

REFERENCE RELATING TO THE ANTICIPATED JOINT VENTURE BETWEEN VODAFONE GROUP PLC AND CK HUTCHISON HOLDINGS LIMITED CONCERNING VODAFONE LIMITED AND HUTCHISON 3G UK LIMITED

Notice of extension of inquiry period under section 39(3) of the Enterprise Act 2002¹

1. On 4 April 2024, in exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**), the Competition and Markets Authority (**CMA**), made a reference to its Chair for the constitution of a Group of CMA Panel Members (the **Inquiry Group**) to investigate and report on the joint venture between Vodafone Group Plc (**Vodafone**) and CK Hutchison Holdings Limited (**CK Hutchison**) concerning Vodafone Limited and Hutchison 3G UK Limited.² The period within which the report on this reference was to be prepared and published (the **original reference period**) was due to expire on 18 September 2024.
2. The CMA published a notice of extension to the original reference period on 10 May 2024, made pursuant to section 39(4) of the Act, as a result of the failure by CK Hutchison to comply with the requirements of a notice under section 109 of the Act (the **section 109 notice**) issued on 17 April 2024, requiring it to provide documents and information specified in the section 109 notice.
3. The notice of extension was cancelled on 3 June 2024 following compliance by CK Hutchison with the section 109 notice and the original reference period was extended by 24 days (the **revised reference period**) and was due to expire on 12 October 2024.
4. The Inquiry Group now considers that it will not be possible to complete the investigation and to publish its final report within the revised reference period.
5. In coming to that conclusion, the Inquiry Group has had regard to the following combination of factors, appreciating also the need to be as comprehensive, thorough, and fair as possible within the tight statutory timeframe:

¹ Published pursuant to section 107(2)(c) of the Enterprise Act 2002.

² Vodafone and CK Hutchison are together referred to as the **Parties**. For statements relating to the future, the Parties' UK telecoms businesses are together referred to as the **Merged Entity**.

- (a) The very wide scope of this inquiry and the technical and regulatory complexity of the sector, which has required the CMA to acquire a detailed technical understanding of the operations of the mobile network operators (**MNOs**), mobile ‘virtual’ network operators, and the network sharing agreements between the MNOs;
 - (b) The amount of technical material (including a Joint Business Plan and Joint Network Plan for the Merged Entity underpinned by detailed economic modelling) provided by the Parties in support of their submissions regarding their ability and incentive to realise efficiencies – in particular, the Parties’ Merger simulations and sensitivity analysis (these were provided at such a time that the Inquiry Group was not able to take this evidence into account for the purposes of working papers shared with the Parties, but will need to be considered in the Provisional Findings);
 - (c) The public announcement on 3 July 2024 (after the Main Party Hearings) of the new Beacon 4.1 agreement between Vodafone Limited and VMED O2 UK Limited,³ which will require the Inquiry Group to assess the implications of the agreement, including gathering and analysing further evidence from third parties; and
 - (d) The need to complete the CMA’s econometric estimation of consumer demand for mobile services, which is based on granular and voluminous third-party data.
6. In the exercise of its discretion under section 39(3) of the Act, the Inquiry Group has decided that these factors fall within the category of ‘*special reasons*’ justifying an 8-week extension of the revised reference period.
7. Following this decision, the period within which the report on this reference is to be prepared and published is now 7 December 2024. The Inquiry Group aims to complete the inquiry as soon as possible. As such, the report may be published in advance of this date.

Stuart McIntosh
Inquiry Group Chair
1 August 2024

³ [Vodafone and Virgin Media O2 announce new, long-term network sharing agreement](#), 3 July 2024.