The Autorité clears, subject to conditions, the exclusive control acquisition by Bouygues Telecom group of Euro Information Telecom

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The Autorité de la concurrence clears, subject to conditions, the exclusive control acquisition by Bouygues Telecom group, of Euro Information Telecom, subsidiary of CIC-Crédit Mutuel banking group specialising in mobile telephony services.

Bouygues Telecom had notified the Autorité on 23 October 2020 of its plan to acquire exclusive control of Euro Information Telecom (hereafter “EIT”), considered to be one of the main virtual mobile phone operators in France.

EIT is a subsidiary of the Crédit Mutuel banking group, specialising in mobile telephony services. EIT obtains communication time from SFR, Orange and Bouygues Télécom and markets mobile telephony offers to the general public under five brands: NRJ Mobile, Auchan Télécom, Cdiscount Mobile, CIC Mobile and Crédit Mutuel Mobile. EIT distributes its offers, in particular, to agencies of the Crédit Mutuel group's banking network.

EIT also undertakes a so-called “aggregator” or intermediary activity on the wholesale market: it markets the communication time obtained from SFR, Orange and Bouygues Télécom, to other virtual mobile telephone operators for their mobile telephony service activities provided primarily to businesses.

The transaction

The notified transaction comes with the signing of a distribution agreement of Bouygues offers within the network of the 4,200 bank agencies of the CIC / Crédit Mutuel group. Under this agreement, Bouygues Telecom offers will in the future, be marketed in the 4,200 CIC / Crédit Mutuel agencies.

Parties are simultaneously present on the wholesale markets for access and call origination on mobile telephone networks (hereinafter, "the wholesale offer") and on the markets for the distribution of mobile telephony products and services.

The Autorité carried out an in-depth investigation in order to analyse the effects of the transaction on the structure of these markets, based on its decision-making practice, economic studies, internal documents and several studies provided by the notifying party, as well as on market tests and hearings carried out with players in the sector (competitors, customers and association of telecom operators). It also discussed with ARCEP on the impact of the transaction on the telecom markets.

The Autorité considered that the transaction was likely to harm competition on the wholesale market and therefore made its clearance subject to commitments from Bouygues Telecom

The Autorité ruled out any risk of harm to competition in the market for the distribution of mobile telephony products and services.

However, it considered that the concentration is likely to substantially modify the structure of competition in terms of wholesale supply to virtual operators marketing their offers to businesses. In fact, the Autorité identified a risk of the disappearance of EIT offer to certain virtual operators, leading in particular to a foreclosure risk of access to this market for these operators.

In order to respond to this concern, Bouygues Telecom undertook commitments aimed at ensuring, following the transaction, the maintenance of a wholesale offer equivalent to EIT's current offer.

- ***See full text of decision 20-DCC-191 of 22 December 2020 regarding the exclusive control acquisition of Euro Information Telecom (EIT) by Bouygues Telecom group***

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