

# NSR Tech Policy Quick Take: What the FTC's review of Sony-Bungie means for Microsoft-Activision

By Matt Perault | May 6, 2022

**What's new:** The FTC is opening an investigation of Sony's acquisition of the gaming company Bungie, according to a report in *The Information* yesterday.

The news is not unexpected. The \$3.6 billion price of the acquisition is far above the threshold for required reporting of a merger to regulators. In addition, regulators are already investigating Microsoft's much larger \$68.7 billion acquisition of Activision. We wrote about how regulators will review the Microsoft-Activision merger in a previous note (LINK).

Investigating the Bungie acquisition allows the FTC to signal that it is treating two competitors — Microsoft and Sony — equitably. It also indicates the seriousness of its review of competitive dynamics in the gaming sector. Conducting both investigations in parallel may also generate market data and analysis that enhances the FTC's understanding of the industry. Building this expertise by investigating two deals will likely assist the agency's review of each one.

A focus of the government's review is likely to be game exclusivity: will PlayStation and Microsoft make Bungie and Activision games available on all platforms? Bungie has emphasized that its games will not be exclusive to PlayStation, stating that "Our games will continue to be where our community is, wherever they choose to play." PlayStation CEO Jim Ryan has echoed these assurances. Microsoft announced a similar commitment, though it has agreed only to make its "popular" games available on rival platforms.

**Background:** Sony announced the \$3.6 billion acquisition of Bungie in late January, two weeks after Microsoft announced its acquisition of Activision

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Full 12-month historical recommendation changes are available on request

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