

# European Commission: Walt Disney Company's proposed acquisition of 21st Century Fox approved subject to conditions

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On 6 November 2018, the European Commission announced its approval, under the EU Merger Regulation, of Walt Disney Company's proposed acquisition of 21st Century Fox Inc., subject to compliance with certain commitments.

Walt Disney Company and 21st Century Fox Inc. are both US-based global media companies, and both are primarily active in the distribution of films, the supply/licensing of audiovisual content, and the operation and wholesale supply of television channels. In the European Economic Area (EEA), both companies are active as providers of audiovisual content and television channels to broadcasters and distributors.

In September 2018, the European Commission was notified of a proposed transaction whereby the Walt Disney Corporation would acquire 21st Century Fox, including its film and television studios and its cable and international television businesses. However, the Fox Broadcasting network and its stations - Fox News Channel, Fox Business Network, FS1, FS2 and Big Ten Network - were not part of the proposed transaction.

The Commission examined the effects of the proposed transaction on those markets where the activities of the two companies overlap. The first issue was the effect on the production and distribution of films for release in movie theatres, the distribution of content for home entertainment, and the licensing of films and other television content. In this regard, the Commission found that the proposed transaction would raise no competition concerns because the merged entity would continue to face significant competition from other players, such as Sony, Universal and Warner Bros.

The second issue was the effect on the wholesale supply of television channels. In this regard, the Commission found that the proposed transaction would eliminate competition between two strong suppliers of "factual channels" in several EEA Member States. Factual channels are channels which mainly broadcast documentaries, drama and scientific-themed entertainment programmes, such as the National Geographic channels and the History channels. Therefore, in order to address competition concerns, the Walt Disney Company committed itself to

divesting its interest in all factual channels that it controls in the EEA, namely the History, H2, Crime & Investigation, Blaze and Lifetime channels. These channels are currently controlled by A+E Television Networks, which is a joint venture between Disney and Hearst. The Commission considered that the commitments fully removed the overlap between Disney and Fox's activities in the wholesale supply of factual channels in the EEA.

The Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon the Walt Disney Company fully complying with the commitments.

*European Commission, Mergers: Commission approves Disney's acquisition of parts of Fox, subject to conditions, IP/18/6312, 6 November 2018*

[http://europa.eu/rapid/press-release\\_IP-18-6312\\_en.htm](http://europa.eu/rapid/press-release_IP-18-6312_en.htm)

