

DETERMINATION OF MERGER NOTIFICATION M/23/053 – DAILY MAIL/NEWS CORP UK (JV)

Section 21 of the Competition Act 2002

Proposed creation of a joint venture by Daily Mail and General Holdings Limited and News Corp UK & Ireland Limited

Dated: 24 November 2023

Introduction

1. On 16 October 2023, in accordance with section 18(1)(b) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of the proposed creation of a joint venture by Daily Mail and General Holdings Limited (“Daily Mail”) and News Corp UK and Ireland Limited (“News Corp UK”). The proposed transaction would see Daily Mail and News Corp UK combine their printing businesses in the UK in Puma JVCO Limited (“JVCO”) (the “Proposed Transaction”).¹
2. Given that Daily Mail and News Corp UK each carry on a “media business” within the State (as defined in section 28A(1) of the Act), the Commission considers that the Proposed Transaction falls within a class of merger specified for the purposes of section 18(1)(b) of the Act² and constitutes a “media merger” for the purposes of Part 3A of the Act.

The Proposed Transaction

3. The Proposed Transaction will be implemented pursuant to the following three agreements:
 - A contribution agreement dated 3 October 2023 between News Corp UK, Daily Mail and JVCO;
 - An inventory sale agreement dated 3 October 2023 between News Corp UK, Daily Mail and JVCO; and

¹ Daily Mail and News Corp UK are collectively referred to as the Parties in the remainder of this Determination.

² As specified by the Competition Act 2002 (Section 18 (5) and (6)) and Order 2007 (S.I. 122/2007).

- A shareholders' agreement³ between News Corp UK, Daily Mail and JVCO (the "Shareholders' Agreement").
4. Following the Proposed Transaction, JVCO will provide UK-based printing services to the Parties and third parties.

The Undertakings Involved

Daily Mail

5. Daily Mail is a wholly owned subsidiary of Daily Mail and General Trust, which manages a portfolio of companies that provide businesses and consumers with news and entertainment. Daily Mail, through its consumer arm, owns a range of publications, including *Daily Mail*, *MailOnline*, *The Mail on Sunday*, *Metro*, *Metro.co.uk*, *i* newspaper and *inews.co.uk*. Daily Mail's printing activities are undertaken by its subsidiaries in the UK.
6. Daily Mail operates several businesses in the State through its indirectly wholly owned subsidiaries, Associated Newspapers Ltd and Associated Newspapers (Ireland) Limited (trading as DMG Media Ireland). These businesses publish two Irish newspapers (the *Irish Daily Mail*, the *Irish Mail on Sunday*) and operate a number of websites (*MailOnline*, *EVOKE.ie*, *Rollercoaster.ie* and *Extra.ie*). Daily Mail also publishes the UK *i* newspaper in the State. Daily Mail does not own any printing sites in the State and outsources most of its printing requirements in the State to third parties in Cork, Dublin and Louth.⁴ Daily Mail prints copies of the [...] and the [...] at its printing site in Carn, Northern Ireland.
7. For the financial year ending September 2022, Daily Mail's worldwide turnover was approximately €1.1 billion,⁵ of which approximately €[...]⁶ was generated in the State.

³ The Shareholders' Agreement provided with the notification is not dated.

⁴ Daily Mail outsources its Irish printing requirements to [...].

⁵ The figure of £974 million has been converted to euro using the average conversion rate of September 2022, £1 = €0.87463, as provided by the European Central Bank at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-gbp.en.html

⁶ The figure of £[...] has been converted to euro using the average conversion rate of September 2022, £1 = €0.87463, as provided by the European Central Bank at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-gbp.en.html

News Corp UK

8. News Corp UK is a wholly owned subsidiary of News Corporation (“News Corp”), which is an international media and information services company incorporated in the state of Delaware, USA and listed on the NASDAQ stock exchange. News Corp’s activities include newspaper publishing, information services, book publishing, digital real estate and broadcasting. News Corp UK publishes *The Times*, *The Sunday Times*, *The Sun*, *The Sun on Sunday* and *The TLS*. News Corp UK publishes Irish editions of *The Sun*, *The Sun on Sunday* and *The Sunday Times*. News Corp UK also sells the hardcopy UK edition of *The Times* in Ireland but publishes a digital-only Irish edition of *The Times* which is available to subscribers.
9. News Corp UK also owns UK national broadcast brands (*talkSPORT*, *Times Radio*, *TalkTV* and *Virgin Radio UK*) and Irish regional radio brands (*FM104*, *LMFM*, Cork’s *96FM* and *C103*, Limerick’s *Live 95FM*, and Dublin’s *Q102*). News Corp UK does not have any printing sites in the State (or on the island of Ireland) and outsources its Irish printing requirements to third parties.⁷ News Corp UK outsources some printing to Daily Mail in Northern Ireland.⁸
10. For the financial year ending 30 June 2023, News Corp UK’s worldwide turnover was approximately €9.1 billion,⁹ of which approximately €[...] was generated in the State.¹⁰

JVCO

11. JVCO will be jointly owned by the Parties following the Proposed Transaction. Each of the Parties will contribute certain assets of their printing business to JVCO. JVCO will provide printing services to the Parties and third parties in the UK. JVCO will not be active in the State. The Parties state that JVCO will not facilitate coordination with respect to the Parties’ interests outside of their print operations. Under Clause 7 of the Shareholders’ Agreement, JVCO will

⁷ News Corp UK’s parent, News Corp, also does not have any printing sites with respect to newspapers in the State.

⁸ News Corp UK sources printing services from Daily Mail’s printing site in Carn in Northern Ireland. [...]

⁹ The figure of \$9,879 million USD has been converted to euro using the average conversion rate of June 2023, \$1.0840 = €1, as provided by the European Central Bank at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-usd.en.html

¹⁰ The figure of £[...] has been converted to euro using the average conversion rate of June 2023, £1 = €0.85861, as provided by the European Central Bank at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-gbp.en.html

have its own management team. As noted in the Parties' press release announcing the joint venture, JVCO would operate independently:

*"[JVCO] would operate independently, with its own senior leadership team drawn from [News Corp UK] and [Daily Mail]. [JVCO] is limited to the parties' printing operations and does not represent closer working between [News Corp UK] and [Daily Mail] on media, editorial or commercial activity."*¹¹

Rationale for the Proposed Transaction

12. The Parties stated the following in the notification:

*"By combining and rationalising their print businesses in the UK, the Parties are seeking to improve the efficiency of their UK print operations and establish a sustainable business model for the future. The Proposed Transaction will directly benefit third-party publishers by ensuring continued availability of efficient printing services. Ultimately, the Parties submit that the Proposed Transaction will help print newspapers to survive for longer and alleviate part of the upward pressure on costs and cover prices to the ultimate benefit of consumers."*¹²

Third Party Submissions

13. No third party submission was received.

Market Enquiries

14. The Commission sought the views of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (the "Department") and Coimisiún na Meán. Neither the Department nor Coimisiún na Meán raised any concerns regarding the Proposed Transaction. The Commission also engaged with the UK Competition and Markets Authority with respect to the Proposed Transaction.

¹¹ See <https://www.newsworks.org.uk/news-and-opinion/news-uk-and-dmg-media-propose-to-combine-print-operations-to-ensure-sustainable-future-for-national-newspaper-printing/#:~:text=The%20proposed%20NewCo%20would%20operate,media%2C%20editorial%20or%20commercial%20activity>.

¹² Notification, paragraph 2.6.

Markets involved

Overlaps

15. There is no horizontal overlap between either of the Parties and JVCO in the State.
16. There is a horizontal overlap between the Parties in the State. Both Parties are active in the media industry in the State, specifically in newspaper publishing, the sale of newspaper advertising and the sale of online advertising. In previous determinations,¹³ the Commission has considered several potential relevant markets, including:
 - the publication and sale of daily (Monday to Saturday) national newspapers in the State;
 - the publication and sale of Sunday national newspapers in the State;
 - the sale of advertising in daily (Monday to Saturday) national newspapers in the State;
 - the sale of online advertising in the State; and
 - newspaper printing in the State.
17. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define the precise relevant markets as doing so will not alter the Commission's assessment of the competitive effects of the Proposed Transaction. For the purposes of its competitive assessment, the Commission has followed its previous general approach and has assessed the Proposed Transaction by reference to the following potential relevant markets:
 - the publication and sale of daily (Monday to Saturday) national newspapers in the State;
 - the publication and sale of Sunday national newspapers in the State;

¹³ See *M/18/016 – Trinity Mirror/Northern & Shell* and *M/21/025*, accessible at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2018/02/M-18-016-Trinity-Mirror-Northern-Shell-Phase-2-DET-public.pdf> and *M/21/025 – News Corp UK/Smurfit Kappa News Press*, accessible at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2021/05/2021.06.21-M-21-025-Determination-PUBLIC-VERSION.pdf>

- the sale of advertising in daily (Monday to Saturday) national newspapers in the State;
- the sale of advertising in Sunday national newspapers in the State;
- the sale of online advertising in the State; and
- newspaper printing on the island of Ireland.¹⁴

Competitive Assessment

Horizontal effects

The publication and sale of (a) daily (Monday to Saturday) national newspapers and (b) Sunday national newspapers in the State;

18. The Parties are active in the publication and sale of daily newspapers in the State. Daily Mail has an estimated [5-10]% readership share of daily newspapers in the State, while News Corp UK has an estimated [15-20]% readership share of daily newspapers in the State.¹⁵
19. The Parties are also active in the publication and sale of Sunday newspapers in the State. Daily Mail has an estimated [10-15]% readership share of Sunday newspapers in the State, while News Corp UK has an estimated [20-25]% readership share of Sunday newspapers in the State.¹⁶
20. The Proposed Transaction will have no effect on the structure of the potential markets for the publication and sale of: (i) daily (Monday to Saturday) national newspapers; and (ii) Sunday national newspapers in the State. Furthermore, following the implementation of the Proposed Transaction, the Parties will continue to face competition from competitors such as Mediahuis, The Irish Times Group, Reach plc and others.
21. The Commission considered whether the establishment of JVCO would create a forum for coordination in the potential markets for the publication and sale of: (i) daily (Monday to

¹⁴ While the Commission has previously considered the potential market for newspaper printing on a national basis, for the purpose of its assessment of the Proposed Transaction, the Commission has considered the potential market for newspaper printing on an island of Ireland basis, as some newspapers that are in circulation in the State are printed in Northern Ireland.

¹⁵ Market share information provided by the Parties.

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Saturday) national newspapers; and (ii) Sunday national newspapers in the State. The Parties stated the following in the notification: *“under Clause 7 of the Shareholders Agreement, management of JVCO will be delegated to its own management team. As per the deal announcement, ‘The proposed NewCo would operate independently, with its own senior leadership team drawn from Newsprinters and DMG Media. The NewCo is limited to the parties’ printing operations and does not represent closer working between News UK and DMG Media on media, editorial or commercial activity.’”*

22. The Commission sought further information on this issue from the Parties, who explained that all day-to-day management and operations of JVCO will be delegated to a management team that is entirely separate from either of the Parties and that JVCO will not hold commercially sensitive information belonging to the Parties as part of its day-to-day operations. On the basis of these assurances provided by the Parties, the Commission considers that the Proposed Transaction is not likely to result in the direct or indirect exchange of competitively sensitive information between each of the Parties and JVCO such as may result in an adverse impact on competition in the potential markets for the publication and sale of: (i) daily (Monday to Saturday) national newspapers; and (ii) Sunday national newspapers in the State.
23. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the publication and sale of daily or Sunday national newspapers the State.

The sale of advertising in (a) daily (Monday to Saturday) national newspapers and (b) Sunday national newspapers in the State

24. The Commission has previously noted that (i) a newspaper’s circulation readership figures; (ii) the geographic area in which the newspaper is circulated; and (iii) the demographic makeup of the newspaper’s title readership are factors that advertisers consider when deciding from which newspaper to purchase advertising.¹⁷ The estimated shares listed in paragraphs 18 and 19 are based on national readership figures, and as such, can be seen as reasonable proxies

¹⁷ See M/16/044 - INM/CMNL, para 43. Accessible at <https://www.cpc.ie/business/wp-content/uploads/sites/3/2017/04/M-16-044-INM-CMNL-Public.pdf>

for the Parties' shares in the sale of advertising in: (i) daily (Monday to Saturday) national newspapers; and (ii) Sunday national newspapers in the State.¹⁸

25. The Proposed Transaction will have no effect on the structure of the potential markets for the sale of advertising in: (i) daily (Monday to Saturday) national newspapers; and (ii) Sunday national newspapers in the State. Furthermore, following the implementation of the Proposed Transaction, the Parties will continue to face competition from competitors such as Mediahuis, The Irish Times Group, Reach plc and others.
26. As noted in paragraphs 21 and 22 above, the Parties have stated that JVCO will operate independently of the Parties. On this basis of the assurances provided by the Parties (as set out in those paragraphs), the Commission considers that the Proposed Transaction is not likely to result in the direct or indirect exchange of competitively sensitive information between each of the Parties and JVCO such as may result in an adverse impact on competition in the potential markets for the sale of advertising in: (i) daily (Monday to Saturday) national newspapers; and (ii) Sunday national newspapers in the State.
27. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the sale of advertising in daily or Sunday national newspapers in the State.

The sale of online advertising in the State

28. According to the *IAB Ireland / PwC Online Adspend Study 2022*, total digital advertising spend in the State was €861 million in 2022.¹⁹ Daily Mail's digital advertising revenue in the State in 2023 was approximately €[...]. News Corp UK's digital advertising revenue in the State for two of its main publications, *The Sun* and *The Times*, was approximately €[...] in 2022.²⁰ Daily Mail and News Corp UK's combined digital advertising revenue would represent less than [0-5]% of all digital advertising spending in the State.

¹⁸ There is no publicly available market share information with respect to the sale of advertising in national newspapers in the State.

¹⁹ See: <https://iabireland.ie/wp-content/uploads/filr/7656/IAB%20PWC%20Online%20Adspend%20Study%202022%20-%20Final%20Report.pdf>

²⁰ The figure of £[...] has been converted to euro using the average conversion rate of 2022, £1 = €1.1727, as provided by the European Central Bank at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-gbp.en.html

29. As noted in paragraphs 21 and 22 above, JVCO will operate independently of the Parties. On the basis of the assurances provided by the Parties (as set out in those paragraphs), the Commission considers that the Proposed Transaction is not likely to result in the direct or indirect exchange of competitively sensitive information between each of the Parties and JVCO such as may result in an adverse impact on competition in the potential market for the sale of online advertising in the State.
30. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the sale of online advertising in the State.

Newspaper printing in the island of Ireland

31. The Parties do not operate any printing site in the State and outsource most of their Irish printing requirements to third parties.²¹ Daily Mail operates a printing site in Carn in Northern Ireland from which it prints some of its newspapers that are in circulation in the State.²² News Corp UK outsources some of its printing requirements to Daily Mail's printing site in Carn in Northern Ireland.²³ Daily Mail's printing site in Northern Ireland does not form part of the Proposed Transaction. Following the Proposed Transaction, all printers of newspapers currently operating in the island of Ireland will continue to do so.
32. As noted in paragraphs 21 and 22 above, JVCO will operate independently of the Parties. On the basis of the assurances provided by the Parties (as set out in those paragraphs), the Commission considers that the Proposed Transaction is not likely to result in the direct or indirect exchange of competitively sensitive information between each of the Parties and JVCO such as may result in an adverse impact on competition in the potential market for newspaper printing in the island of Ireland.
33. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the potential market for newspaper printing in the island of Ireland.

²¹ Based on information provided by the Parties, over [...]% (by copies sold) of Daily Mail's publications that are in circulation in the State are printed by third parties in the State.

²² Daily Mail outsources most of its printing requirements in the State to third parties in Cork and Dublin. Daily Mail prints copies of the [...] and the [...] at its site in Carn, Northern Ireland.

²³ News Corp UK outsources less than [...]% of its Irish printing requirements to Daily Mail's printing site in Carn, Northern Ireland.

Conclusion on horizontal effects

34. In light of the above, the Commission considers that the Proposed Transaction does not give rise to any horizontal competition concerns.

Vertical relationship

35. There is a vertical relationship between the Parties as News Corp UK outsources some of its printing requirements to Daily Mail in Northern Ireland. As noted above, Daily Mail's printing site in Northern Ireland does not form part of the Proposed Transaction. Therefore, the creation of the joint venture will not change the existing vertical relationship between the Parties in the island of Ireland.
36. In light of the above, the Commission considers that the Proposed Transaction does not give rise to vertical competition concerns in the State.

Conclusion

37. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

38. No ancillary restraints were notified.

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 creation of a joint venture by Daily Mail and General Holdings Limited and News Corp UK and Ireland 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.²⁴

For the Competition and Consumer Protection Commission.

Úna Butler

Member

Competition and Consumer Protection Commission

²⁴ Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.