

Mergers: Commission clears T-Mobile NL's acquisition of Tele2 NL

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Access to affordable and good quality mobile telecom services is essential in a modern society. After thoroughly analysing the specific role of T-Mobile NL and the smaller Tele2 NL in the Dutch retail mobile market, our investigation found that the proposed acquisition would not significantly change the prices or quality of mobile services for Dutch consumers”.*

Today's decision follows an [in-depth investigation of T-Mobile NL's proposed acquisition of Tele2 NL](#). The proposed transaction would combine Deutsche Telekom's subsidiary T-Mobile NL with Tele2's subsidiary Tele2 NL, respectively the third and fourth largest operators in the Dutch retail mobile telecommunications market. The merged entity would remain the third largest player on the Dutch market after KPN and VodafoneZiggo.

The Dutch mobile market

The Commission's investigation indicates that the Dutch mobile market is competitive with some of the lowest mobile prices in the EU and high network quality. There are currently four mobile network operators in the Netherlands – KPN, VodafoneZiggo, T-Mobile NL and Tele2 NL.

In addition to the four mobile network operators, there are a number of “mobile virtual network operators” active in the Dutch retail mobile market, such as Simpel and Youfone. These mobile virtual network operators do not own the networks they use to provide mobile services to Dutch consumers. Instead, they have entered into agreements with mobile network operators to access their network infrastructure at wholesale rates.

The Commission's investigation

T-Mobile NL and Tele2 NL both mainly offer retail mobile telecommunications services in the Netherlands. The Commission opened an in-depth investigation to assess whether:

- The reduction in the number of players and the merged entity's limited incentives to compete effectively with the remaining operators would lead to higher prices and less investment in mobile telecommunications networks.
- The transaction would weaken competitive pressure and increase the likelihood that operators would coordinate their competitive behaviour for example, to raise prices or hold back innovation.
- Prospective and existing mobile virtual network operators may face more difficulties in obtaining favourable wholesale access terms from mobile network operators.

The Commission undertook a wide range of investigative measures and received

feedback from market participants in the Dutch telecommunications sector, as well as other stakeholders.

First, the investigation found that the proposed merger was **unlikely to lead to significant price increases** because of the limited combined market position (around 25% market share) and the relatively small increment brought by Tele2 NL (around 5%). Furthermore, there are uncertainties concerning Tele2 NL's role as an important competitive force in the Dutch market.

Second, the Commission concluded that the transaction would **not increase the likelihood of coordinated behaviour between mobile network operators**, in particular because the other two mobile network operators, KPN and VodafoneZiggo, have different strategies and incentives largely based on cross-selling mobile services to their fixed customer base (i.e., selling "packages" of telecom services).

Third, the investigation showed that any potential change in **conditions for virtual mobile network operators due to the proposed merger would not have a serious impact** on the level of competition in the Dutch mobile telecoms market.

Taking into account these findings, the Commission's investigation concluded that the proposed transaction was unlikely to significantly impact the level of service or prices paid by Dutch mobile telecoms customers. Therefore, the Commission concluded that the transaction would not raise competition concerns in the European Economic Area or any substantial part of it and cleared the case unconditionally.

The Commission cooperated closely with the Dutch national competition authority in the assessment of the proposed transaction.

Companies and products

T-Mobile NL provides telecommunication services to private and business customers in the Netherlands. It owns a mobile network with nationwide coverage over which it provides 2G, 3G, 4G and NarrowBand-Internet of Things (NB-IoT) mobile communication services. It also provides retail fixed services, including broadband Internet, TV and fixed telephony services based on wholesale access services.

Tele 2 NL is a telecommunications provider that operates as a 4G-only mobile network operator, providing voice, data and messaging services, and also fixed broadband services in the Netherlands. Tele2 NL provides services to business and residential customers and to a limited extent to other telecommunications providers.

Merger control rules and procedures

The transaction was notified to the Commission on 2 May 2018.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly

impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

There are currently six on-going phase II merger investigations: the proposed creation of a [joint venture by Tata Steel and ThyssenKrupp](#), the proposed [acquisition of Aurubis Rolled Products and Schwermetall by Wieland](#), the proposed [acquisition of MKM by KME](#), the proposed [acquisition of Gemalto by Thales](#), the proposed [acquisition of Alstom by Siemens](#) and the proposed [acquisition of Solvay's nylon business by BASF](#).

More information will be available on the [competition](#) website, in the Commission's public [case register](#) under the case number [M.8792](#).