

[NL] National Competition Authority announces extensive investigation into merger between RTL and Talpa

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On 28 January 2022, the *Autoriteit Consument en Markt* (Netherlands Authority for Consumer and Markets) (ACM) announced an "extensive investigation" into the proposed merger between media companies the RTL Group - active in the Netherlands through its subsidiary RTL Nederland - and the Talpa Network. RTL Nederland is a television broadcaster, content producer, and provider of video on-demand services. Talpa Network is a radio and television broadcaster, operator of various online platforms, and publisher of magazines and games.

The intended acquisition of Talpa by RTL has been under preliminary examination since 14 October 2021, when the companies officially notified the ACM of their plans to merge. The ACM stated that the merger "may have negative effects on price, quality, and innovation". RTL and Talpa must therefore apply for a merger licence, whereafter the ACM shall start a closer investigation consisting of comprehensive data analyses and in-depth conversations with all the parties involved and affected.

Consolidation of the two largest commercial television broadcasters in the Netherlands is in accordance with the RTL Group's strategy to create "national TV champions" in Europe to compete with global platforms. It is the ACM's responsibility, however, to assess "whether the markets involved will continue to work well". The next investigation will look into the merger's expected effects on advertisers, distributors of television channels, producers of television shows, and, ultimately, on consumers. The activities of these groups are closely intertwined. For example, if RTL/Talpa were to produce more content themselves, other production agencies would be left with fewer opportunities. The ACM pointed out that this "may result in fewer investments by those producers, and [subsequently] in a reduction of the range of television shows at the expense of consumers". Additionally, the ACM stated that RTL/Talpa's dominant market position may empower them to negotiate lower prices. This "may lead to fewer investments in new productions, and result in a reduction of the quality and variety of the range of television shows".

The ACM did not indicate when it expects to complete the follow-up investigation and issue its final decision.

ACM Publicaties, 'Diepgaand onderzoek nodig naar fusie RTL-Talpa', 28 januari 2022

<https://www.acm.nl/nl/publicaties/diepgaand-onderzoek-nodig-naar-fusie-rtl-talpa>

ACM Publications, 'Extensive investigation needed into merger between RTL-Talpa', 28 January 2022

