

[HR] Croatian competition agency blocks sale of Nova TV to Unity Media

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The council of the Croatian Competition Agency (AZTN) has unanimously refused to approve the sale of the national commercial broadcaster Nova TV to Slovenia Broadband, a subsidiary of Unity Media. The competition watchdog explained that the sale would infringe the country's Electronic Communications Act and threaten pluralism in the media. Its objection was mainly based on the fact that Unity Media already owned Total TV, a leading provider of telecommunications services in Croatia.

The commercial broadcaster Nova TV is owned by Central European Media Enterprises Limited (CME), a listed holding company that operates television and radio channels in six Eastern European countries. In July of this year, CME agreed to sell broadcasting companies in Croatia and Slovenia to Slovenia Broadband for a total of EUR 230 million.

Unity Media is backed by the European Bank for Reconstruction and Development (EBRD) and is majority-owned by the large New York-based listed investment group Kohlberg Kravis Roberts & Co. (KKR). Unity Media representatives said they would check whether the Croatian regulator's decision was compatible with European law. They claimed that the decision should also comply with Croatian national laws, which they thought was questionable, mainly on the grounds that it contravened the ban on discrimination.

Nova TV began broadcasting on 28 May 2000 and was Croatia's first commercial broadcaster to hold a national licence, although regional commercial broadcasters such as Otvorena Televizija (OTV) in the Zagreb region were already operating at that time. Nova TV quickly achieved very high viewer ratings, in particular thanks to imported entertainment programmes, including reality shows and US series. Apart from the channels of the public service broadcaster Hrvatska radiotelevizija (HRT, based in Zagreb), its main competitors in the Croatian television market are the regional commercial broadcasters and, since 2004, RTL Televizija.

Croatian commercial television broadcaster RTL Televizija is fully owned by the RTL Group. It was launched on 30 April 2004 after HRT's third national channel was made available to commercial broadcasters. RTL Televizija was awarded the licence and has since been using the frequencies of the former third channel (free-to-air in virtually the whole country). After Nova TV, it was Croatia's second

national commercial broadcaster. RTL Televizija has been broadcast digitally since 2010, together with sister channel RTL2, which was added at the end of that year. Its content mix is based on that of the German channel RTL Television. Not only is its visual appearance similar to that of its German equivalent, but some programme formats have been copied and are even broadcast at the same time (for example, news bulletins and talk shows).

