



Media release

Swiss Competition Commission imposes a fine of 333 million Francs on Swisscom Mobile

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Swisscom Mobile was found dominant and imposed with its termination charge of 33.5 Centimes per minute unfairly high prices to the detriment of consumers. This stated a decision of 5 February 2007 by the Swiss Competition Commission (Comco). For that violation of the Act on Cartels Comco imposed a fine of 333'365'685 Francs on Swisscom Mobile. Therewith Comco closed its investigations of the mobile phone market for the period up to 31 Mai 2005.

Comco qualified Swisscom Mobile as dominant, because Swisscom Mobile is not exposed to significant competitive pressure from consumer markets. For the competitors Orange and Sunrise the indications of dominant positions were not confirmed. This was essentially due to the considerably weaker position in the consumer markets and the late market entry of Orange and Sunrise in 1998/99.

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Concerning the adequacy of the termination charge of Swisscom Mobile Comco relied on benchmark prices and termination costs in comparable markets abroad. Comco concluded that the termination charge of Swisscom Mobile was unfairly high and that Swisscom Mobile thereby exploited the consumers of other telecommunications operators.

The sanction of 333'365'685 Francs results from the severity and type of the violation. The fact that Swisscom Mobile achieved very high benefits from the violation was considered as an aggravating factor for the calculation of the fine.

The starting position for the investigation opened in November 2002 against Swisscom Mobile, Sunrise und Orange were high termination charges in Switzerland compared to other European countries. As the termination charges significantly sank from 1 June 2005 this decision concerns the time up to 31 Mai 2005. The market conditions after this term are subject of an ongoing investigation.

This text is available
on our website.

Summary of the decision in German and French is available at www.comco.ch