

EU clears Penguin, Random House publishing venture

BRUSSELS, BELGIUM: The European Commission cleared Friday a venture between British publisher Pearson and Germany's Bertelsmann to create a new publishing giant, Penguin Random House.

The Commission said it judged the deal "would not raise competition concerns, in particular because the merged entity will continue to face several strong competitors."

In October, Pearson, publisher of the iconic Penguin paperback books and owner of the Financial Times, announced with Bertelsmann plans to form a joint venture, Penguin Random House, to publish English-language titles.

Bertelsmann will hold 53% of the new company and Pearson the remainder, aiming to compete with new forms of publishing epitomised by online giant Amazon for both traditional and increasingly, electronic books.

The Commission noted the new company would face both strong competition and a "concentrated retail base, such as supermarkets for print books and large online retailers for e-books, like Amazon."

Random House has profited hugely in recent months from publishing sado-masochistic romance "Fifty Shades of Grey," which is enjoying massive global popularity.

Meanwhile, demand for e-books is gaining momentum among European readers, despite a late start compared to the United States. US regulators approved the deal last month without conditions.

Source: *AFP, via I-Net Bridge*