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Malta Communications Authority
(MCA)

Valletta Waterfront – Pinto Wharf
FRN 1913 Valletta
Malta

For the attention of:
Mr Jesmond Bugeja
Chief Executive Officer

Subject: Case MT/2025/2606: market for wholesale local access provided at a fixed location in Malta;

Commission Comments pursuant to Article 32(3) of Directive (EU) 2018/1972

Dear Mr Bugeja,

1. PROCEDURE

On 14 October 2025, the Commission registered a notification from the Maltese national regulatory authority (NRA), the Malta Communications Authority (MCA) ⁽¹⁾, concerning the Maltese market for wholesale local access provided at a fixed location ⁽²⁾ (WLA).

The national consultation ⁽³⁾ ran from 21 February to 11 April 2025.

The Commission sent a request for information ⁽⁴⁾ to the MCA on 20 October 2025 and received a reply on 22 October 2025.

⁽¹⁾ Under Article 32 of Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (the Code) (OJ L 321, 17.12.2018, p. 36).

⁽²⁾ Corresponding to market 1 in the Commission Recommendation (EU) 2020/2245 of 18 December 2020 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with the Code (the 2020 Recommendation on Relevant Markets) (OJ L 439, 29.12.2020, p. 23-31).

⁽³⁾ In accordance with Article 23 of the Code.

⁽⁴⁾ In accordance with Article 20(2) of the Code.

Under Article 32(3) of the Code, NRAs, the Body of European Regulators for Electronic Communications (BEREC) and the Commission may make comments on notified draft measures to the NRA concerned.

2. DESCRIPTION OF THE DRAFT MEASURE

The notification concerns the review of the market for wholesale local access provided at a fixed location in Malta following the withdrawal of the previous draft measure by the MCA as a result of the Commission's veto decision in case MT/2024/2484 ⁽⁵⁾.

2.1. Background

The market for wholesale local access provided at a fixed location in Malta was previously notified to and assessed by the Commission under case MT/2024/2484 ⁽⁶⁾.

At retail level, the MCA observed the presence of two nationwide broadband network operators: GO plc. (incumbent), providing services based on its fibre (c.a. 70% of coverage) and copper network; and Melita Ltd, offering services based on its nationwide cable network. A third operator, Epic Communications Ltd, is deploying its own fibre network (then covering 7.2% of all dwellings in Malta) and relying on regulated access to virtual unbundled local access (VULA) from GO.

At wholesale level, the MCA concluded that the scope of the product market under investigation encompassed (i) the provision of wholesale physical access over the copper network; (ii) the provision of VULA over GO's fibre to the x (FTTx) network; and (iii) access to GO's physical infrastructure. The market could thus be described as the wholesale fixed market for physical and virtual infrastructure access (PVIA). The geographic scope of the market was defined as national.

The MCA found GO to hold a single significant market power (SMP) on the PVIA market. The MCA excluded other technologies such as cable from the market definition and proposed to impose two blocks of remedies: (i) FTTx VULA and (ii) Physical Infrastructure Access.

On 29 January 2024, pursuant to Article 32(4) of the Code, the Commission informed the MCA of its serious doubts as to the compatibility of the draft measures related to the notified market with Union law. Firstly, the MCA did not provide sufficient evidence to conclude that there was a problem at retail level which would justify the maintenance of *ex ante* regulation. Secondly, given the assessed degree of investments, level of retail prices and already existing infrastructure-based competition, at least the second criterion (tendency towards effective competition) of the three criteria test was not met. The Commission was of the view that the MCA did not sufficiently take into account the competitive pressure exerted on GO by the cable operator, Melita, which in fact was the largest broadband provider in Malta (by number of consumers). A proper SMP assessment carried out in an appropriately delineated wholesale market, i.e. with an agnostic definition not aiming at a particular operator, and considering cable in this specific case, would have likely resulted in a different SMP finding, thus potentially leading the MCA to adopt a different regulatory approach from the proposed one.

⁽⁵⁾ C(2024) 615; C(2024) 1928.

⁽⁶⁾ *Ibidem* footnote (5).

In response to the Commission’s serious doubts in this case, BEREC published its opinion on 23 February 2024. In its opinion, BEREC did not share the Commission’s serious doubts, considering that the presence of at least three network operators in a given area is conducive to effective competition and that the existence of two nationwide infrastructures providing gigabit connectivity could not result in an effectively competitive retail market in the absence of regulation. Furthermore, according to BEREC the Commission ignored that downward price trends in Malta were due to the presence of existing VULA regulation and Epic’s market entry in 2019. BEREC also believed that cable was unlikely to exert a direct competitive constraint on the PVIA market, adding that the majority of NRAs exclude cable from the WLA market as it does not directly constrain physical unbundling and VULA services, while, subject to conditions, cable should generally be included in the (more upstream) wholesale central access (WCA) market.

The Commission, while taking into utmost account BEREC’s opinion and all the evidence gathered in the case, maintained that the MCA’s (i) assessment of whether coaxial cable is a sufficient direct or indirect competitive constraint on copper/fibre on the relevant wholesale market and (ii) the resulting finding that GO has SMP at wholesale level, was not compliant with the principles and methodologies of competition law that underpin telecommunications’ regulation.

As a result, the Commission issued a veto decision ⁽⁷⁾, inviting the MCA to carry out a new market analysis which, following the possible finding of the existence of a problem at retail level ⁽⁸⁾, would thoroughly assess the relevant wholesale market in Malta by taking into account: (i) the extent of direct or indirect competitive constraint applied by coaxial cable on VULA provided over fibre; (ii) the viability of access to alternative physical infrastructure owned by undertakings that are not providing electronic communications services, such as utilities.

2.2. Market definition

With regard to the retail market, the MCA observes that it is served by three operators: GO plc (GO), Melita Limited (Melita) and Epic Communications Limited (Epic). GO and Melita operate nationwide fixed broadband networks, with Melita offering cable-based services (hybrid fibre coax) and GO delivering services over its fibre network. Melita has also deployed a fibre to the home (FTTH) network with a dwelling coverage of circa 8%. Epic serves its customers through regulated VULA on GO’s fibre-to-the-home (FTTH) network infrastructure, while having an own FTTH network with a smaller footprint at around 7% coverage of all dwellings in Malta.

The MCA defines the relevant retail market as encompassing the following technologies: fixed broadband supplied over the copper very-high-bit-rate digital subscriber line (VDSL) network; fixed broadband supplied over FTTx/FTTH networks; and fixed broadband supplied over the cable DOCSIS 3.1 network. Broadband supplied over fixed wireless access and mobile access are not deemed to

⁽⁷⁾ In accordance with Article 32(6) of the Code.

⁽⁸⁾ Based on the assessment of an updated, correct and complete set of data relating to the entire period following the previous market review in 2012.

be part of the relevant product market, which consists of mass market broadband irrespective of the type of contract ⁽⁹⁾ and client ⁽¹⁰⁾.

In terms of retail competition dynamics, the MCA finds that the retail fixed broadband market in Malta has shown gradual improvements in service quality, prices and pricing flexibility ⁽¹¹⁾, and the range of choices available to the end-user ⁽¹²⁾, while the presence of three operators helps to maintain retail competitive pressure. The latter is reflected by the evolution of the market shares of the three operators, as follows:

Retail market shares – end of period	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Q2 2025
GO	49.7 %	49.3 %	49.5 %	51.3 %	50.4 %	49.0 %	48.1 %	47.6 %	47.1 %	46.7 %	46.5 %	46.6 %	46.8 %
Melita	50.2 %	50.6 %	50.5 %	48.7 %	49.6 %	51.0 %	51.8 %	51.8 %	51.8 %	51.8 %	51.0 %	49.6 %	49.0 %
Epic	-	-	-	-	-	-	0.1%	0.6%	1.1%	1.5%	2.5%	3.8%	4.2%

The MCA finds that the relevant geographic market is national in scope ⁽¹³⁾.

With regard to the wholesale market, the MCA defines it as encompassing: (i) the provision of wholesale local loop unbundling (LLU) and sub-loop unbundling (SLU) over the copper VDSL network ⁽¹⁴⁾; (ii) the provision of FTTx VULA; (iii) wholesale

⁽⁹⁾ Two-year contract vs month-on-month / bundle vs stand-alone.

⁽¹⁰⁾ Business vs residential.

⁽¹¹⁾ In particular, for gigabit broadband plans in bundles on 24-month contracts, the offered monthly access fees in September 2021 ranged from €40.99 (Melita), to €41.99 (Epic), up to €48.49 (GO). By September 2025, Melita's stand-alone gigabit plan (introduced in December 2023) was priced at €36.99 per month, lower than its bundled offering. Meanwhile, both Melita and GO now offer bundled gigabit plans for €40.99 per month. As of June 2025, new clients subscribing to a gigabit plan with GO or Melita benefit from deep discounts, specifically, a zero-fee period for the first six months of the contract.

⁽¹²⁾ The market for fixed broadband in Malta has continued to diversify over the past years and months, with new gigabit offers and high-speed plans introduced by Epic and Melita. Epic provides gigabit broadband on both 24-month and 12-month contracts (the latter introduced in June 2025) and offers a 2000Mbps plan in areas with its own fibre network, expanding consumer flexibility and speed options. In all cases, a reduced monthly access fee applies for the first six months of subscription. Melita has launched a 2500Mbps plan at a monthly fee of €45.99 in June 2025. This is a more competitive price compared to its 1200Mbps plan, which cost €50.49 in September 2021. Furthermore, the latest Consumer Perceptions Survey from 2025 reveals a marked shift in reported monthly fixed broadband expenditures from the higher spending ranges toward the €20.00-€29.99 range. In fact, the share of respondents reporting monthly expenditures within the latter category rose from 9% in 2022 to 38% in 2025. A notable share increase in respondents was also observed for the least spending bracket not exceeding €19.99 per month. This trend shifting away from higher spending brackets suggests that consumers have found ways to reduce the actual prices paid for the service.

⁽¹³⁾ The MCA maintains that localized differences are insufficient to justify a geographic segmentation of the retail market, considering also the nationwide pricing and the availability of services from GO and Melita.

⁽¹⁴⁾ The MCA notes that the inclusion of LLU and SLU largely reflects GO's migration of its existing retail copper VDSL clients to fibre, thus driving fibre adoption. The number of retail copper VDSL clients has declined further over the past months, with the share of this technology segment to the fixed local subscriber base dropping from 3.6% at the end of 2024 to 1.2% at the end of June 2025.

internet protocol (IP)-Bitstream access over fibre⁽¹⁵⁾; and (iv) wholesale IP- Bitstream access over cable⁽¹⁶⁾. Self-supply of wholesale access is considered to form part of the relevant market.

Same as for the retail market, the MCA finds that the relevant geographic market is national in scope, due to the ubiquitous presence of GO’s and Melita’s access networks.

2.3. The three criteria test

The MCA conducted the three criteria test⁽¹⁷⁾ as the relevant wholesale market encompasses access elements based on wholesale IP-bitstream access over cable and fibre typically pertaining to the WCA market, which has been removed from the list of the relevant markets that may warrant *ex ante* regulation contained in the currently applicable 2020 Recommendation on Relevant Markets.

First criterion – high and non-transitory structural, legal or regulatory barriers to entry

The MCA considers that market entry materialised and that investments are ongoing. While GO and Melita continue to demonstrate nationwide availability and investment in very high-capacity networks (VHCNs), Epic shows an ability to deploy FTTH and compete on an infrastructural level in certain areas. Furthermore, operators have also, to an extent, leveraged the physical infrastructure of undertakings other than electronic communications providers to pursue the deployment of new networks, such as the utility Enemalta’s aerial infrastructure for “last drop” connectivity.

Therefore, the MCA finds the first criterion not to be met.

Second criterion – market structure that does not tend towards effective competition

Irrespective of the first criterion not being met, the MCA assessed the second criterion as well. The MCA establishes that while Melita and GO deliver retail broadband services exclusively via self-supplied wholesale fixed access on their respective networks, Epic or other potential access seekers could leverage alternative wholesale inputs, such as Melita’s IP-Bitstream cable access and GO’s FTTx VULA, to offer retail broadband services. Furthermore, Epic may also expand its fibre network at least in areas with the highest population density, also relaying on wholesale access to civil infrastructures.

(¹⁵) The MCA notes that, as is the case with FTTH VULA, wholesale IP-bitstream access over fibre may also be accessed at an aggregated level (at exchange level) or at a disaggregated level (at the location of the Optical Line Terminal or OLT). In addition, fibre-based bitstream may also support multicast functionalities.

(¹⁶) While IP-bitstream over cable network is currently not offered by Melita, MCA recognises the potential for Melita to begin offering it, as also indicated by the operator in its response to the public consultation. The MCA notes that cable IP-bitstream wholesale access may not offer the same degree of flexibility and customisation as FTTH VULA or other Layer 2 solutions. However, both FTTH VULA (a Layer 2 access product) and cable IP-bitstream (a Layer 3 access product) can provide national coverage through a single point of interconnection, enabling access seekers to deliver retail broadband products that are substitutable for FTTH broadband. The MCA further notes that a small but significant and non-transitory increase in price (SSNIP) imposed by a hypothetical monopolist on FTTH VULA would likely lead to higher retail broadband prices for fibre-based services. Given that the cable network provides retail fixed broadband services that are available nationwide and are substitutable for those offered over fibre, such a price increase could prompt end-users to switch to cable-based broadband services.

(¹⁷) In accordance with Article 67(1) of the Code.

Moreover, the MCA is of the view that GO would continue providing wholesale fixed access inputs to third parties on a commercial basis even in absence of regulation, as was the case when the regulation on the wholesale dedicated capacity market was withdrawn in 2022.

Therefore, the MCA concludes that market demand dynamics and competitive constraints are sufficient to prevent any single operator from holding a position of significant market power (SMP). As a result, the second criterion is also not met.

Third criterion – insufficiency of competition law

As the previous criteria are not met, the assessment of this criterion was not deemed necessary.

2.4. Finding of significant market power

As a result of the three criteria test, the MCA did not find any operator to hold SMP.

2.5. Regulatory remedies

As the MCA found the Maltese WLA market to be competitive, it proposes to withdraw all obligations previously imposed on GO within a 24-months sunset period starting from the adoption of the final measure.

The withdrawal of *ex ante* obligations is without prejudice to existing wholesale agreements, which will remain in force during the transitional period to allow operators sufficient time to negotiate commercial agreements ⁽¹⁸⁾.

3. COMMENTS

The Commission has examined the notification and the additional information provided by the MCA and has the following comment. ⁽¹⁹⁾

3.1. Need to carefully monitor the evolution and sustainability of competition, the viability and the effectiveness of commercial agreements

The Commission takes note that the MCA has identified the retail market to be competitive even in the absence of wholesale regulation, thus justifying the removal of *ex ante* regulatory measures at wholesale level. As the Commission suggested in its veto decision under case MT/2024/2484, the situation of the relevant market in terms of investments, competition and retail prices appears to be positive and pointing towards a competitive market.

⁽¹⁸⁾ In its answer to the Commission's RFI, the MCA indicated that wholesale access agreements have a strong potential to materialize on a long-lasting basis in Malta's fixed broadband market. Also in answering to the public consultation on this draft market review, Melita has expressed openness to publishing a reference offer for wholesale access, signalling a willingness to engage in transparent, market-driven terms that foster competition. Moreover, GO appears willing to negotiate commercial access agreements and to continue providing FTTx VULA services to Epic during the regulatory transition and thereafter. The MCA is aware of ongoing negotiations between GO and Epic aimed at establishing a commercial wholesale access framework.

⁽¹⁹⁾ In accordance with Article 32(3) of the Code.

As a result of the MCA's market analysis in the present case, the Commission considers that the setting of a 24-months sunset period is appropriate to allow operators to negotiate wholesale commercial agreements.

At the same time, even though Epic's market entry has had positive effects in terms of competition, it's still low market shares continue to place it in a position of competitive disadvantage *vis-à-vis* GO and Melita. Therefore, it would be of utmost importance for the MCA to continue carefully monitoring the evolution and sustainability of competition, the viability and the effectiveness of commercial agreements and all market developments, in particular the choice and prices of the retail offers. The Commission invites the MCA to stand ready to proceed with a new market analysis, in case circumstances would merit so; and, in case of urgency, make use of interim measures in accordance with Article 32(10) of the Code.

Under Article 32(8) of the Code, the MCA shall take utmost account of the comments of other NRAs, BEREC and the Commission and may adopt the resulting draft measure. Where it does so, the NRA shall communicate it to the Commission.

The Commission's position on this particular notification is without prejudice to any position it may take on other notified draft measures.

Pursuant to Point 6 of Recommendation 2021/554⁽²⁰⁾ the Commission will publish this document on its website. If the MCA considers that, in accordance with EU and national rules on business confidentiality, this document contains confidential information that you wish to have deleted prior to publication, please inform the Commission⁽²¹⁾ within three working days of receipt⁽²²⁾. Please give reasons for any such request.

Yours faithfully,

For the Commission



Roberto VIOLA
Director-General
Directorate-General for
Communications Networks, Content
and Technology

⁽²⁰⁾ Commission Recommendation (EU) 2021/554 of 30 March 2021 on the form, content, time limits and level of detail to be given in notifications under the procedures set in Article 32 of Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code OJ L 112, 31.3.2021, p. 5.

⁽²¹⁾ By email: CNECT-markets-notifications@ec.europa.eu

⁽²²⁾ The Commission may inform the public of the result of its assessment before the end of this three-day period.