Non-price Effects of Mergers - Note by Belgium

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This document reproduces a written contribution from Belgium submitted for Item 4 of the 129th OECD Competition committee meeting on 6-8 June 2018.

More documents related to this discussion can be found at www.oecd.org/daf/competition/non-price-effects-of-mergers.htm

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1. The Belgian competition authority (BCA) has not adopted their own guidelines on the assessment of horizontal and non-horizontal mergers, but the decisions of the Authority follow the relevant guidelines of the European commission. As is the case for the Commission, price effects are the main concern of the Authority, but, in some cases, non-price effects have played a non-negligible role, usually in conjunction with price effects.

2. The manner in which non-price effects have played a role in recent cases is summarized hereunder. While non-price effects may have been taken into account in other decisions, we have restricted our attention to mergers approved with commitments, where some of these commitments specifically address non-price effects of the merger.

- **Mediahuis (Corelio-Concentra, 2013):** The BCA has approved the creation of Mediahuis, through the merger of the activities of publishers Corelio and Concentra. In analyzing the effects of the merger, the Competition College considered that “the risk of a reduction of the diversity of the supply by converging the content of the titles can not only be excluded but can even be considered more likely”. The College approved the proposed merger after the notifying parties committed to maintain all newspaper titles for at least five years and assured that “all newspaper titles will have sufficient editorial staff of journalists and correspondents, substantively managed by their own chief editors, consisting of at least, among others, an editor in chief, editors for general political and for regional news.

- **De Persgroep-Sanoma (2015):** In another media merger, whereby De Persgroep acquired popular magazines from Sanoma, the BCA approved the concentration under the commitment that these magazines would remain sufficiently independent. The question under discussion was whether the magazines would become almost identical in substance, with different titles and cover pages. More specifically, De Persgroep committed to ensure that at least 20% of the content of the newly acquired Story would be different from their existing Dag allemaal. The remedies were less demanding than in the Mediahuis case because the publications involved where different: this case concerned people magazines while the Mediahuis case dealt with major newspapers. De Persgroep also committed to keep the pocket format of TeVe-Blad.

- **bpost-AMP (2016):** bpost, the incumbent postal operator, who has an USO agreement with the Belgian state for the home delivery of newspapers, has acquired AMP, the company that ensures the delivery of newspapers to the press shops in Belgium. The BCA has approved the merger subject to a number of behavioural remedies, to ensure that both channels (home delivery and press shop delivery) would survive, and that the quality of their services would remain.
particular, the delivery time requirement, both for newspapers (not too early), and for press shops (not too late) where discussed in depth.

- **McKesson-Belmedis (2016):** The acquisition of Belmedis, a distributor of pharmaceutical products to pharmacies by its competitor McKesson was approved by the BCA subject to a number of remedies. After the merger, only two meaningful competitors would remain in substantial parts of the country, and there was no guarantee that other distributors would be able to deliver pharmaceutical products three times per day. The College therefore accepted the commitment of McKesson to divest a logistics building to favour competition, both on price and non-price aspects.