

DETERMINATION OF MERGER NOTIFICATION M/22/060 - FORMPRESS PUBLISHING (ICONIC) / MAYO NEWS

Section 21 of the Competition Act 2002

Proposed acquisition by Formpress Publishing Limited of Mayo News (Holdings) Limited

Dated 22 December 2022

Introduction

1. On 18 November 2022, in accordance with section 18(1)(b) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Media Concierge (Holdings) Limited (“Media Concierge Group”), through Formpress Publishing Limited (“Formpress”), would acquire the entire issued share capital, and thus sole control, of Mayo News (Holdings) Limited (“Mayo News”) (the “Proposed Transaction”).¹
2. Given that both Formpress and Mayo News carry on a “media business” within the State (as defined in section 28A(1) of the Act), the Commission considers that the Proposed Transaction forms part of a class of merger and acquisition specified by the Competition Act 2002 (Section 18(5) and (6)) Order 2007 (S.I. No. 122/2007) for the purposes of section 18(1)(b) of the Act.

The Proposed Transaction

3. The Proposed Transaction concerns the acquisition by Formpress of the entire issued share capital, and thus sole control of Mayo News.
4. At the time of the notification, the Parties informed the Commission that they had not yet executed a formal written agreement relating to the Proposed Transaction. The Parties submitted to the Commission, together with the notification, a copy of the signed heads of

¹ Formpress and Mayo News are collectively referred to as the “Parties” hereafter.

terms between Formpress and Mayo News signed by [REDACTED], the seller, on 12 October 2022, and signed by Formpress on 13 October 2022 (the “Heads of Terms”).

5. In the circumstances, the Commission considers that the undertakings involved have demonstrated a good faith intention to conclude an agreement for the purpose of section 18(1A)(b)(ii) of the Act.²

The Undertakings Involved

Formpress

6. Formpress is a private company limited by shares, incorporated in the State in 2014, with its registered office at 30 Hatch Lane, Dublin 2. Formpress is a subsidiary of Iconic Newspapers Limited, which in turn is part of Media Concierge Group. Formpress owns and operates local/regional and digital newspaper titles.
7. Formpress owns and operates the following local/regional newspaper titles and websites in the State:

Table 1: Local/regional newspaper titles and newspaper websites owned and operated by Formpress in the State

Local/Regional Newspaper Title	Website
Donegal Democrat	donegallive.ie
Donegal Post	
Donegal People’s Press	
Inish Times	
Dundalk Democrat	dundalkdemocrat.ie
Kilkenny People	kilkennypeople.ie
Leinster Express	leinsterexpress.ie
Leinster Leader	leinsterleader.ie
Limerick Leader	limerickleader.ie
Leitrim Observer	leitrimobserver.ie
Longford Leader	longfordleader.ie
Midland & Tullamore Tribune	
Clonmel Nationalist	
Tipperary Star	
	kildarenow.com
	offalyexpress.ie

Source: Merger Notification Form

² The Parties have informed the Commission that the nature of the agreement will not change substantially and that they will provide the Commission with the final agreement when finalised.

8. For the 18-month period ending 30 September 2020, Formpress's worldwide turnover was approximately [REDACTED], all of which was generated in the State.

Media Concierge Group

9. Media Concierge Group, formerly Mediaforce Holdings Limited, is a holding company based in the UK. Media Concierge Group owns Iconic Newspapers Limited. Media Concierge Group is also the sole owner of Mediaforce (Ireland) Limited ("Mediaforce") which was established in 2003.
10. Mediaforce acts as a conduit for advertising agencies to channel national advertising spend to local/regional newspaper and digital newspaper titles in the State. For example, national brand advertising campaigns (government advertising and multinational/national company advertising) use an advertising agency to advise on the overall campaign and what means of advertising to employ. The advertising agency engages with Mediaforce to allocate the national advertising spend to the required local/regional newspaper and digital newspaper titles. Less frequently, national advertisers may contact Mediaforce directly to channel national advertising spend to local/regional newspaper and digital newspaper titles.
11. For the financial year ending 31 March 2019, Media Concierge Group's worldwide turnover was approximately [REDACTED],³ of which approximately [REDACTED] was generated in the State.

Mayo News

12. Mayo News is a private company limited by shares, incorporated in the State in 1992 with its registered office at The Fairgreen, Westport, Co. Mayo.
13. Mayo News owns and operates the Mayo News newspaper title and the associated digital website mayonews.ie. The majority of Mayo News circulation is in County Mayo and the balance is comprised of minimal sales in County Galway.

³ The Parties submitted that Media Concierge Group's worldwide turnover is [REDACTED]. The Case Team used the ECB currency converter to calculate this figure in € on 12 December 2022, accessible [here](#).

14. For the financial year ending 31 December 2021, Mayo News' worldwide turnover was approximately [REDACTED] all of which was generated in the State.

Rationale for the Proposed Transaction

15. The Parties state in the notification that:

*"Through the acquisition of the issued share capital of Mayo News, Formpress seek to ensure the continuity of the Mayo News and mayonews.ie as a local business and a primary source of content for the community. It also seeks the continued employment of the employees of the Target. The Proposed Transaction involves Formpress entering de novo the market for the sale of regional/local newspapers in County Mayo and the sale of advertising to customers in County Mayo."*⁴

Third Party Submissions

16. The Commission received one submission from a third party in relation to the Proposed Transaction. The Commission engaged with this third party to clarify their submission and their competition concerns. The competition concerns raised included the common ownership of Mediaforce and Formpress, Formpress's existing position in the regional/local newspaper sector and the effectiveness of non-discrimination commitments, and separation of management and non-disclosure of information commitments which have been given by Mediaforce and Formpress in the context of a previous merger review undertaking by the Commission.⁵
17. The competition concerns expressed in the third party submission have been assessed by the Commission as part of its review of the likely competitive impact of the Proposed Transaction.

Competitive Analysis

Horizontal Overlap

Relevant Product and Geographic Market

⁴ Merger Notification Form, section 2.7.

⁵ See the 2019 Determination: [M/19/010 – Formpress Publishing \(Iconic\) / Assets of Midland Tribune](#). This is discussed in further detail in the vertical overlap section below.

18. There are two potential horizontal overlaps between the activities of the Parties in the State in relation to the following:
- the publication of local/regional newspaper titles; and,
 - the supply of advertising space in local/regional newspaper titles.
19. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. The Commission has previously considered that newspaper titles may be categorised as national, regional, local or imports.⁶ The Commission has consistently found in its previous determinations that:
- (a) for newspaper publication - the publication of local/regional newspaper titles can be treated as a distinct market from the publication of national daily/evening newspaper titles;⁷ and
 - (b) the geographic scope of the market for the publication of local/regional newspaper titles is the distribution area for the relevant newspaper titles.⁸
 - (c) In respect of advertising, the Commission has previously considered that the supply of advertising space in local/regional newspaper titles can be treated as a distinct market from the supply of advertising space in national daily/evening newspaper titles.⁹
20. With regard to the Proposed Transaction, it is not necessary for the Commission to define the precise relevant product markets because doing so does not alter the Commission's assessment of the likely competitive effects of the Proposed Transaction in the State. In order to determine whether the Proposed Transaction might result in a substantial lessening of competition, the Commission assessed its impact on competition by reference to the following potential product markets:
- (a) the publication of local/regional newspaper titles; and,

⁶ [M/16/044- INM/CMNL](#), [M/07/022- Thomas Crosbie Holdings/South East Broadcasting](#) and [M/14/017 - Anglo-Celt/Connaught Telegraph](#).

⁷ [M/08/038- Alpha/The Herald](#)

⁸ [M/16/044- INM/CMNL](#)

⁹ [M/16/044- INM/CMNL](#)

(b) the supply of advertising space in local/regional newspaper titles.

21. In respect of Mayo News' circulation, approximately [90-95]% is distributed in County Mayo and [0-5]% in County Galway.¹⁰

22. In light of this, the Commission assessed the competitive effects of the Proposed Transaction in respect of the following potential relevant markets:

(a) the publication of local/regional newspaper titles in County Mayo; and,

(b) the supply of advertising space in local/regional newspaper titles in County Mayo.

Competitive Assessment

The publication of local/regional newspaper titles in County Mayo

23. As illustrated in Table 1, above, Formpress does not operate any newspaper titles in County Mayo or Galway,¹¹ therefore there is no horizontal overlap between the Parties in relation to the publication of local/regional newspaper titles in County Mayo.

24. The Commission also notes that following the implementation of the Proposed Transaction, Formpress will continue to face competitive constraints from several other newspaper title competitors in the market. These competitors include *Western People*, *Connaught Telegraph* and *Mayo Advertiser* which will continue to exert a competitive constraint on Formpress in County Mayo.

25. In light of the above, the Commission considers that the Proposed Transaction is unlikely to raise any horizontal competition concerns in relation to the publication of local/regional titles in County Mayo.

The supply of advertising space in local/regional newspaper titles in County Mayo

26. For the most part, advertising in local/regional newspaper titles is targeted at newspaper readers within the specific distribution area of a particular newspaper title, since it is those

¹⁰ This is an estimated percentage provided by the Parties, see page 2 of the merger notification form.

¹¹ As mentioned in paragraph 21 above, [0-5]% of Mayo News' circulation is in County Galway.

readers who will be interested in the local/regional content carried by the newspaper title in question (e.g. local restaurant advertising and family notices/announcements). This would indicate that advertising customers use different regional newspaper titles for their advertising requirements depending on such factors as the circulation of the newspaper, demographic of the newspaper readers and cost.

27. Therefore, as Formpress does not operate any newspaper titles in County Mayo the Commission considers that there is no overlap between the Parties with regard to the supply of advertising space in local/regional newspaper titles in county Mayo.
28. In addition, the remaining regional newspaper title competitors, *Western People*, *Connaught Telegraph* and *Mayo Advertiser* will continue to exert a competitive constraint on Formpress in relation to the pricing of newspaper advertising in County Mayo following completion of the Proposed Transaction.
29. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in relation to the supply of advertising space in local/regional newspaper titles in County Mayo.

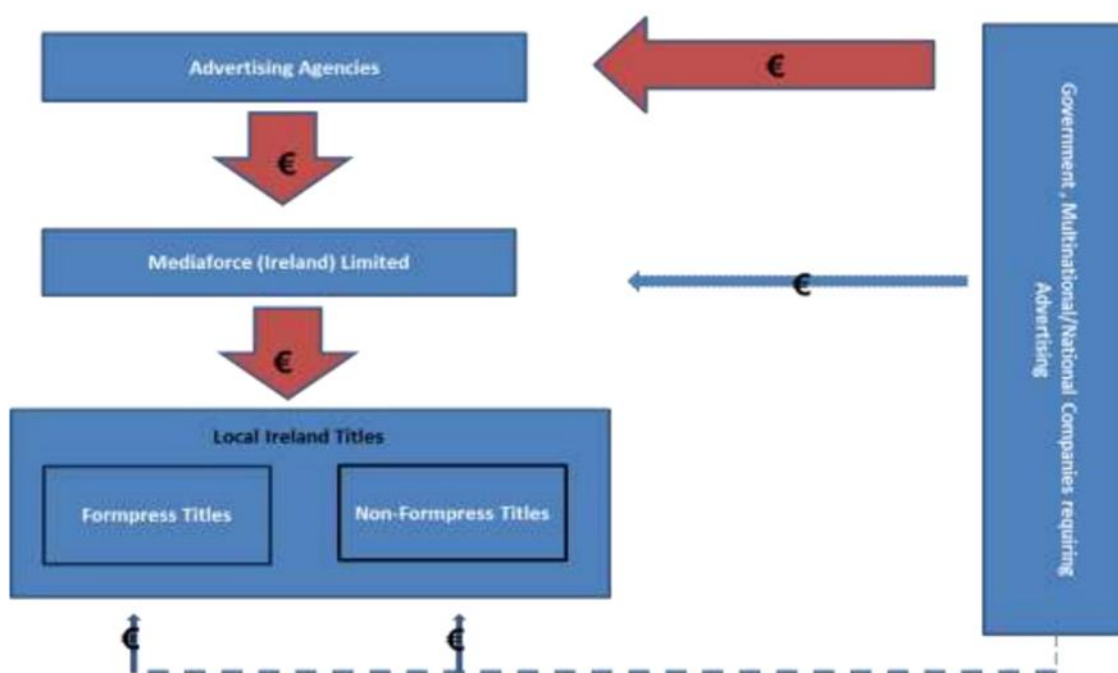
Vertical Overlap

30. There is an existing vertical relationship between the Parties, as Mayo News is a local/regional newspaper that is circulated in the State while Media Concierge, through Mediaforce, acts as an intermediary in the sale of advertising space in local/regional newspaper titles to national advertisers. Mediaforce is involved in the selling of advertising space to national advertisers and advertising agencies both in Formpress newspaper titles and in Mayo News, as well in other local/regional newspaper titles. The Commission previously examined the vertical relationship between Mediaforce and Formpress in its determination in *M/19/10 – FormPress Publishing (Iconic)/assets of Midland Tribune* (the “2019 Determination”).¹²

¹² See the 2019 Determination: [M/19/010 – Formpress Publishing \(Iconic\) / Assets of Midland Tribune](#).

31. Figure 1 below illustrates the placement by national advertisers,¹³ such as multinationals, national companies and government, of advertising in local/regional newspaper titles and digital newspaper titles.

Figure 1: National Advertisers placement of advertising in local/regional newspaper and digital newspaper titles



Source: [2019 Determination](#), page 11.

32. As shown in Figure 1, and as explained in the 2019 Determination, national advertising campaigns are usually placed by national advertisers in local/regional newspaper titles and digital newspaper titles through an advertising agency. Advertising agencies are used by the national advertisers for effectiveness and efficiency purposes as it removes the need for the national advertisers to contact each individual local/regional newspaper and digital newspaper title that they want to place their advertisement in.
33. Advertising agencies can place national advertising in local/regional newspaper and digital newspaper titles on behalf of their clients through Mediaforce or directly with local/regional

¹³ National advertisers is used here as a term to describe advertisers whose campaigns span wide geographic areas and which use a range of different suppliers of advertising, potentially including different types (e.g. newspaper, billboards, etc) and scopes (e.g. local/regional, national) of media.

newspaper and digital newspaper titles. As described above in paragraph 10, Mediaforce acts as a conduit for advertising agencies to channel national advertising spend to local/regional newspaper and digital newspaper titles in the State.

34. In the 2019 Determination, the Commission stated the following:

“Given that Mediaforce occupies a very strong position in the provision of the service of channelling national advertising to local/regional newspapers and digital newspaper titles in the State and that Mediaforce group¹⁴ owns and operates local/regional newspapers and websites, the Commission is concerned that Mediaforce will have the ability and incentive to foreclose its local/regional newspaper competitors. In particular, the Commission is concerned that Mediaforce:

(i) could potentially direct national advertising allocated to local/regional newspapers and digital newspaper titles to its own group titles¹⁵ to the detriment of competing titles; and

(ii) may access confidential information from Formpress’ competitors and the common ownership of Formpress and Mediaforce may lead to the potential for the exchange of competitively sensitive information of Formpress’ competitors should there be any overlap in management or employees or roles/functions between Mediaforce and Formpress”

35. To address the above concerns, Formpress and Mediaforce submitted proposals dated 1 October 2019 (the “2019 Proposals”) to the Commission in accordance with section 20(3) of the Act for the purpose of ameliorating any effects of that proposed transaction on competition in markets for goods or services in the State. The 2019 Proposals included non-discrimination commitments and separation of management and non-disclosure of information commitments. In particular, Formpress and Mediaforce committed:

- to direct the advertising business received by it from advertisers and advertising agencies to local/regional newspapers and digital newspapers on a strictly fair,

¹⁴ In the 2019 Proposals, Mediaforce Group is defined as a group of companies to which Formpress and Mediaforce both belong, see recital 5 of 2019 Proposals, [M/19/010 – Formpress Publishing \(Iconic\) / Assets of Midland Tribune](#).

¹⁵ “Formpress Titles” is defined in page 17 of the 2019 Determination as “any local/regional newspaper or digital newspaper titles in the State owned or controlled, indirectly or directly, by Mediaforce Group at or after the Commencement Date”, [M/19/010 – Formpress Publishing \(Iconic\) / Assets of Midland Tribune](#).

reasonable and non-discriminatory basis and to apply equivalent conditions in equivalent circumstances to all Formpress Titles¹⁶ and Non-Formpress Titles;¹⁷

- to prevent the exchange of competitively sensitive information between Formpress and Mediaforce; and
 - that an independent monitoring trustee shall be appointed, who will have all the rights and powers necessary to monitor compliance with the proposals. The role of the monitoring trustee also includes consideration of how Mediaforce addresses any issues raised by third parties in relation to the non-discrimination commitment.¹⁸
36. The Commission took the 2019 Proposals into account and stated in writing that the 2019 Proposals formed part of the basis of the 2019 Determination. The 2019 Proposals are binding on Formpress and Mediaforce and shall remain in force until the Termination Date.

37. “Termination Date” is defined as follows in the 2019 Proposals:

““Termination Date” means the date on which:

a) Mediaforce Group:

i) no longer operates local/regional newspapers and regional digital newspapers; or

ii) accounts for the provision of less than 30% of national advertising agency/conduit services to local/regional newspapers and regional digital newspapers in the State; and satisfaction of these criteria have been confirmed in writing to the Undertakings by the Commission; or

b) the Commission considers that the Proposals are no longer required and confirms in writing to the Undertakings that the Proposals shall cease to apply.”¹⁹

¹⁶ “Formpress Titles” is defined in page 17 of the 2019 Determination as “any local/regional newspaper or digital newspaper titles in the State owned or controlled, indirectly or directly, by Mediaforce Group at or after the Commencement Date”.

¹⁷ “Non-Formpress Titles” is defined as “means any local/regional newspaper or digital newspaper titles in the State not owned or controlled, directly or indirectly, by the Mediaforce Group at or after the date of the Determination”, see page 18 of the 2019 Determination, [M/19/010 – Formpress Publishing \(Iconic\) / Assets of Midland Tribune](#).

¹⁸ 2019 Determination, [M/19/010 – Formpress Publishing \(Iconic\) / Assets of Midland Tribune](#), paragraph 44-46.

¹⁹ Page 18 of the 2019 Determination, [M/19/010 – Formpress Publishing \(Iconic\) / Assets of Midland Tribune](#).

38. As of the date of this determination, none of the events referred to in paragraph 37 above have occurred and the 2019 Proposals remain binding on Mediaforce and Formpress.
39. The Commission considers that, since, following implementation of the Proposed Transaction, Formpress will have sole control of Mayo News, Mayo News would fall within the definition of “*Formpress Titles*” in the 2019 Proposals. Therefore, the measures put in place by Formpress and Mediaforce pursuant to the 2019 Proposals would continue to apply to Formpress and Mediaforce and in particular to Formpress’ control of Mayo News.
40. In light of the above, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns.

Ancillary Restraints

41. The Heads of Terms submitted by the Parties contains certain restrictive covenants including non-compete obligations which the Parties believe are directly related to and necessary for the implementation of the Proposed Transaction.
42. The Commission notes that the Heads of Terms contain the following restrictive obligations on the Seller²⁰: [REDACTED]
[REDACTED]
[REDACTED].”²¹
43. The Commission notes that the [REDACTED]
[REDACTED] The Parties have confirmed that the statement relating to “[REDACTED]
[REDACTED]
[REDACTED]
44. The duration of these restrictive obligations, a period of three years, does not exceed the maximum duration acceptable to the Commission.²² The Commission considers these

²⁰ [REDACTED].

²¹ Heads of Term, page 4, see Confidential Annex 2.5.

²² In this respect, the CCPC follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)

restrictive obligations to be directly related to and necessary for the implementation of the Proposed Transaction insofar as they relate to the Circulation areas of Mayo News.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Media Concierge (Holdings) Limited through Formpress Publishing Limited would acquire the entire issued share capital, and thus sole control of Mayo News (Holdings) Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect subject to the provisions of section 28C(1) of the Competition Act 2002, as amended.²³

For the Competition and Consumer Protection Commission

Patrick Kenny
Member
Competition and Consumer Protection Commission

²³ Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.