

Class: UP/I 034-03/21-02/011

Reg.no: 580-11/107-2021-044

Zagreb, 21 December 2021

**Subject: Telemach Hrvatska d.o.o., Zagreb / OT-Optima Telekom d.d., Zagreb**

**- Assessment of compatibility of concentration**

**- Notice on compatibility of the concentration in Phase I;**

**Case summary:**

On 21 December 2021 the Croatian Competition Agency (CCA) cleared in the first phase the concentration between the undertakings in the form of the acquisition of a direct controlling interest on the permanent basis over the undertaking OT-Optima Telekom d.d. za telekomunikacije, from Zagreb, by the undertaking Telemach Hrvatska d.o.o. from Zagreb (the notifying party), within the meaning of Article 15 paragraph 1 item 2 of the Competition Act, Official Gazette, 79/09, 80/13 and 41/21.

Based on the complete notification of concentration within the meaning of Article 20 of the Competition Act, the defined structure of the relevant market that involved both the actual competitors (incumbents) and the potential competitors, the post-merger market share of the parties to the concentration, expected effects of the concentration in the form of benefits for the consumers, as well as other data and findings, the Competition Council found that it can be reasonably presumed that this concrete concentration between the undertakings concerned cannot constitute a prohibited concentration in the sense of Article 16 of the Competition Act.

Given that the concentration in question produces no anticompetitive effects in the relevant markets, the CCA does not issue a procedural order to open the proceedings for the assessment of the concentration in the sense of Article 22 paragraph 3 and Article 39 of the Competition Act.

Taking all the above said into account the notified concentration shall be cleared in the first phase in line with Article 22 paragraph 1 of the Competition Act.

In the sense of Article 20 paragraph 6 of the Competition Act the complete notification was received by the CCA on 30 November 2021 when the CCA received all the documents and data in line with Article 20 paragraphs 1 and 3 of the Competition Act.

The notification of the concentration was submitted in line with Articles 19 and 20 of the Competition Act and the provisions of the Regulation on notification and assessment of concentrations between undertakings, OG 38/11.

The concentration of the undertakings in question will primarily produce effects in the following product markets:

a) Wholesale markets:

- call origination on the public telephone network provided at a fixed location;
- call termination on the public telephone network at a fixed location;
- call transit on fixed public communications network;
- network access for operators at special tariffs;
- high-quality access provided at a fixed location;
- wholesale trunk segments of leased lines.

b) Retail markets:

- access to the public telephone network at fixed locations for residential and non-residential customers;
- publicly available local and/or national telephone services provided at a fixed location for residential customers;
- publicly available local and/or national telephone services provided at a fixed location for non-residential customers;
- publicly available international telephone services provided at a fixed location for residential customers;
- publicly available international telephone services provided at a fixed location for non-residential customers;
- leased lines retail;
- broadband internet access retail;
- pay TV broadcasting services,

in the relevant geographic market covering the territory of the Republic of Croatia.

Besides the above listed relevant markets where the concentration will produce effects, through its connected undertakings Telemach is also present in the TV advertising market and the wholesale of TV channels in the territory of the Republic of Croatia, where Optima operates as a buyer.

After the CCA received the complete notification of concentration in line with Article 21 paragraphs 5 and 6 and Article 32 item 1 of the Competition Act, on 1 December 2021 it published on its official website (<http://www.aztn.hr>) the request for information from all interested parties with the view to receiving further written comments and explanations with respect to the concentration at issue that would contribute to better understanding of the market situation in the relevant markets concerned.

One reply to this request for information was submitted to the CCA within the prescribed deadline.

Pursuant to Article 22 paragraph 2 of the Competition Act this notice has been also published on the CCA website.