European Commission: End of Proceedings against Hungary after Amendment to Media Act

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In a dispute between the European Commission and Hungary, the latter has chosen to heed requests made by the former and has agreed to amend its controversial Media Act. The Commission objected to a specific provision in the Hungarian Media Act, which did not comply with Directive 2002/77/EC of 16 September 2002 on competition in the markets for electronic communications networks and services. It was argued that the provision would impede competition, given that cable operators would not be allowed to provide their services to more than one third of the population in Hungary. In abolishing the provision by way of an amendment to the Media Act, the Hungarian government has prevented a scenario whereby the decrease of competition could lead to higher prices, less innovation and deterioration of services. This new step ensures that the Directive is complied with and that unrestricted communication services are guaranteed.

Competition Commissioner Neelie Kroes expressed satisfaction and noted that Hungary "has finally lifted restrictions imposed on cable TV operators by the Media Act. In Hungary, cable TV operators are major providers of broadband access to the internet". This in her opinion implies that: "cable TV operators will be able to provide their services without restriction throughout Hungary and Hungarian citizens will have better choice in broadband services."

The European Commission feels that without the controversial restriction the Hungarian cable and broadband market is open for further consolidation. Solid investments and improvement of services would now naturally ensue.

"Competition: Commission ends Court proceedings against Hungary after amendment of Media Act" press release of 19 July 2007, IP/07/1137

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