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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 2022 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 2022
- 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.

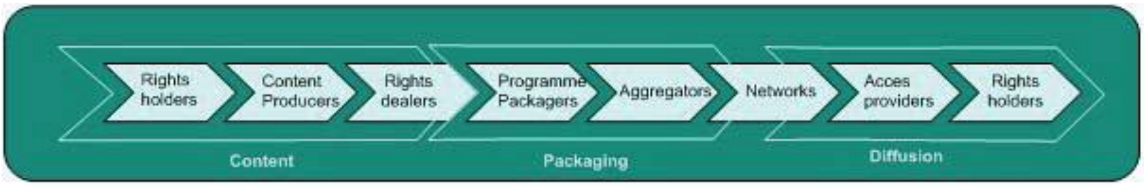

Figure 1: Value-added chain for the audiovisual industry
Source: Andersen, European Commission (2002).

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.

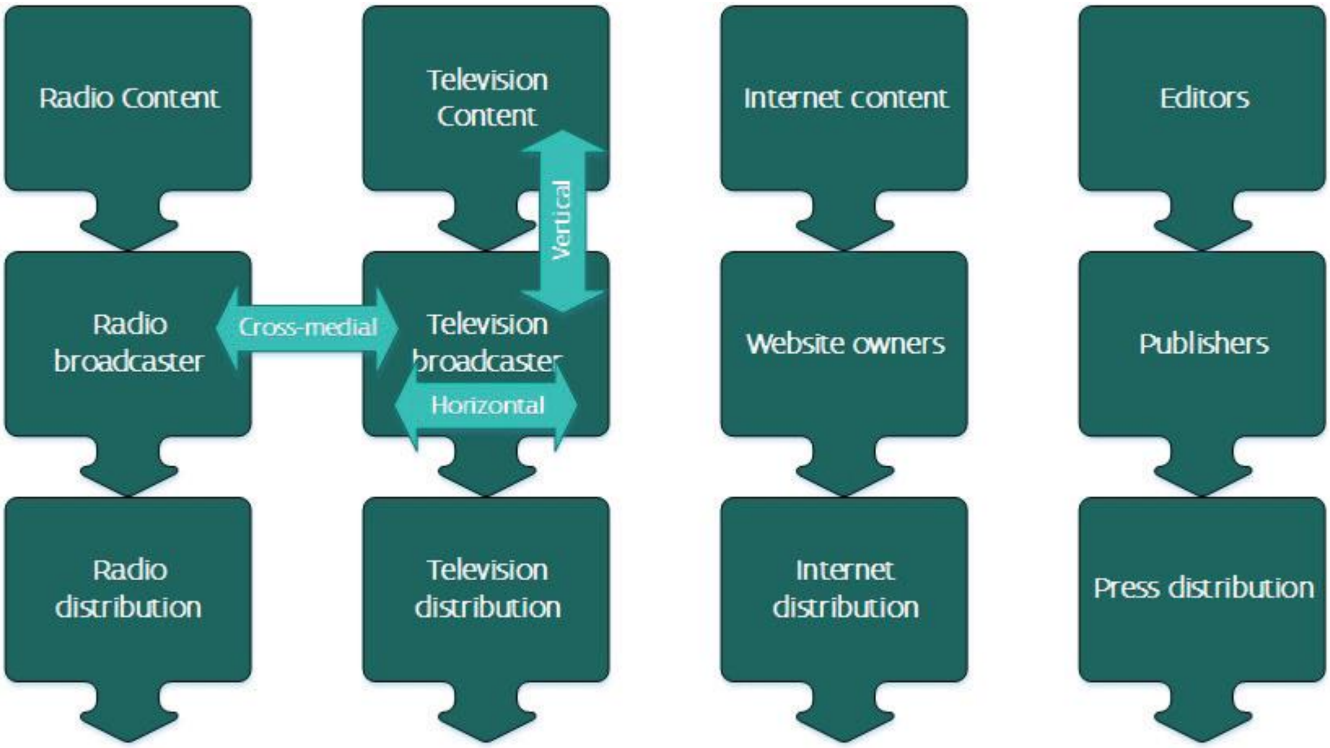

Figure 2: Different types of media concentration
Source: VRM based on M. Porter

- 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 2022

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.

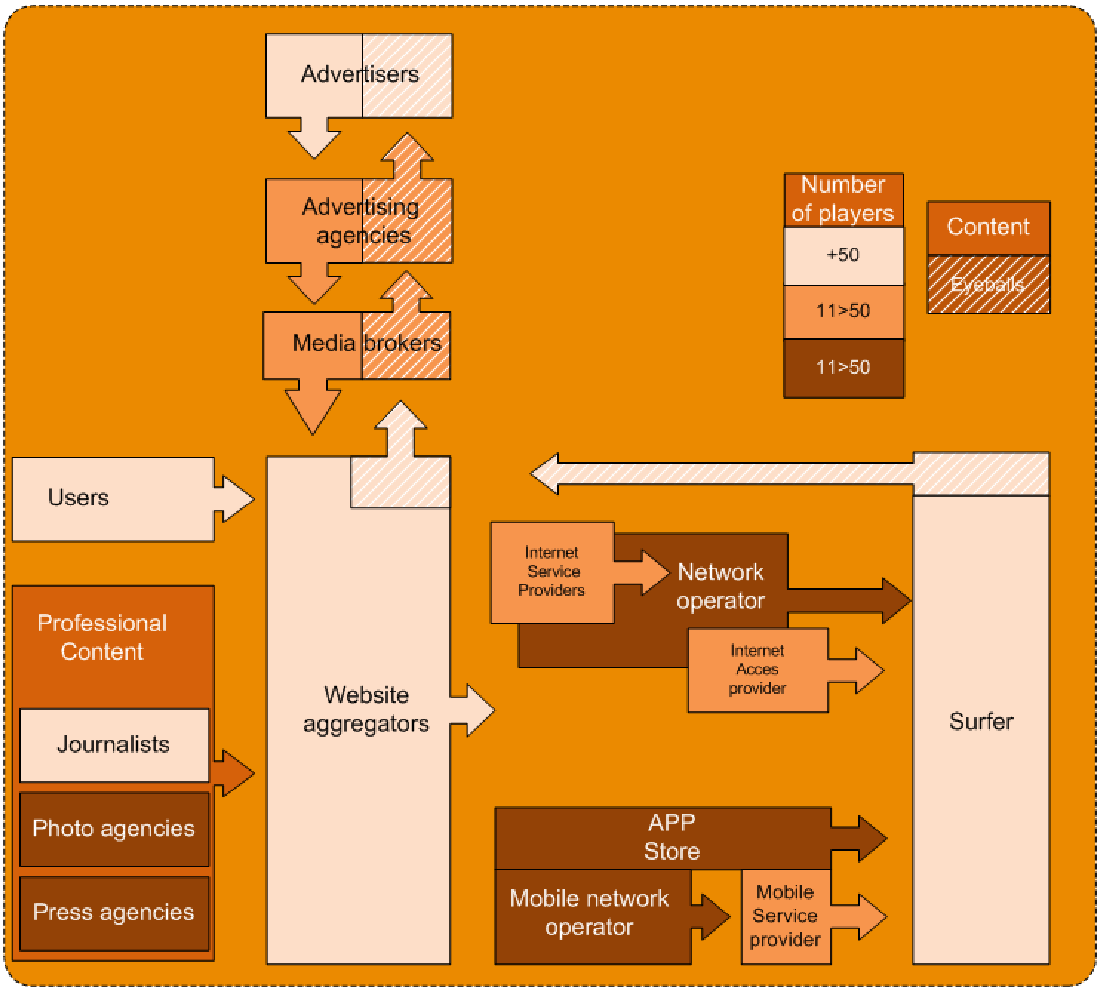

Figure 3: Internet value-added chain

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/De Nieuwe Gazet
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

[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

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

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

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 2 gives an overview. Some of these groups are joint ventures of other groups, as can be seen in Figure 5.

OFFER MEDIA GROUPS

MERKNAAM	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	Enkel content	-	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 2: Media offerings of the main media groups in Flanders

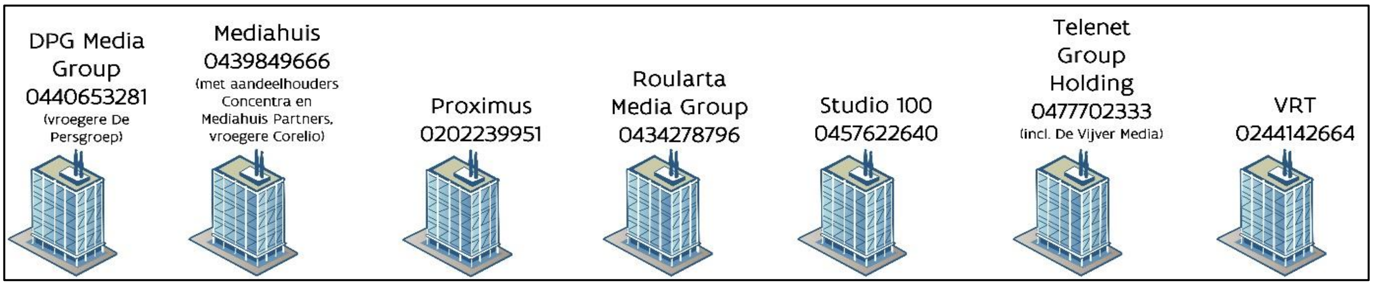

Figure 4: Media groups in Flanders

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

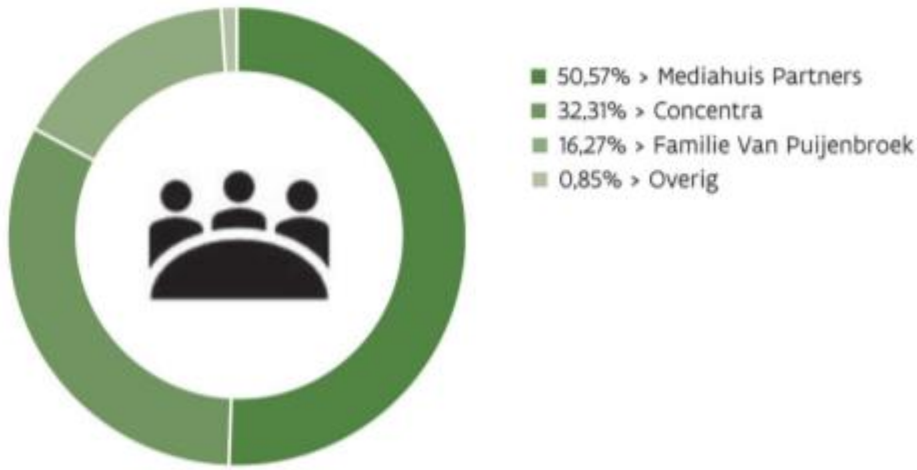

Figure 5: Shareholders Mediahuis NV

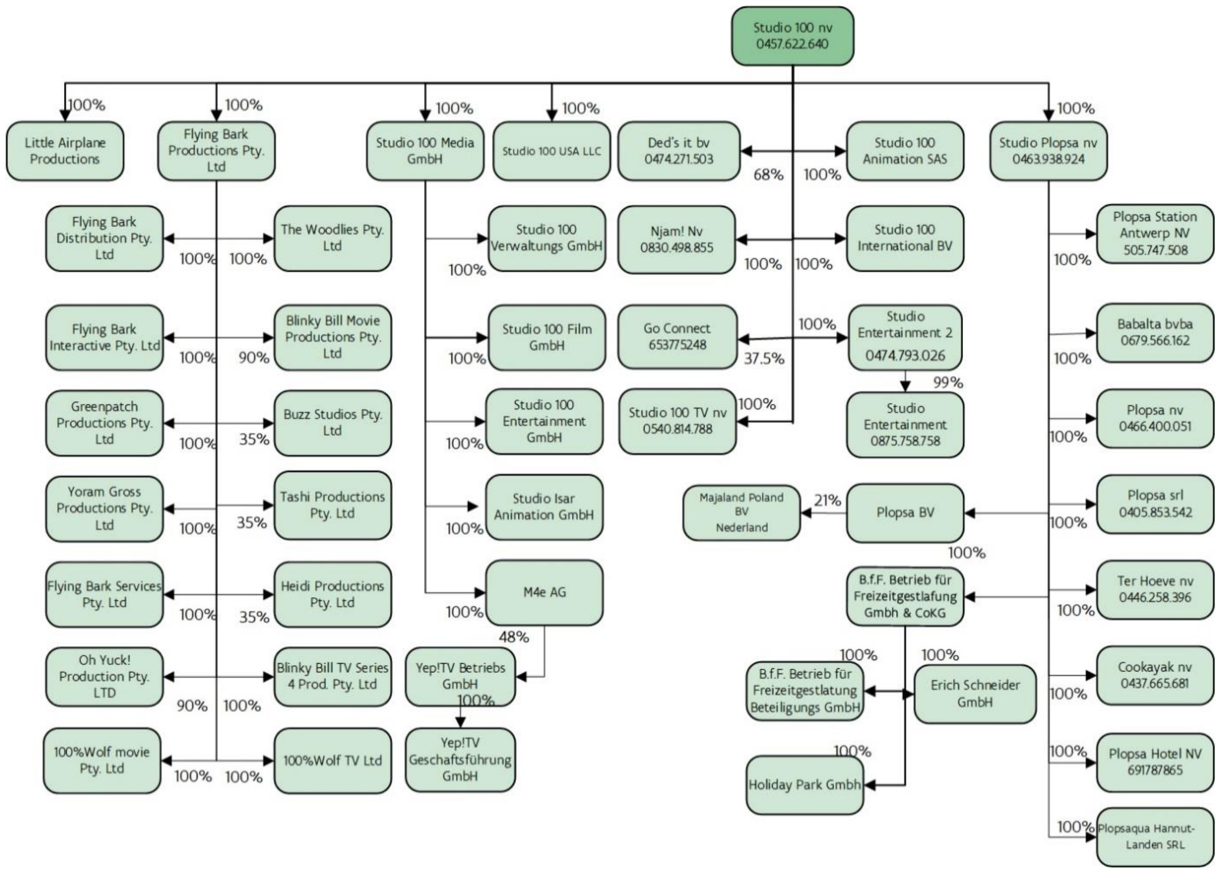

Figure 6: Group structure Studio 100

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 + aggregation	Distribution	Content	Aggregation	Distribution	Content + aggregation	Content + aggregation	Content + aggregation	Distribution	Content + aggregation	Distribution		
Studio 100 pro-ducties													
Studio 100 TV													
Studio 100 Hits													
Njam/ Njam.tv													
Studio 100 Go													

Table 3: 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 4: 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 2012 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	165.161.068	508.018.260	569.526.340	736.004.427	208.596.196	197.043.132	1.107,3
JOEfm nv	39.776.062	42.895.300	15.598.638	15.998.503	7.992.878	8.223.752	18,1
Vlaanderen Eén nv	1.692.320	4.177.637	10.964.807	11.000.099	627.593	605.858	23,8

Table 5 Financial figures 2021 national private radio

[2] https://cri.nbb.be/bc9/web/catalog?execution=e2s1

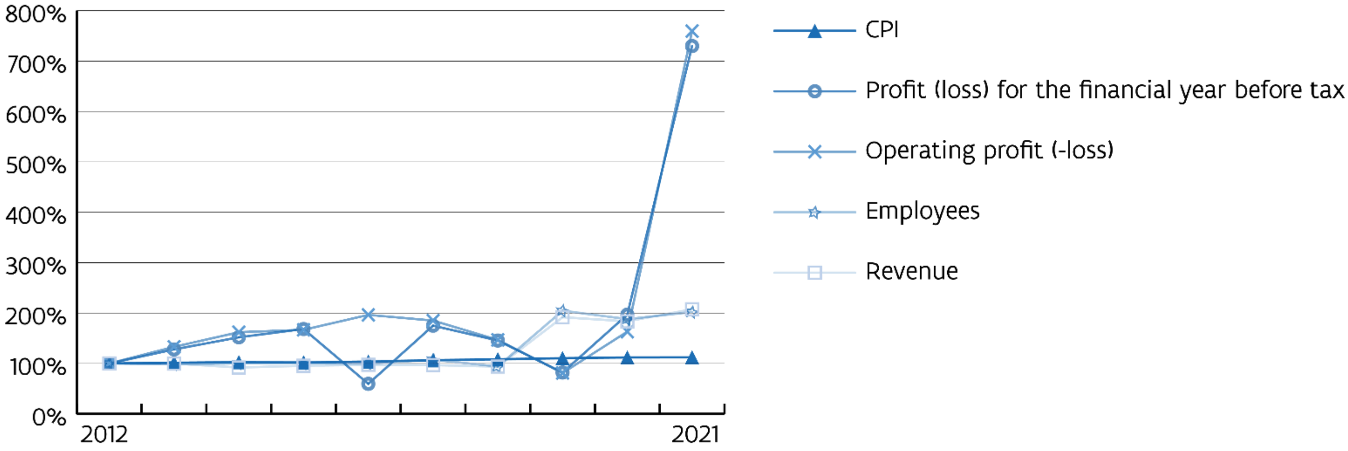

Figure 7: Evolution of average values 2012–2021 national private radio

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 and Jan-Apr 2022
- Television: audience shares 2021
- Print media: paid circulation (print+digital) and total print circulation 2021
- Internet: daily average website visits June 2022
- Social Media:
    - Facebook account: likes
    - Twitter account: followers
    - Instagram account: followers
    - YouTube channel: subscribers
    - TikTok-account: followers

  These numbers were collected by the VRM in the summer of 2022.
- Apps: the number of downloads as provided by Google Play, collected in the summer of 2022.

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
		Radio stations ↘	
Telefision	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 =	Internet distribution
	Advertising agencies and media centers	Websites groups ↘	

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 • Net Neutrality
Counterweight	• Promotion of European and independent productions • Must-carry obligation, must-offer obligation, events regulation and freedom of information • Public service broadcaster VRT • Fund Pascal Decroos for investigative journalism • Subtitling as an accessibility measure
Economic interventions	• Support of regional broadcasters • Incentive scheme for the audiovisual sector • Screen Flanders

	• Federal economic measures • Guarantee Fund • Media sector relaunch plan
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 (Kenniscentrum, Elektronisch Nieuwsarchief en Mediawijs.be) • Reporting on Net Neutrality • Academic initiatives studying media diversity • European initiatives on media • Actions coping with fake news
Organisational measures	• Founding of VRM • Belgian and European competition authority • Journalism desk • Support for participation in trade fairs

Table 6: 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 2022

In general, we observed that the Flemish media sector, with a few exceptions, has coped well with the corona-crisis. For instance, the groups DPG Media, Mediahuis and Roularta may consider 2021 a very profitable year.

Not only on their own Flemish market, but certainly also internationally, these groups are experiencing a nice growth. Roularta was already highly represented in markets outside Flanders. The acquisition of New Skool Media made Roularta the second largest publisher of magazine brands in the Netherlands. Mediahuis was also able to further strengthen its presence abroad.

In stark contrast to this growth story is the local and free press sector. De Streekkrant, Steps and the door-to-door magazine Jet (mainly focused on Limburg), among others, called it quits, while the distribution area of Rondom / Passe-Partout decimated and the number of regional editions of the newspaper Het Laatste Nieuws dropped drastically from 24 to 15. The annual VRM survey on local journalism shows that the average number of private local news media per municipality dropped from 2.26 to 1.84. So both free and local news media are clearly under pressure.

There is still, and increasingly, a high degree of cooperation within the Flemish media sector, specifically with regard to advertising recruitment. In response to the strong advertising position of the international players and DPG Media, the national advertising giant Ads & Data was set up in 2021 by Telenet, Proximus, Mediahuis and Pebble Media. In 2022, DPG Media responded by acquiring RTL Belgium (together with Groupe Rossel). This acquisition also allows DPG Media to market national advertising offers.

In June 2022, the auction of the new 5G spectrum and the existing 2G and 3G radio spectrum was ended by the BIPT. Five operators, namely Citymesh Mobile nv, Network Research Belgium nv, Orange Belgium nv, Proximus nv and Telenet Group nv, participated in the auction and were each able to acquire part of the radio spectrum. As a result, the will determine the mobile telecoms landscape in our country for the next 20 years.

For the aggregation of classic media products, 80% to 100% of the market is held by just five media groups (VRT, DPG Media, Mediahuis, Roularta and Telenet (with subsidiary De Vijver Media)). In recent years VRM has noticed a stabilization in this area.

Per media type, one can state that:

Radio:

In Flanders, radio is increasingly listened to digitally. 41% of the total listening volume is now digital via DAB+, cable (coax), digital TV or internet. The importance of digital listening is also evidenced by the temporary broadcasting licences VRM granted to 59 local radio broadcasters as part of various pilot projects.

The market share of VRT radio channels continues to fall. Although the market share still stands at 56%, this is still the lowest level in radio history.

Flemish media groups are increasingly offering podcasts.

After a so-called beauty contest, the Flemish Minister of Media in early February 2022 re-granted the three available licences for broadcasting as a national radio broadcaster to DPG Media (Qmusic and Joe) and Mediahuis (Nostalgie). The new approvals are good for a period of five years, renewable for one-off period of up to three years.

With the amendment of the Media Decree (12 February 2021), the category of regional radio broadcasters will be abolished from 1 January 2023.

Television

The Media Concentration Report 2021 already referred to the agreement between (private) television broadcasters and service distribution for the implementation of a uniform model for TV advertising. Last year, the offer of unskippable advertising was further extended to additional Telenet and Proximus customers.

A major event at the end of November 2021 was the sale agreement of telecom operator VOO to Orange Belgium. Nethys and Orange Belgium have since begun exclusive negotiations for the sale of 75 percent minus one share. The European Commission still has to approve the acquisition, however.

Flemish media companies are increasingly focusing on web-only series and telenovelas. A new format of short ‘snackable’ online content, also known as midforms, is gradually emerging. DPG Media bundled all its midforms under the common flag VTM SHORTIES in early 2022 and is investing in additional content. These can be extensions of popular programmes such as a behind-the-scenes look at The Masked Singer, for example, or original formats such as Security Checkers.

Print

In terms of written press, titles on the Flemish newspaper market did not change, apart from the disappearance of the headline newspaper De Nieuwe Gazet. In addition, the convergence trend between editorials and other media forms continued. For instance, the Antwerp regional media Gazet van Antwerpen (newspaper) and ATV (regional television) now share site and app. The editorial departments of the weekly Trends and television channel Kanaal Z were then merged into a single editorial department. A new central newsdesk will work for both the weekly, the website and the television channel.

The printed press has struggled in recent years, i.a. due to declining sales and advertising revenues. Newspapers seem to be reversing this trend. Among daily newspapers, almost all titles sold more newspapers (print + digital) in 2021. On the other hand, all websites of the Flemish media groups experienced a significant drop in visitors. Figures fell back to precorona levels.

According to the Flemish Association of Journalists (VVJ) and based on the number of registered Flemish professional journalists, there is a structural disinvestment in professional journalism in Flanders.

Some newly started magazines were quickly withdrawn from the market because they remained loss-making.

Some media houses have centered subscription or newsstand sales on one or more platforms.

Online:

In spring 2021, the revision of the European Audiovisual Media Services Directive was transposed into the Flemish Media Decree. This brought new rules into force for content creators using video platform services. VRM subsequently published the Content Creator Protocol (CCP) that should allow content creators, influencers and vloggers to easily comply with the new regulations. The Federal Public Service Economy also came up with best practices for content creators in 2022.

The telecom operators are further betting on the rollout of the fibre optic network (FTTH - Fyber to the Home). Telenet is working with network operator Fluvius for this purpose. They are setting up a new, self-financed and independent infrastructure company for this purpose, currently called Netco.

The Belgian mobile market currently has three operators with their own mobile networks. There are also three so-called full MVNOs, all operating on Telenet's network. There has been consolidation as the number of full MVNOs fell from four to three due to the incorporation of Mobile Vikings into Proximus. The Belgian competition authority saw no objection to the acquisition.

In June 2022, the auction of the new 5G spectrum and the existing 2G and 3G radio spectrum was concluded by BIPT (Belgian Institute for Postal Services and Telecommunications). Five operators, namely Citymesh Mobile nv, Network Research Belgium nv, Orange Belgium nv, Proximus nv and Telenet Group nv, participated in the auction and were each able to acquire part of the radio spectrum. As a result, they will determine the mobile telecoms landscape in our country for the next 20 years.

4 Table of contents of the Media Concentration Report 2022

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 2022 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.