

Tower site sale to address concerns in telecoms merger

The decision by the Competition and Markets Authority (CMA) comes after an in-depth Phase 2 investigation into the proposed deal.

Cellnex is an independent supplier of telecommunications infrastructure, currently active across several European countries, and CK Hutchison is a multinational conglomerate that currently owns and operates the Three mobile network in the UK.

The proposed deal, in which Cellnex has agreed to buy CK Hutchison's UK passive infrastructure assets, forms part of a broader set of transactions – worth £8.6bn (€10bn) in total – involving assets in several European countries. Passive infrastructure assets are structures, such as towers and masts, that mobile network operators and other wireless communication network providers attach electronic equipment to in order to operate their networks. This includes the sites that the structures are built on.

The CMA launched an inquiry into the proposed deal in May 2021 and it was referred for an in-depth investigation by an independent Inquiry Group in July.

In keeping with its provisional findings issued in December 2021, the CMA has found that the sale of the CK Hutchison business to Cellnex would raise significant competition concerns. The sale of the business to Cellnex would prevent the emergence of an important alternative competitor in the supply of passive infrastructure, leaving mobile networks facing higher prices and more onerous contracts in future contract negotiations. This, in turn, could result in higher prices or lower quality services for users of mobile networks across the UK over a period of time.

In order to address these concerns, Cellnex proposed the sale of all of its existing sites that geographically overlap with the CK Hutchison assets it has agreed to buy. This would result in a package of over 1,000 passive infrastructure sites being sold to a purchaser approved by the CMA.

Having assessed this remedy in detail, the Inquiry Group concluded that it would effectively address the competition concerns identified by the investigation, meaning the merger could proceed.

Richard Feasey, Chair of the independent Inquiry Group, said:

Our decision today helps protect competition in infrastructure that mobile phone operators rely on. The sale of this significant package of assets will allow a major supplier to compete against Cellnex when mobile networks look to negotiate new contracts in future.

This, in turn, stops the threat of higher prices or worse terms for the operators and their customers as a result of this deal.

For more information, visit the [Cellnex/CK Hutchison merger inquiry page](#).

1. All media enquiries should be directed to the CMA press office by email on press@cma.gov.uk, or by phone on 020 3738 6460.