Abstract

Using an event study methodology, this paper assesses the competitive effects of remedies implemented by the European Commission in 11 horizontal mergers in the ICT industry between 1990 and 2010. The estimates of merger announcement effects for both merging parties and competitors have predominantly insignificant residuals, suggesting that collusion and anti-competitive effects are *not* implied by the market reactions to merger announcements. Remedies, both behavioural and structural, appear to be largely ineffective in negating the competition concerns of the Commission, even if properly applied to anti-competitive mergers. Moreover, behavioural remedies appear to transfer rents from merging parties to competitors. These findings suggest that static economic models are ineffective in analysing dynamic markets, possibly as a result of inadequate market definitions.