

European Commission: Clearance of Agreements regarding Satellite Pay-TV Distribution in the Nordic Region

IRIS 2004-2:1/8

*Sabina Gorini
Institute for Information Law (IViR), University of Amsterdam*

The European Commission has decided to exempt from the application of EU competition rules, for a period of 5 years, a number of agreements between Canal+ and the Nordic media and telecoms operator Telenor. The agreements provide for the exclusive satellite distribution via Canal Digital (Telenor's direct-to-home satellite pay-TV platform) of the pay-TV premium content channels of Canal+ Nordic (a subsidiary of Groupe Canal+).

Canal Digital was originally run as a joint venture by Telenor and Canal+ Nordic (with each party holding 50 % of the shares). In 2001, Canal+ Nordic sold its entire shareholding in the joint venture to Telenor. The exclusive distribution agreements were concluded at the time of the sale so as to ensure the continuity of Canal Digital's pay-TV services.

In the form in which they were initially notified, the agreements raised certain competition concerns. The parties however subsequently agreed to shorten the duration of their exclusivity and non-compete arrangements, which led the Commission to adopt a clearance decision. The Commission came to the conclusion that the benefits brought about by the agreements significantly outweighed their restrictive effects. Indeed the agreements will in the short-term permit the maintenance of competition with the other existing Nordic satellite pay-TV operator, MTG/Viasat, while maintaining the possibility for potential competitors to enter the Nordic pay-TV market in the mid and long term. This should ensure that end-consumers benefit from competitive prices, enhanced digital pay-TV services and new decoder technology at a low cost.

Commission clears deal between Telenor and Canal+ regarding Nordic satellite pay-TV distribution", Press Release of the European Commission IP/04/2 of 5 January 2004

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