

The GVH authorised the buyout of Pannon Lapok

After the Media Council of the National Media and Infocommunications Authority (NMHH) granted its administrative consent, the Hungarian Competition Authority (GVH) authorised Mediaworks Hungary Zrt. to acquire direct and sole control over Pannon Lapok Társasága Kiadói Kft.

On 4 July 2016 Mediaworks Hungary Zrt. submitted its application to the GVH for the authorisation of acquisition of its direct and sole control over Pannon Lapok Társasága Kiadói Kft.

Both groups of undertakings affected by the concentration are active in the *publishing of printed and online press, the sale of advertising space, the distribution of printed media products*, and also provide *services related to coldset printing*.

The investigation found that although both groups of undertakings are active in the *publishing of county newspapers*, they pursue their respective activities in different geographic markets; therefore there is no such territory in terms of the market of readers where their activities would overlap. When assessing the horizontal effects of the concentration, the GVH found that the two groups of undertakings provide *advertising services* relating to regional (county) newspapers in different territories and that the single county newspapers supplement, rather than substitute each other in terms of the different regional and local advertising target groups.

The possibility of detrimental horizontal effects only arose concerning the printing of newspapers using coldset technology (a process applied for the printing of newspapers and flyers) due to the market share of the groups of undertakings taken together. However, according to the resolution of the GVH the above-mentioned possible adverse horizontal effect on competition may be excluded after the authorisation of the transaction because

- there is significant spare capacity on the market and it can be expected that the demand on the market will continue to decline;
- there are several significant competitors left in the market, therefore a switch to another service provider will not be greatly hindered;
- those who purchase the services in question have buyer power;
- the groups of undertakings are not close competitors;
- foreign printing houses may be able to exert competitive pressure on the market;

- the market players consulted did not raise substantive concerns in relation to the concentration.

The GVH also did not identify any detrimental or portfolio effects, considering that the concentration does not create a new vertical relationship and does not result in such an extension of the activities that would lead to detrimental portfolio effects.

Taking into consideration all these factors the GVH authorised the transaction.

Case number: **Vj/58/2016.**

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Hungarian Competition Authority

Further information:

Andrea BASA

Spokesperson

Alkotmány u. 5., H-1054 Budapest,

Tel: +36 1 4728902

Mobile: +36 30 6186618

Email: basa.andrea@gvh.hu , press@gvh.hu

<http://www.gvh.hu>