose decisions most influence global business. These readers remain concentrated in the business capitals of Europe (e.g. London, Paris, Frankfurt) and growth potential remains in these centers.

Questions: Roland Schatz

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