

[NL] Report on Media Concentrations and Ownership Relations

IRIS 2005-3:1/27

*Dorien Verhulst
Institute for Information Law (IViR), University of Amsterdam*

On 23 November 2004, the third annual report entitled “ Concentratie en Pluriformiteit van de Nederlandse Media ” (Concentration and Plurality of the Dutch Media) was handed to the Secretary of State for Culture, Medy van der Laan. The report, which was prepared by the Commissariaat voor de Media (the Dutch Media Authority), analyses media concentrations and ownership relations in the press, television and radio sectors in the Netherlands and sets out recommendations for the development of rules governing media concentrations.

Under current legislation, concentrations in the media sector are regulated by the general rules for concentrations in the Mededingingswet (Competition Act). In addition, there are provisions in the Mediawet (Media Act) specifically regulating cross-ownership in the media sector. No further rules specific to media concentrations exist at present.

As it believes that the present rules do not sufficiently guarantee plurality in the media sector, the Commissariaat recommends imposing a maximum market share limit of 35% for concentrations in the daily newspaper sector and in the commercial television sector. The Commissariaat considers that, for the time being, imposing a market share threshold for concentrations in the radio sector is not necessary. Indeed, the chance of a dominant position arising in this sector is small, because owners cannot acquire more than two frequencies. It also believes that no market share limit is required as regards the public broadcasting system as the provisions of the Media Act already secure plurality and independence of the system.

Furthermore, the Commissariaat recommends liberalising the rules concerning cross-ownership. Under current legislation (article 71b sub d of the Media Act), a publisher with a market share of 25% or more in the daily newspaper sector cannot control more than 1/3 of a broadcasting association. The Commissariaat recommends changing this rule to a general combined limit of 35% market share in one market and 15% in an adjacent market. This would allow space for diversification, while also preventing the creation of large power blocks.

In December 2004, the Secretary of State wrote a letter to the Tweede Kamer (Dutch Lower House) in which she endorses part of the recommendations of the

report. In the letter she informs the Lower House about her policy plans. If the Tweede Kamer supports them, she will develop legislative proposals. The Secretary of State proposes a maximum market share limit of 35% for concentrations in the sector of daily newspapers. The proposed dagbladconcentratieregeling (regulation of daily newspaper concentrations) would be set in the Competition Act and enforced by the Nederlandse Mededingingsautoriteit (Dutch Competition Authority - NMA).

As regards the rules on cross-ownership the Secretary of State's proposal differs from that of the report. Publishers of daily newspapers, who have a market share of 25 to 35% (in the sector of daily newspapers), would not be allowed to have more than 50% control in a commercial broadcasting association. Publishers with a market share of more than 35% in the sector of daily newspapers (which it will not be possible to reach by concentration, but which will be permitted through autonomous growth) would not be allowed to have more than 33 1/3 % control in a broadcasting association.

“Mediaconcentratie in beeld: concentratie en pluriformiteit van de Nederlandse media”

<http://www.cvdm.nl/>

Brief van de Staatssecretaris van Cultuur, Kamerstukken II, 2004, 29692, nr. 2

<http://www.overheid.nl/>

