# Mergers: Commission clears Comcast's proposed acquisition of Sky under EU merger rules

The proposed transaction would combine Sky plc (Sky), the leading pay-TV operator in Austria, Germany, Ireland, Italy and the UK and Comcast Corporation (Comcast), owner of Universal Pictures, one of the six major Hollywood film studios, as well as an operator of TV channels such as CNBC, Syfy or E!.

Comcast and Sky are mainly active in different markets in Austria, Germany, Ireland, Italy, the UK and Spain. They compete with each other only to a limited extent, mainly in the acquisition of TV content and in the wholesale supply of basic pay-TV channels.

The Commission found that the proposed transaction would lead to only a limited increase in Sky’s existing share of the markets for the acquisition of **TV content**, as well as in the market for the **wholesale supply of TV channels** in the relevant Member States.

Given that the merging companies are mainly active at different levels of the market, the Commission’s assessment focused on whether, as a result of the proposed transaction:

- Comcast would be able to prevent or significantly limit access by Sky’s competitors to its films and other TV content or to its TV channels. The Commission concluded that these possible concerns were not founded. This is because pay-TV distributors would continue to have access to content from Comcast’s competitors and multiple alternative channels with comparable programming and audiences in the relevant Member States.
- Sky would have the incentive to cease purchasing content from Comcast’s competitors. The Commission found that this was unlikely as it would reduce the quality of Sky’s product offering.
- Sky could prevent competing channels from accessing its platform. The investigation found that the merged companies’ ability to shut out Comcast’s rivals was significantly mitigated by existing regulations in the UK, Germany and Austria. In addition, competitors that could have been targeted for exclusion are either contractually protected for a sufficient period of time or are not dependent on Sky’s retail platform in the relevant Member States.

Based on the results of its market investigation, the Commission concluded that the proposed transaction would raise no competition concerns.

**Competing bid by Twenty-First Century Fox**

Comcast’s offer to acquire Sky comes as a counter-bid to an offer by Twenty-First Century Fox of the US. Twenty-First Century Fox and Comcast are competing against each other to take control over Sky. On 7 April 2017 theCommission also cleared unconditionally Twenty-First Century Fox’s offer for Sky.

**Companies and products**

**Sky plc** is the leading pay-TV operator in Austria, Germany, Ireland, Italy and the UK.

**Comcast Corporation** is a US cable operator active in Europe through NBCUniversal, and owner of Universal Pictures, one of the six major Hollywood film studios, as well as an operator of TV channels (CNBC, Universal Channel, Syfy, E!, 13th Street, Movies24 and Studio Universal), and on-demand services (*hayu*, Studio Universal Classics, Picturebox and Syfy Horror).

**Merger control rules and procedures**

The transaction was notified to the Commission on 7 May 2018.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the competition website, in the Commission’s public case register under the case number M.8861.