

# Vodafone, Hutchison in talks to merge UK ops

October 3 2022

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A tie-up between Vodafone and Three UK would create the biggest player in the UK mobile industry.

Vodafone on Monday confirmed it was in talks over merging its UK operations with rival Three UK, owned by Hong Kong-based CK

Hutchison.

Vodafone said a combination would allow "the necessary scale to be able to accelerate the rollout of full 5G in the UK", which has been partly hampered by Britain banning Chinese giant Huawei from involvement in the technology offering faster downloads than 4G.

Vodafone said it would have a majority 51-percent stake and CK Hutchison the remainder in a non-cash deal.

A merger would "expand broadband connectivity to [rural communities](#) and [small businesses](#)" in the UK, the statement said.

"The UK government rightly sees 5G as transformational for the economy and society and critical to the UK becoming more competitive in an increasingly digital world," it added.

Vodafone's [share price](#) was up about three percent in late trading on London's FTSE 100 index, which was rising only slightly.

Susannah Streeter, senior investment and markets analyst at Hargreaves Lansdown, noted the possibility of "significant regulatory hurdles ahead for the deal, as the authorities weigh up the potential ceding ownership of more core UK infrastructure to an overseas owner".

"Clearly much still needs to be agreed and it's far from certain that this is a done deal, but if it is signed the [joint venture](#) with Three UK would create the biggest player in the UK mobile industry," she added.

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Citation: Vodafone, Hutchison in talks to merge UK ops (2022, October 3) retrieved 1 May 2024 from <https://techxplore.com/news/2022-10-vodafone-hutchison-merge-uk-ops.html>

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