



The Competition Authority

An tÚdarás Iomáiochta

Determination No. M/04/037 of the Competition Authority, dated 14 July 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/037 – Proposed joint venture between Setanta Sport (PPV) Limited and Celtic F.C. Limited

Introduction

1. On 17 June 2004 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Setanta Sport (PPV) Limited (“Setanta”) and Celtic F.C. Limited (“Celtic”) would together establish and develop a television channel, *Celtic TV* (“the proposed joint venture”).
2. The proposed joint venture is a media merger, as defined in Section 23 of the Act. A copy of the notification was submitted to the minister for Enterprise, Trade and Employment, in accordance with Section 23(1)(a) of the Act.

The Parties

3. Setanta, founded in 1992, is a private company registered in the State, whose core business is televised broadcasting of sports events, such as GAA matches and boxing bouts. Setanta began by broadcasting sports events to expatriate audiences in commercial premises worldwide, via a closed-circuit satellite network. Setanta owns and controls several subsidiary companies that fall into four main divisions. Setanta Sport broadcasts sports events worldwide, broadcasting to customers in the State and the UK on the SKY Digital platform. Setanta Media provides mobile telephone content to network operators, supplies website management services to third parties, maintains Setanta’s official website, and publishes a sport magazine. Setanta Screens hires out viewing screens for sports and other entertainment events. Setanta Television produces a range of television sports programmes such as quizzes and documentaries.
4. Celtic manages the business of Celtic Football Club, a professional soccer club based in Glasgow, Scotland. Celtic’s principal business in the State relates to retail activities. A retail store in Dublin’s Jervis Shopping Centre sells official Celtic merchandise, which can also be purchased through Celtic’s official website.

The Proposed Joint Venture

5. The purpose of the *Celtic TV* channel is to feature and promote Celtic and the soccer matches to which it has rights, and to sell advertising and sponsorship. It is intended to distribute the channel in the State through SKY Digital, and possibly through other digital broadcasting platforms. The joint venture would proceed through Setanta CTV Broadcasting Limited (“Setanta CTV”), a company established for that



purpose. Each notifying party holds a 50% share in Setanta CTV. There is no direct monetary consideration, but instead the consideration consists of mutual obligations between the notifying parties. Setanta would fund Setanta CTV and be repaid by the latter's profits, with remaining profits distributed equally. Celtic would transfer certain staff and equipment to Setanta CTV, and would also provide and license certain broadcasting rights in support of Setanta CTV's business. In turn, Setanta CTV would provide content to Celtic for use on its official website.

Analysis

6. Setanta identifies its main competitors in the State, in the sector for televised broadcasting of sports events, as RTE, SKY, TG4 and BBC. Setanta estimates that it holds a 0.1% share of this sector. Setanta's estimated sales in the State for year ended 30 November 2003 (made to RTE) were STG£247,761, representing 6% of its total sales for that period. The remaining 94% of its sales were made to customers outside the State.
7. In terms of goods or services supplied, there is no horizontal or vertical overlap in the State between the business activities of the notifying parties, which indicates that the proposed joint venture does not raise competition concerns. Due to the absence of overlap, the relevant product and geographic market(s) have not been defined.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the proposed joint venture between Setanta Sport (PPV) Limited and Celtic F.C. Limited, will not result in a substantial lessening of competition in markets for goods and services in the State and, accordingly, that the joint venture may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority