



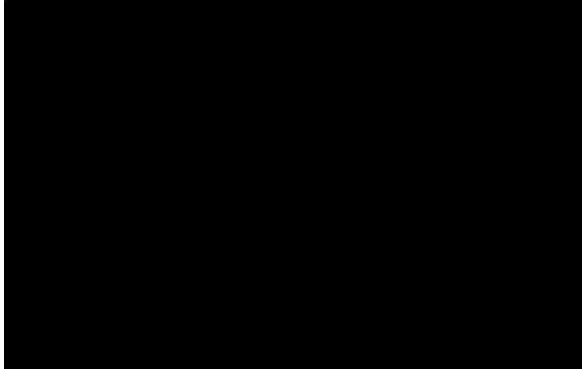
Department for
Digital, Culture,
Media & Sport

DCMS Media Team
4th Floor
100 Parliament Street
London SW1A 2BQ

020 7211 6000

www.gov.uk/dcms

By email



26 April 2022

Newsquest Media Group Limited (“Newsquest”) acquisition of Archant Community Media Limited (“Archant”) - Notice of a potential Intervention Notice

I refer to the recently completed acquisition by Newsquest Media Group Limited (“Newsquest”), whereby Newsquest acquired Archant Community Media Limited (“Archant”) on 18th March 2022.

Please note that references to sections in this letter are to sections of the Enterprise Act 2002 (“the Act”). References to “the Guidance” are to the “Enterprise Act 2002: public interest intervention in media mergers - guidance on the operation of the public interest merger provisions relating to newspaper and other media mergers”, published by the Department for Trade and Industry, May 2004.

The Secretary of State has considered the merger and is currently minded to issue a Public Interest Intervention Notice (“PIIN”) under section 42(2) as:

- (a) she considers that she has reasonable grounds for suspecting that it is or may be the case that a relevant merger situation (as defined in section 23) has been created; and
- (b) she believes that it is or may be the case that one or more than one public interest consideration specified in section 58 is relevant to a consideration of the relevant merger situation concerned

The public interest ground that the Secretary of State considers is or may be relevant is the need for, to the extent that it is reasonable and practicable, a sufficient plurality of views in newspapers in each market for newspapers in the United Kingdom or a part of the United Kingdom (see section 58(2B)) (“the plurality of views ground”)

Sections 44 and 44A provide that when a PIIN has been issued, the CMA and Ofcom must, respectively, provide reports on certain issues relevant to the merger and on the specified public interest considerations, and for each to summarise any representations received about the case, within such period as the Secretary of State may require.

The existence of a relevant merger situation

The Secretary of State considers that there are reasonable grounds for suspecting that it is or may be the case that a relevant merger situation (as defined in section 23) has been created in light of the following factors:

- (a) two enterprises, Newsquest and Archant have ceased to be distinct enterprises; and
- (b) the transaction will result in the creation or enhancement of at least a 25% share of supply of goods or services of any description in the UK or in a substantial part of the UK. In East Anglia (where the majority of Archant’s titles are based) DCMS estimates that the merger will give Newsquest a majority share of the local newspaper market.

The plurality of views grounds

Paragraphs 5.11 to 5.15 of the Guidance concern the plurality ground. From paragraphs 5.11-5.12, “a sufficient plurality of views” encompasses the need for a diversity of viewpoints, and for there to be a variety of outlets and publications in which they can be expressed, qualified by the reference to reasonableness and practicability. From paragraph 5.15, plurality concerns may be more likely to arise in relation to mergers between existing newspaper proprietors.

The merger will see the two largest local newspaper groups in East Anglia combining. While news will still be available for consumers from other local and national providers (i.e. radio, tv and online), as highlighted in the letter shared by Newsquest with the CMA, the majority of local newspapers will come under single ownership. Such concentration of ownership has the potential to impact the plurality of views available in local newspapers in East Anglia. This risk may be exacerbated by any potential restructuring within Archant’s titles, a possibility that has been subject to press speculation.

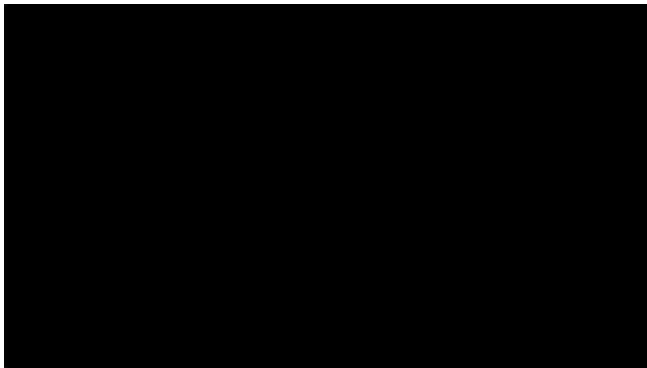
Conclusion

The Secretary of State considers that it would be beneficial for the issues set out above to be considered in more depth, and in particular whether there is a need for any specific mechanisms to guarantee a sufficient plurality of views.

Therefore, the Secretary of State is minded to conclude that the public interest considerations specified in this letter may be relevant to a consideration of the merger, and that the appropriate course is for her to receive reports from the CMA and Ofcom before deciding whether to make a reference under Section 45 for a more detailed consideration of these matters by the CMA.

The Secretary of State is not making a final determination at this stage. Consequently, you now have the opportunity to provide further representations in writing. Any such representations should be sent to media-mergers@dcms.gov.uk by **29 April**. The Secretary of State will consider these representations before taking a final decision on whether to issue a PIIN in respect of the merger.

Yours sincerely,



Deputy Director, Media & Creative Industries