

## Turkish Competition Authority Considers Movie Cinemas in Sector Report

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The Turkish Competition Authority has published a report on movie cinemas, outlining competition law-related conditions in different aspects of the sector, such as production, distribution and screening ("**Report**"). The report has been updated to include information about the recent merger of AFM and MARS and its effect of the sector. Notably, the report comments on the link between movie cinemas and shopping malls in Turkey.

The Report includes four sections:

- **General information on cinema sector**

General information about the Turkish cinema sector, with determinations about production, distribution and screening markets. The Report notes that there appear to be no competition-restricting practices in Turkey, such as mandatory price or quantity restrictions in the production chain.

Movie theaters began to be located in shopping malls from the 2000s in Turkey, with 71% of movie theaters currently located in shopping malls. This factor is an increasing issue within competition law examinations.

- **Sector shaping digital transformation progress**

The Report considers transformation of 35mm film to digital copies and the digital transformation progress. It examines the virtual print fee system and effects of this system on the Turkish cinema sector.

- **Notable Court decisions regarding the cinema sector**

The Report considers important decisions from the United States, European Union and Turkey. It particularly mentions:

- Paramount Pictures (United States).
- Acquisitions discussed by English courts.
- Warner Bros.-2 (Turkey).
- MARS/AFM merger (Turkey).
- **Sector state after MARS/AFM merger**

The Report thoroughly reviews the AFM/MARS decision, making determinations about the state of the sector after the decision. The Report observes that growth in screening appears to be moving in parallel with the growth of the shopping mall sector. The report notes that movie theaters which will be built in all of the 61 new shopping mall projects and MARS will operate 33 of these movie theaters.

The Report also comments that from the end of 2014, MARS began operating in the production, distribution and screening markets, constituting vertical integration. Although this situation worries some in the sector, a recent Competition Board decision states there is no proof that MARS has undertaken any competition-restricting acts while benefiting from this vertical integration.

Please see this [link](#) for the full text of the Report (only available in Turkish).

## Related Practices

- Antitrust and Competition