

[Welcome Tom, sign into the Guardian with Facebook](#)

theguardian

Printing sponsored by:

Kodak
All-in-One Printers

Independents decry approval of Sony-BMG merger

Katie Allen

The Guardian, Thursday 4 October 2007

Independent music companies reacted angrily yesterday to the European commission's decision to approve the merger of Sony Music and BMG despite rivals' complaints that it has stifled competition.

The commission's ruling on the joint venture was its second approval after its initial 2004 clearance was overturned by Europe's second-highest court.

In a move that sent shockwaves through the music industry, the court of first instance last year upheld an appeal by the independent record labels association Impala. The lobby group argued at the time that the commission had put 80% of the worldwide music market into the hands of four media conglomerates.

Brussels launched a fresh inquiry this year into the ramifications of the Sony-BMG tie-up, which covers artists such as Céline Dion and Bruce Springsteen.

The new inquiry could have ended in a decision to unravel the joint venture. The commission said, however, that it had not found that having fewer big music companies had resulted in them coordinating to raise prices or restrict production.

The decision comes against a backdrop of sharp declines in global music sales and rampant piracy. Neelie Kroes, EU competition commissioner, said: "This investigation represents one of the most thorough analyses of complex information ever undertaken by the commission in a merger procedure. It clearly shows that the merger would not raise competition concerns in any of the affected markets."

Impala, which represents 3,500 members, described as "bizarre" the decision to approve the merger without imposing any conditions on Sony-BMG. It accused the commission of disregarding its evidence of anti-competitive behaviour and of failing to consider the effects of the merger on consumer choice.

Impala's president, Patrick Zelnik, said: "The European commission has ignored the simple fact that four companies control 95% of the music most citizens hear on the radio throughout the world."

The independent labels now plan to ask the European ombudsman to investigate potential maladministration. Impala said it also had the option of appealing.

More from the Guardian

[What's this?](#)

[Chelsea distraught after losing to Corinthians in Club World Cup final](#) 16

Dec 2012

[Kandahar's 'poo pond' gets a stay of execution](#) 12 Dec 2012

[Jacintha Saldanha suicide note criticised hospital staff](#) 13 Dec 2012

[Latest eurozone summit ends in stalemate](#) 14 Dec 2012

[UK drops down EU living standards league table](#) 13 Dec 2012

More from around the web

[What's this?](#)

[In First Class, a World Apart](#) (The New York Times)

[The Best International Stock-Fund Managers, With Their 20%+ YTD Returns](#) (Barron's - Focus on Funds)

[Monti's Resignation Puts a Damper on Year-End Eurozone Successes](#) (Benzinga)

[Star Entrepreneur Speaks Out on Key Lessons Every Business Owner Should Know](#) (Top Marketing Strategies)

[Will HTML5 Replace Flash?](#) (Incion)

behind paywall in UK, US and Germany

5 Dec 2012

Alex Day, YouTube phenomenon, on building fans and making money



Metallica launch own label Blackened Recordings

3 Dec 2012

Metal giants leave Warner Music after 28 years, saying their decision to go it alone is 'the ultimate in independence'

© 2012 Guardian News and Media Limited or its affiliated companies. All rights reserved.