



MEDIA STATEMENT

12 July 2023

JCRA is minded-to refuse to approve the proposed acquisition of Airtel by Sure due to a likely substantial lessening of competition.

The Jersey Competition Regulatory Authority (the Authority) has published its Provisional Findings of the proposed acquisition of Jersey Airtel Limited by Sure (Guernsey) Limited (The Parties).

The Authority was formally notified by The Parties of their intention in November last year and in December determined that the proposed transaction may give rise to a substantial lessening of competition in the telecoms market in Jersey.

In accordance with its published [Guidelines](#), where an application may lead to refusal, or approval with conditions, the Authority decided a Second Detailed Review was required. This review included market testing proposed commitments by Sure with competitors, customers and/or suppliers of the merging parties. During this stage of the process, The Parties made further submissions to support their application.

Following the conclusion of the Second Detailed Review, the Authority has determined the Proposed Transaction is likely to give rise to a substantial lessening of competition and so it is minded to exercise its power under Article 22(1) of the Competition (Jersey) Law 2005 by **refusing to approve the Proposed Transaction.**

The Provisional Findings are now published on the Authority's website and all interested parties are invited to respond with comments by **5pm on 19 July 2023**. The Authority intends to publish its Final Decision during the week commencing 24 July 2023.

There will be no further comment from the Authority at this time.

Ends

Issued by ORCHID

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NOTES TO EDITORS:

Provisional Findings

- a) Airtel has a substantial share of Jersey's retail mobile market and remains an effective competitor.
- b) The Proposed Transaction would lead to further concentration in the market, removing direct constraint between the Parties (as demonstrated by the current diversion ratios) and leaving consumers with only one alternative supplier in the event that the merged entity raises prices or reduces the quality of its services.
- c) The expansion of new entrants and/or the competitive fringe is unlikely, evidenced by the fact that there have been no new entrants in the last 3 years. Limited available spectrum and access to sites are key barriers to new entry. Further, there is generally no significant buyer power among consumers which would be sufficient to impose a meaningful competitive pressure on the merged entity and JT post-transaction.
- d) The customer benefits cited by the Parties would not be sufficient to offset a potential substantial lessening of competition; and
- e) For the reasons set out above, Sure's commitments do not sufficiently allay the competition concerns arising from the Proposed Transaction or create or enhance any customer benefits arising from the Proposed Transaction to outweigh the expected loss of competition.

About The Jersey Competition Regulatory Authority:

The Authority was established under the Competition Regulatory Authority (Jersey) Law, 2001. It is responsible for administering and enforcing the Competition (Jersey) Law 2005 and also regulates the telecoms and postal sectors and the Ports of Jersey.

The Authority strives to ensure that the markets work well for the benefit of all stakeholders, including Government, business, citizens, and consumers facilitating best value, choice and access to high quality services.