Body of European Regulators for Electronic Communications

BEREC

MINISTERIAL PROGRAMME
BARCELONA 2-5 MAR 2015

GSMA Competition Workshop

Fátima Barros

Barcelona - 2 March 2015

EU28

505 M

97 MNOs

300+ MVNOs

3 & 4

15 countries

13 countries

LTE

Coverage


Price


M&A
Market


5


4


3

Examples of recent M&A in European markets

YEAR	PLAYERS		COUNTRY	MAJOR AFECTED MARKET	MAJOR MARKET PLAYERS(1)
2013	3	orange™	Austria		□ □ 3 4
2014	3	Telefónica	Ireland		□ 2 □ 4
2014	Telefónica	e·plus+	Germany		□ □ 3 4
2014	upc	Z	Netherlands		□ 2 3 □
2014	vodafone	ONO	Spain		□ □ 3 □ 5
2014	numericable	SFR	France		□ □ 3 □ 5

NOTE: (1) Operators with more than 90% of the market

Market concentration

- ✓ Increased risk of unilateral effects
- ✓ Less incentive to compete aggressively, especially when the *maverick* is removed
- ✓ Reduce bargaining power of MVNOs

Remedies

- ✓ Facilitate MVNOs entry
- ✓ Balance amount of spectrum

Portugal - July 2013

C
A
Mobile
L
E

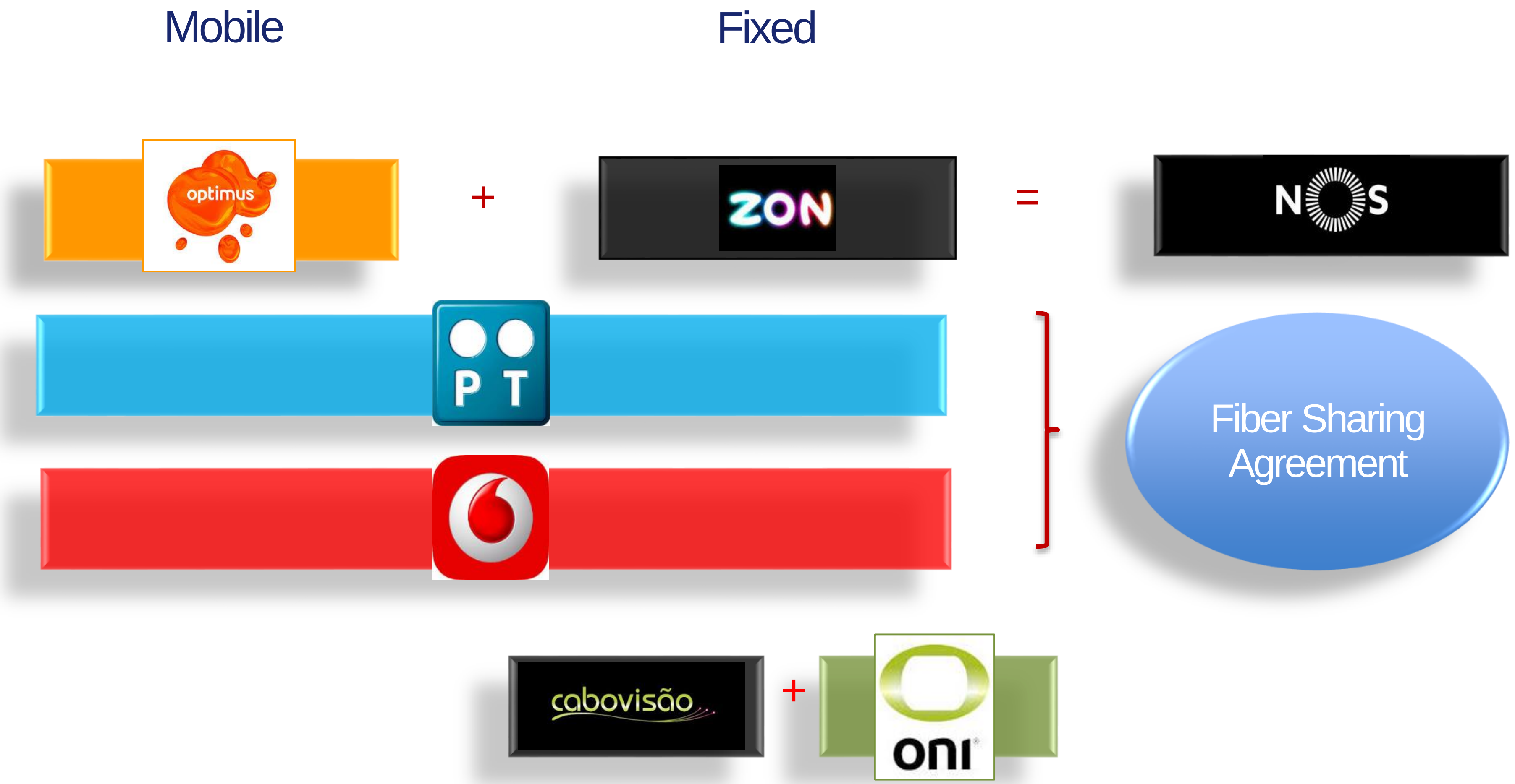
France – April 2014

GERMANY - Sept. 2013

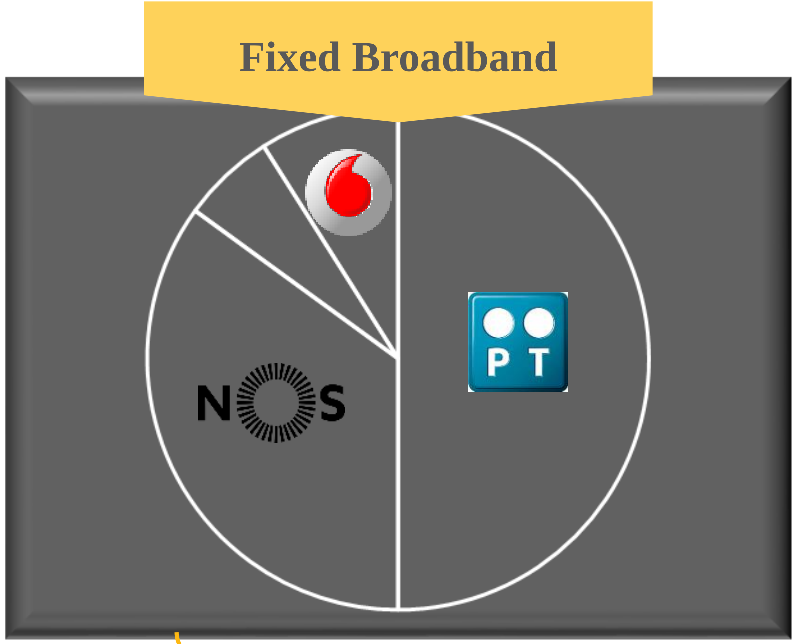
Spain - July 2014

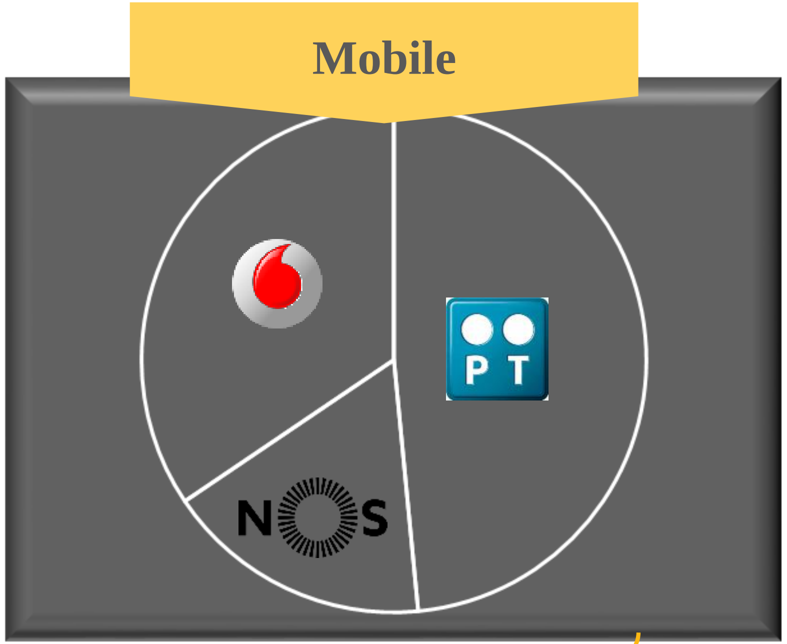
The Portuguese Example

Latest consolidations in the Portuguese Market



Portuguese Market Shares (subscribers)





These operators are able to provide 4P/5P offers
71% of Portuguese families subscribe to a Bundle Offer

3P is the most popular Bundle (50%)
5P is the second most popular (28%)

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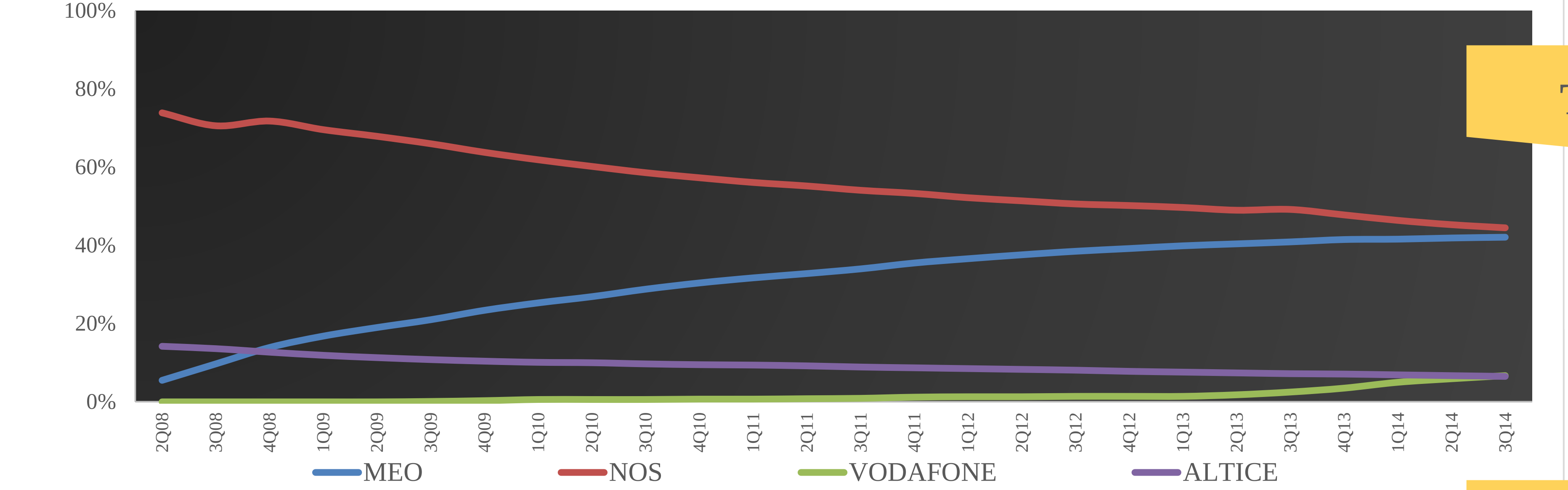
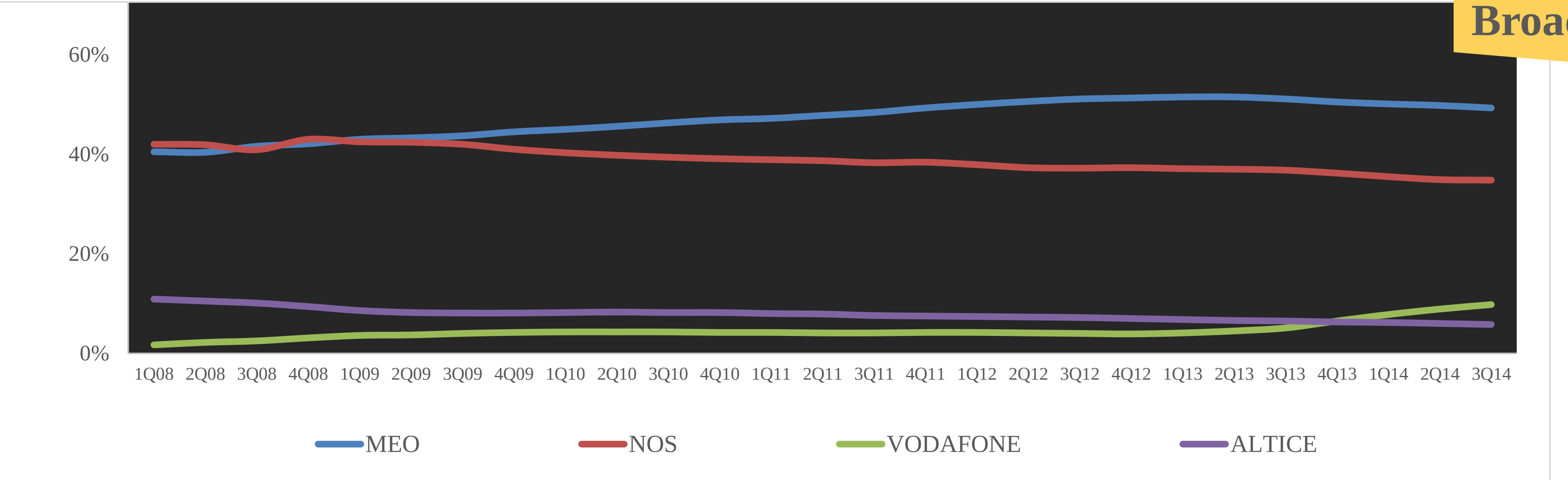
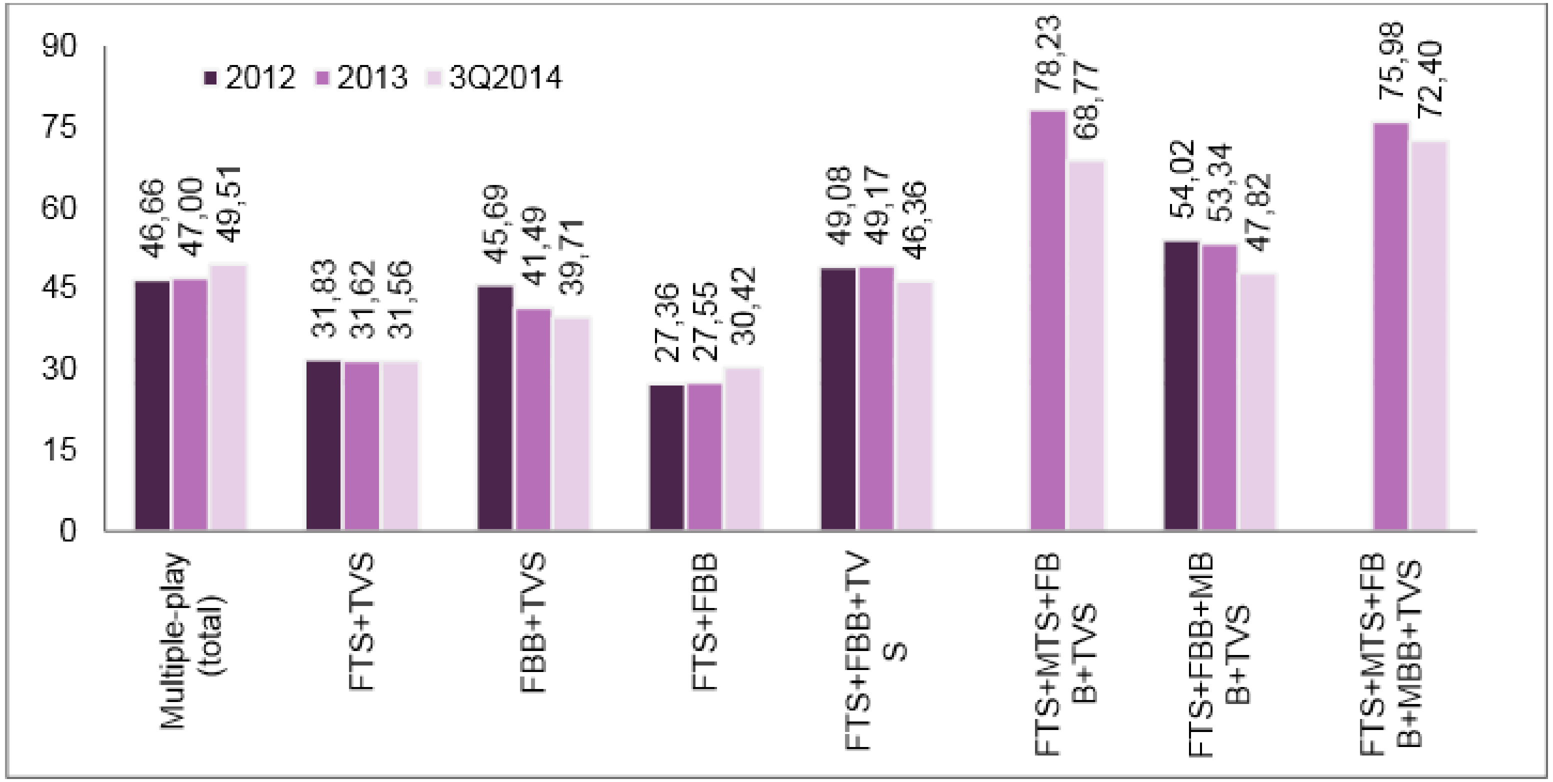
TV Market shares



Broadband Market shares



Average monthly bills charged to residential customers with multiple-play offers



Unit: euros (with VAT)

Source: ICP-ANACOM based on microdata from Marktest's Barómetro de Telecomunicações (Telecommunications Barometer), 2012, 2013 and 3Q14

Challenges of consolidation

What is the impact of such oligopolistic structures on competition, investment and innovation and how to respond when consumers are not getting the best deal?

Is there a minimum number of market players that ensures a fair competition in the market?

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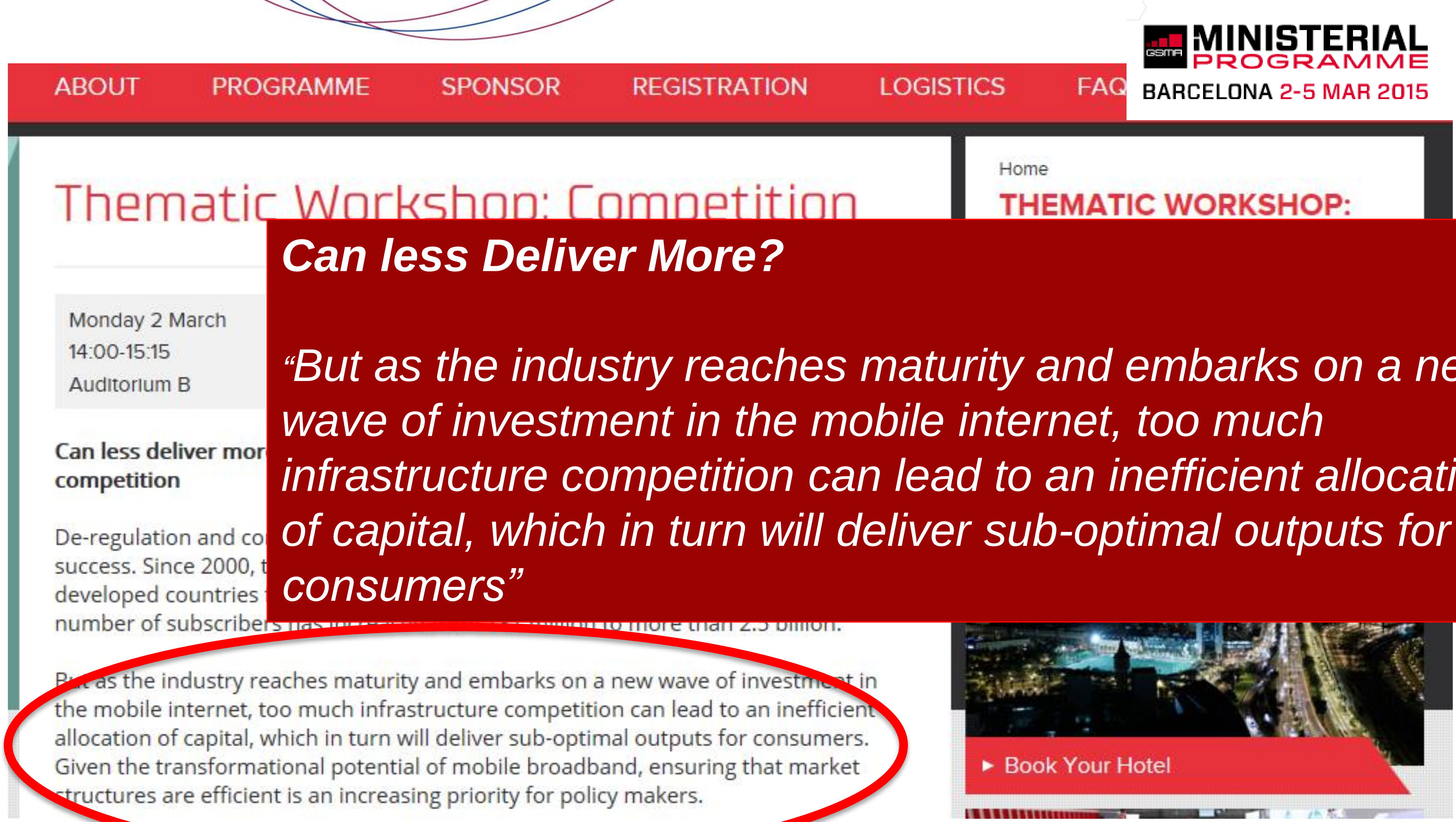
Oligopoly analysis and regulation

- BEREC Plenary Workshop on 25 february 2015

- BEREC Report on "Oligopoly analysis and regulation"

    - Public consultation after 2Q 2015
    - Adoption in 4Q 2015



Can less Deliver More?

"But as the industry reaches maturity and embarks on a new wave of investment in the mobile internet, too much infrastructure competition can lead to an inefficient allocation of capital, which in turn will deliver sub-optimal outputs for consumers"