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# Economic analysis of coordinated effects

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# Analytical framework

# European Commission case practice

## Commission practice in mobile mergers

- Italy – retail market
- Netherland – no concern raised
- UK – no ground for prohibition
- Belgium – no concern raised
- Denmark – retail, private customers
- Germany – insufficient evidence
- Ireland – left open
- Austria – insufficient evidence

So far only horizontal coordinated effects on retail mobile market, not wholesale

# Hutchison 3G Italy / WIND / JV
# In a nutshell

**4-to-3 mobile merger in Italy**

**Competition concerns**

Unilateral **and coordinated** effects on retail mobile market

Unilateral effects on wholesale mobile market

**Remedies**

First merger approved with a remedy enabling the **entry of a new MNO**

Fix-it-first solution (Iliad)


# Hutchison 3G Italy / WIND / JV
# Coordinated effects

- **Merger's impact on incentives to coordinate**
  - Reduction of MNOs from 4 to 3 in already concentrated market
  - Removal of aggressive competitor (H3G)
  - Symmetric positions: JV, TIM and Vodafone (~30% market share)
- **Ability to reach terms of coordination**
  - Transparency, comparability of mobile tariffs
  - Past instances of parallel price increases
  - Coordination mechanism based on cementing post-merger market shares
- **Sustainability of coordination**
  - Monitoring compliance (transparency); deterrence mechanism (price wars); insufficient reactions of customers, MVNOs, high barriers to MNO entry
- **Additional practices facilitating coordination**
- **Evidence**: key role of merging parties' internal documents and competitors' public statements