Vlaanderen
is media

English guide to the report ‘Mediaconcentration in Flanders 2024’

VLAAMSE
REGULATOR
VOOR DE MEDIA

Onafhankelijk toezichthouder voor
de Vlaamse audiovisuele media

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1 Introduction

The task of reporting on media concentration was granted to the Flemish Media Regulator (*Vlaamse Regulator voor de media (VRM)*) by the Flemish media decree.

On a yearly basis VRM presents a report to the Flemish policy makers containing information on the positions occupied by agents in the Flemish media sector. This report is also made available to the general public (via website and print copies).

The current text aims at making VRM's report on media concentration 2024 accessible to English language speakers.

The underlying text will function as a manual on how to find a way in the Dutch version of the report, rather than as a translation of the full text of the report.

This manual consists of:

- an introduction describing the content of the report
- an overview of the different chapters
- the main findings of the media concentration report 2024
- a translation of the table of contents of the report
- a translation of the lists of tables and figures

Concentration can be approached from many angles. From the publication of its first report in 2008, VRM opted for an approach from an economic point of view. We therefore focus on the relationships between the different players in the market, rather than e.g. performing content analysis.

VRM uses Michael Porter's concept of value chains in order to define the media sector.

In a value chain, all links where added value is created are identified, thus tracing a chain from content producer, over aggregator, via distributor, to the final customer.

This chain can be more or less fragmented. Within every link of the chain a different form of competition may exist (depending on the number of suppliers and their relationship to the demand in the following link).

Andersen (2002) drew a value chain for the audiovisual industry for the European Commission.

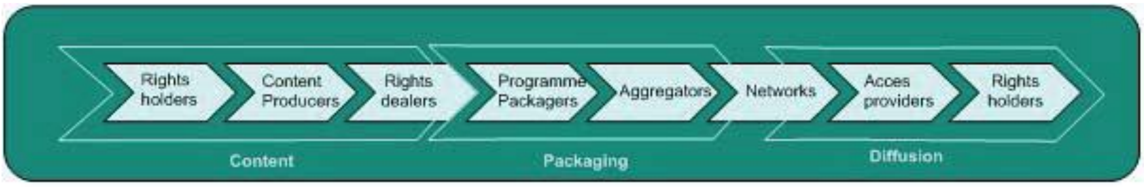

Figure 1: Value-added chain for the audiovisual industry
Source: Andersen, European Commission (2002).

The markets for media products are double-sided markets. On the one hand, consumers buy media products containing information and entertainment. On the other hand, advertisers buy consumers' attention for their advertisements. The chain must thus be followed in two directions.

While studying media concentration, one can differentiate between horizontal, vertical and cross-media concentration.

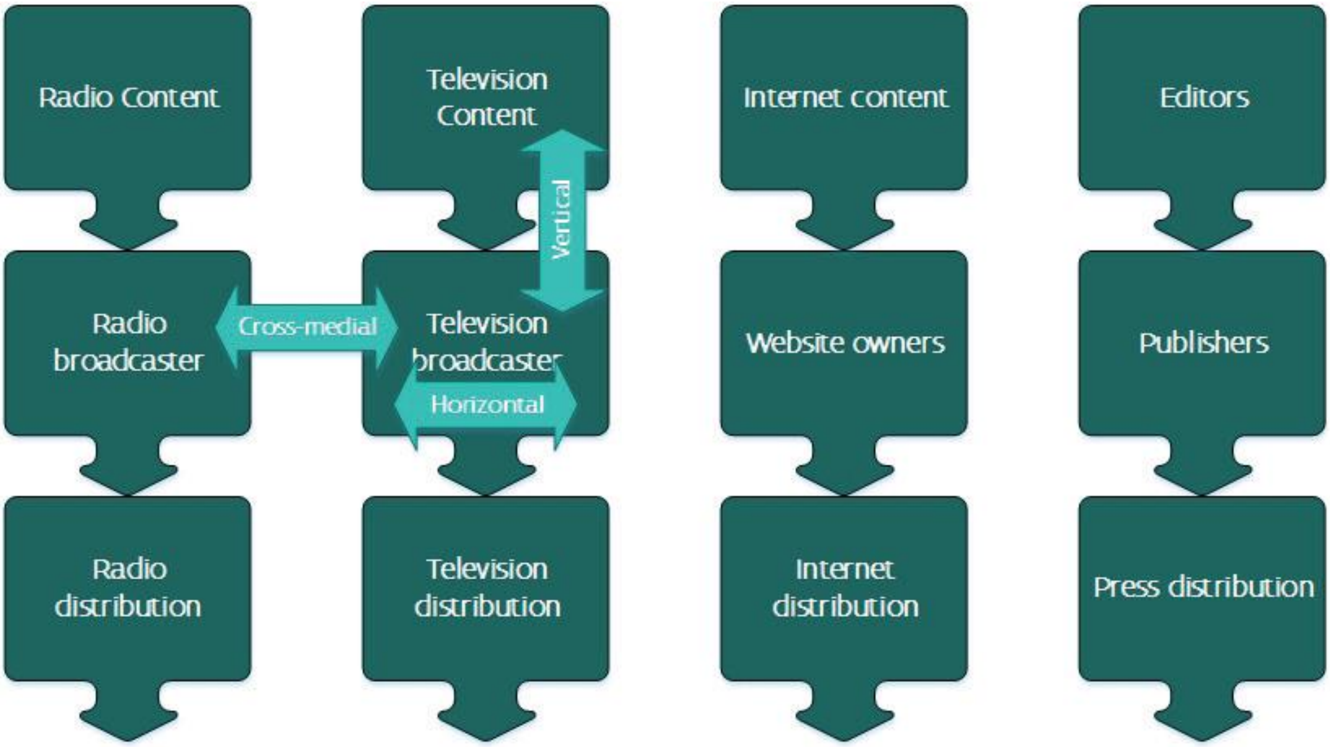

Figure 2: Different types of media concentration
Source: VRM based on M. Porter

- Horizontal concentration occurs when the number of players within one link is limited
- Vertical concentration occurs when following links in one chain are owned or controlled by a limited number of players
- Cross-media concentration exists when there is an entanglement between the suppliers of various media products

In the first chapter of the report the Flemish media industry is defined.

Flemish media groups are described in the second chapter. Information on shareholders, company structure and product offerings is given for every media group.

In the third chapter, information on media concentration is quantified and financial results and facts and figures on popularity of media brands are given.

Throughout the report, interesting facts that do not fit the general framework are elaborated in so-called "Information Fragments", with a specific layout.

The fourth chapter gives information on measures that are taken to enhance diversity and media plurality in Flanders. It also mentions possible new legal initiatives, stressing a number of them as policy suggestions.

The conclusions of the report are formulated in chapter 5.

2 Overview of the Media Concentration Report 2024

2.1 Chapter 1: Defining the Flemish media industry

In the first chapter of the report, the Flemish media industry is defined. The value chains of radio, television, print media and internet are depicted and the players that are present in every link are identified. A colour code gives a first indication of the degree of concentration. Figure 3 is the value chain for the internet.

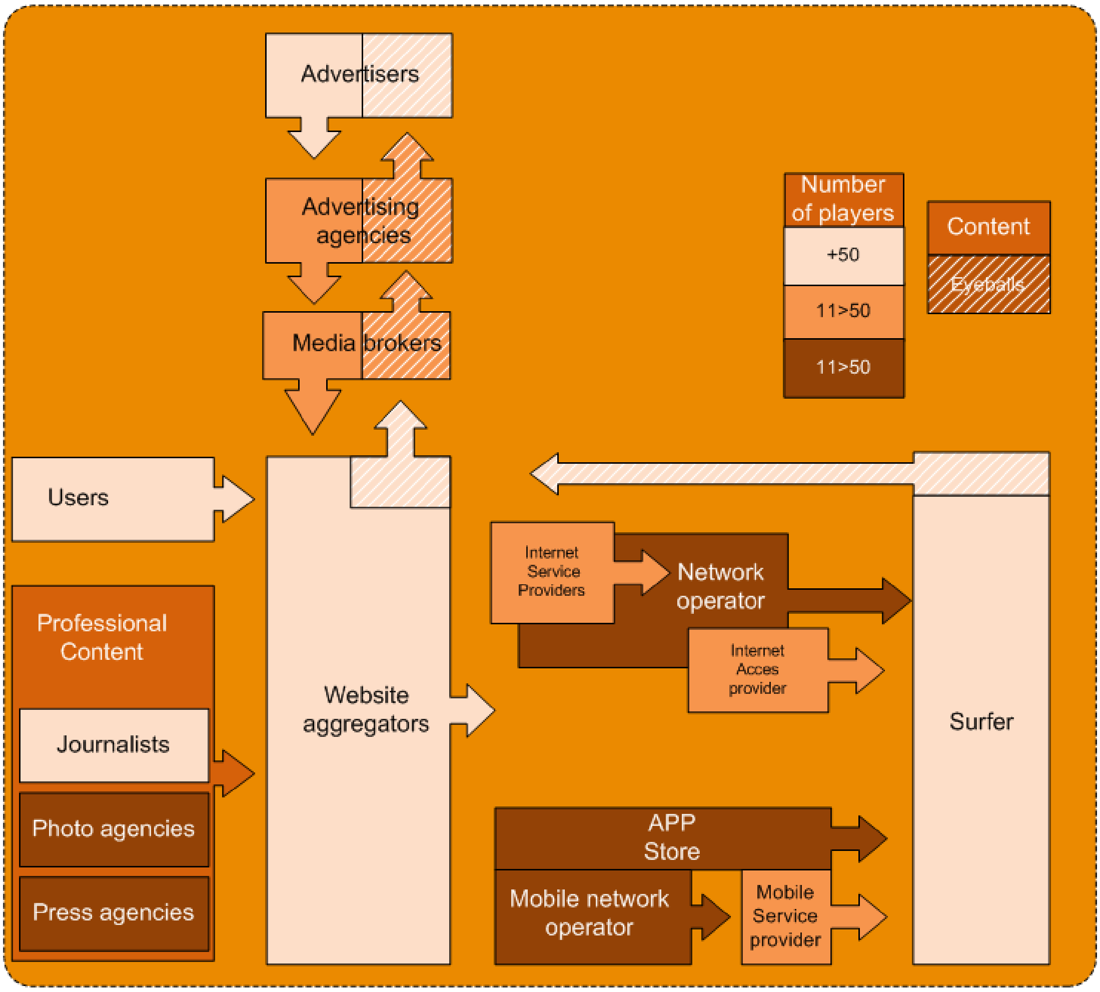

Figure 3: Internet value-added chain

VRM lists all companies that are active within a certain link of the value chain, together with their product offering and company number (as shown in table below).[1]

Name	Company number	Offer
DPG Media nv	432306234	De Morgen
		Het Laatste Nieuws
Mediahuis nv	439849666	De Standaard
		Gazet van Antwerpen
		Het Belang van Limburg
		Het Nieuwsblad/De Gentenaar
Mediafin nv	404800301	De Tijd

Table 1: Publishers of newspapers

Next to the four media types (radio, television, print media and internet), VRM describes convergence and cross-media trends in the Flemish media landscape.

[1] In Belgium, information identifying all companies is gathered in a central government-operated database, BCE. Each company has its unique identification number. A lot of information on the company can be found using the 'public search' function of the database on the website of BCE: http://kbopub.economie.fgov.be/kbopub/zoeknummerform.html

We conclude the chapter with a first indication on horizontal media concentration (by counting the players present in the different links).

HORIZONTAL CONCENTRATION

MEDIUM	CONTENT	AGGREGATION	DISTRIBUTION
Radio		National radio broadcaster Network radio broadcaster Local radio broadcaster	Radio signal transmission
Television	Facility companies Production companies	Television broadcaster (linear and non-linear) Regional television companies	Service providers and network administrators
Written press	Press and photo agencies Advertising companies Media centers	Publishers of daily newspapers Publishers of free press Publishers of periodicals	Distributors of the press
Internet	Content creators Advertising companies	Companies behind websites in the Flemish media sector and news websites social media accounts Apps of Flemish media companies	Internet service providers/Network providers Mobile operators Social media networks App stores

Table 2: Horizontal concentration based on number of players value chain

Legend

Number of players
>50
11>50
1-10

2.2 Chapter 2: Flemish media groups

A limited number of Flemish media groups is active in the Flemish media landscape via different media products. Table 3 gives an overview.

OFFER MEDIA GROUPS

BRAND NAME	RADIO		TELEVISION			DALIES	PERIODICALS	INTERNET		MOBILE INTERNET		ADVERTISING	OTHER
	Content + aggregation	Distribution	Content	Aggregation	Distribution	Content + aggregation	Content + aggregation	Content + aggregation	Distribution	Content + aggregation	Distribution		
DPG Media nv	x	-	x	x	-	x	x	x	-	x		x	x
Mediahuis nv	x	-	x	x	-	x	x	x	-	x	-	x	-
Roularta Media Group nv	-	-	x	x	-	x	x	x	-	x	-	x	x
Proximus nv	-	x	x	x	x	-	-	x	x	x	x	x	x
Studio 100 nv	Content only	-	x	x	-	-	x	x	-	x	-	-	x
Telenet Group Holding nv	x	x	x	x	x	-	-	x	x	x	x	x	x
VRT nv	x	-	x	x	-	-	-	x	-	x	-	x	x

Table 3: Media offerings of the main media groups in Flanders

For each group, an overview of the shareholders and the group structure is given.

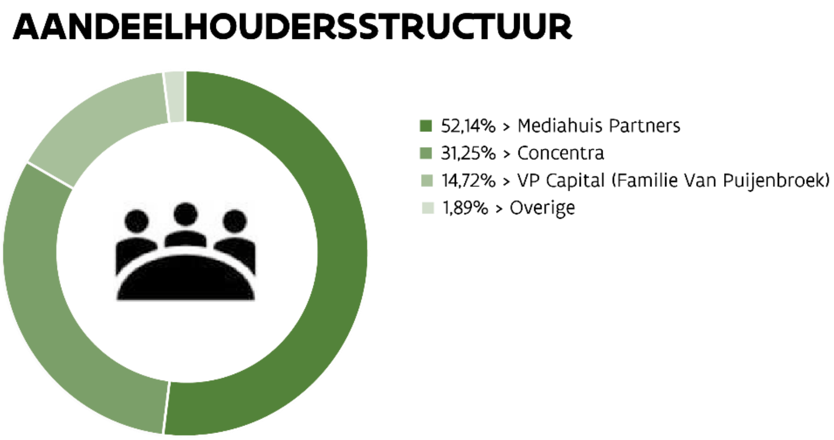

Figure 4: Shareholders Mediahuis NV

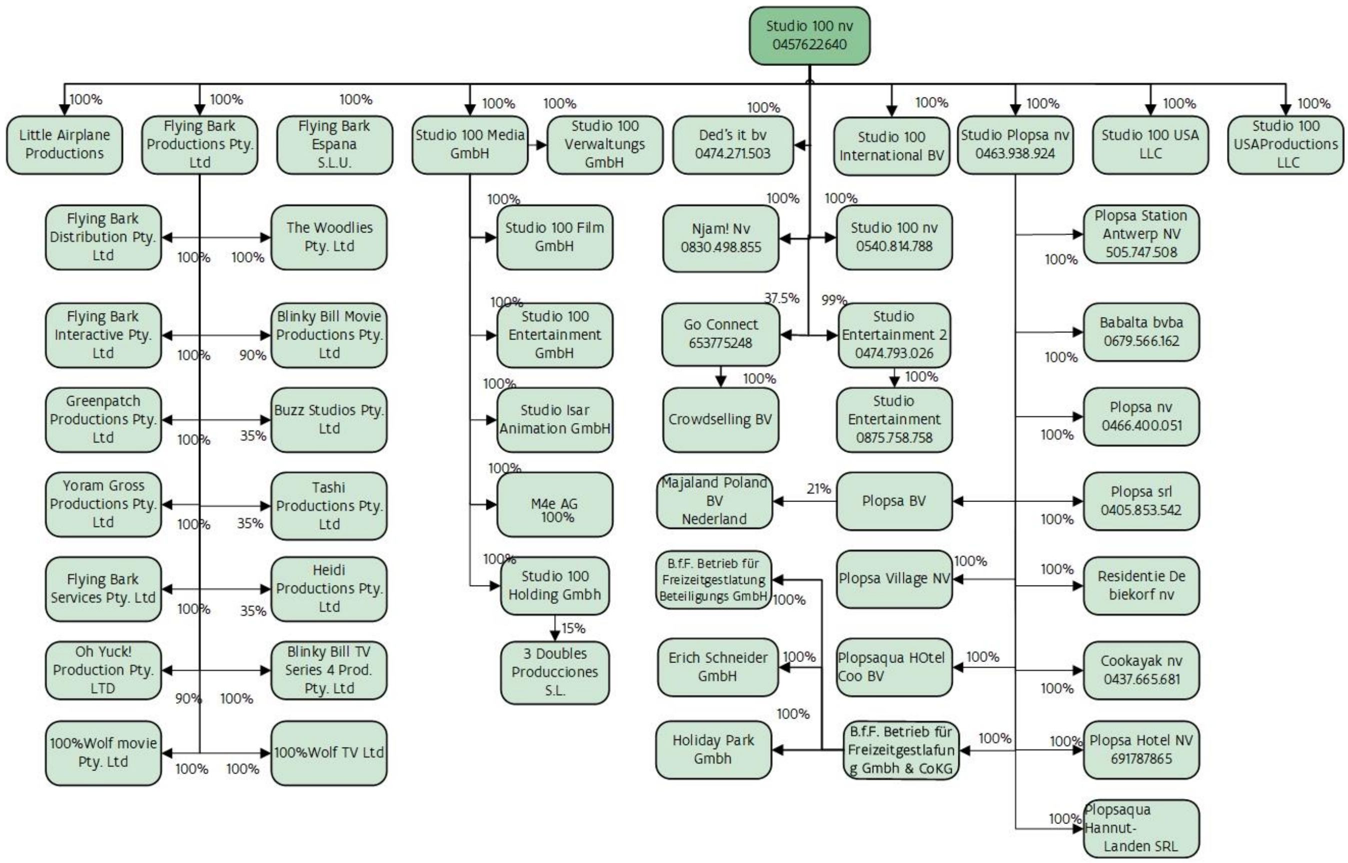

Figure 5: Group structure Studio 100

An overview of product offerings per media group is given in a grid, citing the brand names while distinguishing between different media forms and the different stages of the value chain. An indication of the geographical reach of the product is given by a symbol.

BRAND OVERVIEW

BRAND NAME	RADIO		TELEVISION			DALIES	PERIODICALS	INTERNET		MOBILE INTERNET		ADVERTISING	OTHER
	Content + Aggrega-tion	Distribu-tion	Content	Aggrega-tion	Distribu-tion	Content + Aggrega-tion	Content + Aggrega-tion	Content + Aggrega-tion	Distribu-tion	Content + Aggrega-tion	Distribu-tion		
Studio 100 pro-ducties													
Studio 100 TV													
Studio 100 Hits													
Njam/ Njam.tv													
Studio 100 Go													

Table 4: Brand offering grid of a group

Brand name	Product or activity under full control of the group
(Brand name)	Product or activity that was transferred to another group after the closing of the annual accounts
Brand Name	Product or activity in which the group participates
	Product available in or aimed at a part of Flanders (e.g. local television or regional newspaper)
	Product available in or aimed at the whole of Flanders
	Product with a French equivalent and aimed at the Belgian Market
	Product aimed at a foreign market

Table 5: Legend of the brand offering grid

2.3 Chapter 3: Information on media concentration

In the 3rd chapter of its report, VRM studies concentration for each media type.

First, vertical, horizontal and cross-media integration as well as related risks are briefly described.

Secondly, there is an analysis based on financial information. A table with an overview of the most recent financial information of the main players in the specific link of the value chain is given, together with a graphic of the evolution of the average of these values over the last 10 years. VRM uses the following financial values:

- 10/15: Equity (in Dutch: Eigen Vermogen)
- 20/58: Assets (in Dutch: Activa)
- 70: Turnover (in Dutch: Omzet)
- 70/76: Operating Income (in Dutch: Bedrijfsopbrengsten)
- 9901: Operating profit/loss (in Dutch: Bedrijfswinst / Bedrijfsverlies)
- 9903: Profit/loss before taxes (in Dutch: Winst / Verlies voor belastingen)
- 9087: Average number of employees (in Dutch: gemiddeld aantal werknemers)

VRM calculates the average for all companies in a sector, and the year 2014 is used as a benchmark. The CPI (consumer price index) is also included in the figures. In Belgium, all companies have to report their financial statement to the National Bank of Belgium. The financial statements can be integrally consulted on its website.[2]

FINANCIAL FIGURES

COMPANY NAME	EQUITY	ASSETS	REVENUE	OPERATING INCOME	OPERATING PROFIT	INCOME BEFORE TAX	EMPLOYEES
	10/15	20/58	70	70/76A	9901	9903	9087
DPG Media nv	189.320.510	484.599.509	550.072.286	583.514.293	74.109.865	80.851.881	1206,4
Vlaanderen Eén nv	1.986.955	4.817.610	14.617.347	14.902.720	311.542	296.388	32,3

Table 6: Financial figures 2023 national private radio

[2] https://consult.cbso.nbb.be/

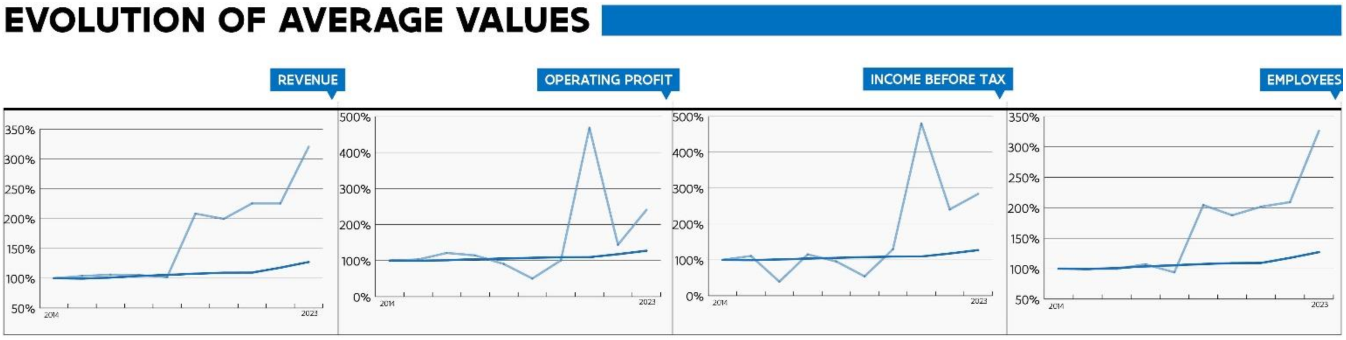

Figure 6: Evolution of average values 2014–2023 national private radio

Thirdly, there is an analysis based on audience shares. This information comes mostly from CIM.[3] There are several figures taken into account:

- Radio: audience shares and average listening duration Mar-Jun 2018, Mar-Jun 2019, Jan-Jun 2020, Mar-Jun 2021, Jan-Apr 2022, Jan-Apr 2023 and Jan-Apr 2024
- Television: audience shares 2023
- Print media: paid circulation (print+digital) and total print circulation 2023
- Internet: daily average website visits June 2024
- Social Media:
  - Facebook account: likes
  - X account: followers
  - Instagram account: followers
  - YouTube channel: subscribers
  - TikTok-account: followers

  These numbers were collected by the VRM in the summer of 2024.
- Apps: the number of downloads as provided by Google Play, collected in the summer of 2024.

We measure media concentration by calculating C4 and Herfindahl (HHI) indexes. These are traditional indicators to measure concentration in an industry. The indicators can be calculated per product category, both on the basis of financial data such as sales, as well as on the basis of popularity data, e.g. viewers. We also examine the concentration of mandates among individuals who are active within the media sector. This is based on the data of the directors, managers and statutory auditors mentioned in the annual accounts filed with the National Bank of Belgium.

The evolution of the prices of media products is also studied in the third chapter.

Subsequently, the Flemish media landscape is situated in an international context.

Finally in 2018, a section was introduced about regional and local journalism, in which the VRM investigates the evolution of regional sections of national newspapers and the existence of purely local news media in the 300 Flemish municipalities.

In the conclusion of chapter 3, an overview of all the calculated indexes is given.

[3] CIM (Centrum voor Informatie over de Media) is a non-profit organization whose members are advertisers, advertising agencies, media agencies and the media. CIM provides its members with current information and numbers about the reach of the most important Belgian advertising media: press, cinema, internet, radio, television and billboards. http://www.cim.be/nl

CONCENTRATION (HHI)

MEDIUM	CONTENT	AGGREGATION	DISTRIBUTION
Radio	Content providers	Radio groups =	Radio signal transmission
		Radiozenders =	
Television	Production companies =	Broadcaster groups ↗	Broadcast signal transmission
		Broadcaster stations ↘	
Print media	Editors	Newspaper titles =	Distribution
	Press and photo agencies	Newspaper publishers =	
	Advertising agencies	Magazine titles =	
	Media centers	Magazine publishers =	
Internet	Content providers	Websites =	Distribution
	Advertising agencies and media centers	Websites groups =	

Table 7: Overview of concentration measures (HHI)

Legend

No value has been calculated
Non concentrated (value<0,15)
Moderately concentrated (value between 0,15 and 0,25)
Strongly concentrated (value >0,25)

The evolution (increase, decrease, status quo) in comparison to 5 years ago is visualised by using the symbols ↗,↘,=.

2.4 Chapter 4: Stimulating diversity - remedies and suggestions for policy makers

The fourth chapter gives information on measures that are taken to enhance diversity and media plurality in Flanders. It also mentions possible new legal initiatives underlining a number of them as policy suggestions.

These measures were described according to an existing schedule that distinguishes restrictions, counterweight, economic intervention, transparency and organizational measures. Generally, it was noted that audiovisual media are subject to more rules than print media and internet.

Category	Application in Flanders
Restrictions	• Ownership restrictions • Editorial independency/responsibility • Regulation • Signal integrity • Net Neutrality
Counterweight	• Promotion of European and independent productions • Must-carry obligation, must-offer obligation and event regulation • Public service broadcaster VRT • Fund Pascal Decroos • Accessibility
Economic interventions	• Support of regional television broadcasters • Incentive scheme for the audiovisual sector • Screen Flanders • Federal economic measures • Digital transformation programme for the Flemish media sector

Transparency	• Media concentration report • Supervision of compliance by the public broadcasters of the Flemish Community's management • Licences, broadcasting permits and notifications • Media education programmes (Mediapunt, Elektronisch Nieuwsarchief en Mediawijs) • Reporting on Net Neutrality • European initiatives on media • Actions against fake news
Organisational measures	• Founding of VRM • Belgian and European competition authority • Journalism desk • Support for participation in trade fairs

Table 8: Policy measures to enhance diversity and media plurality

2.5 Chapter 5: General Conclusion

A general conclusion is given in the fifth chapter.

3 Main findings of the Media Concentration Report 2024

The general conclusion of the report is that when we look at the media groups as a whole, the declining curve of operating profit stands out (fiscal year 2023). Several media companies are recording operating losses or seeing their operating profits fall sharply. The causes are difficult market conditions, but especially the persistently rising cost inflation. Profitability is declining. Despite the (average) increase in revenue, margins are further decreasing.

Regarding local journalism, we have seen a constant decline in the number of regional editions of national newspapers since 2018. After the coronavirus crisis, many free local/regional newspapers ceased operations.

The negative trend regarding the number of Flemish professional journalists seems to have temporarily reversed, according to figures from the Flemish Association of Journalists (VVJ). Over five years, the VVJ observed a slight increase in the number of Flemish professional journalists.

Measuring cross-media concentration is becoming a complex exercise, as the same media content is delivered to consumers through different channels. Comparing viewership or reach across different platforms is not easy, as the information is collected in various ways.

The Flemish Government and Flemish media companies are investing in a new cross-media measurement system through the Cross Media Consortium (XMC). This system will measure the media usage of 1,500 Flemish people on different devices. The goal is to better align Flemish media with user preferences and counter the dominance of international players.

Although no single player dominates the entire Flemish media sector, many forms of horizontal, vertical, or cross-media concentration exist within and between various segments of different Flemish media forms. For the aggregation of traditional media products, 80 to 100% of the market remains in the hands of only five media groups: VRT, DPG Media, Mediahuis, Roularta Media Group, and Play Media. DPG Media is the only one active in all media products and stands out as an example of a cross-media media group.

Per media type, one can state that:

Radio:
VAR, the advertising agency of VRT, has taken over the advertising sales for the commercial radio stations Play Nostalgie, NRJ Vlaanderen, and Nostalgie Plus. This expansion marks a significant shift in VAR's strategy, which traditionally only handled advertising for VRT networks. The collaboration between VAR and the commercial radio stations reflects the trend of blurring lines between public and commercial media. It also highlights the need for media companies to find innovative ways to generate revenue in an ever-changing landscape.

The observation from previous years regarding media group concentration in the radio sector remains. The concentration is very high, partly due to the very strong position of VRT. After a low point in radio market share, the public broadcaster sees it rising again this year.

A new study, conducted by a consortium of consultancy firm BrightWolves and research group imec-mict-UGent, recommends January 1, 2031, as a realistic shutdown date for radio broadcasts via the FM band. The researchers predict that by 2030, 75% of listening volume will be digital. The preference is for a joint shutdown (by VRT, national, local, and network radio broadcasters) where certain criteria must be met.

Television:
The role of gatekeeper, determining which content and/or programs are offered to media consumers, is increasingly in the hands of service providers such as Telenet and Proximus or streaming platforms like Netflix or Streamz. These service providers also add the video apps of international players (e.g., Netflix, Disney+) to their TV boxes to secure their position in the value chain. This is necessary because Flemish broadcasters continue to develop their own platforms (VRT MAX, VTM GO(+), and GoPlay). They place their own content on these platforms, developed in various formats (midforms, web-only series, etc.), making media consumers question the need for a service provider.

A new cooperation agreement (2024-2028) was concluded between the Flemish Government and the regional broadcasters. This agreement aims at scaling up. It paves the way for the merger of regional broadcasters in West Flanders (WTV and Focus TV) and East Flanders (AVS and TV OOST). However, negotiations between AVS and TV OOST broke down, putting the merger plans in East Flanders on hold for now.

On September 1, 2024, TV Vlaanderen stopped offering television via the airwaves (Antenne TV). TV Vlaanderen cites declining interest and the rapid development of alternative viewing methods as reasons for this decision.

Print:
De Tijd (73.1%), De Morgen (69%) and De Standaard (57.4%) sold more than half of their newspapers digitally (either fully digital or alternating) in 2023. Het Laatste Nieuws is approaching this threshold with 44.8%. When comparing total sales in 2023 with the previous year, we see three risers: De Tijd (+5.9%), Het Laatste Nieuws (+4.2%), and De Morgen (+2.8%). Not coincidentally, these are three newspapers that perform strongly in the digital realm. Regional newspapers (Het Belang van Limburg, Gazet van Antwerpen) and Het Nieuwsblad saw their total sales decline. They also perform the worst in terms of digitalizing their sales.

In contrast, digital sales of magazines remain very marginal compared to print sales. Only Humo and Trends are seeing an increasing digital sales share, with more than 10% of their revenue coming from digital sales. Some magazines, however, do not have a digital version at all.

The Belgian Competition Authority (BMA) found manipulation in the allocation of the newspaper concession, this concerns a distribution contract mostly paid for by the Federal State. The federal government decided on a one-time extension of the current concession for Bpost until June 30, 2024. Since July 1, 2024, a new system has been in place (until the end of 2026). The support is now based on population density per region. From 2027, all government support for the delivery of newspapers and magazines will cease.

Online:
The rollout of fiber optic is in full development. The share of fiber in the total number of fixed broadband connections has more than doubled to 8%. However, the rollout does not always runs smoothly, with several players experiencing delays last year. For the rollout of fiber, design agreements were also concluded between Telenet-Wyre and Proximus-Fiberklaar for areas with low to medium population density in Flanders.

Platformization continues. The magazines of Roularta Media Group no longer have their own website; visitors are redirected to the 'my magazine' app/website. Similarly, at VRT, we see several websites disappearing (MNM, Studio Brussel, and KLARA, recently also Ketnet and Ketnet Junior) and merging into VRT MAX.

Digi Belgium, the new telecom player aiming to enter the market, is stirring up competition. Other operators are highlighting their low-cost brands. For example, Telenet now offers fixed-line internet and television services through BASE at competitive prices. BASE thus stands alongside Telenet, comparable to Scarlet (Proximus) and Hey! (Orange Belgium).

4 Table of contents of the Media Concentration Report 2024

5 Translation of the list of figures

6 Translation of the list of tables

Vlaamse Regulator voor de Media (VRM)

The mission of the *Vlaamse Regulator voor de Media (VRM)* or Flemish Regulator for the Media, is to enforce the media regulations in the Flemish Community, settle disputes related to the media regulations and issue media recognition and licenses in accordance with the regulations. It consists of two chambers, a general chamber and a chamber for impartiality and the protection of minors.

In Belgium, each cultural community has its own audiovisual media services regulatory body: the Flemish regulator for the Media (VRM) in the Flemish-speaking community, the High Council for the Audiovisual sector (CSA) in the French-speaking community, and the Media Council (Medienrat) in the German community. Radio and television broadcasting in the Brussels Capital Region, as far it concerns the two communities, is regulated by BIPT (Belgian Institute for Postal services and Telecommunications). BIPT is a federal administration that is the regulator for electronic communications, the electromagnetic spectrum of radio frequencies, the audiovisual media in the Brussels-Capital Region and the postal market.

http://www.vlaamseregulatormedia.be/en

http://www.csa.be/

http://www.medienrat.be/

http://www.bipt.be/

Since 2008, VRM publishes a yearly report on media concentration in Flanders. VRM aims to make the report, written in Dutch, accessible for the international public. That's why VRM chose to write an English guide for the 2023 version of the report. The document contains on the one hand a 'manual' for interpreting the Flemish report and on the other hand a translation of the main conclusions of the report.
This English document, as well as the report, can be found on the English version of the website of VRM http://www.vlaamseregulatormedia.be/en.