

## **Communication**

### **by the GVH about the commencement of a market study on the film distribution industry**

**The Gazdasági Versenyhivatal (GVH – the Hungarian Competition Authority) initiates a market study on the film distribution and exhibition market according to article 43/C of Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (hereinafter: CA – Competition Act).**

Pursuant to Paragraph 1 of Article 43/C of the CA, in order to carry out its statutory responsibilities more effectively and efficiently, the GVH may conduct market studies. These studies involve the surveying and analysing of the operation of particular markets, market developments, market trends, the application of particular market practices in multiple industries or a specific segment of an industry, and the effects thereof on competition and trading parties. The studies rely on information that is in the public domain, data that is collected on a voluntary basis and the involvement of external experts or consultants when required.

In the framework of this market study, the GVH is planning to examine the structure of film production, film exhibition and film distribution markets linked vertically, the characteristics of their functioning, the market position of the participants of the sector and the relationship between them – in particular the system of agreements pertaining to the distribution of motion pictures between film distributors and film exhibitors – and the practice of the application of fees for the usage of screens.

In the course of the market study with its data requests, the GVH will contact the major Hungarian film distributor and film exhibitor undertakings and their associations; furthermore, it will hold interviews. On the conclusion of the market study, the GVH will compile a report and publish it on its website. This report will contain information about the following aspects of the market study: the questions examined, the statements and facts revealed, the method applied and any further subsequent measures that may need to be taken.

The planned schedule of the market analysis is the following:

Launch of market analysis:	31 July 2014
Inquiry of market participants (data request):	between 1 and 5 August 2014
Further data requests:	Second half of September 2014
Consultation with the market participants:	From the middle of October 2014
Disclosure of the market analysis study:	December 2014