



Competition and Consumer Protection Commission

PRESS STATEMENT

19th October 2018

CCPC Grants Conditional Merger to ZNBC and Startimes

The Competition and Consumer Protection Commission (CCPC) has granted a conditional authorization to the proposed merger between Zambia National Broadcasting Corporation (ZNBC) and Hantex International Corporation Limited (Hantex) which is controlled by Startimes International Holdings Limited (Startimes International).

This follows an application for the merger of the two entities, to the Competition by Top Star (JV) on 20th June 2018.

In granting of the conditional authorisation of the merger, the Board of Commissioners noted the following:

- i. There is no law on Digital Migration
- ii. Top Star (JV) is amenable to the Competition and Consumer Protection Act (the Act), The Zambian Government has obtained a loan towards the implementation of the Digital Migration, which loan has to be repaid
- iii. Top Star (JV) created between Zambia National Broadcasting Corporation (ZNBC) and Hantex International Corporation Limited (Hantex) which is currently operational

Further, in pursuant to the provisions of the Competition and Consumer Protection Act No. 24 of 2010, the Board also made the following directives:

- i. That the operational functions of Top Star (JV) shall be split into two entities. Top Star shall perform the functions of the public signal distributor while ZNBC shall perform the Subscriber Management Services and content provision services. The two entities shall relate on commercial basis at arm's length.

- ii. Top Star (JV) in their operations of signal distribution shall ensure that it provides access to entities that require signal distribution services on the same terms as those that would apply for ZNBC and within a reasonable period of time as that accorded to ZNBC. For the avoidance of doubt, the reasonable period shall be a period within which an entity requesting the services of Top Star JV would be able to operate economically without losing revenue or suffering losses due to delays by Top Star (JV).
- iii. Top Star (JV) shall not abuse their dominance in the signal distribution market pursuant to section 16 of the Act.
- iv. Top Star (JV) shall ensure that all pricing decisions and tariffs charged to their customers of signal distribution are approved by ZICTA in accordance with Section 47 (3) of the Information and Communication Technology (Amendment) Act, 2010.
- v. Top Star (JV) should sign Service Level Agreements with all their customers and abide by the provisions of those agreements, and notify the said agreements with the Commission.
- vi. Noting that it is possible that the Top Star (JV) has the potential to and in fact result in:
 - a. Reduced tax revenue,
 - b. Limit growth of other private operators,
 - c. Restrict entry and foreclose access to the digital distribution,
 - d. Create barriers for the supply of cheap alternative decoders, and
 - e. Reduce consumer choice and welfare,
- vii. That, Startimes shall divest all its shareholding to ZNBC or the nominee of the Zambian Government within one year from the date of full loan amortization and revert all the assets to ZNBC.
- viii. For the avoidance of doubt, pursuant to Article 173 of the Zambian Constitution Chapter 1 of the Laws of Zambia as read with Section 31 of the Competition and Consumer Protection Act, the Commission will periodically monitor the loan repayment.

Issued by:



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Chairperson Board of Commissioners
Competition and Consumer Protection Commission
LUSAKA.