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Murtra: "It is time for large European telcos to be allowed to consolidate and grow to create technological capacity"

• During the opening session of the MWC, Telefónica's Chairman and CEO, Marc Murtra, called on European authorities to "adapt their regulation and objectives to allow technological and telecom consolidation".

Barcelona, 3 March 2025. Telefónica's Chairman and CEO, Marc Murtra, has called today in Barcelona, during his participation in the opening session of the Mobile World Congress (MWC), for Europe to allow consolidation in the European telecommunications sector for operators to gain size and strengthen their technological potential.

"It is time for large European telecom companies to be allowed to consolidate and grow to create technological capacity," he said. This decision would be key for the future of Europe and would generate favorable effects for society. "This can strengthen European strategic autonomy, unlock productivity, and improve ordinary people's lives," he added.

Telefónica's Chairman acknowledged that this scenario will force telecommunications operators to adapt, focus on what they know how to do and work properly. "But it is not only us that will need to adapt," he stated, adding: "The European Commission, European member states, regulators and others must adapt their regulation and objectives to allow technological and telecom consolidation". Otherwise, he warned: "If this does not happen, we think Europe's position in the world will continue to dwindle and will not have the capacity to decide our future autonomously".

"Drastic improvements"

In Barcelona, Murtra defended the leading role that the telecom sector has historically played in Europe's technological progress and underlined the power of the new ultrabroadband networks and of the new opportunities cloud-based architectures can bring.

To realise this potential and seize these opportunities, however, it must be recognised that only gains in scale and capacity will make it possible to "achieve dramatic improvements in Europe". "We must be aware that excessive European TMT fragmentation, over-regulation

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and insufficient industry returns have weighed Europe down into falling behind technologically," he said.

The reality of the sector in other geographies, such as the US, the Middle East and Asia, illustrates the positive effects of having a more favourable environment that allows the creation and growth of companies of sufficient size to innovate and develop new technologies. "We are now in a new era where titanic technological companies are, again, sharply driving change. These giants work as dominant players in near monopoly markets, have deep knowledge and are more capable than they were 20 years ago," he affirmed. "All these companies are based in the USA and in China," he concluded, reinforcing the need for Europe to make progress in this area.

For more information: <u>Telefónica at MWC 2025</u>