Telecoms: the Autorité de la concurrence clears the takeover of La Poste Telecom by Bouygues Telecom

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Background

On 12 July 2024, Bouygues Telecom notified the *Autorité de la concurrence* of its plan to acquire sole control of La Poste Telecom, currently controlled by the La Poste group and SFR.

At the end of its investigation, the *Autorité* has today cleared the transaction without conditions.

Parties to the transaction

Bouygues Telecom is a subsidiary of Bouygues SA, the parent company of the Bouygues group. It is active in the electronic communications sector, offering fixed and mobile telephony and broadband and ultra-broadband Internet access. In the mobile telephony sector, Bouygues Telecom operates as a mobile network operator ("MNO") in mainland France and also markets a wholesale offer through Lycamobile, a mobile virtual network operator ("MVNO").

La Poste Telecom is jointly controlled by the La Poste group and SFR. It operates in the electronic communications sector in mainland France, Reunion Island, Mayotte, Guadeloupe, Martinique and French Guiana. La Poste Telecom is an MVNO that obtains communication time from SFR. It markets its mobile telephony offers under the "La Poste Mobile" brand and has around 2.3 million customers.

The *Autorité* ruled out any risk of harm to competition from the transaction in the markets concerned

The *Autorité* considered that the transaction was not likely to harm competition.

In the mobile telephony retail market, the *Autorité* found that the transaction would bring about a limited change in the structure of competition, due to La Poste Telecom's limited market shares. It also took into account the competition from Bouygues Telecom's main rival MNOs, namely Orange, SFR and Free.

The *Autorité* also noted that Bouygues Telecom would have an extensive, dense distribution network throughout mainland France for the marketing of La Poste Telecom's offers, thanks in particular to the La Poste group's post offices/bank branches, which will continue to distribute La Poste Telecom's mobile telephony offers. The *Autorité* considered, however, that the importance of this distribution network should be put into perspective, given the growing share of distance selling (online and telesales) in the mobile telephony market, which now accounts for two-thirds of mobile telephony sales. Consumers will continue to have access to alternatives via this sales channel, which covers the whole of mainland France, including rural areas where Bouygues Telecom's competitors do not have physical branches.

The *Autorité* also considered that the transaction would not enable Bouygues Telecom, as an MNO, to refuse access or downgrade the conditions of access in terms of communication time in the upstream wholesale market for access and call origination on mobile telephone networks to MVNOs competing with La Poste Telecom. The *Autorité* noted that existing regulatory obligations, competition from other MNOs in the upstream market and the absence of any incentive for Bouygues Telecom to implement such a strategy meant that the risk of such a strategy could be ruled out.

At the end of its competitive analysis, the *Autorité* therefore cleared the transaction without conditions.

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regarding the acquisition of sole control of La Poste Telecom by Bouygues Telecom

The full text of the decision will be available soon (in French)

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