



## Update on the Portuguese 5G auction

*The bidding for 5G licenses is scheduled for April 2020. Additional allotments of frequency bands will be submitted to auction.*

This will be the year for 5G licenses in Portugal.

After, in February, the 700MHz band, which is rather relevant for 5G, being cleared of DVB-T, the frequency spectrum shall be auctioned in April 2020 by the Portuguese NRA (ANACOM – initially envisaging regional allotments of the frequency spectrum and 20MHz bands - will be segmented. The auction will not only cover the whole spectrum of frequency – which may advantage when compared with other European Union (“EU”) jurisdictions, currently attributing partial licenses for 5G, and may potentiate investment by operators.

Dividing the spectrum was necessary, according to ANACOM, because each operator has specific needs and different projects for 5G services, and to ensure a more efficient spectrum distribution: the efficient use of the whole frequency spectrum through projects of different sizes is crucial to increase competition between telecommunications players and to reduce costs for end-customers.

The greatest concern revealed by market players in October 2019 consultation by ANACOM was that the frequency spectrum was insufficient to meet all interested operators’ needs. This was, indeed, the reasoning for a dispute concerning a license attributed to Dense Air Limited until 2025 and that was reconfigured and redesigned – but it was not revoked – by ANACOM.

Redefining the spectrum is critical for the success of the bidding process: the spectrum of frequency within which operators may offer 5G network services is limited in size, meaning that sufficiency, on the one hand, and allocation, on the other, to each competing operator is very relevant for current and future outlooks of the telecommunications market.

5G licenses will be awarded in August 2020, after the bidding process comes to an end. Recent numbers on the impact of the 5G network in the Portuguese economy are estimated to reach 3.6 billion Euros in the next ten years.

According to Eurostat, the price of telecommunications in Portugal walks the opposite direction of that of EU’s: in Portugal, prices rose 12% in the last ten years, while in the EU, prices fell approximately 11%; Portugal is the seventh most expensive jurisdiction in the EU; and, in Portugal, prices are 15% to 25% higher than the European average regarding specific services, such as bundle services and internet, respectively.

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