[HU] Report of the Competition Authority on the Media Market

IRIS 2009-6:1/22

Mark Lengyel
Attorney at law

In April the *Gazdasági Versenyhivatal* (Hungarian Competition Authority - GVH) finalised and published its report examining competition on the Hungarian media markets. The basis of the report was a general sector inquiry launched by the authority on 24 July 2007. Its subject was TV broadcasting in Hungary as a whole. The GVH named three factors as reasons for initiating such a review:

- the obvious disproportionality between the audience share of the two national commercial TV channels RTL-Klub and TV2 (together approx. 60 %) and their share on the TV advertising market (together approx. 90 %) at the expense of thematic channels;

- the gate-keeper role of cable TV providers in case of new TV channels' entry into the market (cable is the most important platform of programme distribution in Hungary, cable penetration is more than 60 % of TV households in the country);

- the strong presence of vertically integrated market players in most of the segments of the TV value chain and the lack of independent TV programme package providers.

The inquiry was conducted from the perspective of broadcasters. It comprised three major groups of markets:

- the market of premium (film, sports and other) content rights;

- the markets of broadcast distribution (both upstream and downstream);

- the market of TV advertising.

Concluding its review the GVH said that it has not found any reason to open any formal individual inquiry. According to the GVH's assessment the TV programme distribution market is heading towards higher levels of competition as a consequence of recent technical and market developments (such as the growing importance of the satellite programme distribution platform). The authority also noted in its report the high potential of the recent introduction of digital terrestrial television and the launch of IPTV services from the perspective of competition.

However, the authority also formulated a number of proposals for the regulator. Such recommendations are:

- to remove the legal obstacles to launching additional thematic channels by national commercial broadcasters;

- to boost the efforts for the success of the DTT platform;

- to create a transparent structure for audience measurement based on tendering the provision of this service.

Jelentés az ÁV-2/2007 sz. ágazati vizsgálatról - 2009. április

http://www.gvh.hu/domain2/files/modules/module25/8861812657FCEDC8.pdf