



## 5G auction: making room for new players

The provision of batches for new operators in the frequency bands relevant to 5G show the potentialities of the Portuguese telecommunications market for the emergence of new solutions and market offerings.

New entrants will have access to a bidding phase on their own in the upcoming 5G auction scheduled for April this year. New entrants are reserved one lot in the 900MHz band and three lots in the 1800MHz band, along with national roaming provisions and limitations on the acquisition of certain lots, they are also granted a 25% discount on the final price of that purchased band spectrum. Lastly, in order to smoothen the financial burden that may arise of the auction, bidders for the 700MHz, 900MHz and 3.6GHz bands, are required to pay only 2/3 of the purchased spectrum and defer the remainder over a five-year period.

As Portugal is among the European countries with the lowest number of MNO's, thus the allocation of rights of use of 5G frequencies by auction, that will take place in April, it is estimated competition will improve, with new business models and market offerings emerging.

The total reservation price for the spectrum auction is of 237,9 million euros.

Restrictions are set to 700MHz and 3,6GHz frequency spectrum acquisition, which guarantees each undertaking is able to acquire the amount of spectrum it needs for the business they intend to develop, stimulating and ensuring the efficient use of spectrum.

For the relevant 5G frequency bands (700MHz and 3,6GHz), the reservation prices were set in line with the average reservation prices from the auctions already held in Europe: to the 700MHz band, 19,20 million euros per lot, in a total of 115,20 million euros; to the 3,6GHz band, which is divided in 40 lots and amounts to a total of 45,7 million euros, with the exception of the restricted use of some lots.

For the remaining bands: 900MHz, 1800MHz, 2,1GHz and 2,6GHz, the values are the same as for the multi-band auction that took place between 2011 and 2012, in which these bands had already been made available.

By the end of 2020 Portugal will have fulfilled the European Commission's ambition to have at least one city with 5G and, by the end of 2025, the full coverage of 5G communication networks.

According to ANACOM schedule, the consultation on the auction draft regulation shall be concluded within 30 working days, as of 12 February, and the final allocation of the 5G frequency usage rights is expected to occur in August 2020.

### Contacts

João Vitorino  
[jvitorino@macedovitorino.com](mailto:jvitorino@macedovitorino.com)

Pedro Ramalho de Almeida  
[palmeida@macedovitorino.com](mailto:palmeida@macedovitorino.com)

Sara Margarida Vieira  
[smvieira@macedovitorino.com](mailto:smvieira@macedovitorino.com)

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