

# Japan telecom firms challenge \$40 billion NTT takeover bid

November 11 2020

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Japanese telecoms firms argue a takeover of NTT Docomo would prevent fair competition

Japanese telecoms firms appealed Wednesday to the communications ministry over a planned \$40-billion takeover of the country's biggest

mobile carrier by its government-backed parent, warning it would "prevent fair competition".

NTT announced in September its plan to buy out remaining shares in NTT Docomo, in a potentially record-breaking deal.

NTT currently holds 66 percent of NTT Docomo's shares, and its [chief executive](#) argues the move would enhance "competitiveness and growth".

But on Wednesday, 28 Japanese [telecom](#) companies including Docomo rivals SoftBank Corp and KDDI sent a joint letter to the communications minister protesting against the move.

Making Docomo a wholly owned company "will create a powerful force that dominates the market", they argued.

"It will prevent fair competition in the telecoms market and user benefit created through competition could be lost."

The joint letter calls on the minister "to set up measures to protect an environment of fair competition and instruct and ensure compliance and implementation".

NTT's [takeover bid](#) comes as [competition](#) heats up in the sector, with 5G on the horizon and pressure from the government for Japanese firms to cut the price of mobile phone services.

With full control of NTT Docomo, NTT may be able to push down prices quickly, forcing competitors to follow suit.

But the heads of both companies have denied that pressure over pricing was behind the deal.

The tender offer was launched in September and remains open until November 16, while the full buyout is expected to be finalised by the end of the fiscal year in March.

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