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COMPETITION AND TELECOMMUNICATIONS & MEDIA PRACTICES

# Competitiveness of mobile data connectivity in Greece

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In May 2020, the summary of a study of a Finnish research and consulting firm commissioned by the HCC was published on the competitiveness of the Greek mobile data connectivity market. In particular, the Hellenic Competition Commission (“HCC”) has requested from an independent Finnish consulting firm, Rewheel, a study on the competitiveness of the Greek mobile data market in the broader context of its two recent Sector Inquiries (into E-commerce and Fintech) of the competitiveness of the digital economy, on the ground that connectivity is a key factor of the latter. The full report with the recommendations has been made available to the HCC and to the members of the Lawmaking Commission with the task to make recommendations on the modernization of competition law.

The research states, as an introduction, the finding that Greece is the least competitive EU and OECD member state in terms of connectivity and one of the most expensive in terms of mobile data services provision, and goes on to

address, inter alia, questions on whether mobile data connectivity prices in Greece are very expensive, on the reasons and on whether Greek mobile connectivity prices are expensive due to the mobile telephony tax, on whether the Greek mobile market is a 3-MNO tight oligopoly market, on whether the Greek operators can deploy 5G independently, on whether the active mobile network sharing agreement between Vodafone and Wind restricts competition and on what ex-ante and ex-post measures could potentially remedy the competition restrictions.

It also raises the following points:

- For the last 20 years, the Greek mobile market has been controlled by the same three Mobile Network Operators (MNOs). Since 2013, two operators are involved in active 2G/3G network sharing and aimed to share about 70% of their provincial networks and 40% of urban networks. In addition, in 2018 the Hellenic Telecommunications and Post Commission (EETT) has received a request to approve an extension of the

mentioned agreement to the 4G technology.

- Despite the fact that the comparative price level of Greece was considerably lower, the mobile data prices are much higher from those in Germany, Netherlands, Austria, Ireland, Finland, Italy and the UK.
- In response to the European Commission's February 2019 mobile broadband price comparison study ranking Greece as one of the most expensive EU28 member states, MNOs in Greece suggested that the actual prices that consumers pay are much lower than those listed on their websites. According to Rewheel, EETT's published data does not support this claim.
- The research also comments on the issue of oligopoly, shared economic incentives, symmetry in the market, co-operation / network sharing between the MNOs.

The Report also states that if the Lawmaking Commission were to propose that application of competition law in the telecom sector in Greece – currently under the exclusive jurisdiction of EETT – must be divided between the Hellenic Competition Commission (ex-post competition law enforcement and merger control) and EETT (ex-ante regulation and

supporting advisory role in merger control) and such proposal were enshrined in law, then the HCC will be given the mandate to carry out formal sector inquires and impose ex-post remedies if it were to find competition restrictions in the Greek mobile data connectivity market. Such remedies may include but are not limited to wholesale access obligations and access price controls, unbundling and retail price controls.

#### **EETT and MNOs' Response**

Reminding that for the last 20 years it holds a double competency in the Telecommunications and Postal markets, in both the ex-ante application and the ex post enforcement of competition rules in these markets, EETT stated that this model of assigning the application of competition law to the telecommunications market exclusively to a specialized independent authority has proven to be the best choice. EETT also pointed out contradictions and flaws of the study (on the selection of non-representative examples of comparative markets and packages, taxation issues or other features such as the time commitment of the contract, device subsidy or discount policy, etc., stating also that the infrastructure sharing policies are an international trend aimed at reducing investment costs). In addition,

EETT reminded that since 2000, it has issued more than 100 decisions on competition issues and that improving competition in the telecoms market requires extensive analysis of large volumes of market data and careful planning of interventions.

Two operators have responded stating, inter alia, that the research is based on inaccurate, false or untrue data and references and questioning the findings of the research.

Rewheel has reacted by refuting above responses with its views being uploaded on the HCC's site.

### **HCC's Response**

HCC responded that in the light of the sector inquiries that it currently conducts in the fintech and e-commerce sectors, and as the main competition authority in Greece, it has appointed Rewheel to study the mobile data market, as this issue has a great impact on the above sectors. In addition, it pointed out that the study meets all the criteria of reliability on purely scientific and technocratic grounds and mentioned that the issue of high prices of mobile data connectivity services in Greece is an existing issue of great concern to consumers, who complain both to the HCC and EETT (to which the HCC systematically refers such complaints).

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