



Commission approves joint venture between Orange and MásMóvil in Spain, subject to conditions

Brussels, 20 February 2024

The European Commission has approved, under the EU Merger Regulation, the proposed creation of a joint venture by **Orange** and **MásMóvil**. The approval is conditional upon full compliance with a commitments package offered by Orange and MásMóvil.

Today's decision follows an [in-depth investigation](#) of the proposed transaction. **Orange** is a **full mobile network operator** while **MásMóvil** is a **hybrid mobile network operator**. MásMóvil relies on its own mobile network, which does not cover the entire Spanish territory, and on a **national roaming agreement** with Orange to provide retail mobile services. There are two other mobile network operators active in Spain (Telefónica and Vodafone). There are also several mobile virtual network operators ('MVNOs') which use the mobile network operators' infrastructure to offer retail mobile services to consumers. Digi is the largest MVNO in Spain.

The Commission's investigation

During its in-depth investigation, the Commission gathered extensive information and received feedback from market participants and other stakeholders.

Following its investigation, the Commission had concerns that the transaction, as initially notified, would **restrict competition** in the retail markets for the supply of mobile and fixed internet services in Spain, whether offered standalone or in bundles.

In particular, the Commission found that:

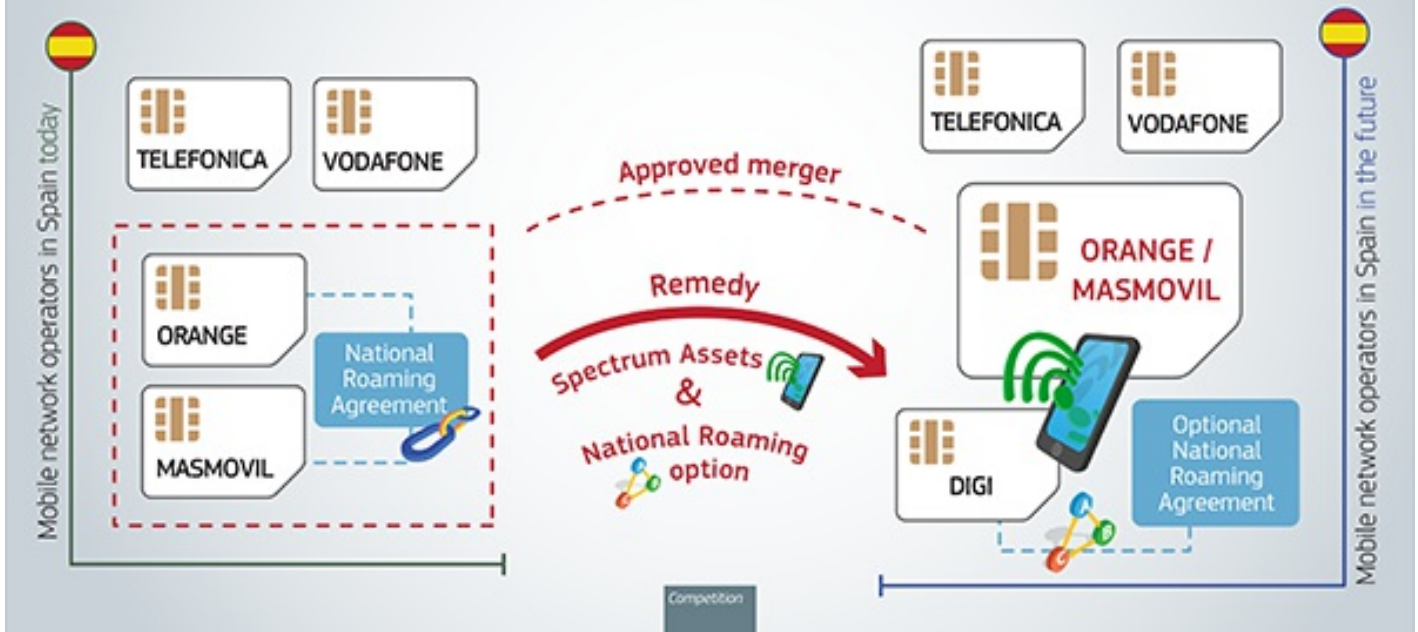
- The transaction will create the **largest operator by customer numbers** in Spain, with a significant market share increment across all relevant retail markets.
- Orange and MásMóvil are **direct competitors** in the Spanish retail markets for the supply of mobile and fixed internet services. MásMóvil has been making very competitive offers and has been steadily growing over the years. Its main brands, Yoigo and MásMóvil, have attracted a significant number of customers from Orange in Spain. The transaction would therefore **eliminate a close and important competitor**.
- The transaction may also have led to **significant price increases for consumers in Spain**, well above 10%.
- Any **efficiencies** that the transaction could have created, such as cost savings or incremental 5G or fibre roll-out, **would not have offset** the transaction's significant **anticompetitive effects**.

The remedies

To address the Commission's competition concerns, Orange and MásMóvil committed to:

- i. **Divest spectrum** held by MásMóvil to **Digi** across three frequency spectrum bands, two medium frequency bands (1,800 MHz and 2,100 MHz) and one high frequency band (3.5 GHz). The **mobile spectrum** to be divested **will enable Digi to build its own mobile network** and to exert a strong competitive constraint on the joint venture; and
- ii. Enter an **optional national roaming agreement**, which Digi can decide to use or not. The possibility to use the JV's network will complement Digi's own network, which Digi will start rolling out with the use of the divested spectrum. This option is critical given that, like MásMóvil's network today, Digi's future mobile network would likely not cover the entirety of Spain. As the national roaming agreement is optional, Digi will be free to remain with its current wholesale provider (Telefónica) or choose another mobile network operator in Spain (i.e., the joint venture or Vodafone).

Orange/MASMOVIL merger compensated by strengthening existing player DIGI



Today's decision also **approves Digi as a remedy taker** following a careful review of Digi's business plan with the help of an independent adviser. Digi is a suitable purchaser for the divested spectrum as it is currently the largest and fastest-growing MVNO in Spain. Digi also has experience as a mobile network operator in other EU Member States such as Romania. Moreover, Digi has a relatively large, fixed broadband (fibre) network in Spain, which it continues to build. As a result, the commitments do not include any fixed broadband assets.

After collecting the feedback from a wide variety of market participants during a market test of the proposed commitments, the Commission concluded that they fully address the identified competition concerns and will preserve a competitive telecom market in Spain, both in terms of price and quality, as well as in terms of 5G network deployment, to the benefit of consumers.

The Commission therefore concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon full compliance with the commitments. Under supervision of the Commission, an independent trustee will monitor their implementation.

Companies and products

Orange, headquartered in France, is a global telecommunications operator active in the Spanish electronic communications market through its subsidiary OSP. OSP provides mobile and fixed electronic communication services to residential customers, business customers and wholesale customers in Spain. It operates under three brands: Orange, Jazztel, and Simyo.

MásMóvil is controlled by **Lorca**, a holding company headquartered in the UK. MásMóvil provides fixed and mobile electronic communication services mainly to residential customers in Spain. It operates under a wide variety of brands, such as Yoigo, MásMóvil, and Virgin, as well as digital-focused brand Pepephone, regional brands Euskaltel, R., Guuk, Embou and Telecable and international customers brands Llamaya, Lebara, Lycamobile. MásMóvil's own network is based on mid-band and high-band spectrum, which are mainly suited for providing mobile services in urban areas. It does not own any low-band spectrum, which is generally used for deploying mobile networks in rural areas.

Merger control rules and procedure

The transaction was notified to the European Commission on 13 February 2023 and the Commission opened an in-depth investigation on [3 April 2023](#). On [27 June 2023](#), the Commission issued a

Statement of Objections to Orange and MásMóvil setting out its preliminary competition concerns.

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 European Economic Area 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).

In addition to this transaction, there are currently two ongoing Phase II merger investigations: (i) the [proposed acquisition of ITA Airways by Lufthansa](#); and (ii) the [proposed acquisition of Air Europa by IAG](#).

For more information

More information will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.10896](#).

IP/24/928

Quotes:

"Orange and MásMóvil's joint venture threatened competition in the retail supply of mobile and fixed internet services in Spain. But the commitments offered by the parties will enable Digi, the largest and fastest-growing mobile virtual network operator in Spain, to replicate the strong competitive pressure exerted by MásMóvil. They will ensure that consumers in Spain continue to benefit from a competitive telecom market, in terms of prices, quality and 5G connectivity."
Margrethe Vestager, Executive Vice-President in charge of competition policy - 20/02/2024

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