

Press Release 25/2019

AdC accuses telecom operators MEO and NOWO of cartel

The AdC - Portuguese Competition Authority sent a Statement of Objections to two telecommunications companies, MEO and NOWO, informing them of its preliminary view that both took part in a cartel for market sharing and price fixing of mobile services, sold separately or in packages of fixed and mobile telecommunications services.

The cartel established by MEO and NOWO resulted in higher prices and less quality of services, as well in as geographical restrictions that harmed consumers throughout the Portuguese territory.

The investigation conducted by the AdC revealed that this illegal practice lasted for at least one year between 2017 and 2018 and was set through regular contacts between the undertakings.

The case was opened by the AdC in November 2018, following a complaint submitted under the Leniency Program. In November and December of the same year, the AdC carried out unannounced inspections in the premises of the operators involved.

The Leniency Program is a special regime under Portuguese Competition Law that allows the exemption or reduction of fines in cartels investigated by the AdC. The first undertaking to report the participation in a cartel may benefit from total exemption of the fine. The following undertakings may benefit from a progressively lower reduction of the fine.

Competition Law forbids agreements between undertakings that restrict competition, in all or part of the market, reducing welfare of consumers and undertakings.

Combatting cartels, namely in sectors with significant weight in the Portuguese economy, such as telecommunications, is a priority for the AdC. Cartels may cause significant losses to consumers, forcing them to pay higher prices for less quality and diversity of goods or services.

Infringement of competition rules not only reduces welfare of the consumers, it may also harm the competitiveness of businesses, cause detriment to the economy as a whole.

The AdC emphasizes that sending a Statement of Objections does not prejudice the outcome of the investigation. At this stage of the procedure, undertakings are given the opportunity to exercise their rights of defense against the alleged infringements and possible applicable sanctions.

The Statement of Objections was issued on December 20, 2019.



Lisbon, December 20, 2019