

# Merger and Acquisition Guidelines for Hong Kong Telecommunications Markets

- To give practical guidance to the industry
- To specify the matters the TA will take into account before forming an opinion
- To give guidance, not definitive answers
- Draft guidelines follow international best practice

# Introduction

- Overview of the law
- Carrier licensees only
- No requirement to notify mergers
- *Ex post* investigation

# Analytical Framework

- Definition of the relevant market
- Assessment of the effect on competition
  - consideration of factors affecting the structure of the market
- Assessment, if necessary, of any benefit to the public

# Market Definition

- Essential first step
- Boundaries of the competition analysis
- Product and geographic dimensions

# Competition Analysis

- Change in the structure of the market
- “Substantial lessening of competition” = creation or enhancement of market power

# Market Shares and Concentration

- Less than 15% - unlikely to intervene
- More than 40% - detailed investigation
- The structure of the market is also relevant

# Benefit to the Public

- Assessed only if there is a substantial lessening of competition
- TA to weigh any benefit to the public against detriment to the public from substantial lessening of competition
- Benefit to the public should be real, sustainable, realised within a reasonable period after the merger and directly attributable to the merger

# Procedures

- Informal advice
- Application for prior consent
- *Ex post* investigation