[NL] Investigation into the Acquisition of Canal+ by UPC

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The Nederlandse Mededingingsautoriteit (Dutch Competition Authority - NMa) has decided that a license is required for the acquisition of Canal+ by the cable company UPC. Following a preliminary investigation, the Nma has come to the conclusion that a dominant position of UPC may arise or be strengthened as a result of the acquisition, with possible restrictive effects on competition.

UPC operates a large cable network in the Netherlands and offers television, broadband Internet and telephone services through its cable network. Canal+ is the largest provider of pay-TV in the Netherlands. The NMa has come to the preliminary conclusion that the acquisition would result in UPC (which after the acquisition would become almost a monopolist on the pay-TV market) being in a position to prevent other pay-TV providers from developing activities on this market. UPC's purchase power on the market for premium films, which would be strengthened by the takeover, could also contribute to this. Also, UPC would be in a position to refuse to offer Canal+'s programmes or offer them under unfavourable conditions to providers of competing infrastructures (satellite, wireless, xDSL) within UPC's coverage area. All this may restrict competition on the pay-TV market and limit consumers' freedom of choice.

At this stage, if UPC and Canal+ apply for a license, the NMa will carry out an in depth investigation into the Dutch pay-TV market (e.g. looking at the development of alternative infrastructures, such as satellite, wireless and xDSL). If UPC and Canal+ put forward proposals which would solve the competition problems identified, these will be taken into account in NMa 's investigation.

Press release of the NMa of 1 March 2005

http://www.nmanet.nl/en/nieuws_en_publicaties/persberichten/nma_nader_onderzoek_nodig_naar_overname_canal_door_upc.asp

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