

## **Green light for the concentration of Sony Music and Showtime**

**The Hungarian Competition Authority (GVH) granted authorisation to Sony Music Kft for acquiring more than 50 percent of the shares of Showtime Kft.**

With its decision concluded on 31 May 2010 the GVH granted authorisation to Music Entertainment Magyarország Kereskedelmi Kft (Sony Music Kft), which belongs to the Sony undertaking group, for acquiring 51 percent of the shares of Showtime Budapest Produkciós és Rendezvény Szolgáltató Kft (Showtime Kft).

The Sony undertaking group that has got interests all over the world operates in 5 different sectors, each of them controlled by different undertakings [electricity, games, entertainment (divided into two segments, namely motion picture and music), financial services and other activities]. The undertaking group represents itself by 5 undertakings in Hungary. One of them is Sony Music Kft that is engaged in the recording market, pursues an activity that aims to discover talented artists, to conclude contracts with them, to manage their carrier and moreover, the undertaking organizes the recording procedure and sales music in a form of disk or digital record.

Showtime Kft, founded in 1984, is a production agency whose main characteristic is to organize concerts for national and international artists and in addition, the undertaking manages events like exhibitions, concerts, corporate and other mass events. Besides these mentioned, the undertaking possesses the right to record, publish, sale and distribute some musical albums. Since the importance of recording musical albums was minor in Showtime Kft's activity, the undertaking has already terminated it and now its turnover stems mainly from the marketing of the extant stocks. Besides that, the undertaking usually publishes one book with a musical topic every year. Showtime Kft, belonging to the Showtime-group, possesses an exclusive ownership of BB Stage Szcenikai Mérnöki Iroda és Műhely Kft, which is engaged in designing and constructing stage technique equipments, also in renting theatrical equipments and in addition, the undertaking owns 66 percent of the shares of KONCERTBLOG Kft that operates [www.koncertblog.hu](http://www.koncertblog.hu), an entertaining website that is responsible to publish news, reports and criticism in relation to artists, concerts and live events.

Those undertaking groups that are participating in the concentration both pursue an intense activity on many markets, but there are only two markets identified where they are both present. These are the followings: organizing events apart from the international concerts and recording and publishing musical albums. Concerning the former market, the Sony undertaking group only owns a negligible market share by organizing some of the events with an ad hoc nature, while the turnover of Showtime Kft mainly comes from organizing international concerts and other events of this kind. Otherwise, according to its turnover, Showtime Kft owns the lowest, almost 20 percent market share among the three main competitors on the market for organizing international concerts, while on the market for

organizing other events of this kind, it is the most significant market player with its 20 percent market share.

Concerning the market of recording and publishing musical albums, it is essential to point it out that Showtime undertaking group that used to be slightly engaged in selling musical albums, has already terminated this activity and now it is only selling its extant stores. Sony Music Kft distributes music both in a form of disk and digital record and in addition, a significant share of its turnover comes from publishing musical albums that covers almost one fifth of the market concerned.

When evaluating the possible affects of the concentration on the Hungarian market, the GVH took into consideration – among others – that there is no overlap between the activities of the Sony and Showtime undertaking groups in Hungary, thus the concentration does not create or strengthen dominant position on the market. Although Showtime Kft used to be a competitor on the market of publishing musical albums, in 2010 it left the market mentioned above, terminated all the previously concluded contracts and since that time the undertaking has not entered into new contracts of that kind.

According to the data available, the undertakings that are interested in the transaction do not possess notable market share either on the market of publishing musical albums or on the market of organizing international concerts and other events of this kind, thus they are not capable to significantly reduce competition on the markets concerned.

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