

(English version)

**Question for written answer E-001387/25
to the Commission
Aurore Lalucq (S&D)
(4 April 2025)**

Subject: Concerns about market concentration moves by market leader in the music market

The music market is a vital sector for the EU. More than 80% of all new music is released by micro, small and medium-sized businesses who need an open and thriving market to innovate and make European artists strong and visible. This is threatened by juggernaut-style consolidation and mass demonetisation of certain music on streaming services. Universal Music Group's acquisition of Downtown Music has been referred to the Commission by the Dutch national competition authority.

1. Does the Commission agree that there are concerns when the market leader acquires some of the world's biggest distribution companies and other essential services through roll-up merger, giving it unprecedented control over routes to market and access to data, as well as control over how digital services pay out?
2. Does the Commission agree that this hampers the EU's ability to grow European champions in the music sector?
3. Does the Commission agree that the following responses are urgent and essential:
 - a detailed Commission investigation into this transaction;
 - new Commission powers to call in key mergers that are below merger control thresholds;
 - investigation of streaming reforms for undue influence by the market leader;
 - assessment of whether competition rules are fit for purpose in priority ecosystems such as the cultural ecosystem?

Submitted: 4.4.2025

**Answer given by Executive Vice-President Ribera on behalf of the European Commission
(28 May 2025)**

Article 2(3) Merger Regulation ⁽¹⁾ provides that the Commission shall prohibit any concentration that would significantly impede effective competition in the internal market, in particular as a result of the creation or strengthening of a dominant position.

Article 2(1) Merger Regulation contains a list of factors that the Commission takes into account in assessing mergers.

In the course of its investigations, the Commission relies on information provided by the merging parties; suppliers, rivals and customers; trade associations; and any other relevant stakeholders.

On 24 April 2025, the Commission has accepted requests submitted by Austria and the Netherlands to assess the proposed acquisition of Downtown by Universal Music Group under Article 22 Merger Regulation. This does not prejudice the outcome of the Commission's full investigation of the effects on the transaction.

The Commission will indeed carefully investigate this transaction, in particular engaging with market participants to better understand the music industry and the impact of the transaction on the music industry and cultural sector, and of course on consumers.

Following the Court of Justice's *Illumina* judgment ⁽²⁾, there is an ongoing reflection how to address the need to capture certain sub-threshold transactions.

Currently, the Commission can review cases if they are referred by competent Member States which are introducing national call-in powers.

A call-in power at Commission level would require a review of the Merger Regulation, which would be a lengthy process that requires unanimity of 27 Member States.

The Commission considers the current rules are sufficiently agile to address competition concerns in dynamic markets and ecosystems.

⁽¹⁾ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings, OJ L 24, 29.1.2004, p. 1.

⁽²⁾ Judgment of the Court of Justice of 3 September 2024 in joined cases C-611/22 P and C-652/22 P, *Illumina v Commission*, EU:C:2024:677.

The Commission's case practice will be reflected in the ongoing review of the Merger Guidelines, in which a wide-ranging public consultation was launched on 8 May 2025.
