

## RTL5 will be closed down as a result of the European Commission's HMG decision

**IRIS 1996-2:1/27**

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On 31 January 1996, the Holland Media Group (HMG) announced that it would close down its commercial television channel RTL5. This decision follows the decision taken by European Commission on 20 September 1995 ( see: IRIS 1995-9:5) that in its current form, the Dutch TV joint venture Holland Media Groep SA (HMG) cannot be approved under Council Regulation (EEC) Nr 4064/89 on the control of concentrations between undertakings.

HMG is a joint venture between RTL4 S.A. (RTL), Veronica and Endemol Entertainment. The parent companies of RTL are the Luxembourg broadcasting group CLT and the Dutch publishing group VNU. RTL has transferred its broadcasting activities in the Netherlands - the two private commercial TV channels RTL4 and RTL5 - to HMG. A third channel has been brought into HMG by Veronica, formerly a private association operating in the public broadcasting system of the Netherlands, which became a fully-fledged private commercial broadcasting channel on 1 September 1995. The other main parent, Endemol, is the largest independent producer of TV programmes in the Netherlands. The Commission had concluded that the HMG joint venture would lead to the creation of a dominant position on the Dutch market for TV advertising and would strengthen Endemol's already existing dominant position on the Dutch TV production market. HMG was required to sell RTL5. In a reaction to HMG's announcement, Mr Karel van Miert, the Commissioner responsible for competition policy, said that this development creates a new situation in which the Commission will have to reconsider its initial point of view. (Ad van Loon European Audiovisual Observatory)

