

[RO] Ringier and Dogan Join Forces in Romanian Media Market

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According to a joint press release, the media companies Ringier and Dogan intend to join forces in Romania and invest jointly in the television broadcaster Kanal D Romania, whose main shareholder is Dogan Media International SA. According to the agreements reached so far, Ringier will acquire 25% of the shares. The television channel Kanal D Romania was due to start broadcasting on 18 February 2007.

While Dogan Yayin Holding is the largest media entertainment group in Turkey and is developing its activities outside that country, Swiss media group Ringier is responsible for more than 100 publications in 12 countries, produces more than 20 TV channels, operates over 50 Internet platforms and owns 11 printing works. After Ringier worked its way up to becoming the largest player in the Romanian print media market, its 25% share in Kanal D Romania represents its first foray into the audiovisual sector.

Free competition in the Romanian audiovisual sector is protected by the *Consiliul Național al Audiovizualului* (National Audiovisual Council - CNA). The CNA "must notify the competent authorities regarding the occurrence or existence of practices restricting competition, the abuse of a dominant position or of economic concentrations, as well as the existence of any other infringement of the legal provisions that does not fall under its competency" (Art. 10(3)(c) of Audiovisual Act no. 504). Articles 44 to 47 of the Audiovisual Act contain detailed provisions on the promotion of pluralism and cultural diversity, as well as the prevention of major concentrations of ownership and excessive market shares in the audiovisual sector. Art. 44(3), for example, states that "It is considered that a broadcaster holds a dominant position in forming public opinion at national level when its market share exceeds 30% of the market of television programmes broadcast at national level".

According to Art. 44(4), calculating a broadcaster's market share involves "establishing the average market share registered during the respective year for the entire broadcasting duration", whereby "market shares must be calculated electronically" (Art. 44(5)). The provisions of Art. 44(3) do not apply to public broadcasters (Art. 44(7)).

Another rule designed to prevent market domination in the audiovisual sector states that "A Romanian or foreign natural or legal person may hold no more than two audiovisual licences at the same time within the same administrative unit or area" (Art. 44(8)). According to Art. 44(9), a natural or legal person may directly or indirectly become a majority shareholder in one single audiovisual company and may hold no more than 20% of the share capital of other media companies.

Under Art. 45 of the Audiovisual Act, audiences and market shares must be measured in compliance with international standards and practices by specialised institutions appointed by tender.

"It is considered that a broadcaster holds a dominant position in forming public opinion at regional or local level when the total market share in television and/or radio stations broadcast within the respective area exceeds 25% of the channels broadcast at regional or local level" (Art. 46(2)).

Until now, the CNA has never lodged a complaint in connection with a dominant market position held by a domestic or foreign broadcaster in Romania.

