

The Hungarian Competition Authority authorised the sale of VidaNet's network in Budapest's VIII district

The Hungarian Competition Authority (GVH) authorised Magyar Telekom Plc.'s acquisition of VidaNet Kábeltelevíziós Plc.'s (VidaNet) established network in Budapest's VIII district and its gaining of control over the clientele connected to the network.

The established network in district VIII which falls under the transaction is comprised of the cable telecommunication network and its associated technical instruments and subscribers.

While investigating the horizontal effects of the concentration, the GVH investigated the actual and potential presence of the above-mentioned groups of undertakings in Budapest's VIII district. In its decision, the GVH concluded that the authorisation of the acquisition would only result in a minimal increase in the concentration in relation to cable telephony, internet and program broadcasting, and that it would not reach a level that would raise competition concerns, having regard to the market shares of the other companies in the market. Additionally, competition concerns could be unequivocally ruled out in the mobile internet services.

The GVH did not identify any other detrimental vertical or portfolio effects, and there was also no sign of any conglomerate effect.

Taking into account of all the above-mentioned factors, the GVH authorised the transaction.

As a result its delayed notification, the GVH fined Telekom a total sum of 100,000 HUF (cca. 320 EUR). When calculating the amount of the fine the GVH took into account the fact that although the acquirer was 2 days late, it had voluntarily filed the claim, and that the short duration of the delay and the lack of competition concerns excluded the possibility that the acquirer may have wanted to keep the transaction a secret. Consequently, the GVH calculated the daily amount of the fine as a quarter of the maximal fine of 200,000 HUF which can be imposed on a daily basis on an undertaking.