

Cellnex's purchase of Arqiva cleared by CMA after thorough review

Both companies are independent providers of telecommunication infrastructure, including towers, pylons and masts, across the UK. As a result of the deal, Cellnex will acquire more than 7,000 sites currently operated by Arqiva.

Following a thorough investigation, the Competition and Markets Authority (CMA) has found that the deal does not raise competition concerns in the supply of large telecommunication infrastructure like mobile towers and pylons. Cellnex is only a small player in this market at present and competition between the 2 companies has been limited. While the CMA has carefully considered whether Cellnex was in the process of expanding its UK presence before the merger, it ultimately found that Cellnex would not have been a significantly stronger competitor if it had not bought the Arqiva business.

The CMA also found that, following the merger, the combined business will continue to face competition from several other independent providers, including WIG and Freshwave Group. Major customers such as mobile network operators can also continue to use their own existing infrastructure sites, or develop their own new sites, as they do for the majority of their demand at present.

In addition, the CMA examined whether the deal would lead to a loss of competition in the future in the supply of 'small cell' telecommunication infrastructure, which is expected to be particularly important for 5G roll-out. Again, Cellnex is not a significant presence in this market at present, but the CMA carefully considered whether it was in the process of expanding to compete more strongly. Ultimately, the CMA did not find concerns because Cellnex's plans were modest and the presence of a number of emerging companies and alternative technologies mean that customers will still have a significant amount of choice even after the merger.

To reach its conclusions, the CMA assessed a wide range of evidence and actively engaged with key players in the telecoms sector, including mobile network operators and Ofcom. The CMA also considered how ongoing market developments, such as the anticipated UK-wide roll-out of 5G and the Shared Rural Network project – which aims to improve mobile coverage in rural areas – might affect its assessment.

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