

Wholesale mobile network access market analysis

Draft v.2

(June 2026)

Contents

Executive summary	4
I. Introduction	9
II. Current regulatory and legal framework	9
III. Summary of retail cellular mobile voice and retail cellular mobile broadband market analysis.....	10
IV. The upstream products for retail mobile voice and retail broadband services and their current regulation	13
V. Analysis of the relevant wholesale mobile network access market	17
VI. Market definition of the wholesale mobile network access market	18
6.1. Product market definition – wholesale mobile network access	18
6.2. Demand-side substitutability	21
6.3. Supply-side substitutability	26
6.4. Geographical scope of the market	28
6.5. Three Criteria Test	28
VII. Assessment of competition in the wholesale mobile network access market in Sri Lanka.....	35
7.1. Methodological approach: market shares in the absence of wholesale transactions.....	35
7.2. Market share	36
7.3. Infrastructure control	39
7.4. Customer influence	48
7.5. Financial access	49
7.6. Product diversity	50
7.7. Economy of scale and scope	51
7.8. Vertical integration.....	52
7.9. Potential competition	53
7.10. Expansion barriers.....	53
7.11. Conclusions	55
VIII. Identification of competition problems and review of current regulation.....	55
IX. Regulatory remedies to address competition issues	57
9.1 Legal basis and principles	57
9.2. Wholesale mobile network access obligation.....	58
9.3. Accounting separation and internal transfer pricing.....	61

9.4. Margin squeeze monitoring and prohibition	61
9.5. Active RAN sharing access obligation.....	62
9.6. Enforcement.....	65

Executive summary

Markets reviewed	Wholesale mobile network access market
Review period	2022 – 2025
Document version	Draft v.2 (June 2026)
Legal basis	Telecommunications Act No. 25 of 1991 (as amended 1996, 2024); Competition Rules No. 01 of 2024
Issuing authority	Telecommunication Regulatory Commission of Sri Lanka (TRCSL)

This report presents the results of the Telecommunications Regulatory Commission of Sri Lanka's assessment of the **wholesale mobile network access market** in Sri Lanka. The analysis follows the TRCSL's finding that the retail cellular mobile voice and retail cellular mobile broadband markets are not effectively competitive and that Dialog Axiata PLC holds significant market power (SMP) in both. In accordance with Competition Rule 7.6.10, where a retail market is found not to be effectively competitive, the Commission must identify, define and assess the relevant upstream wholesale market and determine whether intervention at the wholesale level would be a more appropriate and proportionate response than retail regulation alone. The purpose of this analysis is to define the relevant market, assess whether it is susceptible to ex ante regulation, determine whether any operator holds SMP, identify actual or potential competition problems, and establish proportionate regulatory remedies where necessary.

The report defines the relevant product market as the market for wholesale mobile network access provided by mobile network operators (MNOs) for the purpose of enabling the provision of retail mobile voice, SMS, and mobile broadband services. The market is technology-neutral, covering access over all mobile technologies deployed during the review period (2G, 3G, 4G/LTE, and 5G), and comprises all forms of MVNO access (service provider, light MVNO, and full MVNO), national roaming access, and self-supplied wholesale access used internally by MNOs to support their own downstream retail activities. Active RAN sharing arrangements (MORAN and MOCN) are excluded from the product market, given their more conditional and asymmetric substitutability and their distinct legal and commercial nature. However, they are assessed as economically relevant upstream arrangements that may affect competitive conditions, barriers to entry and expansion, and the design of appropriate remedies. The relevant geographic market is national in scope.

Currently, none of the identified access products is supplied by any MNO to third parties on a commercial basis, and wholesale access is therefore confined to self-supply by vertically integrated operators. Consistent with established international regulatory practice, this does not preclude the definition of a relevant wholesale market; rather, it may indicate barriers to entry, limited incentives to supply access, or the exercise of market power.

The market satisfies the three-criteria test: (i) substantial and persistent barriers to entry, arising from spectrum scarcity and cost, the need to obtain a required regulatory licence, the substantial sunk investment required to deploy a nationwide network, significant economies of scale and scope, and the

absence in practice of effective wholesale-based entry routes; (ii) no tendency towards effective competition within the relevant timeframe, as the relevant inputs remain controlled by the existing MNOs and are used predominantly through self-supply, while the Dialog–Airtel merger has eliminated a potential host operator and further increased market concentration; and (iii) insufficiency of ex post competition legislation alone to address the identified structural market failures, including the absence of an operational access regime and the risks of vertical foreclosure and affiliate leveraging. Accordingly, the application of ex ante sector-specific regulation is justified.

The SMP assessment finds that Dialog Axiata PLC holds SMP in the wholesale mobile network access market. Since the market is currently confined to self-supply, retail market shares are used as a proxy for wholesale market position. At end-September 2025, Dialog Axiata PLC accounted for approximately 62% of mobile subscribers and 67.3% of mobile revenues, with both shares increasing materially following the Dialog–Airtel merger.

This conclusion is based on the cumulative assessment of market shares, infrastructure control, spectrum holdings, coverage, economies of scale and scope, financial strength, vertical integration, product diversification, and barriers to entry and expansion. Dialog Axiata PLC operates the largest network by base station count and coverage, holds approximately 60% of total assigned mobile spectrum and around 64% of broadband-oriented spectrum, including the only mmWave 5G allocation in the market, and benefits from superior financial capacity and multi-service integration. Its position is further reinforced by the intra-group MOCN arrangement with and Dialog Broadband Networks (Pvt) Ltd. (DBN), which provides additional mid-band capacity. Countervailing buyer power is absent, potential competition is limited, and existing competitors do not appear able to constrain Dialog Axiata PLC effectively within the review period. Accordingly, Dialog Axiata PLC has the ability and incentive to behave, to an appreciable extent, independently of competitors, customers and ultimately consumers.

The market analysis identified several principal competition problems. The absence of an operational wholesale access market prevents effective wholesale-based entry, both service-based and infrastructure-based: no MVNO has entered the market, and national roaming has not materialised in practice as a route for infrastructure-based entry or expansion during the review period. Entrenched market concentration, combined with Dialog’s vertical integration, creates the ability and incentive to leverage market power from the wholesale level into downstream retail markets through refusal to supply, excessive pricing, margin squeeze, or discriminatory treatment. Spectrum concentration and infrastructure asymmetry, reinforced by intra-group MOCN arrangements, further constrain the emergence of effective wholesale hosting competition.

In this context, TRCSL considers the following targeted remedies to be proportionate and justified. Dialog Axiata PLC shall be subject to a wholesale mobile network access obligation, requiring access to be provided to eligible access seekers on cost-oriented, transparent and non-discriminatory terms. Dialog Axiata PLC shall also be required to maintain separate regulatory accounts and shall be subject to margin squeeze monitoring.

Where an identified competition problem arises from, or is reinforced by, intra-group arrangements, the relevant obligations apply to Dialog Axiata PLC acting together with its relevant affiliates, while Dialog

Axiata PLC remains the primary addressee of the SMP obligations. Accordingly, the obligation to provide active RAN sharing access applies to Dialog Axiata PLC together with its relevant affiliates.

Taken together, these remedies are intended to establish the regulatory conditions necessary for wholesale access-based competition to emerge and develop in the retail mobile market over the review period.

The proposed remedies are set out below.

Remedy	Purpose and scope
1. Wholesale mobile network access obligation	Dialog Axiata PLC shall provide wholesale mobile network access to any eligible access seeker in accordance with the conditions set out below. Eligible access seekers include existing or prospective MNOs, service providers, MVNOs, or other undertakings duly licensed, authorised or approved by TRCSL to provide mobile communications services in Sri Lanka.
1.1. Reference Wholesale Offer (RWO)	Dialog Axiata PLC shall publish a technology-neutral RWO covering all relevant forms of wholesale mobile network access, including service provider access, light MVNO access, full MVNO access and national roaming. The RWO shall specify the applicable technical, pricing, quality-of-service, operational and contractual terms and shall be submitted to TRCSL for prior approval.
1.2. Obligation to negotiate and conclude access agreements	Dialog Axiata PLC must negotiate in good faith and conclude access agreements within a defined timeline (not exceeding 90 days). Refusal shall be permitted only on objectively justified technical grounds, subject to TRCSL review and dispute-resolution procedures.
1.3. Cost-orientation	Wholesale access prices shall be cost-oriented, based on a methodology prescribed or approved by TRCSL, and shall be subject to TRCSL prior approval before taking effect.
1.4. Non-discrimination	Dialog Axiata PLC shall provide access to third parties on terms, conditions and quality no less favourable than those provided to its own retail operations, affiliates or related undertakings, including equivalent access to network upgrades and new capabilities.
2. Accounting separation and internal transfer pricing	Dialog Axiata PLC shall separate wholesale and downstream retail activities in its regulatory accounts and apply arm's-length internal and intra-group transfer pricing. Regulatory accounts shall be subject to an annual independent audit, and the audited accounts and related audit opinion shall be submitted to TRCSL to support the monitoring of cross-subsidisation, margin squeeze and affiliate leveraging risks.

Remedy	Purpose and scope
3. Margin squeeze prohibition	Dialog Axiata PLC's retail prices must leave sufficient margin for an equally efficient access seeker to compete profitably. Dialog Axiata PLC shall conduct margin squeeze assessments using a methodology prescribed or approved by TRCSL, both periodically and before introducing or modifying any relevant retail tariff or wholesale access charge. Dialog Axiata PLC shall submit the assessment results, supporting data and calculations to TRCSL for review, and shall not implement such tariffs or charges without TRCSL approval.
4. Active RAN sharing access obligation (Dialog Axiata PLC with its affiliates)	To remedy the asymmetry from the intra-group MOCN arrangement, Dialog Axiata PLC with its affiliates is required to provide active RAN sharing access — in both MORAN and MOCN configurations — to any eligible access seeker that submits a written access request in accordance with the conditions set out below. This obligation applies across all network technologies deployed by Dialog Axiata PLC with its affiliates during the review period, including 2G, 3G, 4G/LTE, and 5G, and covers all geographic areas where it has deployed active radio access network infrastructure.
4.1. Reference offer requirement and transparency	Dialog Axiata PLC with its affiliates must publish an active RAN sharing Reference Offer(s). Reference offer shall set out: the technical configurations available, including MORAN and MOCN options; the geographic scope of sharing; the process and timeline for concluding agreements; pricing; and the governance arrangements for joint network management including upgrade procedures and fault resolution. The SMP shall establish and maintain, to specifications and templates determined by the Commission a Shareable-Infrastructure Database, accessible to other operators/ providers.
4.2. Cost-orientation	Prices charged by Dialog Axiata PLC or its affiliates for active RAN sharing must be cost-oriented. Such prices shall be determined on the basis of a methodology prescribed or approved by TRCSL, reflecting the cost-sharing economics of active RAN sharing arrangements.
4.3. Non-discrimination	Dialog Axiata PLC with its affiliates must provide active RAN sharing to independent third parties on terms, conditions, and quality that are no less favourable than those it provides to its affiliates under the existing MOCN arrangement or any subsequent intra-group sharing arrangement. To ensure compliance with the non-discrimination obligation, TRCSL proposes the following options for stakeholder assessment and public consultation: Option 1 — Capacity reservation rule/ 50:50 rule Of the shareable capacity recorded in the Database at any reference date, the SMP may allocate up to 50% to its affiliates on a first-come, first-served

Remedy	Purpose and scope
	basis at rates determined or approved by the Commission (see cost-orientation obligation), and shall make the remaining 50% available to unaffiliated operators to enter into Infrastructure sharing agreements within a six-month window from the date the capacity is posted. Option 2 — Prior notification, open offer rule, and Equivalence of inputs Before allocating any shareable capacity to an affiliated entity, the Dialog Axiata PLC with its affiliates should be required to notify TRCSL and publish a capacity availability notice for independent access seekers. The notice should specify, at minimum the technical parameters, geographic scope, available capacity, quality parameters, implementation conditions and timelines, and proposed commercial terms. The relevant capacity should remain available to independent access seekers for a defined period, to be determined by TRCSL, from the date of publication of the notice. Requests from access seekers should be submitted through TRCSL to ensure transparency and equal treatment. If no unaffiliated operator submits a reasonable request within that period, Dialog Axiata PLC with its affiliates may proceed with the proposed affiliate allocation, subject to TRCSL approval. The Dialog Axiata PLC with its affiliates shall provide active RAN sharing and related capacity access to unaffiliated operators on an equivalence of inputs basis. Access seekers shall receive the same or equivalent wholesale inputs, technical information, operational support, ordering and provisioning processes, service levels, implementation timelines, and access to network upgrades as those provided to, or used by, affiliated entities. Any deviation from equivalence shall be objectively justified, documented, and notified to TRCSL. Option 3 — Equivalence-based obligation Whenever the Dialog Axiata PLC with its affiliates makes shareable capacity available to an affiliated entity, it shall make equivalent capacity available to unaffiliated operators on transparent, non-discriminatory and TRCSL-approved terms. Equivalent capacity should be assessed by reference to relevant technical, geographic, quality and timing parameters, including spectrum band, capacity, coverage area, service capability and implementation conditions. The Dialog Axiata PLC with its affiliates shall not offer affiliated entities more favourable terms, faster implementation timelines, superior quality parameters or preferential access to network upgrades unless the same terms are made available to unaffiliated operators. Option 4 – proposed by market players

I. Introduction

This report presents the results of the market analysis of the wholesale mobile network access market in Sri Lanka. The objective of the analysis is to assess the state of competition, identify potential structural bottlenecks, and determine whether ex ante regulatory intervention is warranted under the applicable legal and regulatory framework. Although this market is not listed in the Annex to the Competition Rules, 2024, the TRCSL concluded, following its assessment of the retail cellular mobile voice and retail cellular mobile broadband markets, that these retail markets are not effectively competitive and that Dialog Axiata PLC (Dialog) holds significant market power in both. In accordance with paragraph 6.2 of the Competition Rules, the Commission must therefore assess the relevant upstream markets and their susceptibility to ex ante regulation.

This analysis focuses on the wholesale market most capable of addressing the competition problems identified at the retail level. The rationale for examining wholesale mobile network access is that remedies imposed at the wholesale level may have a positive downstream effect on retail competition and may therefore constitute a more effective and proportionate regulatory response.

As provided in paragraph 7.6.10 of the Competition Rules, 2024, where a retail market assessment concludes that a market is not effectively competitive, the corresponding wholesale markets susceptible to ex ante regulation must be identified, defined, and assessed. When identifying wholesale markets, the Commission considers the ladder of investment principle and acknowledges that some retail markets may be downstream markets in relation to more than one wholesale market.

The findings of this report will inform the TRCSL decisions on market designation, the identification of operators with significant market power, and the imposition, maintenance, or withdrawal of regulatory obligations. The review is intended to promote effective competition, encourage efficient investment in network infrastructure, and safeguard consumer interests in Sri Lanka's telecommunications sector.

In accordance with Competition Rules, 2024, the TRCSL begins the market analysis process by publishing a notice on its official website on 09.06.2025 and initiating the gathering of data. The market analysis period and the data collected from the operators consist of the period from 2022 to 2025. In conducting the market analysis, the TRCSL relies on information submitted specifically for the purposes of this review, as well as on information provided to the TRCSL on a regular or ad hoc basis under existing regulatory obligations, together with any other information relevant to the assessment of the markets concerned.

II. Current regulatory and legal framework

Telecommunications sector and its regulation in Sri Lanka are governed primarily by the following instruments:

Sri Lanka Telecommunications Act No.25 of 1991 (as amended in 1996 and 2024). Section 4(c) establishes that one of the core objectives of the Telecommunication Regulatory Commission of Sri Lanka is to maintain and promote effective competition among persons engaged in commercial activities connected

with telecommunications, and to foster efficiency and economy in the sector. To achieve these objectives, the Act empowers the TRCSL to:

- (wa) carry out market analyses of telecommunication services to assess market dynamics and the level of competition;
- (wb) intervene to prevent the emergence or abuse of significant market power (SMP); and
- (wc) take regulatory measures to promote fair competition and eliminate anti-competitive practices.

In addition, Section 6A sets out TRCSL's authority and obligations with respect to approving or determining tariffs, which must comply with non-discriminatory and cost-oriented principles. 6A (4) foresees TRCSL's right to forbear any tariff of any service in the whole or part of such tariff, subject to such conditions or without conditions.

Competition Rules No. 01 of 2024 establish the sector-specific competition framework for Sri Lanka's telecommunications market and provide the legal basis for conducting market analyses and imposing ex-ante regulatory obligations where necessary. The rules outline the procedures for market analysis and the identification of relevant markets and empower TRCSL to impose proportionate remedies where effective competition is lacking.

Licensing Conditions. As per Telecommunication Act no person is authorized to operate telecommunication system or engage in providing infrastructure services, telecommunications services or cable landing station facilities in Sri Lanka without a licence. Licence conditions set out the terms and conditions subject to which the licence is being granted. Issued licenses explicitly prohibit cross-provisioning of services: a mobile license does not authorize the provision of fixed telecommunication services, and a fixed license does not authorize the provision of mobile services. Under Part V (Commercial Obligations), licence condition 19 requires licensed operators to lodge notices of tariffs with the TRCSL and to provide the specified services in accordance with the charges, terms, and conditions approved by the TRCSL. Operators shall not deviate from approved tariffs without obtaining prior written approval from the TRCSL. Furthermore, licence condition 20 obliges operators to maintain separate accounts for licensed and non-licensed activities.

Subsidiary legislation, i.e. TRCSL's regulations, rules and guidelines. In particular:

1. Telecommunications Infrastructure Sharing Regulations No 1, 2024;
2. Subscriber SIM Cards (Subscriber Identification Modules - SIM) regulations No. 01 of 2019;
3. Interconnection Rules of 2003
4. TRCSL Interconnection Determinations March 2010 and April 2022;
5. Broadband Quality of Service (QoS) Standard Rules No. 01 of 2025.

III. Summary of retail cellular mobile voice and retail cellular mobile broadband market analysis

As part of the first round of market analysis, TRCSL assessed the retail cellular mobile voice (hereinafter – mobile voice) market and the retail cellular mobile broadband (hereinafter – mobile broadband) market, as specified in the Annex of Competition Rules, 2024. The retail market analysis findings are summarized

here for context, as they provide the basis for the wholesale market analysis conducted in the following chapters. Full details are set out in the respective retail market analysis reports.

The **retail mobile voice services market** was defined as comprising the provision to end users of publicly available, two-way, real-time voice communications and traditional text-based messaging services (SMS) over public mobile telecommunications networks, using national or international numbering resources. Mobile voice services provided over different network technologies (2G to 5G) were considered fully substitutable and therefore to constitute a single, technology-neutral market. The relevant geographic market is national in scope and covers the entire territory of Sri Lanka.

In the retail mobile voice market, the cumulative assessment of market shares, control over infrastructure, spectrum distribution, financial strength, economies of scale and scope, vertical integration, and barriers to entry and expansion indicates the existence of sustained structural advantages that are unlikely to be materially reduced during the forward-looking review period. Dialog's persistently high and increasing market shares, amounting to 62.1% by subscribers and 66.7% by revenue, combined with its extensive infrastructure footprint, concentrated spectrum holdings, financial strength, and multi-service integration, demonstrate both the ability and the incentive to behave to an appreciable extent independently of competitors, customers, and ultimately consumers.

Competitive constraints from existing operators remain limited, potential entry appears unlikely, and structural asymmetries, particularly in spectrum depth, investment capacity, and scale efficiencies, further reduce the likelihood of effective competitive pressure emerging in the near term. In the absence of countervailing factors sufficient to offset these advantages, the overall evidence supported a finding that **Dialog holds SMP in the retail mobile voice market.**

The **retail mobile broadband market** was defined as comprising always-on internet access services provided to end users over licensed public mobile communications networks using SIM-based access. It includes data services that enable users to access the internet, upload and download content, and use over-the-top applications, including messaging, voice over IP, video streaming, and other online services, via SIM-enabled devices. These services are supplied irrespective of the underlying network technology used (3G, 4G, or 5G), and regardless of whether they are offered on a prepaid or postpaid basis, as standalone data services or as part of bundled retail mobile offers. The relevant geographic market is national in scope and covers the entire territory of Sri Lanka.

A corresponding assessment of the retail mobile broadband market leads to the same conclusion. The evidence points to sustained structural advantages that are unlikely to be offset within the forward-looking review period. Dialog's persistently high and increasing market shares, amounting to 62.7% by subscribers and 67.6% by revenue, together with its extensive infrastructure footprint, concentrated broadband spectrum holdings, financial capacity, and multi-service integration, demonstrate both the ability and the incentive to behave to an appreciable extent independently of competitors, customers, and ultimately consumers.

As in the retail mobile voice market, competitive constraints from existing operators remain limited, potential entry appears unlikely, and structural asymmetries, particularly in spectrum depth, investment capacity, and scale efficiencies, further diminish the prospect of effective competitive pressure emerging

in the near term. In the absence of countervailing factors sufficient to offset these advantages, the overall evidence supported a finding that **Dialog holds SMP in the retail mobile broadband market.**

The market analysis identified a number of persistent competition concerns in Sri Lanka's retail mobile voice and mobile broadband markets. The main concern is that Dialog, as the operator found to hold SMP, may be able to leverage its strong position across mobile, fixed and enterprise services in ways that weaken effective retail competition. In particular, concerns have been raised regarding the risk of cross-subsidisation, the limited practical enforcement of accounting separation, and the absence of sufficiently verifiable cost justification for its retail offers¹. These risks are amplified by Dialog's vertical integration and affiliate relationships.

Additional concerns arise from the current tariff approval regime, which applies symmetrically to all operators irrespective of market position. Although intended to ensure non-discrimination and cost-orientation, this framework may in practice constrain challenger operators more heavily than the SMP operator, reducing their ability to respond quickly to market developments and to introduce innovative tariff structures. TRCSL also notes that, following completion of the Dialog–Airtel merger in August 2024, Dialog has continued to operate both the Dialog and Airtel brands using retail tariffs approved by TRCSL prior to the merger for existing Airtel customers. This enhances the group's ability to segment the market and target competing offers across different customer segments. The absence of mobile number portability increases switching costs and further reinforces incumbency advantages.

Sri Lanka already applies ex ante tariff regulation to retail mobile voice and broadband services under the Telecommunications Act and the applicable licence conditions. However, these symmetric obligations do not eliminate structural asymmetries in market position and do not sufficiently address the competitive risks associated with scale, spectrum concentration, bundling, vertical integration, internal transfers or affiliate relationships. The existence of retail tariff regulation therefore does not remove the need for an SMP finding or for more targeted intervention.

In this context, TRCSL considers the following targeted retail remedies as proportional and justified:

- For the retail mobile voice market:
 - i) **retail tariff filing** and prior approval for the SMP only, while non-SMP operators would benefit from tariff forbearance;
 - ii) **cost-orientation supported by cost accounting**, to ensure that tariffs, discounts and bundles are objectively justified and not predatory or exclusionary; and
 - iii) **accounting separation and internal transfer pricing rules**, to address cross-subsidisation, internal transfers, and undue preference involving affiliates.

¹ Based on input from stakeholders

- For the retail mobile broadband market, the same core remedies apply, supplemented by **transparency obligations for data bundles, fair usage policies and throttling, non-discrimination in relation to zero-rating and traffic management.**

Overall, the proposed approach represents a shift from broad symmetric retail regulation towards a more targeted SMP-based framework. The objective is to give non-SMP operators greater commercial flexibility, while maintaining safeguards on the SMP operator where the risk of exclusionary conduct is greatest. This should help preserve price and service innovation, protect consumer choice, and support more effective and sustainable competition pending the implementation of any future wholesale remedies. The TRCSL considers that the targeted retail remedies set out above are justified on a transitional basis, for the duration of the period until wholesale remedies are implemented and have demonstrated effectiveness in addressing the competition concerns identified at the retail level. Retail remedies serve to maintain competitive conditions and protect consumer interests on an interim basis. Once wholesale remedies are in place and their effectiveness in producing the intended competitive outcomes at the retail level has been established, TRCSL will review the continued necessity and proportionality of the retail obligations and consider whether they may be relaxed or withdrawn, in whole or in part. This approach is consistent with Competition Rule 7.6.10, which requires the TRCSL, having found a retail market not effectively competitive, to identify and assess the relevant upstream wholesale markets and determine whether intervention at that level is more appropriate and proportionate than retail regulation alone.

Having established that the retail mobile voice and retail mobile broadband markets are not effectively competitive and that Dialog holds SMP in both markets, the TRCSL proceeds, in accordance with Competition Rule 7.6.10, to identify and assess the relevant upstream wholesale market. The objective of this analysis is to determine whether the competition problems identified in the retail markets originate in structural conditions at the upstream wholesale level, and whether regulatory intervention at that level would be more appropriate and effective than retail-level remedies alone.

IV. The upstream products for retail mobile voice and retail broadband services and their current regulation

Upstream products and their regulation. Pursuant to Competition Rule 7.6.10, where the Commission determines that the relevant retail market is not effectively competitive, it shall proceed to identify, define and assess the corresponding wholesale markets to determine whether the competition concerns identified at the retail level originate from structural conditions in upstream markets and whether regulatory intervention at the wholesale level would be more appropriate and proportionate.

Interconnection and wholesale mobile call termination. The wholesale market most immediate upstream service to retail mobile voice services is the market for call termination on individual mobile networks, including interconnection services and the regulation of mobile termination rates (MTRs). Mobile voice services rely on interconnection between networks to enable off-net calls, and termination on each operator's network constitutes an essential upstream input that cannot be substituted.

The legal and regulatory framework governing interconnection in Sri Lanka is established through Section 20A of the Telecommunications Act, licence conditions imposed on operators, and interconnection rules issued by the Telecommunications Regulatory Commission of Sri Lanka. Section 20A creates a statutory obligation for licensed telecommunications operators to provide interconnection to other licensed operators upon request. Interconnection must be offered on transparent, non-discriminatory, and cost-oriented terms, and the TRCSL is empowered to intervene where commercial negotiations fail, including by determining technical and commercial conditions and resolving disputes.

In addition to the statutory framework, licence conditions reinforce the obligation to interconnect and require operators to conclude interconnection agreements, ensure technical compatibility and network interoperability, comply with prescribed standards, and adhere to regulatory determinations concerning wholesale charges. Detailed procedures and operational arrangements are further governed by Interconnection rules.

The **TRCSL Interconnection Determination No. 08** (of May 2010, and revised in April 2022)² determines **the interconnection (call termination) charges** applicable among licensed operators. Determination introduced a uniform domestic and international mobile termination rate (MTR) applicable to all operators, irrespective of service type or time of day, and set out a glide path for the progressive reduction of MTRs. Under the subsequent implementation of this glide path, mobile termination rates have been reduced to **LKR 0 per minute/SMS/MMS** as of 2025.

As a result, interconnection is not only mandated by law but is also subject to strict price regulation. Although each operator retains a structural monopoly over termination to its own subscribers, the regulatory setting of MTRs at zero effectively removes the ability of operators to leverage termination charges as a barrier in downstream retail markets. Accordingly, while termination remains a monopolistic bottleneck in structural terms, the price control regime significantly limits the scope for the exercise of market power through excessive wholesale pricing. Importantly, zero MTRs also reduce the strategic ability of larger operators to disadvantage smaller rivals through asymmetric traffic imbalances.

Accordingly, the TRCSL concludes that no additional ex ante regulatory intervention is required in relation to interconnection and mobile termination rates (MTRs).

Wholesale mobile network access (wholesale mobile access). Wholesale mobile network access may take different structural forms, most notably MVNO access and national roaming, both of which constitute upstream inputs enabling downstream retail competition.

Where mobile virtual network operators (MVNOs) are present or possible, the wholesale mobile access market provides access to radio access networks and core network services. This input enables service-based competition in the downstream retail mobile market. At present, no MVNOs are active in Sri Lanka, and there is no established MVNO regulatory regime. The TRCSL previously conducted a public consultation on the introduction of MVNOs in 2015³, but this process did not result in the adoption of a dedicated regulatory framework or the launch of commercial MVNO services. From a legal and regulatory

² [08_Determination.pdf](#)

³ [Public Consultation : Telecommunications Regulatory Commission of Sri Lanka](#)

perspective, a potential MVNO could, potentially, seek authorization by obtaining a telecommunications licence under Section 17B of the Telecommunications Act. Such a licence would grant the right to engage in these telecommunications activities but would not in itself ensure access to mobile networks, as all wholesale arrangements would still need to be negotiated bilaterally with MNOs. These negotiations are typically time-consuming, uncertain, and do not guarantee successful market entry.

Although operators in Sri Lanka generally expressed support for wholesale mobile access arrangements⁴, including MVNO access and national roaming, certain stakeholders indicated that such access should, in principle, be encouraged primarily on the networks of smaller operators⁵.

From a regulatory and competition-policy perspective, however, wholesale access obligations must be assessed on the basis of objective market conditions rather than operator preference. Limiting MVNO access to smaller networks could constrain the commercial viability of access seekers if those networks have materially lower coverage, capacity, or quality. In such circumstances, wholesale access would not constitute an effective competitive constraint in downstream markets. The imposition of a wholesale access obligation on an SMP operator does not preclude other operators from negotiating and concluding voluntary wholesale access, MVNO hosting or other commercial arrangements.

National roaming obligation, although established in licensing conditions, the mechanism is not effectively operational. Under licence conditions paragraph 14.1 the operator shall enter into agreements to provide national roaming services on a reciprocal basis to other licensed operator (the requesting operator), providing GSM-based services that request such service. This creates a legal basis for reciprocal roaming between licensed mobile operators and suggests that national roaming is intended to function as an enabling mechanism for coverage extension and, potentially, for competition support.

However, the existence of such a clause does not by itself ensure that national roaming is available on effective and workable terms. In the absence of clear procedural rules, technical implementation requirements, pricing principles, timelines for negotiation, dispute-resolution mechanisms, and regulatory enforcement, the obligation may remain largely formal rather than operational. A roaming obligation that is not supported by transparent conditions and an effective enforcement framework may fail to provide a meaningful competitive constraint, particularly where operators have asymmetric network footprints, bargaining positions, and commercial incentives.

The requirement of **reciprocity** may itself limit the practical usefulness of the provision. Where one operator has significantly broader coverage, greater network quality, or stronger spectrum resources than

⁴ Operators generally consider wholesale mobile access services, including MVNO access, national roaming and co-location, to be capable of supporting coverage extension, market entry, customer choice and additional revenue opportunities for host operators, provided they are implemented on transparent, cost-reflective and non-discriminatory terms with clear regulatory guidance. This is considered important given the operational complexity involved, including capacity management, quality of service, billing and customer support, and the need to preserve appropriate investment incentives for both host operators and access seekers.

⁵ Some stakeholders have argued that, in the market with one clearly dominant operators MVNO-based entry should be encouraged through hosting arrangements with smaller operators. Such arrangements could help smaller operators generate additional economies of scale and network utilisation, while also supporting greater consumer choice in the retail mobile market.

another, a strictly reciprocal framework may not reflect the underlying economic reality. In such circumstances, the operator with the stronger network may have limited commercial incentive to conclude an agreement on terms that would enable a smaller rival to compete more effectively. Reciprocity may therefore work in principle between similarly situated operators, but in practice it may be insufficient to facilitate access where market conditions are asymmetric.

This is particularly relevant in a market characterised by significant structural differences in network reach, spectrum depth, and investment capacity. In such a context, the mere presence of a reciprocal roaming clause does not eliminate the risk that smaller operators remain unable to obtain national roaming on terms that are timely, reasonable, and commercially viable. As of today, no agreements have been concluded, this suggest that the current mechanism is not functioning as an effective upstream competitive instrument.

Additionally, the reference to “GSM-based services” appears to narrow the national roaming obligation to legacy mobile network technologies, or at minimum creates ambiguity as to whether the obligation extends beyond GSM. This reduces the practical relevance of the clause as a tool for addressing current competition concerns, particularly in relation to 4G- and 5G-based retail mobile broadband services.

The Commission may therefore need to examine, in the next stage of analysis, whether the relevant wholesale access framework requires further clarification, operational rules, or targeted obligations to make national roaming effective in practice.

Passive and active infrastructure access. Passive and active infrastructure access in Sri Lanka is governed by the Infrastructure Sharing Regulations, 2024. These regulations establish a formal framework for access to network infrastructure as an upstream input relevant to both wholesale and retail market dynamics.

Access to passive infrastructure—including towers, masts, ducts, dark fibre, co-location facilities, and site sharing—constitutes a key upstream input. Such infrastructure significantly reduces duplication of sunk investment and lowers entry or expansion costs. In practice, operators had already been engaging in commercial infrastructure-sharing agreements well before the entry into force of the 2024 Infrastructure Sharing Regulations, reflecting clear economic incentives to share passive assets, particularly in high-cost or low-density areas. Given the importance of passive infrastructure as a distinct upstream input, and the specific competitive and regulatory issues it raises, TRCSL intends to assess this area separately in a dedicated market analysis.

The 2024 framework further introduces provisions for **active infrastructure sharing**, including Radio Access Network (RAN) sharing, on a symmetric basis. While this extends the regulatory scope beyond passive assets, stakeholder feedback indicates that active sharing arrangements remain limited in practice⁶.

⁶ Some market participants argued that leading operators have limited incentives to enter into effective infrastructure sharing arrangements where these could strengthen smaller competitors or support new entry. They considered current infrastructure sharing prices to be prohibitively high and potentially intended to marginalise competition. Active RAN-sharing arrangements are currently limited to intra-group agreements.

In July 2024 (prior to the Infrastructure sharing regulations came into effect), the TRCSL permitted two infrastructure sharing arrangements:

1. **RAN sharing between Sri Lanka Telecom PLC (SLT) and Mobitel (Pvt) Ltd. (Mobitel).** TRCSL permitted SLT to conduct Fixed to Mobile RAN sharing with Mobitel in the 2560–2580 MHz and 2600–2620 MHz spectrum bands for the provision of Mobitel’s LTE mobile services (MOCN sharing, covering 4G technologies). The authorisation permits the RAN sharing for the period from 1 January 2023 to 14 March 2029. Ownership of the relevant base stations remains with SLT, and the arrangement covers 830 base stations across Sri Lanka.
2. **RAN sharing between DBN and Dialog.** TRCSL permitted DBN to conduct Fixed to Mobile RAN sharing with Dialog in the 2340-2360 MHz spectrum bands for the provision of Dialog’s LTE mobile services (MOCN sharing, covering 4G technologies). The authorisation permits the RAN sharing for the period from 1 July 2024 to 30 June 2025, which was extended to 31 December 2025. Ownership of the relevant base stations remains with DBN, and the arrangement covers 334 base stations across Sri Lanka.

The above RAN sharing was permitted following the Industry Settlement Agreement of 4 March 2024. That settlement established that, immediately after the court settlement, TRCSL would permit infrastructure sharing (including RAN sharing) between fixed and mobile operators, as well as between mobile operators, subject to temporary pricing regulations to be determined by TRCSL, until the promulgation of infrastructure sharing regulations. The Industry Settlement Agreement further provides that operators may request a determination from TRCSL on any technical or pricing issues arising in connection with such arrangements.

In addition, the settlement provides that wholesale services supplied by mobile and fixed operators to other operators, such as international bandwidth and fibre, shall remain subject to price regulation by TRCSL until the introduction of competition regulations for the telecommunications market.

RAN sharing has not yet evolved into a consistently operational wholesale input capable of materially lowering competitive asymmetries. In practice, it appears to be limited to arrangements between affiliated companies, thereby risking outcomes contrary to the regulatory objective.

V. Analysis of the relevant wholesale mobile network access market

In accordance with the Competition Rules, 2024, the TRCSL assesses whether the relevant wholesale mobile network access market is susceptible to ex ante regulation and, if so, whether any undertaking holds significant market power in that market.

The assessment follows the sequence prescribed by the Competition Rules. First, the TRCSL defines the relevant market, including the relevant product market and its geographic scope. Second, the defined market is assessed against the three-criteria test in order to determine whether it is susceptible to ex ante regulation. Third, where the market is found to satisfy the three criteria, the TRCSL examines whether the market is effectively competitive, identifies any undertaking with significant market power, and assesses the competition problems arising from that market power. Finally, where SMP is established, the TRCSL determines the most appropriate ex ante remedies to address the identified competition concerns.

TRCSL is required to conduct a forward-looking analysis, taking into account current market conditions, reasonably foreseeable developments, and the impact of other forms of regulation over a typical review period of three to five years.

VI. Market definition of the wholesale mobile network access market

The purpose of this section is to identify the set of wholesale inputs that are sufficiently substitutable to form part of the same relevant product market. In accordance with the Competition Rules, this assessment is based primarily on demand-side substitutability and supply-side substitutability, taking account of the characteristics, intended use, and commercial conditions of the relevant services.⁷

6.1. Product market definition – wholesale mobile network access

Access to mobile networks is a precondition for operators wishing to offer mobile services to end-users. While mobile network operators (MNO) themselves control all the infrastructure necessary to offer mobile network services to the end-users, other operators will depend on being able to buy access at the wholesale level, to be able to offer such services. There are various means of accessing mobile networks at the wholesale level. The type of access that an access buyer wishes to use will depend on the extent to which the access buyer controls its own infrastructure. The following different types of access can generally be identified:

- **MVNO access:** The extent of an MVNO's own infrastructure can range from none at all (where the operator relies entirely on the host MNO's network) to a full core network, including its own switching, customer management systems, interconnection arrangements, and service platforms, but without spectrum resources and radio access infrastructure. Although MVNO business models vary, regulators generally distinguish between the following main categories:
 - i. **Service providers** are resale-based operators that supply mobile services using the network of a host MNO, typically adding only branding, marketing, and distribution. They do not possess their own network infrastructure and operate under a non-exclusive access agreement with the host operator. End users have contracts with the service provider, but the underlying technical provision of the service remains the responsibility of the host MNO. As a result, the service provider requires only limited investment in infrastructure.
 - ii. **Light MVNOs** have a greater degree of independence than service providers. In addition to their own branding and distribution, they typically operate their own customer management and billing systems, which gives them greater flexibility in retail pricing, service design, and packaging. At the same time, they continue to rely extensively on the host operator for underlying network functions.
 - iii. **Full MVNOs** have the highest degree of technical and commercial independence short of becoming an MNO. In addition to customer management and billing, they have their own core network and application platforms, providing full control of pricing, service creation and

⁷ Competition rules, 2024, para 7.5 and 7.6

introduction, and full customer ownership (own switches, HLR, IMSI numbers, SIM cards and numbering systems, giving the power to switch host MNO and to negotiate wholesale rates). Unlike service providers or light MVNOs, full MVNOs generally possess the technical capability to interconnect with other network operators and may receive mobile termination revenues. The main distinction between a full MVNO and an MNO is that the full MVNO does not own its own radio access network or frequency spectrum. Instead, it relies on the host MNO for radio access while retaining substantial control over the rest of the service chain.

Table 1. Comparison of MVNO types and MNOs

Model	Radio access network	Core network elements	Customer management / billing	SIM / IMSI / numbering	Interconnection / roaming	Degree of independence
Service provider	Uses host MNO network	No own core network	Usually limited or partial own customer-facing functions; may handle branding, sales and customer relationship	Usually no own SIM/IMSI/numbering resources	Relies on host operator's arrangements	Low
Light MVNO	Uses host MNO network	Limited or no own core network	Has own customer management and billing systems	May have some limited control, but generally relies on host for key network resources	Largely relies on host operator	Medium
Full MVNO	Uses host MNO network	Has own core network and service platforms	Has own customer management and billing systems	Typically has own SIM cards, IMSI ranges, and often numbering resources	Can manage interconnection more independently and may receive termination revenues	High
MNO	Owns and operates own radio access network	Owns own core network	Full control	Full control	Full control	Very high

The different types of MVNO access described above represent successive steps along a ladder of investment, whereby an access seeker may enter the market at the service provider level with minimal infrastructure investment and progressively acquire greater technical capability and commercial independence over time. This ladder-of-investment framework supports the conclusion that the different MVNO access tiers are sufficiently substitutable to belong to the same product market, since they serve the same core economic function of enabling retail mobile service provision without ownership of radio access infrastructure or spectrum.

No form of MVNO is currently active in Sri Lanka.

- **National roaming:** National roaming is a form of wholesale access that allows an operator to serve its own subscribers in geographic areas where it does not have radio coverage, by relying on the network of another operator. It is typically most relevant to operators that hold spectrum rights and have deployed at least part of their own network, but require access outside their own footprint during rollout, expansion, or gap-filling.

No national roaming agreements are currently in force in Sri Lanka. However, the existing licensing framework provides, in principle, for reciprocal national roaming arrangements among operators providing GSM-based services. This indicates that national roaming is recognised within the regulatory framework, even though it has not functioned in practice as an active wholesale access mechanism during the review period. However, the reciprocal nature of this obligation, combined with its restriction to GSM-based services and the absence of any evidence of practical use, indicates that it has not functioned as an effective wholesale access mechanism. The TRCSL notes that the practical relevance of national roaming in Sri Lanka has been further limited by the imposition of national coverage obligations on all spectrum licensees, which has resulted in all three MNOs deploying networks with substantial nationwide coverage. In a forward-looking assessment, however, national roaming may become relevant to infrastructure-based entrants or to operators seeking to extend coverage into specific geographic gaps, and it is therefore appropriate to consider it as part of the relevant wholesale mobile access market.

It is important to note that, in Sri Lanka, no wholesale market currently appears to exist, as none of the identified services are provided at wholesale level to other operators. However, all network operators use the relevant inputs internally in support of their own downstream service activities, that is, through self-supply. The TRCSL notes that the absence of an operational wholesale market does not preclude the definition of a relevant wholesale product market for regulatory purposes. The absence of third-party wholesale supply may itself be indicative of market conditions, barriers to entry, or the exercise of market power by vertically integrated MNOs. This is consistent with established regulatory practice in international jurisdictions⁸, where markets have been defined and SMP obligations imposed in circumstances where wholesale access was provided exclusively through self-supply by vertically integrated operators. The purpose of defining the relevant market in such circumstances is precisely to assess whether regulatory intervention is warranted to address the market failure that the absence of supply may represent.

The retail mobile services ultimately supplied to end-users — namely mobile voice, SMS, and mobile broadband — are the same irrespective of the specific form of wholesale access used to provide them. The differences between MVNO access tiers and national roaming relate to the degree of infrastructure control exercised by the access seeker, and to the stage of its market entry or network rollout strategy, rather than to the nature of the downstream services ultimately provided. This functional equivalence at the retail output level is the primary basis for treating the different forms of wholesale access as part of the same relevant product market.

⁸ European Commission, Explanatory Note to the 2020 Relevant Markets Recommendation

Based on the above assessment, the TRCSL defines the relevant product market as comprising wholesale mobile network access provided by mobile network operators for the purpose of enabling the provision of retail mobile services. This market is technology-neutral and encompasses the following forms of wholesale access:

- MVNO access at all tiers, including service provider access, light MVNO access, and full MVNO access
- Access by national roaming
- Self-supplied wholesale mobile access used internally by MNOs in support of their own downstream retail activities

6.2. Demand-side substitutability

Demand-side substitutability assesses whether an access seeker would regard alternative wholesale inputs as sufficiently interchangeable for the same intended use. In the present case, the relevant question is whether an undertaking seeking to provide retail mobile services in Sri Lanka would regard different forms of wholesale mobile access as viable alternatives.

As no wholesale access market currently exists in Sri Lanka's telecommunications sector, demand-side substitutability is assessed from the perspective of both potential new entrants and existing operators seeking to expand or enhance their service offering.

➤ MVNO access

The TRCSL considers that service provider access, light MVNO access, and full MVNO access form part of the same wholesale mobile network access. These forms of access differ mainly in the degree of infrastructure, technical functionality, and commercial control exercised by the access seeker. However, they are all means by which an undertaking without its own full mobile access network may provide retail mobile services using the host MNO's infrastructure. The retail services ultimately supplied to end-users (mobile voice, SMS, and mobile broadband) remain substantially the same irrespective of the specific MVNO model chosen.

The choice between different models depends on the access seeker's financial resources, technical capabilities, commercial strategy, and intended level of independence. These models may also represent different points along a possible ladder of investment, allowing an access seeker to deepen its capabilities over time.

The TRCSL considers that switching between different MVNO models is plausible in both directions: a light MVNO facing increased wholesale costs may either downgrade to service provider access (accepting reduced commercial independence in exchange for lower cost) or, over time, invest in upgrading to full MVNO status (internalizing more network functions to reduce reliance on the host MNO's wholesale prices). The different MVNO tiers therefore exert mutual competitive constraints on each other and represent successive steps on the ladder of investment. This bidirectional substitutability, combined with the common downstream output of retail mobile service, supports their inclusion in the same relevant product market.

The availability of MVNO access is therefore capable of enhancing downstream retail competition by facilitating entry and expansion. A small but significant increase in the price of wholesale mobile access is likely to reduce the viability of MVNO-based market entry and expansion, thereby weakening the competitive constraint that such operators may exert at retail level. The absence of any wholesale MVNO access product in Sri Lanka therefore removes this competitive constraint entirely from the retail market, which is itself a strong indicator of the need for regulatory intervention.

Accordingly, the TRCSL considers that service provider access, light MVNO access, and full MVNO access belong to the same relevant product market.

➤ **National roaming**

The use of wholesale mobile access for national roaming allows an access buyer to serve its own mobile subscribers in geographical areas outside its own network's geographical coverage. This form of wholesale access is particularly relevant to any market entrant that starts its infrastructure investment roll-out in limited locations but has not yet achieved the national coverage necessary to serve subscribers across the country. National roaming enables such operators to offer competitive nationwide retail services during the rollout period without requiring immediate full network duplication. It may also be relevant for an existing operator seeking to improve its competitive position by extending coverage, addressing service gaps, or enhancing the quality and reach of its retail offers without immediately undertaking full additional network deployment.

At a functional level, national roaming and MVNO access are both upstream wholesale inputs that enable the provision of the same downstream retail mobile services, namely voice, SMS, and data, without requiring the access seeker to replicate a full nationwide mobile network. The degree of substitutability between them, however, is not identical in all circumstances (asymmetric and conditional), the differences between the two relate primarily to the extent of infrastructure already controlled by the access seeker and the stage and strategy of its market entry or network rollout. National roaming is typically used by operators that already hold spectrum rights and have partial network coverage, whereas MVNO access is generally more suitable for spectrum-less or lower-investment entrants. Nevertheless, both forms of access serve the same core economic purpose of overcoming limitations in self-supplied network coverage and enabling retail market participation.

The TRCSL notes that service-based entry (via MVNO access) and infrastructure-based entry (via national roaming combined with own network deployment) represent two distinct but complementary routes to retail market participation. Both forms of entry require upstream wholesale inputs and both contribute to downstream retail competition. The ladder of investment framework — under which an access seeker may enter the market at the service provider or MVNO level and progressively acquire greater infrastructure capability over time — supports treating these forms of access as part of the same market, even where direct switching between them is conditional on the access seeker's investment stage. For a spectrum-less entrant, MVNO access is the primary route to market entry, and national roaming is not an immediately available substitute. However, for an operator at an intermediate stage — holding spectrum and having deployed partial network coverage — the two forms of wholesale access may be partial substitutes at the margin. A small but significant increase in the price of wholesale MVNO access could, for an access seeker

with sufficient technical and financial capability, induce a shift towards a hybrid model combining own infrastructure deployment with national roaming. This chain of substitutability, even if conditional and asymmetric, is sufficient to support the inclusion of national roaming within the same relevant product market as MVNO access.⁹

The TRCSL notes that, in the specific context of Sri Lanka, national roaming has not been used in practice during the review period. All spectrum licensees are subject to national coverage obligations, and the three MNOs have invested in achieving substantial nationwide coverage. However, in a forward-looking assessment covering the review period, national roaming may become relevant to infrastructure-based entrants or to operators seeking to address specific geographic gaps, including in the context of the 5G deployment.

National roaming and MVNO access are therefore included within the same relevant wholesale mobile access product market, defined on a technology-neutral basis and covering the provision of retail mobile voice, SMS, and mobile broadband services.

➤ **Self-supply**

Although no external wholesale market currently exists, since the identified services are not supplied to third-party operators, all mobile network operators provide the relevant upstream inputs internally to support their own downstream retail activities. In economic terms, there is no material distinction between wholesale mobile access supplied internally and the same input supplied externally to an MVNO or service provider, as both are used to support the provision of retail mobile services. E.g. if an MNO increases the price of its wholesale access, it will increase both the cost of access for the third-party service provider and also to its own downstream retail provider. Therefore, self-supplied wholesale access and provided to third party providers face the same pricing constraint and is considered as part of the relevant wholesale mobile access market in Sri Lanka.

In addition, once MVNO access becomes operational, self-supply may act as a substitute either directly or indirectly. Direct substitution may arise where an MVNO chooses to self-supply one or more of the relevant building blocks where this is more cost-efficient than continued reliance on purchased wholesale access. In this context, a small but significant increase in wholesale access charges would induce the MVNO to switch to alternative means of supply, including self-supply. Indirect substitution may arise where an increase in wholesale access charges imposed on an MVNO leads that operator to raise its retail prices, causing some end users to switch to competing vertically integrated MNOs relying on self-supply. Although direct substitution through self-supply will generally be limited in the short term, particularly for spectrum-less entrants, indirect self-supply should nevertheless be recognized as a relevant substitute for wholesale supply.

Self-supply is therefore included within the relevant wholesale mobile access product market.

➤ **Active RAN-sharing arrangements**

⁹ It is in line with internationally established regulatory practice, e.g. Norway, Georgia, Malta and others.

Active RAN sharing, including arrangements such as MORAN and MOCN, may reduce rollout costs, improve coverage, and affect competitive conditions in mobile markets.¹⁰ Both models are forms of active network sharing in the sense that they involve the joint use of elements that actively process and transmit radio signals, as distinct from the passive sharing of supporting infrastructure. They are increasingly common in mobile markets globally, particularly for 4G coverage extension in rural or low-density areas and for 5G rollout cost management. Such arrangements may therefore be economically relevant to the broader assessment of upstream bottlenecks and market power. However, active RAN sharing differs in important respects from standard wholesale mobile access products. They differ in both economic function and legal-commercial characteristics.

Standard wholesale mobile access products, such as MVNO access and national roaming, are fundamentally asymmetric supply relationships. One party (the host MNO) supplies a defined wholesale input to another party (the access seeker), enabling the access seeker to provide retail mobile services to its own customers. The commercial relationship is that of supplier and buyer: the host operator retains full ownership and operational control of its network, and the access seeker purchases a defined service output from that network. The access seeker has no role in the configuration, management, or investment decisions of the host network. The economic function of these products is to provide market access — enabling participation in retail markets by parties that do not own or cannot cost-effectively replicate the relevant network infrastructure.

Active RAN sharing arrangements are typically reciprocal, horizontally integrated infrastructure coordination arrangements between operators that each occupy an infrastructure-based position in the market. The key economic distinctions are as follows:

- **First, reciprocity versus unidirectionality.** Wholesale access products are inherently unidirectional: the host MNO supplies, the access seeker receives. Active RAN sharing is typically bilateral or multilateral: both parties contribute assets, share costs, and obtain benefits. This reciprocal structure means that active RAN sharing does not address the same market failure as wholesale access regulation: it does not give a spectrum-less or infrastructure-less entrant a route to market, because both parties must bring infrastructure or spectrum to the arrangement.

¹⁰ Under a **Multi-Operator Radio Access Network (MORAN)** arrangement, two or more operators share active radio equipment — including base stations and antennas — but each operator retains its own separately licensed spectrum. Each operator's traffic is handled by the shared hardware but carried over its own spectrum, and the network appears to each operator's subscribers as that operator's own network. MORAN reduces the capital cost of deploying and maintaining active radio equipment but preserves spectrum separation between the sharing parties. Under a **Multi-Operator Core Network (MOCN)** arrangement, sharing goes further: in addition to sharing active radio equipment, the sharing parties may also share spectrum resources. Subscribers of each operator connect to the shared RAN and are then routed to their respective operator's core network. MOCN can deliver greater efficiency gains than MORAN but involves deeper technical integration and more complex governance arrangements, particularly where spectrum is shared. See: https://www.gsma.com/solutions-and-impact/technologies/networks/gsma_resources/infrastructure-sharing-an-overview and [TS 123 251 - V18.0.0 - Universal Mobile Telecommunications System \(UMTS\); LTE; Network sharing; Architecture and functional description \(3GPP TS 23.251 version 18.0.0 Release 18\)](#)

- **Second, joint operational control versus passive consumption.** An MVNO or national roaming customer consumes a wholesale service without involvement in the operational decisions of the host network. Under active RAN sharing, each participating operator typically retains an active role in the governance, configuration, and management of the shared elements — particularly where spectrum is involved under MOCN. This distinction matters for competition analysis: shared operational control creates coordination risks and potential competition concerns that are absent from standard wholesale access relationships.
- **Third, cost-sharing versus price-for-access.** The economic logic of wholesale access products is that the access seeker pays a price — ideally cost-oriented under a regulated reference offer — for the use of the host operator's network. The economic logic of active RAN sharing is fundamentally different: it is a cost-pooling and investment-sharing arrangement under which the parties jointly reduce their respective Capex and Opex by sharing infrastructure deployment. The benefit is mutual cost efficiency, not the provision of market access to a third party. A regulated wholesale access price and a RAN sharing cost-allocation arrangement are therefore economically distinct instruments serving different purposes.
- **Fourth, the prerequisite of spectrum rights.** MVNO access is specifically designed for operators that do not hold spectrum rights, enabling retail mobile service provision without spectrum ownership is its defining commercial rationale. Active RAN sharing, by contrast, presupposes that all participating operators hold licensed spectrum: both MORAN and MOCN are technically predicated on each sharing party contributing its own spectrum to the arrangement, whether kept separate under MORAN or pooled under MOCN. A spectrum-less entrant cannot participate in a MORAN or MOCN arrangement in any operationally meaningful sense.

The legal and commercial character of active RAN sharing arrangements also differs materially from that of wholesale access products. Wholesale access products, particularly where subject to ex ante regulation, are typically governed by a reference offer specifying the terms of access, pricing, quality, and non-discrimination obligations. The regulatory objective is to prevent an operator with market power from foreclosing downstream competition through refusal to supply, discriminatory treatment, or excessive pricing. The legal relationship is one of regulated third-party access, with the regulator acting as the backstop enforcer of access obligations.

Active RAN sharing arrangements are ordinarily governed by bilateral or multilateral sharing agreements that are commercially negotiated between the parties. They typically address: the geographic scope of sharing; the allocation of capital expenditure and operating costs between the parties; the governance structure for joint decision-making on network configuration and investment; the handling of spectrum in shared zones (particularly under MOCN); and the terms under which the arrangement may be varied or terminated. These agreements are not access agreements — neither party is providing network access to the other as a retail service enabler.

Notwithstanding the above distinctions, active RAN sharing remains economically significant to the analysis of the wholesale mobile access market for two distinct reasons.

First, active RAN sharing may have important implications for downstream retail competition and for the assessment of market power where the arrangement takes place within an integrated group or between

affiliated entities. In the Sri Lankan context, this issue arises in particular in relation to the arrangements between Dialog Axiata PLC and DBN and between Mobitel and SLT. Where a mobile operator relies on assets, capabilities, or resources associated with an affiliated fixed operator, including spectrum-related resources, to support its mobile service provision, the resulting economic effect is more appropriately characterized as intra-group self-supply or affiliate leveraging, rather than as a standard active infrastructure sharing agreement between independent operators. In such circumstances, the competitive advantage lies in the ability of the integrated group to combine fixed and mobile assets in a manner that strengthens its position in the mobile market. Such arrangements may therefore be highly relevant to the assessment of SMP, vertical integration, affiliate transactions, self-supply, and remedies, even though they do not form part of the relevant wholesale mobile access product market as such.

Second, active RAN sharing may affect the competitive dynamics of the wholesale mobile access market indirectly. If two MNOs enter into a MORAN or MOCN arrangement covering a significant part of the national territory, this may alter their incentives or ability to provide wholesale access to third parties. For example, it may change the cost structure of wholesale supply, create closer coordination between actual or potential host operators, or reduce the number of independent network operators capable of hosting MVNOs or offering roaming access. These indirect effects are relevant to the assessment of competitive conditions, even though active RAN sharing is not itself included within the relevant product market.

TRCSL therefore treats active RAN sharing as economically proximate to, but analytically distinct from, the relevant wholesale mobile access market. It is excluded from the product market definition for the reasons set out above. It will, however, be addressed in the competition assessment and remedies sections of this review, in particular in relation to the competitive implications of existing or proposed sharing arrangements, and the risk that horizontal RAN-sharing arrangements or affiliate-based sharing structures may foreclose wholesale access to third parties.

Accordingly, active RAN sharing does not form part of the relevant product market, but will be assessed as an important related upstream arrangement insofar as it may materially affect competitive conditions and the design of remedies.

6.3. Supply-side substitutability

A supply-side substitutability analysis should consider whether an owner of other types of the networks would be able in short to medium period to provide to wholesale mobile access buyer another means of supplying the same functional service (defined as substitutes on demand side).

The wholesale mobile network access market is technology-neutral and encompasses access over all mobile technologies operational during the review period, including 2G, 3G, 4G/LTE, and 5G¹¹. This is consistent with the retail market definitions established in the Retail mobile voice and broadband market analysis, which identifies the relevant retail market as technology-neutral. The technology-neutral

¹¹ Dialog and Mobitel have launched commercial 5G services following the completion of the national 5G spectrum auction and licence awards in 2025, with deployment currently focused on selected geographic areas. While 5G coverage remains limited at present, the market analysis is forward-looking, and further expansion of 5G coverage over the review period is reasonably foreseeable.

approach reflects the functional substitutability of different mobile access technologies from the perspective of an access seeker seeking to provide retail mobile voice, SMS, and data services.

The provision of wholesale mobile network access on a national basis could not be achieved using any other means than an MNO's mobile network infrastructure. In particular:

- Fixed network operators (whether providing xDSL, fibre or cable TV) do not hold mobile system operators licence, mobile spectrum and do not control mobile radio access infrastructure. They could not switch to supplying wholesale mobile access without first obtaining licences, deploying mobile base station networks, and satisfying national coverage obligations — a process requiring multi-year investment and regulatory approvals that clearly falls outside the scope of short-to-medium-term supply-side substitution.
- Fixed wireless access (FWA) operators, including SLT and DBN, operate under fixed system licences and provide broadband and voice services to fixed locations. Although FWA may in certain cases overlap with mobile broadband from the end-user perspective, it does not provide the mobility functionality, seamless handover, or national roaming capabilities that are intrinsic to wholesale mobile access. Moreover, an FWA operator could not, without additional licensing and substantial infrastructure investment, reconfigure its network to supply the mobile access functionality required by an MVNO or national roaming customer. The regulatory framework applicable in Sri Lanka is also distinct from that governing mobile network access, such that a fixed operator could not switch to wholesale mobile access provision without meeting separate licensing, spectrum, and technical requirements. The TRCSL therefore concludes that fixed LTE and FWA services fall outside the relevant product market for wholesale mobile network access and do not constitute supply-side substitutes.
- Internet Service Providers (ISPs) without mobile network infrastructure face the same barriers as fixed operators and are not supply-side substitutes.
- Satellite operators, including LEO satellite providers, do not provide mobile network access in the technical sense required by an MVNO or roaming operator. Their services are delivered over satellite spectrum under separate licensing regimes and do not constitute a supply-side substitute for terrestrial mobile access.
- Providers of over-the-top (OTT) communications services are themselves dependent on underlying mobile or fixed connectivity and are therefore not upstream wholesale substitutes.

From a supply-side perspective, the supply of wholesale mobile access in all its forms — MVNO hosting, national roaming, and self-supply — uses the same input factors: radio access network infrastructure, mobile spectrum, core network systems, and interconnection arrangements. An MNO that is capable of supplying one form of wholesale mobile access would, in principle, be capable of supplying the others without significant additional investment or regulatory barriers. Supply-side substitutability therefore supports the inclusion of all forms of MNO-supplied wholesale mobile access within the same relevant market.

Accordingly, supply-side substitutability supports the inclusion within the same relevant market of the principal forms of wholesale mobile access that may be supplied by a mobile network operator, but does not justify widening the market beyond mobile network-based wholesale access.

Conclusion on relevant market definition. The relevant product market is defined as the market for wholesale mobile network access provided by mobile network operators for the purpose of enabling the provision of retail mobile voice, SMS, and mobile broadband services. This market is technology-neutral and encompasses access over all mobile technologies operational during the review period, including 2G, 3G, 4G/LTE, and 5G. It includes:

- All forms of MVNO access
- National roaming access
- Self-supplied wholesale mobile access used internally by MNOs in support of their own downstream retail activities

Active RAN sharing arrangements (including MORAN and MOCN models) are not included within the relevant product market for the purposes of this review, given their more conditional and asymmetric substitutability and their different legal-commercial character. However, active RAN sharing is economically relevant to the assessment of competitive conditions and upstream bottlenecks, and will be addressed in the context of the competition assessment and remedies analysis.

6.4. Geographical scope of the market

Once the relevant product market has been defined, TRCSL proceeds to determine its geographic scope. In line with Competition Rules, paragraph 7.6.6.1, the geographic scope of a relevant market is generally presumed to be national, unless a specific assessment demonstrates materially distinct competitive conditions at local or regional level. No such conditions are present in the wholesale mobile access market in Sri Lanka.

As established in the retail market analysis, the geographic market for retail mobile services in Sri Lanka is national. The same conclusion applies to wholesale mobile access (as self-supply is the only viable wholesale option currently). The legal and regulatory framework applies uniformly throughout Sri Lanka. Licensing conditions, regulatory obligations, and tariff oversight are national in character and do not vary by locality or region.

Spectrum rights are likewise assigned on a national basis and are accompanied by nationwide coverage obligations. Mobile network operators deploy and operate their networks under nationally defined licence conditions, and competition therefore takes place on a national footprint rather than within distinct regional or local areas.

On this basis, the TRCSL concludes that the relevant geographic market for wholesale mobile access is national in scope and covers the entire territory of Sri Lanka.

6.5. Three Criteria Test

The three-criteria test is set out in Section 8 of the Competition Rules, 2024. Under this test, a relevant market is considered susceptible to ex-ante regulation only where all three of the following criteria are met simultaneously:

- (a) the presence of substantial and persistent structural, legal, or regulatory barriers to entry;

(b) a market structure that does not tend towards effective competition within the anticipated timeframe of three to five years; and

(c) the insufficiency of existing competition law to effectively address the identified competition concerns.

Failure to satisfy any one of these criteria implies that the market should not be subject to ex-ante regulatory intervention.

Criterion 1. The presence of substantial and persistent barriers to entry

The first criterion of the three-criteria test requires an assessment of whether **substantial and persistent structural, legal, or regulatory barriers to entry** exist in the relevant market. This assessment focuses on current and forward-looking market conditions and evaluates whether potential new entrants could realistically enter the market and exert competitive pressure on incumbent operators within a reasonable timeframe.

Regulatory and legal barriers. At the wholesale level, the principal legal and regulatory barriers arise from the licensing framework governing mobile networks and mobile spectrum. The supply of wholesale mobile access presupposes control over a public mobile network and, in practice, access to spectrum rights and a mobile telecommunications system licence under the Telecommunications Act. Such licences are not granted automatically and are subject to regulatory discretion, procedural requirements, and significant associated fees. A system licence under Section 17 of the Act is issued at the discretion of the Minister, while the TRCSL may issue telecommunications service licences under Section 17B. However, a service licence alone does not provide access to the radio access network or spectrum required to supply wholesale mobile access. In practical terms, only a holder of a mobile system licence and the associated spectrum rights can supply wholesale mobile network access on a national basis.

This creates a significant legal and regulatory barrier to entry at the wholesale level. A new entrant wishing to become a wholesale supplier would need to obtain both the necessary licence and access to scarce spectrum resources, which is both time-consuming and costly¹². A prospective wholesale access seeker, such as an MVNO or service provider, would also depend on the existence of an effective regulatory framework enabling wholesale access on reasonable terms. As established elsewhere in this analysis, Sri Lanka does not currently have an operational MVNO regime, and national roaming has not materialized in practice. Accordingly, the legal and regulatory framework does not currently provide a reliable and effective route to wholesale-based entry.

Structural barriers: access to scarce radio spectrum. A fundamental structural barrier to entry in the wholesale mobile access market is access to scarce radio spectrum. Wholesale mobile access cannot be supplied without access to licensed spectrum and a radio access network. Spectrum is limited in availability, assigned administratively or through competitive award procedures, and licensed for long

¹² All mobile network operators are required to hold mobile telecommunications system licences, which are issued for a period of ten years, subject to renewal. The licence fee for such a licence amounts to LKR 600 million for the licence term. In addition, licensees must comply with regulatory obligations (set in licensing conditions and other legal documents). In addition, no new spectrum allocations are expected in the short term.

durations. Recent spectrum awards illustrate the high cost of obtaining such rights.¹³ The need to secure spectrum on a long-term basis, combined with its scarcity and cost, represents a substantial and persistent structural barrier that cannot be easily overcome by potential entrants.

This barrier is particularly significant at the wholesale level, because the market is ultimately dependent on the existence of operators capable of hosting access seekers. In the absence of spectrum rights, a prospective entrant cannot become an independent wholesale supplier and must instead rely on access being granted by one of the existing MNOs.

Structural barriers: control of infrastructure not easily replicated (sunk investment) and economies of scale and scope. In addition to spectrum, entry into the wholesale mobile access market requires control over infrastructure that is not easily replicated, including radio access networks, core network elements, transmission links, sites, and associated operational systems. These investments involve substantial sunk costs that must be incurred in advance of entry and cannot readily be recovered if entry proves unsuccessful. Establishing a mobile network at scale therefore entails significant and largely irreversible expenditure.

The scale of existing networks in Sri Lanka illustrates the magnitude of this barrier. As of end-2025, Dialog operated 5,468 base stations, Mobitel operated 4,256 base stations, and Hutchison Telecommunications Lanka (Pvt) Ltd. (Hutch) operated 2,843 base stations. The nationwide coverage achieved by these operators further confirms the scale of infrastructure necessary to compete effectively. Replicating such infrastructure in order to become an alternative wholesale access supplier would require very substantial capital expenditure and time, and is therefore unlikely within the review period.

Although a degree of infrastructure sharing exists in Sri Lanka, this has been focused mainly on passive sharing, such as towers and sites. Such sharing may reduce duplication to a limited extent but does not remove the need for substantial investment in active network elements, spectrum, and core systems. It therefore does not materially eliminate the structural barriers to entry.

Furthermore, active RAN sharing arrangements presently appear to exist only within affiliated companies. This further reinforces barriers to entry, as new entrants and challenger operators do not have access to comparable arrangements on equivalent terms.

Table 2. Mobile network infrastructure and coverage indicators by operator

	Dialog	Mobitel	Hutch
Number of operated base stations	5468	4256	2843
Coverage at least 4G, population	99%	97.8%	94%

¹³ In recent awards a single 100 MHz block in the 3.5 GHz band was priced at approximately LKR 5,175 million, in addition to ongoing annual spectrum usage fees payable over the licence term.

Coverage at least 4G, land area	91%	79.2%	67.1%
---------------------------------	-----	-------	-------

Table 3. FWA infrastructure and intra-group active RAN sharing

	DBN	SLT
Number of operated base stations	2567	1750
Shared 4G/LTE sites (MOCN) with an affiliate for mobile service provision	334	830

The wholesale mobile access market is also characterised by significant economies of scale. Mobile networks involve high fixed and sunk costs, while the marginal cost of serving additional traffic is relatively low. Established operators are therefore able to spread their fixed costs over large subscriber bases and high traffic volumes, resulting in lower average costs than those achievable by a new entrant. This means that incumbent operators are likely to be able to supply wholesale access more efficiently and at lower cost than any prospective new wholesale supplier. These economies of scale strengthen the position of incumbent MNOs and create an asymmetry between established operators and any potential new wholesale supplier.

Economies of scope are also relevant, as existing MNOs (in particular Dialog and Mobitel) use the same underlying network and operational systems to support multiple downstream services, including voice, SMS, mobile broadband, and, where relevant, fixed wireless or bundled offers. This further strengthens the cost advantages of established operators relative to new entrants.

Limited effectiveness of wholesale-based entry options. In principle, barriers to entry in the wholesale mobile access market could be mitigated if access seekers were able to enter downstream retail markets through effective wholesale arrangements, such as MVNO access, national roaming, or other regulated access products. In practice, however, such options do not materially reduce entry barriers in Sri Lanka.

No operational MVNO market exists in Sri Lanka, and no third party has entered the retail mobile market on the basis of wholesale access. The absence of a reference offer or other regulated access product therefore constitutes a direct barrier to entry and limits the development of service-based competition, innovation, and consumer choice.

National roaming has not materialized in practice. Consequently, smaller operators, and any future access seeker, are unable to rely on roaming to offer nationwide service outside their own network footprint. This constrains their competitive viability and tends to reinforce the established advantages of incumbent operators, particularly in areas where network coverage is a key competitive parameter.

Wholesale-based entry options cannot therefore be regarded as timely, effective, or reliable routes to market entry. Rather than mitigating barriers to entry, the absence of operational wholesale access products is itself evidence of the strength of the structural and strategic barriers present in the market.

TRCSL therefore concludes that the wholesale mobile access market is characterised by high and non-transitory barriers to entry. These barriers arise from the scarcity and cost of spectrum, the need for a regulatory licence, the substantial sunk investment required to deploy a nationwide mobile network, the existence of significant economies of scale and scope, and the absence in practice of effective wholesale-based entry routes such as MVNO access or national roaming. These barriers are structural and persistent in nature and are unlikely to be overcome within the review period. Accordingly, **the first criterion of the three-criteria test is met.**

Criterion 2. The market is not tending towards effective competition

The second criterion of the three-criteria test examines whether, notwithstanding the presence of high and non-transitory barriers to entry, the relevant market nonetheless shows a tendency towards effective and sustainable competition within a reasonable forward-looking timeframe. This assessment focuses on whether market dynamics, structural developments, or competitive forces are likely to erode market power in the absence of ex-ante regulatory intervention.

By definition, Criterion 2 is forward-looking. It is not fulfilled where there is sufficiently clear evidence that market developments will lead to sustainable competition without regulation. Conversely, where the evidence indicates increasing concentration, limited rivalry, or a lack of credible competitive constraints, the criterion is satisfied.

In the case of wholesale mobile access in Sri Lanka, the available evidence indicates that the market is not tending towards effective competition. On the contrary, current and historical market developments suggest that the relevant upstream inputs remain entirely controlled by the existing mobile network operators and continue to be used, in practice, predominantly through self-supply in support of their own downstream retail activities.

The acquisition of Airtel by Dialog has further reinforced this position by eliminating one potential host operator and reducing the number of structurally capable wholesale suppliers. As a result, the scope for independent wholesale competition has narrowed further. More broadly, the market remains highly concentrated, with only three mobile network operators and a high level of concentration (**Figure 1** and **Figure 2**).

Figure 1. Market share dynamics and the level of concentration - HHI, 2022–2025

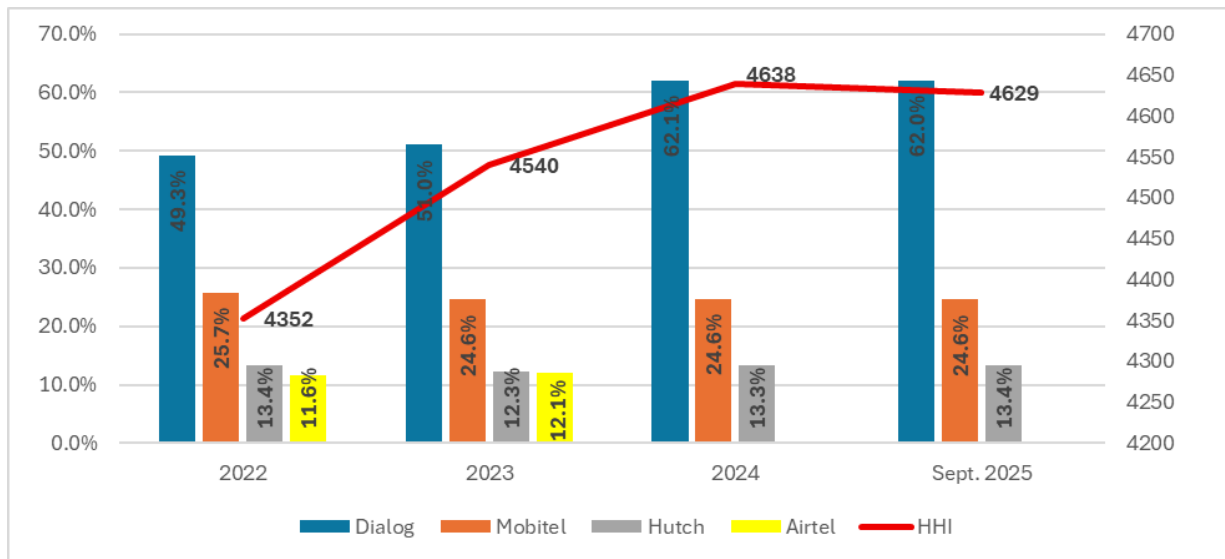
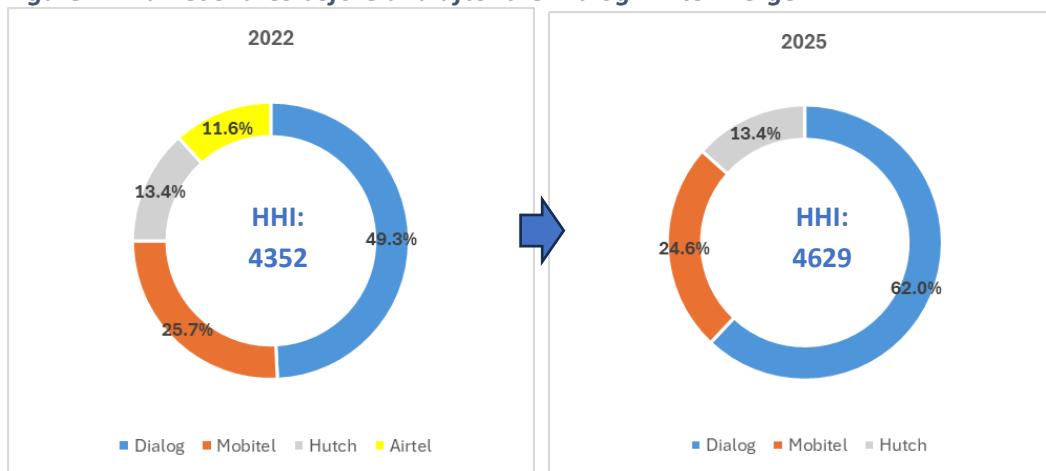


Figure 2. Market shares before and after the Dialog–Airtel merger



There is also no evidence of the emergence of alternative wholesale suppliers or of any realistic prospect that a new operator will deploy a competing nationwide mobile network during the review period so as to supply wholesale mobile access to third parties. The combination of spectrum scarcity, licensing constraints, high sunk costs, and economies of scale and scope makes such entry unlikely within the forward-looking assessment period.

Accordingly, the TRCSL considers that the wholesale mobile access market is not tending towards effective competition and the **second criterion is fulfilled**.

Criterion 3. Existing competition laws are inadequate to address the competition issues identified effectively.

The third criterion of the three-criteria test requires an assessment of whether existing competition law, or competition-related rules, would be sufficient, on their own, to address the competition problems identified in the relevant market.

As Sri Lanka does not have a cross-sectoral competition authority with economy-wide powers, nor a general competition law comparable to those in some other jurisdictions, competition-related matters in the telecommunications sector are addressed through sector-specific competition rules. In particular, Part II of the Competition Rules, 2024 sets out the powers of the TRCSL to intervene in competition-related matters on an ex post basis, with a primary focus on mergers and acquisitions. Part II of the Competition Rules, by its nature, provides for ex post intervention, as it addresses competition concerns after anti-competitive behaviour has occurred. By contrast, ex ante regulation under Part I is intended to prevent the emergence of anti-competitive outcomes by imposing forward-looking obligations before harm materialises. As such, reliance on ex post competition intervention alone is insufficient to address persistent structural market failures.

This distinction is particularly important in the case of wholesale mobile access. The competition concerns identified in this market are not limited to isolated instances of anti-competitive conduct, but arise from the structural features of the market itself. These include the control by existing MNOs of infrastructure that is not easily replicated, the scarcity of spectrum, the high sunk costs of network deployment, economies of scale and scope, and the vertically integrated structure of the mobile sector. These characteristics create both the ability and the incentive for incumbent MNOs to restrict or withhold wholesale access from independent access seekers, or to offer such access only on terms that are not commercially viable for effective downstream competition.

In such circumstances, reliance on ex post enforcement alone would be insufficient for several reasons:

- First, ex post intervention is inherently reactive. It addresses anti-competitive conduct only after it has occurred, and therefore cannot by itself ensure that wholesale access is made available in a timely, transparent, and predictable manner. In the context of wholesale mobile access, delays in access, refusals to negotiate, discriminatory treatment, or the absence of a wholesale product altogether may be sufficient to prevent market entry or expansion, even before any ex post process is concluded.
- Second, ex post enforcement is not well suited to addressing a market in which wholesale access products are structurally absent. In Sri Lanka, no operational MVNO market exists and national roaming has not materialised in practice. In such a context, the market failure is not simply abusive conduct in relation to an existing access product, but the absence of an effective access regime itself.
- Third, the market is characterised by persistent structural advantages and durable market power. Ex post enforcement alone cannot provide the degree of legal certainty and regulatory predictability required by prospective access seekers. New entrants or challenger operators require clear ex ante rules governing the availability, terms, and conditions of access in order to make investment and entry decisions.
- Fourth, ex post intervention is less effective in addressing complex forms of vertical foreclosure, self-preferencing, or affiliate leveraging, particularly where the relevant advantages arise through self-supply, internal transfer pricing, or intra-group arrangements rather than through explicit refusal to deal. Such conduct may be difficult to detect, slow to investigate, and difficult to remedy effectively after the event. Ex ante obligations may be therefore necessary to ensure that access

is provided on fair, reasonable, and non-discriminatory terms, and that the SMP operator cannot use its control over essential upstream inputs to distort downstream competition.

Given the persistence of these structural conditions, and the absence of any clear indication that the market is likely to become effectively competitive within the review period, the TRCSL considers that existing ex post regulation rules alone are insufficient to address the identified market failures in the wholesale mobile access market. Ex ante sector-specific regulation remains necessary in order to establish a clear access framework, prevent foreclosure, and ensure effective and sustainable downstream competition.

Accordingly, the TRCSL concludes that the wholesale mobile access market **satisfies the third criterion of the three-criteria test.**

Conclusion. Based on the above assessment, it is concluded that the wholesale mobile access market in Sri Lanka satisfies all three criteria of the three-criteria test. The market is characterised by high and persistent barriers to entry, does not tend towards effective and sustainable competition, and competition law or competition-related rules alone are insufficient to address the identified market failures. Accordingly, the application of ex ante sector-specific regulation is justified.

VII. Assessment of competition in the wholesale mobile network access market in Sri Lanka

As defined by Section 9 of Competition Rules, 2024 the purpose of market analysis conducted by the Commission is to determine whether the relevant market is genuinely competitive. This includes identifying whether any authorized entities possess significant or joint significant market power within that market. To conduct the task the TRCSL shall assess a combination of criteria set in the Competition Rules, 2024.

7.1. Methodological approach: market shares in the absence of wholesale transactions

As indicated earlier in the report, no external wholesale mobile access market currently exists in Sri Lanka. None of the identified wholesale access products — MVNO hosting, national roaming — is currently provided by any MNO to third-party operators on a commercial basis. The wholesale market consists exclusively of self-supply: each MNO provides the upstream wholesale inputs internally to its own downstream retail operations.

This structural characteristic means that market shares in the wholesale mobile access market cannot be measured by reference to observed wholesale transaction volumes, revenues, or subscriber transfers between operators. Instead, the TRCSL derives wholesale market share from the retail market data established in the retail mobile voice and broadband review, in accordance with the following methodological approach.

Under standard regulatory market analysis practice, where wholesale access is provided exclusively through self-supply, the retail market position of each vertically integrated operator is used as a proxy for its share of the wholesale market. The reasoning is straightforward: each MNO's retail market position is sustained entirely by its internal self-supply of wholesale mobile access. An MNO accounting for a given

share of retail subscribers is, by definition, self-supplying wholesale access for that same share of the market. Its wholesale market share — measured in terms of the volume of self-supplied access — is therefore equivalent to its retail market share.

This approach is consistent with regulatory practice in jurisdictions where self-supply has been taken into account in wholesale market definition and market-share assessment, including in the review of wholesale mobile access markets in Malta, Georgia, Norway¹⁴. The TRCSL considers that this methodology provides the most accurate and analytically defensible basis for assessing market shares in the wholesale mobile access market in Sri Lanka at this stage of market development.

Market shares are assessed across three dimensions, consistent with the approach applied in the retail market analysis:

- self-supply share by subscribers (proxy for volume of wholesale access provided);
- self-supply share by revenues (proxy for economic value of wholesale access provided); and
- self-supply share by originated traffic in minutes and gigabytes (proxy for network utilisation and capacity deployed in service of self-supplied access).

7.2. Market share

A key measure for competition assessment is the market share, typically based on revenue, subscribers, production units, or network size. An entity with a market share of 50% or more is likely seen as having significant power, while less than 35% likely indicates minimal power. The historical progression of market shares also provides insights into the market's competitive nature. For the assessment of wholesale mobile network access, TRCSL considers the following indicators:

- Market share by subscribers (both voice and data)
- Market share by revenues (both voice and data)
- Originated traffic (in minutes and GB)

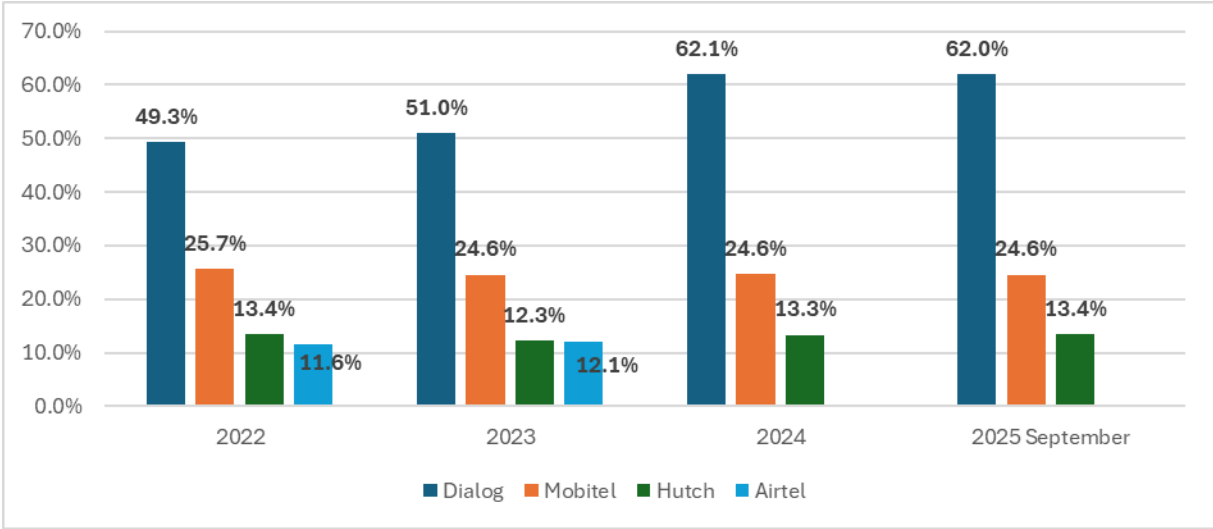
Figure 3 illustrates the evolution of subscriber-based market shares over the period 2022 to September 2025. Dialog maintains the leading position throughout the period. Its self-supply market share remains relatively stable in 2022 (49.3%) and 2023 (51%), before increasing significantly to 62% in 2024 as a result of the Dialog–Airtel merger. This development reflects a substantial strengthening of Dialog’s competitive position and a structural shift in market concentration following consolidation.

¹⁴ <https://comcom.ge/uploads/other/13/13466.pdf>, <https://www.mca.org.mt/sites/default/files/decisions/mobile-wholesale-access-and-call-origination-final-decision.pdf>, https://www.berec.europa.eu/sites/default/files/files/doc/berec/bor_10_09.pdf, https://nkom.no/english/market-regulation/_attachment/download/80c71119-73b9-48ed-8afb-75ba469907bd:480dd7d29d197997b3b67ae56c2c359cfd71c3f8/Annex%201%20Analysis%20of%20the%20market%20for%20access%20and%20call%20origination%20on%20public%20mobile%20telephone%20networks%20PUBLI.C.pdf

Mobitel holds the second-largest market share and remains relatively stable across the period, with 24.6% market share in September 2025. While maintaining a solid position, Mobitel does not exhibit significant growth and appears to operate under increasing competitive pressure. Hutch shows moderate variation over time. Its market share stands at 13.4% of mobile subscribers in September 2025.

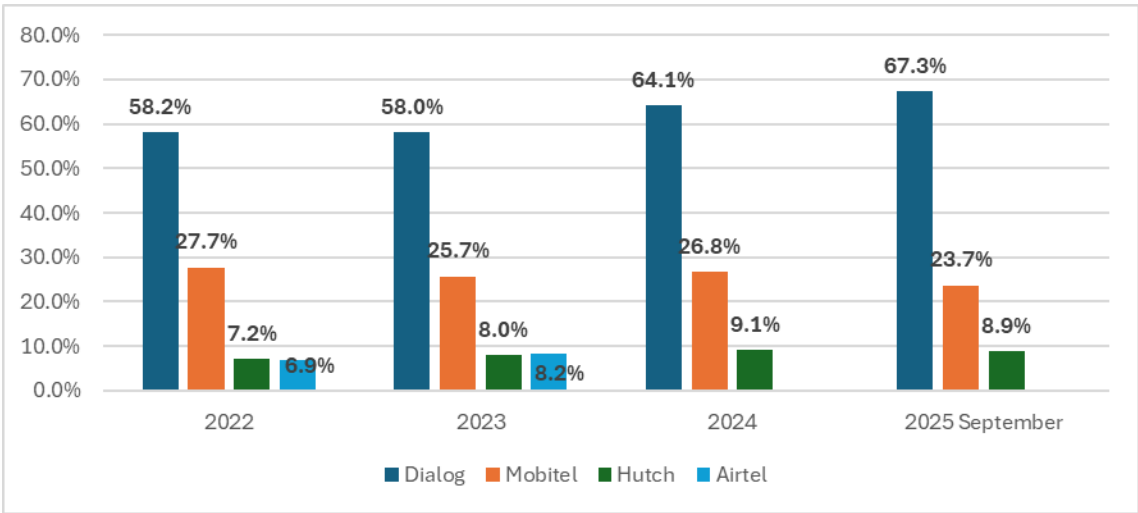
Overall, the figure demonstrates a clear increase in market concentration during the review period, primarily driven by Dialog’s post-merger expansion, while the remaining operators exhibit relatively stable shares.

Figure 3. Retail mobile market shares by subscribers (voice, data and combo), 2022–2025



The revenue-based market shares (**Figure 4**) confirm the earlier findings of increasing market concentration. Dialog’s share rises from 58% in 2023 to 67.3% by September 2025, reflecting strengthened monetisation capacity following the Dialog–Airtel merger. At the same time, Mobitel’s declining revenue share and Hutch’s relatively modest position indicate limited ability to offset the growing asymmetry in the market. Overall, the revenue trends reinforce the conclusion that competitive conditions have become more concentrated over the review period. Note: Revenue-based shares are the primary economic proxy for assessing wholesale market position, since revenues reflect not only volume but also the commercial value and monetisation capacity associated with self-supplied wholesale access.

Figure 4. Mobile market shares by revenues, 2022–2025



Traffic data provides a third proxy for wholesale market position. Voice minutes and data volumes indicate the scale of network use associated with each operator’s self-supplied wholesale access and therefore help reflect the capacity dimension of market position.

The mobile voice and data traffic trends further reinforce the conclusion of increasing market asymmetry. Dialog’s steady and significant traffic growth contrasts with the more modest and comparatively flat revenue trajectories of Mobitel and Hutch (Figure 5 and Figure 6). This widening gap in traffic volumes supports the finding that market concentration has strengthened over the review period and that competitive pressure on the leading operator remains limited.

Figure 5. Mobile voice originating traffic (minutes), 2022–2024

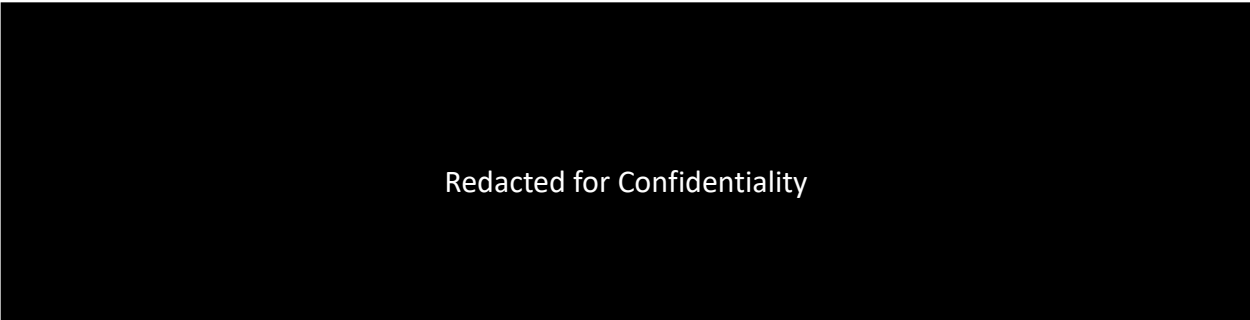


Figure 6. Mobile broadband traffic (million GB), 2022–2024

Redacted for Confidentiality

Accordingly, at the end of September 2025, Dialog accounted for 62% of the wholesale mobile access market by subscribers and 67.3 % by revenues. These figures have increased materially over the review period as a direct structural consequence of the Dialog–Airtel merger. This dual strength in both volume and monetisation reflects a structurally dominant market position and suggests a high degree of market concentration, with limited competitive constraints from smaller operators. From a regulatory market analysis perspective, such sustained and elevated market shares – particularly exceeding the 50% benchmark – create a strong presumption of significant market power. The widening gap between Dialog and the next largest operator further suggests limited competitive constraint and reinforces the conclusion that the market exhibits a high and increasing degree of concentration. In the absence of countervailing structural factors, these indicators are consistent with the existence of SMP in the retail mobile voice market.

While market share is a critical indicator, the Commission will use a combination of other criteria to assess SMP comprehensively.

7.3. Infrastructure control

A key indicator of significant market power in the wholesale mobile access market is the extent to which an operator controls infrastructure that cannot be easily or cost-effectively replicated by actual or potential competitors. This criterion is of particular importance in the assessment of wholesale mobile access because the capacity to supply wholesale access to third parties is directly determined by control over the underlying network assets. These assets are capital-intensive, geographically spread, and characterized by substantial sunk costs and long deployment timelines that make rapid replication by new or smaller operators commercially and technically infeasible. In assessing infrastructure control, TRCSL evaluates:

- The scale and geographic reach of network infrastructure;
- Access to scarce spectrum resources;
- The extent of sunk and irreversible investments;
- The ability of competitors to replicate comparable coverage and capacity within a reasonable timeframe and at economically viable cost.

In addition, the TRCSL considers infrastructure control not only in terms of formally owned assets but also in terms of effective control arising from intra-group arrangements, long-term access to affiliated facilities, and the leverage of fixed-network assets in support of mobile operations. Where a mobile operator is able

to rely on assets, capabilities, or resources associated with an affiliated fixed network operator — including transmission, sites, backhaul, or spectrum resources — the resulting economic effect may materially extend its effective infrastructure position beyond what is reflected in its own directly owned assets.

Radio access network infrastructure

The available operator data establish a clear and material asymmetry in radio access network infrastructure across the three MNOs. Dialog operates the largest mobile network infrastructure in Sri Lanka by every relevant dimension: base station count, technology coverage, geographic reach, and population coverage.

Dialog reported operating¹⁵ 5,285 2G, 5,479 4G and 222 5G base station sites distributed across all nine provinces, achieving approximately 97% landmass coverage and 99% population coverage. In comparison, Mobitel operates 3,688 2G, 1,610 3G and 3,826 4G sites, with approximately 79% landmass and 97.9% population coverage. Hutch operates 2,747 2G, 1,758 3G and 2,840 4G sites, covering approximately 67.1% of landmass and 94% of the population.

Table 4. Mobile network infrastructure indicators by operator

Redacted for Confidentiality	
------------------------------	--

The landmass coverage gap between Dialog (91%) and Hutch (67.1%) is particularly significant for the assessment of national roaming. An operator providing wholesale national roaming must be able to offer coverage across the geographic areas that the roaming customer cannot self-serve. An access seeker using Dialog as a roaming host can access coverage over 91% of the national landmass; using Hutch would provide access to only 67.1%. This 24 percentage point differential may reduce Hutch’s ability to act as an effective substitute for Dialog as a national roaming supplier, and in that sense supports the view that Dialog holds a stronger structural position in the wholesale access market.

Tower ownership and passive infrastructure

The tower ownership data provides a further dimension of infrastructure control analysis. As shown in **Table 5**, Dialog holds by far the largest portfolio of operator-owned towers, with 3,581 owned towers. Mobitel owns 2,353 towers. Hutch owns 1,632 towers. The distribution of operator-owned towers indicates a concentrated infrastructure structure, with Dialog holding a clear quantitative lead.

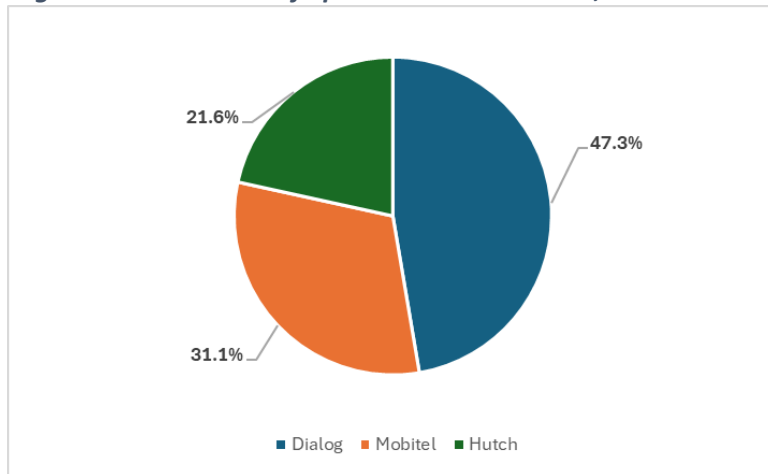
Table 5. Tower ownership by operators

¹⁵ Operated base stations might be owned by the operator or leased.

Operator	Own towers	Own towers shared with others	Towers shared/ leased from others	% of own towers shared	Leased/shared towers as % of own towers
Dialog Axiata PLC	3581	1410	1795	39.4%	50.1%
Mobitel	2353	1052	1907	44.7%	81.0%
Hutch	1632	854	1249	52.3%	76.5%
SLT	275	173	1762	62.9%	640.7%
DBN	217	161	2486	74.2%	1,146%

** The data for SLT and DBN are included in order to illustrate the potential scale of group-level effects in the market. However, a more detailed analysis is required to determine the nature and extent of actual sharing relationships, including those involving other market players not represented in this table.*

Figure 7. Distribution of operator-owned towers*, 2025



** Shared sites are excluded from this assessment to ensure that the analysis reflects infrastructure assets directly controlled by each operator.*

The TRCSL notes that the relevant indicator for SMP assessment is not formal tower ownership per se, but rather the degree of effective control over the infrastructure assets required for wholesale mobile access provision. In this regard, three observations are warranted.

- The existence of passive infrastructure sharing does not materially diminish the infrastructure advantage associated with ownership and operational control of the active mobile network. The active radio access equipment — including base stations, antennas, radio units, and associated systems — remains under the ownership and operational control of the respective MNO irrespective of whether the supporting tower is owned or leased. While passive tower leasing may reduce certain site-related costs and limit duplication of masts and civil infrastructure, it does not eliminate the need for substantial investment in active network equipment, spectrum rights, backhaul and transmission infrastructure, and the operational systems required for nationwide

network management. Accordingly, the existence of passive sharing does not materially weaken the importance of infrastructure control as an indicator of SMP.

- Second, Dialog's position as both the largest tower owner (3581) and a major host of third-party equipment (1,410 of its owned towers shared with other operators gives it significant leverage over the passive infrastructure landscape. As a major infrastructure host, Dialog has detailed visibility into the network deployment activities of its competitors, which may in itself represent an informational advantage. More importantly, Dialog's ability to host or deny hosting on its towers provides it with a degree of structural influence over competitors' rollout strategies that is not available to operators with smaller owned tower portfolios.
- Third, the high ratio of leased-to-owned towers for Mobitel (81.0%) and Hutch (76.5%) — contrasted with Dialog's lower reliance ratio (50.1%) — indicates that Dialog operates from a position of substantially greater infrastructure independence. Dependence on third-party passive infrastructure introduces commercial and operational risks for smaller operators that Dialog does not face to the same degree.

Intra-group active infrastructure sharing — MOCN arrangements

A distinctive feature of the Sri Lanka mobile market is the presence of intra-group active infrastructure sharing arrangements between MNOs and affiliated fixed network operators. These arrangements are analytically significant because they effectively extend each group's active network capacity beyond what is reflected in its own directly licensed spectrum and independently deployed base stations.

Two such MOCN arrangements are operational:

- Dialog Axiata PLC operates a MOCN arrangement with Dialog Broadband Networks (DBN), covering 334 shared 4G/LTE sites at the 2300 MHz band with 20 MHz of bandwidth, on an all-island basis from 1 July 2024.
- Mobitel operates a MOCN arrangement with Sri Lanka Telecom PLC (SLT), covering 830 shared 4G/LTE sites at the 2600 MHz band with 40 MHz of bandwidth, on an all-island basis from 1 October 2023.

Table 6. Active RAN sharing agreements

	DBN	SLT
Number of operated base stations	2567	1750
Shared 4G/LTE sites (MOCN) with affiliate for mobile service provision	334 (shared with Dialog)	830 (shared with Mobitel)
Frequency band, bandwidth shared (MHz)	2300/20	2600/40
Geographic scope	All island	All island
Active from	01.07.2024	01.10.2023

Several regulatory consequences follow from these arrangements:

- First, two of three operators — Dialog and Mobitel — benefit from access to additional mid-band capacity spectrum that is not available to Hutch. The 2300 MHz and 2600 MHz bands are capacity-oriented bands well-suited to high-throughput mobile broadband. Hutch holds no spectrum in either band and has no affiliated entity from which to obtain equivalent access. This creates a structural asymmetry in spectrum-based capacity that advantages both Dialog and Mobitel relative to Hutch, and that cannot be addressed by Hutch through commercial negotiation alone in the absence of a regulatory intervention.
- Second, the Dialog–DBN arrangement is of particular concern from an SMP assessment perspective. The 2300 MHz/20 MHz capacity shared from DBN to Dialog effectively expands Dialog's available spectrum capacity beyond what is reflected in its own licence holdings. When assessed at the group level — combining Dialog's own spectrum with the DBN capacity — Dialog's spectrum position is substantially stronger than the standalone MNO comparison suggests, both relative to Hutch and Mobitel. A similar consideration applies to Mobitel, whose effective spectrum position is also strengthened by the 2600 MHz/40 MHz capacity accessible via its SLT affiliate arrangement. However, even accounting for this group-level effect, Dialog retains a pronounced overall spectrum advantage: its group-level broadband spectrum holdings remain substantially larger than those of Mobitel at the group level. Both operators hold materially more broadband capacity spectrum than Hutch.
- Third, the availability of these MOCN arrangements to Dialog and Mobitel, but not to Hutch or any potential new entrant, creates a structural asymmetry in effective infrastructure capacity that reinforces existing market power. A potential MVNO host that can offer its wholesale customers access to additional mid-band capacity through affiliated spectrum is in a materially stronger competitive position than a host that cannot. Dialog's ability to leverage DBN's spectrum and infrastructure assets in support of its mobile operations compounds its structural advantage in a manner that cannot be resolved without regulatory intervention.
- Finally, under the Infrastructure Sharing Regulations, 2024, any market participant may approach an infrastructure owner to request the establishment of an infrastructure-sharing arrangement, and the infrastructure owner is in principle required to negotiate and enter into such an arrangement, with active RAN sharing agreements subject to prior approval by the Commission, market participants consider the process to be complex, lengthy, and lacking in transparency and procedural clarity. They have also expressed concerns about unjustified pricing, delays in negotiations, and, in some cases, a lack of genuine willingness to engage on commercially reasonable terms¹⁶.

Spectrum holdings

¹⁶ Some market participants argued that leading operators have limited incentives to enter into effective infrastructure sharing arrangements where such arrangements could strengthen smaller competitors or support new entry. They considered current infrastructure sharing prices to be prohibitively high and potentially intended to marginalise competition. Prices are not justified by any cost model or methodology.

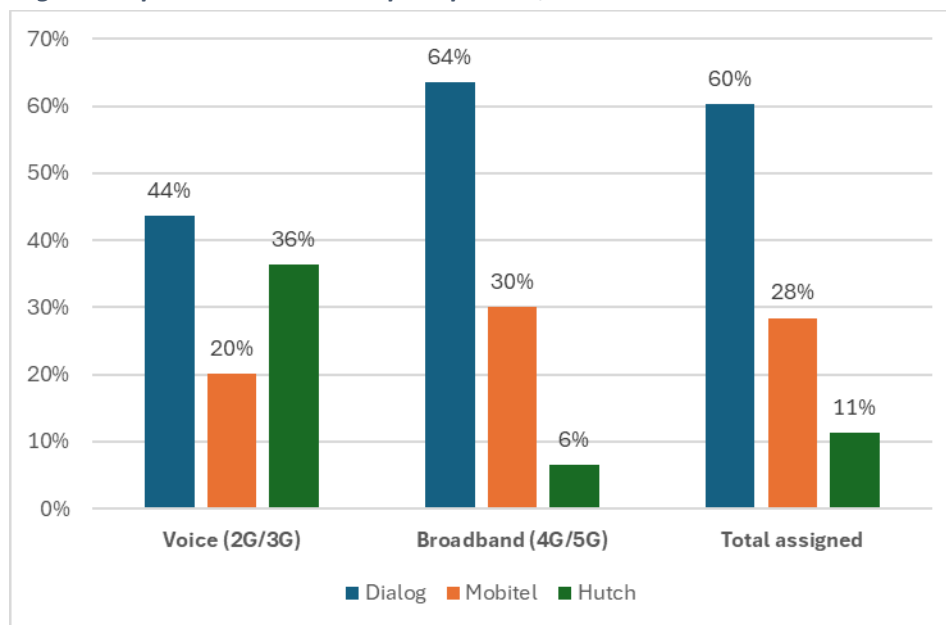
Access to licensed radio spectrum is a structural prerequisite for wholesale mobile access provision. Spectrum is both scarce and non-replicable¹⁷. The spectrum holdings of the three MNOs therefore represent a fundamental determinant of their respective infrastructure positions and their capacity to act as wholesale access suppliers.

The spectrum allocation data, presented in **Table 7** and **Figure 8**, reveal a pronounced asymmetry in spectrum holdings that strongly favours Dialog.

Table 7. Spectrum allocations per operator

Band	Tech Layer	Mobitel	Dialog	Hutch
850 MHz	4G	2×10	2×5	–
900 MHz	2G	2×4.8	2×5	2×5
	4G	2×0.2	2×5	2×7.5
1800 MHz	2G	2×5	2×25	–
	4G	2×22.5	2×7.5	2×15
2100 MHz	3G	2×5	–	2×20
	4G	2×10	2×25	–
2300 MHz (TDD)	4G	25	–	–
2600 MHz (TDD)	4G	–	60	–
3500 MHz (TDD)	5G	100	100	–
26 GHz (TDD)	5G	–	200	–

Figure 8. Spectrum allocations per operator, %



**DBN and STL spectrum/ shared spectrum not included*

¹⁷ In the sense that an operator that does not hold spectrum rights cannot provide wholesale mobile access regardless of the capital it is willing to invest in other network components.

Out of the total 838 MHz (paired spectrum is counted in full duplex bandwidth) assigned for mobile technologies, Dialog holds approximately 60.3% of total spectrum, compared to 28.4% for Mobitel and 11.3% for Hutch, indicating a significant overall quantitative spectrum advantage.

In the voice layer (900 MHz and legacy 2G/3G layers), spectrum distribution is more balanced, with Dialog holding around 44%, Hutch 36%, and Mobitel 20%, suggesting moderate concentration. This relative balance in voice-layer spectrum does not, however, translate into competitive parity, because the voice spectrum market is a declining segment and the competitive dynamics of the review period will be driven primarily by broadband and 4G and 5G capability.

In contrast, broadband spectrum (4G/5G) is substantially more concentrated: Dialog holds around 64% of total broadband spectrum, reflecting its significant mid-band 4G and high-band 5G allocations. Mobitel holds about 30% and Hutch approximately 6% of broadband spectrum. Hutch's comparatively limited broadband spectrum position significantly constrains its ability to compete effectively in high-throughput mobile broadband services and reduces its capacity to function as a credible wholesale access provider for data-intensive services.

Dialog's 5G spectrum position deserves particular attention. Dialog holds 100 MHz at 3500 MHz (mid-band 5G) and 200 MHz at 26 GHz (mmWave 5G), giving it a total of 300 MHz of 5G-designated spectrum. Mobitel holds 100 MHz at 3500 MHz. Hutch holds no 5G spectrum. This means that at the point when 5G services become commercially significant during the review period, Dialog will be the only operator with both mid-band and high-band 5G capability, strengthening its ability to offer a broader range of 5G-based retail and, where relevant, wholesale services. The regulatory implications of this asymmetry are significant: since the relevant 5G spectrum awards have already been made, this concentration is unlikely to be corrected through market mechanisms alone within the review period.

Furthermore, as noted above, the group-level spectrum position of Dialog, including the additional mid-band capacity accessible via the DBN MOCN arrangement, further extends Dialog's effective spectrum advantage beyond what is visible in the standalone MNO licence data. A similar consideration applies to Mobitel, whose effective network position may also be strengthened by fixed-mobile group synergies and infrastructure-sharing arrangements.

Sunk investment and barriers to replication

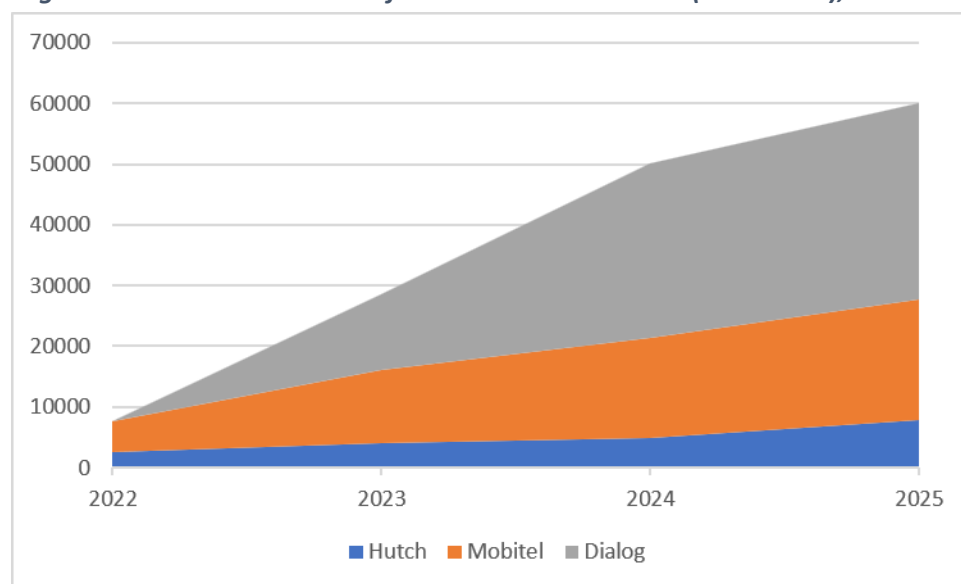
The construction and operation of a nationwide mobile network require substantial capital expenditure that is largely irreversible. Site acquisition, civil works, tower construction, active radio equipment, backhaul and transmission infrastructure, core network systems, and spectrum licence payments all represent sunk costs that must be incurred before an operator can begin generating revenue, and that cannot be recovered if the operator subsequently exits the market.

The cost of establishing a single mobile tower base station in Sri Lanka — including equipment, civil works, power systems, and backhaul — is estimated at approximately LKR 40- 45 million (around USD 130,000 - 150,000 at current exchange rates). Building a network comparable in scale to Dialog's current deployment would require a capital outlay of approximately LKR 450 billion (USD 1.35 billion) for base station deployment alone, excluding spectrum, core network, transmission, and operational costs. These figures

are not presented as a precise replication cost estimate (actual costs vary materially by terrain, technology generation, and deployment model), but they illustrate the order of magnitude of the investment barrier facing any new entrant seeking to achieve comparable infrastructure coverage.

The cumulative investment data for the review period further illustrate the scale of Dialog's ongoing commitment to infrastructure development. During the review period, investment in mobile infrastructure has been substantial (**Figure 9**). According to data provided by the operators for the period 2022–2025, Dialog's cumulative investment in the mobile network accounts for approximately 54% of total cumulative market investment over that period. It should be noted, however, that investment data for Dialog for the year 2022 was not available in the dataset provided. Consequently, the actual share of mobile investment may be higher than 54%, and the figure should be interpreted as a conservative estimate.

Figure 9. Cumulative mobile infrastructure investments (2022-2025), million LKR



To put it in the broader context, Dialog Axiata Group reports cumulative investments of approximately USD 3.37 billion since the company's entry into Sri Lanka, reflecting decades of capital deployment across mobile, broadband, fibre and digital infrastructure.¹⁸ In 2024 alone, capital expenditure amounted to LKR 30.3 billion, directed toward broadband expansion, network upgrades, IT platform enhancement and network integration initiatives. According to the operator: *"These investments ensure that Dialog's network remains the widest and most advanced in the country, capable of meeting growing demand while providing a superior experience to customers."*¹⁹

Financial positions

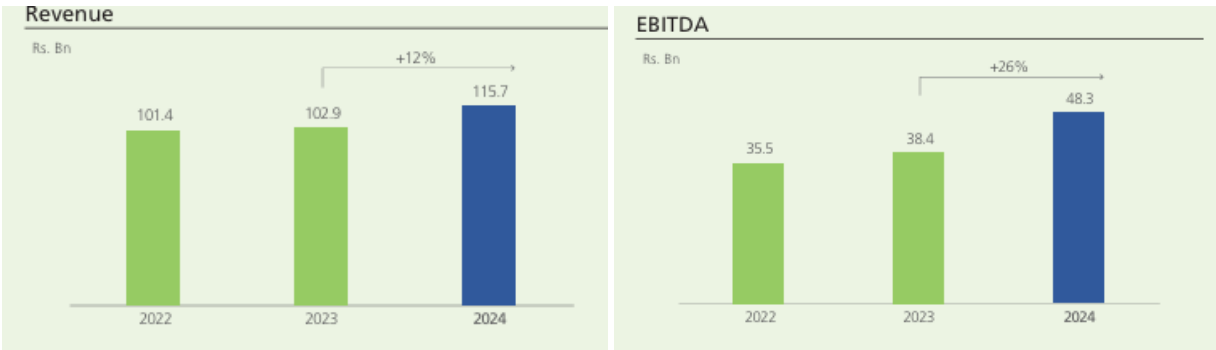
Dialog's financial position further supports the sustainability of this investment trajectory. Dialog's financial indicators suggest operational resilience. Revenue and EBITDA performance show that the company has improved its efficiency and increased its margins, which reflect scale economies, network

¹⁸ [dialog-axiata-plc-annual-report-2024.pdf](#)

¹⁹ [dialog-axiata-plc-annual-report-2024.pdf](#)

synergies and enhanced cost efficiency. This is particularly visible in the post-merger indicators, where not only an increase in revenues can be observed, but also a more pronounced growth in profitability (**Figure 10**). The fact that EBITDA has expanded at a faster rate than revenue suggests that the merger delivered material operational efficiencies through cost rationalization, infrastructure consolidation and improved resource utilization. At the same time, improved margins may also signal strengthened pricing power in a more concentrated market structure.

Figure 10. Dialog’s revenue and EBITDA trends



Source: [dialog-axiata-plc-annual-report-2024.pdf](#)

Market EBITDA data also indicate significant asymmetries in profitability and investment capacity across operators (**Figure 11**). Dialog is by far the strongest mobile operator financially, with EBITDA rising steadily from Rs. 35.5 billion in 2022 to Rs. 48.3 billion in 2024. Mobitel remains profitable, but its earnings are materially lower and more volatile. Hutch’s EBITDA is very limited and turned negative in 2023, suggesting a comparatively weak financial position and more constrained ability to support large-scale network investment. On the fixed side, both SLT and DBN show solid EBITDA generation, which suggests that fixed-mobile groups may benefit from access to financially stronger affiliated entities. Overall, the data suggest that profitability, and therefore the ability to invest, is concentrated in the larger operators, particularly Dialog.

Figure 11. Market EBITDA, 2022-2024



The TRCSL therefore concludes, that Dialog controls an extensive network infrastructure that is not easily replicable by competitors. The scale of cumulative investment, combined with concentrated spectrum holdings, nationwide coverage advantages, and established backhaul and core network assets, points to

the existence of material economies of scale and substantial sunk costs. On a forward-looking basis, the ongoing 5G investment cycle is likely to reinforce, rather than diminish, existing asymmetries in infrastructure scale and cost efficiency, suggesting that competitive advantages are unlikely to be eroded within the relevant review period absent material changes in market conditions or regulatory intervention.

7.4. Customer influence

An absence of countervailing buying power suggest that customers lack the strength to influence product/service terms. According to Competition rules, 2024, Commission should assess countervailing buying power to determine whether any operator's market power is effectively counterbalanced by the capabilities of buyers or access-seekers. In this context, the relevant question is whether actual or potential buyers of wholesale mobile access have sufficient commercial leverage, alternative options, or credible switching possibilities to influence the terms, pricing, or availability of wholesale access.

The evidence indicates that countervailing buyer power is effectively absent.

First, there are no existing wholesale customers with sufficient scale to exercise bargaining power. No operational MVNO market exists in Sri Lanka, no third party has entered the retail mobile market through wholesale access, and national roaming has not materialised in practice. As a result, there are no established access seekers with substantial volumes that could materially affect the profitability of a wholesale supplier or negotiate more favourable terms through their purchasing power.

Second, the supplier side is highly constrained. Wholesale mobile access can be supplied only by mobile network operators, which limits potential suppliers to the existing MNOs. Following the acquisition of Airtel by Dialog, the number of structurally capable suppliers has reduced further. In practical terms, there is no broad set of alternative suppliers from which an access seeker could choose. This means that an access seeker cannot credibly threaten to switch from one host operator to another to negotiate better wholesale terms. Even where more than one MNO might in principle be capable of hosting access, the absence of operational wholesale products, together with asymmetries in coverage, network quality, and capacity, limits the realism of such switching threats.

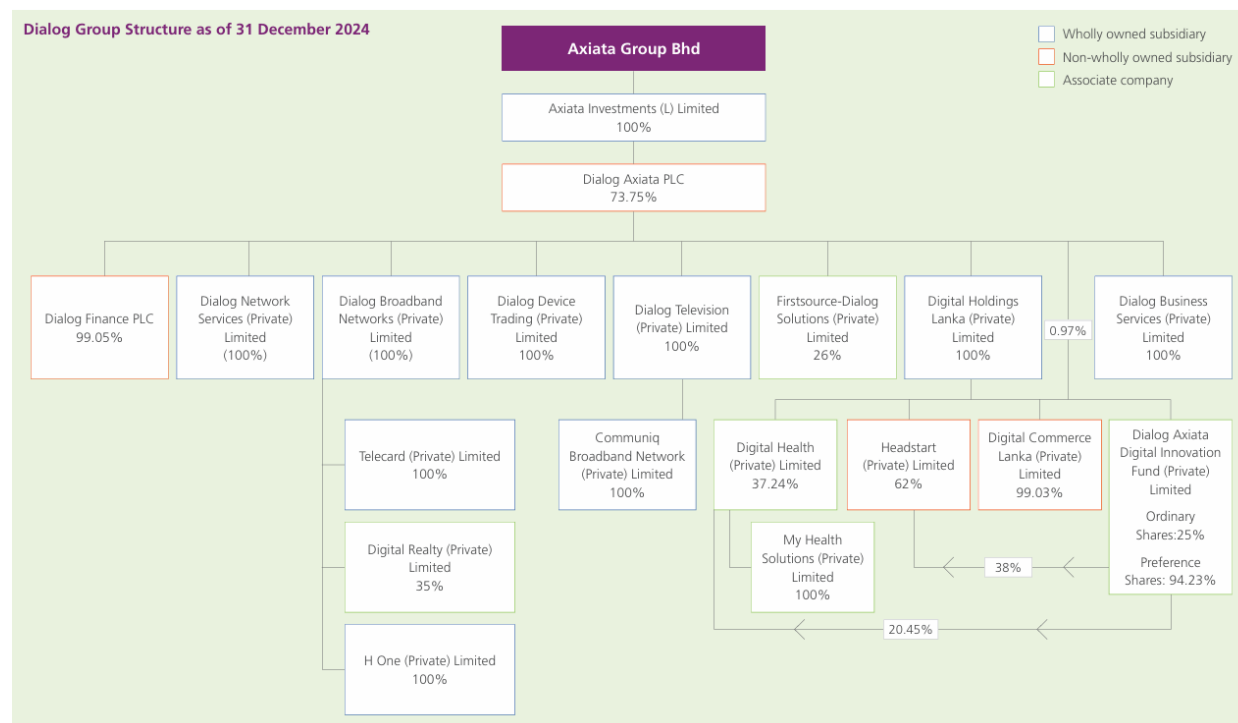
Third, the likely purchase volumes of any future access seeker would not, at least initially, be sufficient to exert strong influence over a wholesale supplier. A prospective MVNO or service provider would likely enter at a relatively modest scale and would therefore be unlikely, at least in the early stages, to represent a customer of sufficient strategic importance to alter the commercial incentives of a large incumbent MNO.

The TRCSL therefore concludes that countervailing buyer power in the wholesale mobile access market is absent or, at most, negligible, and does not materially constrain the exercise of market power by the existing MNOs. The absence of buyer power strengthens the assessment of Dialog's significant market power. The TRCSL notes that the absence of buyer power is in part a structural consequence of the absence of an operational wholesale access regime. The introduction of ex ante remedies — including a reference wholesale offer — may, over time, give rise to wholesale customers with growing scale and, potentially, increasing commercial leverage. In future market reviews, TRCSL will assess whether the development of buyer power (if any) is sufficient to affect the SMP finding.

7.5. Financial access

Dialog's financial profile reflects operational resilience, structural financial strength and sustained investment capacity. As part of the Axiata Group (**Figure 12**), a diversified regional telecommunications group, Dialog benefits from strategic alignment within a broader corporate structure. In addition, as a publicly listed company on the Colombo Stock Exchange, Dialog has access to capital markets through both equity and debt instruments, enhancing financing flexibility relative to smaller or privately held competitors. Its listed status, combined with established governance and disclosure standards, supports investor confidence and facilitates access to funding under varying market conditions.

Figure 12. Dialog Group structure



The robustness of Dialog Axiata Group's financial position is illustrated by its profitability turnaround over the 2022–2024 period. Following a Group net loss of LRK 33.4 billion in 2022 during Sri Lanka's macroeconomic crisis, it recorded a net profit of LRK 20.1 billion in 2023, representing a significant recovery. This turnaround was achieved through broad-based revenue growth and substantial cost rescaling, resulting in a 19% increase in Group EBITDA in 2023. The recovery was sustained in 2024, with net profit of LRK 12.4 billion (approximately LRK 8.7 billion on a normalised basis excluding prior-year foreign exchange gains). Notably, profitability was maintained despite higher taxes and merger-related integration costs, indicating that earnings improvements were underpinned by structural operational efficiencies rather than temporary external effects.²⁰

²⁰ [dialog-axiata-plc-annual-report-2024.pdf](#)

Dialog Axiata Group reported Operating Free Cash Flow of LKR 23.6 billion in 2024, sufficient to cover its capital expenditure while continuing to support strategic investments and shareholder returns.²¹ This level of internal cash generation indicates a strong and self-sustaining financial position. In competitive terms, robust operating free cash flow reduces reliance on external financing, enhances financial flexibility, and enables sustained network investment over the forward-looking period. Such financial capacity may reinforce infrastructure advantages, particularly in a capital-intensive environment characterised by ongoing 4G densification and 5G expansion.

During the forward-looking period of this market review, it is reasonable to expect that mobile network operators will continue to undertake significant capital expenditure, primarily driven by sustained growth in mobile data traffic and the progressive expansion of 5G networks. In May 2025, Dialog Axiata Group announced a further USD 100 million investment to expand Sri Lanka's digital infrastructure, comprising USD 81 million by Dialog Axiata and USD 19 million by Dialog Broadband Networks (DBN).²² This announcement reflects not only Dialog's continued commitment to network modernisation, but also demonstrates the scale of financial resources available to the operator relative to competitors. Future investment requirements will extend beyond radio access network (RAN) upgrades to include spectrum optimisation, enhancement of backhaul and transmission capacity, core network modernisation, and continued site densification. Operators with stronger financial capacity and an already extensive infrastructure footprint are likely to benefit from economies of scale and scope, resulting in lower incremental upgrade costs. In contrast, smaller operators may face proportionally higher investment burdens, reinforcing existing structural asymmetries.

Overall, the evidence indicates a financially robust operator with sustained access to capital and demonstrated capacity to absorb macroeconomic shocks while continuing infrastructure investment. In a capital-intensive telecommunications market, such financial resilience may reinforce existing infrastructure and spectrum advantages over the forward-looking review period.

7.6. Product diversity

Product diversity is relevant to SMP assessment in the wholesale mobile access market insofar as it strengthens an operator's overall economic position, reduces revenue risk, and enhances its ability to support and leverage wholesale and downstream activities across multiple service layers.

Dialog with its affiliates operates across a broad range of communications and digital service segments, including mobile voice and mobile broadband, fixed broadband, enterprise ICT services, pay television, and digital financial services.²³ This breadth of activity strengthens its economic resilience and enables it to spread risk across multiple revenue streams. It also enhances the operator's ability to support mobile network investment from a broader commercial base than would be available to a more narrowly focused operator.

²¹ [dialog-axiata-plc-annual-report-2024.pdf](#)

²² <https://dialog.lk/news/dialog-axiata-group-commits-further-usd-100-million-to-expand-sri-lankas-digital-infrastructure?language>

²³ [dialog-axiata-plc-annual-report-2024.pdf](#)

From a wholesale perspective, such product diversity is relevant because it may reinforce the operator's ability to utilise common infrastructure, transmission, IT systems, customer management platforms, and brand assets across several services simultaneously. It may also increase the operator's strategic flexibility, including its ability to cross-subsidise investment, bundle wholesale and downstream offerings, or sustain commercial strategies over a longer period than less diversified rivals.

The same consideration applies, albeit in different form, to other integrated fixed-mobile groups. To the extent that operators are able to combine fixed and mobile assets, enterprise services, and other digital platforms within a broader group structure, product diversity may strengthen their overall market position and increase the resilience of their wholesale and downstream operations.

Accordingly, the TRCSL considers that product diversity is a relevant supporting indicator of economic strength in the wholesale mobile access market. In the case of Dialog, the breadth of its service portfolio reinforces its ability to maintain and exploit its infrastructure position over time.

7.7. Economy of scale and scope

Dialog benefits from significant economies of scale arising from its position as the operator with the largest subscriber base, the broadest traffic volumes, and the most extensive infrastructure footprint in the Sri Lankan mobile market. Its scale allows it to spread the substantial fixed and sunk costs of network deployment over a larger revenue base than any competitor, resulting in materially lower average costs. This advantage compounds over time: operators with an already extensive footprint can undertake incremental upgrades — including 4G densification and progressive 5G deployment — at lower marginal cost than operators starting from a smaller base, widening the cost differential with each successive investment cycle.

These economies of scale are relevant at the wholesale level because they strengthen Dialog's ability to supply wholesale access more efficiently than smaller rivals and to maintain network investments that may be difficult for weaker operators to match. Operators with smaller subscriber bases and lower traffic volumes are likely to face higher average unit costs and may therefore be less able to act as effective wholesale hosts or competitive constraints.

Economies of scope are also significant. Economies of scope arise where an operator supplies several services using shared infrastructure, operational systems, and commercial resources. In Sri Lanka, Dialog with its affiliates combines mobile services with fixed broadband, enterprise services, television, and digital platforms. This allows the operator to use common transmission infrastructure, IT systems, retail channels, customer support platforms, and brand assets across multiple lines of business. Such shared use of assets reduces incremental costs and strengthens operational efficiency.

The TRCSL concludes that economies of scale and scope constitute a material and self-reinforcing source of structural advantage for Dialog in the wholesale mobile network access market, one that is likely to strengthen rather than diminish over the forward-looking review period as 5G investment requirements increase and the cost differential between large and small operators widens.

7.8. Vertical integration

Vertical integration is a highly relevant SMP criterion in the wholesale mobile access market, because it affects both the ability of an operator to internalise essential inputs and its incentive to restrict, delay or shape access for third parties.

Dialog is vertically integrated across multiple layers of the communications value chain. It controls mobile access infrastructure, transmission and backhaul assets, core network functions, fibre backbone, international connectivity, and data centre capabilities, while also operating across downstream retail mobile, fixed broadband, enterprise ICT, television, and digital financial services markets. This reduces its dependence on third-party wholesale inputs, increases operational control, and enables internalisation of margins across different parts of the value chain.

From a wholesale access perspective, this vertical structure has two distinct competitive implications.

The first is the ability effect. An operator that controls the full stack of inputs required for mobile network operation is structurally better placed to supply wholesale access efficiently, to maintain network quality and investment cycles without external constraint, and to offer access seekers a more capable and reliable hosting platform than a less integrated operator. This reinforces Dialog's structural advantage as the most capable potential wholesale host in the market.

The second is the incentive effect. A vertically integrated operator that earns margins across multiple downstream service layers has a direct commercial incentive to restrict upstream wholesale access to third parties, or to offer such access only on terms that are not commercially viable for effective downstream competition. By withholding or constraining wholesale access, Dialog can protect its retail subscriber base, preserve its revenue share across voice, broadband, enterprise, and digital services, and prevent competitive pressure on its downstream margins. This incentive is structural and does not require evidence of specific anti-competitive intent. It is further reinforced by the absence of any regulatory obligation requiring wholesale access to be offered on defined terms. The evidence from the review period is consistent with this incentive having operated in practice: no wholesale access product has been offered, no reference offer has been published, and no officially known commercial negotiations with prospective access seekers have been initiated or concluded.

Vertical integration is further relevant where intra-group arrangements extend an operator's effective control over infrastructure or capacity beyond what is visible from its standalone mobile licence position. Dialog's MOCN arrangement with DBN provides access to additional mid-band spectrum and base station capacity that strengthens its network position in ways that are not reflected in its own licensed spectrum holdings alone.

TRCSL therefore concludes that vertical integration constitutes a significant and not easily replicable source of structural advantage for Dialog in the wholesale mobile network access market. It enhances Dialog's ability to supply wholesale access more efficiently than its competitors, reduces its exposure to upstream constraints, and creates a structural incentive to restrict third-party access in order to protect its downstream position. This criterion therefore supports the finding of SMP and is directly relevant to the design of appropriate remedies.

7.9. Potential competition

In assessing potential competition, the Commission considers whether undertakings not currently active in the relevant market (or active only in adjacent markets) could credibly enter within the review period and exert a material competitive constraint on the existing suppliers.

In the Sri Lankan wholesale mobile access market (similarly as for retail mobile market), there is no evidence of imminent entry by new mobile network operators. Entry would require access to scarce radio spectrum, substantial capital investment in nationwide radio access and transmission networks, and the ability to deploy and operate a network at national scale. Given that commercially viable low- and mid-band spectrum is largely assigned, and that the market is mature and highly penetrated, the likelihood of new entry appears limited.

Potential competition from adjacent markets (e.g. fixed broadband providers or enterprise ICT operators) would similarly require spectrum access and large-scale infrastructure deployment to enter the mobile market at meaningful scale.

Potential entry through service-based access is likewise constrained. No operational MVNO market exists in Sri Lanka, no third party has entered the market through wholesale access, and national roaming has not materialised in practice. In the absence of an effective operational wholesale access regime, service-based entry cannot be regarded as a realistic or timely competitive pathway for new market participants.

Accordingly, potential competitive pressure from new entrants or adjacent operators appears limited within the forward-looking review period.

7.10. Expansion barriers

Even in the absence of new entry, effective competition could arise if other existing operators are able to expand their market share materially. The assessment therefore considers barriers to expansion within the market.

The evidence indicates that the scope for such expansion is limited. Although both Mobitel and Hutch remain active MNOs with nationwide operations, neither appears likely, within the review period, to expand in a manner sufficient to offset Dialog's structural advantages in wholesale mobile access. Recent market developments indicate limited sustained market share shifts among smaller operators. In a mature and highly penetrated market, significant and sustained expansion by smaller operators would typically require either substantial new investment, spectrum reallocation and/or disruptive commercial strategies. None of these appear evident at a scale likely to alter competitive dynamics materially.

In the case of Hutch, the constraints are particularly pronounced. Hutch remains materially smaller than the two leading operators in terms of subscriber scale, infrastructure footprint, and spectrum position. Its financial position is also significantly weaker, as reflected in its comparatively low and volatile EBITDA performance. These factors limit Hutch's ability to undertake large-scale network expansion, support high-capacity mobile broadband services, or act as a strong and durable competitive constraint in wholesale access markets.

Mobitel is a more substantial competitor than Hutch and possesses a stronger infrastructure base. Nevertheless, it does not appear to match Dialog's overall infrastructure and capacity position. While Mobitel benefits from fixed-mobile integration and significant group resources, Dialog retains a stronger overall infrastructure footprint, broader spectrum advantage, and greater financial strength. These asymmetries limit the extent to which Mobitel can expand sufficiently to constrain Dialog's conduct in the wholesale market.

The infrastructure-sharing arrangement between Mobitel and SLT has been in operation since 2023. However, it has not yet translated into a sufficiently strong competitive advantage for the operator. Market share dynamics in terms of subscribers have remained broadly stable, suggesting that the arrangement may have helped Mobitel sustain its position following the Dialog–Airtel merger, but has not enabled it to gain material share. At the same time, Mobitel's revenue share has declined slightly, indicating that the arrangement has not, at least so far, materially strengthened its competitive position in revenue terms.

These expansion constraints are reinforced by the cost and technical requirements of network development. Operators with smaller infrastructure footprints or weaker balance sheets face proportionally higher costs of expansion. This is particularly relevant as investment increasingly shifts toward broadband networks to accommodate growing data traffic demand. While legacy 2G networks remain relevant for basic voice services and certain device segments, competitive dynamics are progressively shifting toward 4G and 5G, where spectrum depth and infrastructure density are critical. Operators with comparatively limited broadband spectrum are therefore likely to face higher costs per unit of capacity expansion.

The distribution of 5G spectrum further reinforces these conclusions. Dialog and Mobitel have acquired 5G spectrum in the 3500 MHz band, while Dialog alone also holds 26 GHz spectrum. Hutch has not secured comparable 5G assignments. This asymmetry is likely to widen capacity and quality differentials over time and reduces the likelihood that Hutch, in particular, will be able to challenge Dialog effectively in future high-capacity wholesale and downstream services. More broadly, the unequal distribution of mid- and high-band spectrum affects the ability of operators to scale network capacity efficiently and cost-effectively. As market demand progressively shifts toward high-capacity broadband services, the absence of 5G spectrum places one operator at a structural disadvantage in competing for higher-value segments and advanced enterprise use cases.

Further asymmetry arises from the current spectrum licensing framework. While as per the industry settlement agreement entered in 2024, TRCSL permits RAN sharing between fixed (wireless) and mobile operators, and between mobile operators, spectrum licences remain linked to specific technologies. This limits full technological neutrality in practice. Operators holding licences tied to legacy technologies may face restrictions on importing and deploying equipment designed for newer generations (e.g., 4G or technology-neutral multi-standard equipment). Such constraints may hinder timely network modernization and increase upgrade costs, particularly for operators with legacy spectrum portfolios.

Accordingly, there is no clear evidence that new entrants or smaller operators are likely to expand at a scale sufficient to materially alter competitive dynamics within the forward-looking review period.

7.11. Conclusions

Based on the cumulative assessment of market shares, infrastructure control, spectrum distribution, financial strength, economies of scale and scope, vertical integration, and barriers to entry and expansion, the evidence indicates the presence of sustained structural advantages that are unlikely to be eroded within the forward-looking review period. Dialog's persistently high (62% of the wholesale mobile access market by subscribers and 67.3% by revenues) and increasing market shares combined with its infrastructure footprint, concentrated broadband spectrum holdings, financial access, and multi-service integration, demonstrate both the ability and incentive to behave independently of competitors, customers, and ultimately consumers.

At the same time, competitive constraints from existing operators remain limited, potential entry appears unlikely, and structural asymmetries—particularly in spectrum depth, investment capacity, and scale efficiencies—further reduce the prospect of effective competitive pressure emerging in the near term. In accordance with Section 9 of the Competition Rules, 2024, under which the Commission determines whether an operator holds significant market power, such power exists where an operator enjoys a position of economic strength affording it the power to behave, to an appreciable extent, independently of competitors, customers and ultimately consumers. In the absence of countervailing factors sufficient to offset these advantages, the overall evidence supports a finding that **Dialog holds SMP in the relevant wholesale mobile access market.**

VIII. Identification of competition problems and review of current regulation

The following competition concerns have been identified in Sri Lanka based on the basis of stakeholder submissions and the market analysis:

- **Wholesale market does not exist: foreclosure through withholding of access.** No wholesale mobile network access product is currently available in Sri Lanka. No MVNO framework has been established, no reference wholesale offer has been published, and no national roaming agreement has been concluded between independent operators. The wholesale market that should underpin service-based retail competition is entirely absent.
The absence of any operational wholesale access framework harms competition at two distinct levels simultaneously. First, at the service-based level, the absence of wholesale access prevents MVNOs and service providers from entering the retail mobile market. This removes a potential source of price and service competition and denies consumers the benefits of innovation and choice associated with wholesale-based entry in comparable markets.
Second, at the infrastructure level, the absence of an operational national roaming framework weakens the conditions for sustainable infrastructure-based competition. The absence of national roaming weakens infrastructure-based competition by making it harder for smaller operators or new entrants to offer nationwide service during network rollout, thereby reducing the commercial viability of infrastructure investment and expansion. This constraint is most acute in rural and low-density areas, where the cost of self-sufficient network deployment is highest, the commercial returns are lowest, and the coverage gap between Dialog and smaller operators is most pronounced.

These two effects reinforce each other. In the absence of a functioning ladder of investment, neither service-based nor infrastructure-based entry is realistically available during the review period.

- **Market concentration and vertical leveraging.** The wholesale mobile network access market is extremely concentrated, with Dialog holding an estimated 62% subscriber share. The Dialog–Airtel merger, completed in August 2024 without wholesale access remedies, materially worsened this structure by eliminating an independent operator and concentrating its assets in the already dominant operator. At the current level of concentration, competitive constraints on Dialog from other operators are insufficient to impact wholesale pricing or access terms or exert effective competitive pressure in downstream retail markets.

Dialog’s vertical integration further strengthens its ability and incentive to leverage market power from the wholesale level into downstream retail markets. In the absence of ex ante regulation, TRCSL considers that this creates a clear risk that Dialog may deny, delay, or otherwise obstruct wholesale access. Stakeholder evidence collected during the review period indicates that leading operators have shown no willingness to offer wholesale access on reasonable terms.²⁴ The market history — including the absorption of the only operator that sought to develop national roaming arrangements — is consistent with a pattern of consolidation rather than wholesale market development. Even where access is formally provided, Dialog would retain the ability and incentive to foreclose competition through excessive wholesale pricing, margin squeeze, discriminatory treatment between internal and external operations, delays, withholding of technical information, inferior service quality, or undue contractual conditions. Taken together, these factors would allow a vertically integrated operator with SMP to protect its downstream position and prevent the emergence of effective wholesale-based competition.

- **Infrastructure asymmetry and foreclosure through denial of active network sharing access**

Active RAN sharing arrangements, including MORAN and MOCN, are an important upstream mechanism through which smaller operators can reduce the cost of network deployment and densification, extend coverage into high-cost areas, and remain competitively viable in a market characterised by substantial infrastructure asymmetries. Access to active sharing on cost-oriented and non-discriminatory terms is therefore directly relevant to infrastructure-based competition and to the long-term sustainability of a three-operator market structure.

Dialog holds the largest base station portfolio, the broadest coverage footprint, and the most extensive spectrum holdings. This structural gap cannot be closed by smaller operators through independent investment alone within the review period. At the operational level, the intra-group MOCN arrangements between Dialog and DBN, and between Mobitel and SLT, give both operators access to additional mid-band spectrum capacity — at 2300 MHz and 2600 MHz respectively — that is not available to Hutch on equivalent terms. These arrangements extend the effective network capacity of the two operators beyond what is reflected in their standalone spectrum

²⁴ Some market participants argued that leading operators have limited incentives to offer wholesale access on reasonable terms where doing so could strengthen smaller competitors or facilitate new entry. A former operator had explored national roaming, including through joint technical testing. However, this potential did not materialise following that operator’s subsequent acquisition by a larger market player.

licence positions. Hutch, by contrast, has no affiliated entity from which it can obtain comparable capacity.

Leading operators may have both the ability and the incentive to delay, or otherwise obstruct active sharing requests from independent operators. Evidence collected during the review period indicates that this risk is not merely theoretical: stakeholders have reported delaying tactics, the absence of RAN sharing charges justification, and the non-availability of certain infrastructure categories as separately costed services (bundling of products)²⁵. In practice, the Infrastructure Sharing Regulations, 2024 have not resolved these problems and active sharing has therefore remained confined to intra-group arrangements, i.e. the form of sharing that reinforces, rather than corrects, the underlying structural asymmetry.

- **Spectrum concentration forecloses effective wholesale hosting competition.** Dialog holds approximately 60% of total assigned mobile spectrum, around 64% of broadband-oriented spectrum, and the only mmWave 5G allocation in the market. At the group level, incorporating the DBN MOCN arrangement, this position is even more pronounced. No alternative host can offer access seekers equivalent coverage, capacity, or 5G capability. Spectrum concentration means that Dialog is not merely dominant in the wholesale market — it is, in practice, the only host capable of supporting commercially viable service-based entry at national scale, particularly for 5G-based services. This forecloses any competitive wholesale hosting market, since access seekers have no credible alternative to Dialog regardless of the terms it offers.

Spectrum reallocation is not within the scope of wholesale access remedies and cannot be achieved within the review period given the long-term nature of spectrum licences.

IX. Regulatory remedies to address competition issues

9.1 Legal basis and principles

The market analysis concluded that there is no sustainable competition in the wholesale mobile network access market in Sri Lanka. Dialog Axiata PLC can, to a large degree, act independently of competitors, customers, and consumers, and has therefore been designated as an operator with significant market power in the wholesale mobile network access market.

Specific obligations imposed on operators with significant market power must be suited to remedy actual and potential competition problems in the relevant market. The imposition of specific obligations is not conditional on the abuse of market power having actually occurred. It is sufficient that a competition problem may potentially arise under given market conditions.

The TRCSL imposes the following remedies on Dialog Axiata PLC as the operator designated as holding significant market power in the wholesale mobile network access market, in accordance with Sections

²⁵ Some market players indicated, that current RAN sharing prices to be prohibitively high, potentially anti-competitive, and not justified by any cost model.

11.5 and 11.6 of the Competition Rules, 2024. All specific obligations must be proportionate to the identified competition problem, objectively justified, and technically feasible.

Where a competition problem identified in the VIII Chapter arises from, or is materially reinforced by, intra-group arrangements or the use of resources held by affiliates of the SMP operator, the Commission will, in accordance with Sections 11.5 and 11.6 of the Competition Rules, 2024 and in order to secure the effectiveness and proportionality of the remedy, extend the scope of specific obligations to apply to the SMP operator acting together with its relevant affiliates. In such cases, the SMP operator remains the primary addressee of the obligation and is accountable to the Commission for compliance with its affiliates.

Competition Problem 1 — Absence of wholesale market and foreclosure of access-based entry

9.2. Wholesale mobile network access obligation

Dialog Axiata PLC is required to provide wholesale mobile network access to any eligible access seeker that requests such access, on cost-oriented, transparent, and non-discriminatory terms, in accordance with the conditions set out below. Eligible access seekers include existing or prospective MNOs, service providers, MVNOs, or other undertakings duly licensed, authorised or approved by TRCSL to provide mobile communications services in Sri Lanka.

9.2.1. Component 1: Transparency and Reference Wholesale Offer (RWO)

Dialog Axiata PLC must publish a Reference Wholesale Offer(s) for wholesale mobile network access within three months of the date of this determination. Reference offers must be submitted to TRCSL before they come into force for approval. The RWO must be published on Dialog Axiata PLC website and notified to TRCSL simultaneously. Any proposed modification to the RWO is subject to prior TRCSL approval before taking effect.

Scope of products. The RWO(s) must cover, as a minimum, the following access products:

- service provider access;
- light MVNO access;
- full MVNO access; and
- national roaming access, covering all network technologies deployed by Dialog Axiata PLC during the review period, including 2G, 3G, 4G/LTE, and 5G.

Dialog Axiata PLC must not limit the scope of the RWO to legacy technologies or offer materially inferior access quality for 4G or 5G services relative to the quality provided to its own retail operations or to any affiliated entity.

Content requirements. The RWO must contain, as a minimum, the following elements for each access product:

- a technical description, including interface specifications, network access points, and technical requirements for interconnection;
- pricing, determined in accordance with Component 3 of this obligation;

- quality of service commitments, including network availability, latency, throughput parameters, and remedies applicable in the event of non-compliance;
- a standard access agreement template setting out the commercial terms on which Dialog Axiata PLC will enter into individual access arrangements;
- a defined process and maximum timeline for negotiating and concluding individual access agreements, not exceeding [90] days from receipt of a written access request; and
- a dispute resolution procedure specifying that unresolved disputes may be referred to TRCSL for determination within [30] days of the expiry of the negotiation period.

Justification. Transparency is an essential enabling condition for the effective operation of all other remedy components. Without accurate and timely information on wholesale products, prices, coverage, and quality, access seekers cannot make informed market entry decisions, TRCSL cannot effectively monitor compliance, and the retail margin squeeze obligation cannot be meaningfully applied. The RWO directly addresses Competition Problem 1 — the complete absence of any operational wholesale access product — by establishing, for the first time, a defined and commercially workable wholesale access framework. In the absence of a published RWO, the access obligation would remain legally abstract and difficult to enforce in practice.

9.2.2. Component 2: Obligation to negotiate and conclude access agreements

Dialog Axiata PLC must negotiate in good faith with any undertaking that submits a written request for wholesale mobile network access and must conclude an access agreement within [90] days of receipt of such request, on terms consistent with the published RWO. Individual agreements must be submitted to TRCSL without undue delay and no later than two weeks after the signature date.

Dialog Axiata PLC must not refuse an access request except on objectively justified technical grounds. Any refusal must be notified in writing to the access seeker and to TRCSL, specifying the technical grounds relied upon and the conditions under which the constraint could be resolved. Technical grounds for refusal are subject to TRCSL review and must not be used as a mechanism for delay, obstruction, or constructive refusal.

Dialog Axiata PLC must not impose conditions on an access seeker that it does not impose on its own downstream retail operations in equivalent circumstances (Equivalence of treatment). Any terms offered to an access seeker that differ from the published RWO must be notified to TRCSL and made available to all access seekers on equivalent terms.

Rationale. The negotiation obligation complements the RWO and transparency by ensuring that the published offer translates into concluded agreements. An explicit good faith obligation, with a defined timeline and a TRCSL backstop, is necessary to prevent Dialog Axiata PLC from challenging access requests through procedural obstruction or unreasonable commercial terms.

9.2.3. Component 3: Cost-orientation

Dialog Axiata PLC shall ensure that prices for all wholesale mobile network access products, including MVNO hosting at all tiers and national roaming, are cost-oriented throughout the review

period. Such prices shall be determined on the basis of a methodology prescribed or approved by TRCSL and shall be subject to TRCSL prior approval before taking effect.

Dialog Axiata PLC must not set wholesale access prices at levels that would prevent an equally efficient access seeker from competing effectively in the downstream retail mobile market.

Dialog Axiata PLC must submit its proposed RWO prices to TRCSL for approval prior to publication, accompanied by supporting documentation demonstrating compliance with the prescribed methodology. Any proposed price change must receive prior TRCSL approval before taking effect.

Rationale. Cost-orientation addresses the risk that Dialog Axiata PLC uses wholesale pricing as a tool for foreclosure, either through excessive prices that make access-based entry commercially unviable, or through prices that create a margin squeeze. Ex-ante approval of the initial RWO prices and of subsequent modifications is necessary- rather than ex-post review - because (i) there is no established wholesale pricing reference in Sri Lanka against which ex-post conduct could be assessed; (ii) an incorrect initial price would deter prospective MVNOs from entering the market, and the resulting foreclosure could not be remedied after the fact; and (iii) ex-ante approval provides the legal certainty that prospective access seekers require in order to make investment and commitment decisions.

9.2.4. Component 4: Non-discrimination

Dialog Axiata PLC must provide wholesale mobile network access to third-party access seekers on terms, conditions, and quality that are no less favourable than those it provides to its own downstream retail operations or to any affiliated entity within the Dialog Axiata PLC with its affiliates, including DBN. Non-discrimination applies across all dimensions of the access relationship, including:

- technical quality and network performance;
- access to network upgrades and new capabilities;
- provisioning timelines and fault resolution procedures; and
- commercial terms including pricing, volume discounts, and bundling arrangements.

Dialog shall ensure that any new or enhanced network capability made available to its own retail operations or affiliates is also made available to third-party access seekers on transparent, non-discriminatory and timely terms, through an updated RWO.

Rationale. The non-discrimination obligation addresses the structural incentive of a vertically integrated dominant operator to favour its own downstream operations over third-party access seekers. Without this obligation, Dialog Axiata PLC could comply formally with the RWO while effectively foreclosing competition through quality discrimination, delayed provisioning, or by failing to extend the RWO to cover 5G access as it is progressively deployed.

Expected market effect. The obligation is expected to facilitate entry by prospective MVNOs and service providers on the basis of wholesale access and thereby to increase competitive pressure in the retail mobile market, including in relation to prices, service quality, and innovation. Regulated national roaming is expected to reduce structural barriers to entry and expansion by limiting the need for immediate,

extensive network roll-out. Although the obligation does not guarantee entry or specific market outcomes, as these depend on factors outside TRCSL's control, it removes the key regulatory and structural barriers that currently make entry effectively impossible and creates the framework within which competition may develop over the review period.

Competition Problem 2 — Entrenched market concentration and vertical leveraging

9.3. Accounting separation and internal transfer pricing

Dialog Axiata PLC must implement accounting separation between its wholesale mobile network access activities and its downstream retail mobile activities, in accordance with a regulatory accounting framework prescribed by TRCSL. The accounting separation must enable TRCSL to identify and verify: the costs attributable to the provision of wholesale mobile network access; the transfer prices applied to internal transactions between Dialog's wholesale and retail operations; and the prices and terms applied to intra-group transactions with any affiliated entity.

Dialog Axiata PLC must submit separated regulatory accounts to TRCSL annually, audited by an independent auditor approved by TRCSL. The accounts must be prepared in accordance with the prescribed regulatory accounting framework and must include a reconciliation statement demonstrating consistency between the regulatory accounts and Dialog's statutory financial statements.

Internal transfer prices applied by Dialog Axiata PLC to transactions between its wholesale and retail operations, and between Dialog Axiata PLC and its affiliates, must be consistent with the prices that would be agreed between independent parties dealing at arm's length. Where TRCSL determines that internal transfer prices are inconsistent with this requirement, it may direct Dialog Axiata PLC to adjust those prices and to resubmit the relevant regulatory accounts.

Rationale. Accounting separation addresses the cross-subsidisation and affiliate leveraging risks identified in Competition Problem 2. Without separated accounts and verified internal transfer pricing, Dialog Axiata PLC can favour its own downstream operations through pricing arrangements that are invisible to the regulator and to competitors, and can use revenues from its dominant wholesale position to cross-subsidise retail offers.

9.4. Margin squeeze monitoring and prohibition

Dialog Axiata PLC must not set its retail mobile prices at levels that would not allow an equally efficient operator relying on Dialog's wholesale mobile network access to operate profitably in the downstream retail mobile market. This obligation applies to retail voice, retail mobile broadband, and bundled offers.

Dialog shall conduct margin squeeze assessments using a methodology prescribed or approved by TRCSL, both periodically and before introducing or modifying any relevant retail tariff or wholesale access charge.

Dialog shall submit the assessment results, supporting data and calculations to TRCSL for review, and shall not implement such tariffs or charges without TRCSL approval.

If TRCSL determines that Dialog's retail pricing creates a margin squeeze, it may direct Dialog to adjust its retail prices, its wholesale prices, or both, within [30] days of the direction.

As an interim measure, pending the development and implementation of a formal costing methodology or/and model, TRCSL may apply alternative price determination methodologies, including retail-minus, international benchmarking, and/or other reasonable proxies, provided that such approaches are applied in a transparent, proportionate, and non-discriminatory manner.

Rationale. The margin squeeze prohibition complements the cost-orientation obligation. Cost orientation addresses the risk of excessive wholesale pricing by requiring that access charges remain aligned with the relevant cost standard. The margin squeeze prohibition addresses the distinct but related risk that the relationship between wholesale and retail prices may leave an insufficient margin for an equally efficient access seeker to compete profitably in the downstream retail market. Taken together, these obligations reduce the scope for pricing conduct capable of foreclosing access-based competition.

Expected market effect. Accounting separation is expected to improve regulatory visibility over Dialog's internal cost structures and transfer pricing arrangements and thereby support the monitoring of cost orientation and non-discrimination. The prohibition of margin squeeze should reduce the risk that the relationship between wholesale and retail prices leaves insufficient economic space for an equally efficient access seeker to compete profitably in the downstream market. Together, these obligations should make undue preference easier to identify and reduce the risk that Dialog leverages its market power through discriminatory internal arrangements, non-replicable bundled offers, or pricing structures that undermine prospective MVNO or service-provider entry.

Competition Problem 3 — Spectrum concentration and infrastructure asymmetry

9.5. Active RAN sharing access obligation

This obligation is imposed on Dialog Axiata PLC with its affiliates, as justified below. It constitutes an additional component of the wholesale mobile network access obligation and is to be read together with remedies described above.

Dialog Axiata PLC is the entity designated as holding significant market power in the relevant wholesale mobile network access market. The Commission, however, finds that the competition problem identified as Competition Problem 3, namely the structural asymmetry generated by the intra-group MOCN arrangement between Dialog Axiata PLC and Dialog Broadband Networks (DBN), cannot be effectively remedied by an obligation addressed exclusively to the licensed SMP operator. The additional mid-band spectrum capacity that Dialog Axiata PLC derives from that arrangement is a function of assets and spectrum rights held by an affiliated entity within the same corporate group. An obligation imposed solely on Dialog Axiata PLC would therefore leave the underlying asymmetry untouched.

In accordance with Section 11.6 of the Competition Rules, 2024, specific obligations imposed on SMP operators must be proportionate and must be suited to remedy the actual and potential competition

problems identified. Where a competition problem arises from coordinated behaviour within a corporate group, in particular from intra-group arrangements that extend the effective infrastructure position of the SMP operator beyond its own directly held assets, the obligation must attach to the source of the asymmetry in order to be effective.

The TRCSL therefore imposes the obligation set out in this Section 9.5 on Dialog Axiata PLC as the SMP operator, acting with its affiliated entity whose assets are engaged in the intra-group MOCN arrangement, and on the Dialog Axiata PLC with its affiliates to the extent that implementation requires coordinated action across the group. Dialog Axiata PLC remains the primary addressee of the obligation and is responsible to the Commission for ensuring compliance by its affiliates.

Scope. Dialog Axiata PLC with its affiliates is required to provide active RAN sharing access — in both MORAN and MOCN configurations — to any eligible access seeker that submits a written access request. This obligation applies across all network technologies deployed by Dialog during the review period, including 2G, 3G, 4G/LTE, and 5G, and covers all geographic areas where Dialog Axiata PLC with its affiliates has deployed active radio access network infrastructure. This obligation is imposed on Dialog Axiata PLC with its affiliates because Dialog Axiata PLC is the only operator designated as holding significant market power in the wholesale mobile network access market; the broadly comparable Mobitel and SLT MOCN arrangement is not subject to this Section 9.5, but remains subject to the Infrastructure Sharing Regulations, 2024.

Access requirement. Dialog Axiata PLC with its affiliates must negotiate in good faith with any eligible access seeker that submits a written active RAN sharing request and must conclude a sharing agreement within [90] days of receipt of the request. Dialog group must not refuse an access request except on objectively justified technical grounds, which must be notified in writing to the requesting operator and to TRCSL, specifying the technical reasons and the conditions under which the constraint could be resolved. Technical grounds for refusal are subject to TRCSL review and must not be used as a mechanism for delay or obstruction.

Reference offer requirement and transparency. Dialog Axiata PLC with its affiliates must publish an active RAN sharing Reference Offer. It shall set out: the technical configurations available, including MORAN and MOCN options; the geographic scope of sharing; the process and timeline for concluding agreements; pricing; and the governance arrangements for joint network management including upgrade procedures and fault resolution.

Dialog Axiata PLC with its affiliates, shall publish periodically, and at least annually, non-confidential information on active RAN sharing arrangements concluded while these obligations remain in force. Such information shall include the material non-confidential terms of concluded MORAN and MOCN arrangements, the number of sharing requests received, the status and outcome of such requests, and performance data, including provisioning times and relevant quality metrics. Dialog Axiata PLC with its affiliates shall establish and maintain, to specifications and templates determined by the Commission a Shareable-Infrastructure Database, accessible to other operators/ providers.

Cost-orientation. Prices charged by Dialog or its affiliates for active RAN sharing must be cost-oriented. The Commission will prescribe a cost methodology for active RAN sharing, to reflect the cost-sharing

economics of active RAN sharing arrangements. Active RAN sharing prices shall be subject to TRCSL prior approval before taking effect.

Non-discrimination. Dialog group must provide active RAN sharing to independent third parties on terms, conditions, and quality that are no less favourable than those it provides to its affiliates under the existing MOCN arrangement or any subsequent intra-group sharing arrangement. Non-discrimination covers: the spectrum bands and base station locations made available; the technical configurations offered; implementation timelines; network performance quality; and upgrade access. Where Dialog or its affiliates upgrades shared infrastructure for its own benefit, it must make equivalent upgrade benefits available to independent sharing partners.

To ensure non-discrimination, TRCSL proposes the following options for public consultation, with the final approach to be determined after consideration of stakeholder submissions:

Option 1 — Capacity reservation rule/ 50:50 rule

Of the shareable capacity recorded in the Database at any reference date, the SMP may allocate up to 50% to its affiliates on a first-come, first-served basis at rates determined or approved by the Commission (see cost-orientation obligation), and shall make the remaining 50% available to unaffiliated operators to enter into Infrastructure sharing agreements within a six-month window from the date the capacity is posted.

Option 2 — Prior notification, open offer rule, and Equivalence of inputs

Before allocating any shareable capacity to an affiliated entity, the Dialog group should be required to notify TRCSL and publish a capacity availability notice for independent access seekers. The notice should specify, at minimum the technical parameters, geographic scope, available capacity, quality parameters, implementation conditions and timelines, and proposed commercial terms. The relevant capacity should remain available to independent access seekers for a defined period, to be determined by TRCSL, from the date of publication of the notice. Requests from access seekers should be submitted through TRCSL to ensure transparency and equal treatment. If no unaffiliated operator submits a reasonable request within that period, Dialog Axiata PLC with its affiliates may proceed with the proposed affiliate allocation, subject to TRCSL approval.

The Dialog Axiata PLC with its affiliates shall provide active RAN sharing and related capacity access to unaffiliated operators on an equivalence of inputs basis. Access seekers shall receive the same or equivalent wholesale inputs, technical information, operational support, ordering and provisioning processes, service levels, implementation timelines, and access to network upgrades as those provided to, or used by, affiliated entities. Any deviation from equivalence shall be objectively justified, documented, and notified to TRCSL.

Option 3 — Equivalence-based obligation

Whenever the Dialog Axiata PLC with its affiliates makes shareable capacity available to an affiliated entity, it shall make equivalent capacity available to unaffiliated operators on transparent, non-discriminatory and TRCSL-approved terms. Equivalent capacity should be assessed by reference to relevant technical, geographic, quality and timing parameters, including spectrum band, capacity, coverage area, service

capability and implementation conditions. The Dialog Axiata PLC with its affiliates shall not offer affiliated entities more favourable terms, faster implementation timelines, superior quality parameters or preferential access to network upgrades unless the same terms are made available to unaffiliated operators.

Option 4 – proposed by market players

/ Stakeholders are invited to submit their proposals/

Rationale. This obligation addresses the structural asymmetry created by Dialog's intra-group MOCN arrangement with DBN, which provides Dialog's retail operations with access to additional mid-band spectrum capacity not available to independent operators. By requiring Dialog Axiata PLC with its affiliates to offer active RAN sharing on equivalent terms to independent operators, the remedy removes this competitive distortion without prohibiting the intra-group arrangement itself. The obligation is proportionate because it requires Dialog Axiata PLC with its affiliates to extend existing intra-group arrangements to third parties on regulated terms, rather than requiring structural network changes.

The Commission notes that a broadly comparable intra-group MOCN arrangement exists between Mobitel and SLT. The obligation under this Section 9.5 is nonetheless imposed only on Dialog Axiata PLC with its affiliates, as Dialog Axiata PLC is the only operator designated as holding SMP in the wholesale mobile network access market. The SMP-based legal basis of ex-ante regulation does not permit equivalent obligations to be imposed on operators that have not been designated as SMP. Where future market developments or an interim review result in a different SMP finding, the Commission will reconsider the scope of this obligation accordingly. In addition, the Mobitel and SLT arrangement, like all other infrastructure-sharing agreements, remains subject to the Infrastructure Sharing Regulations, 2024 and to the Commission's continuing regulatory scrutiny.

Overall expected market outcome. Taken together, the wholesale remedies are expected to establish the regulatory conditions necessary for wholesale access-based competition to emerge and develop in the retail mobile market over the review period. They should make wholesale mobile network access available on transparent, cost-oriented, and non-discriminatory terms; reduce the risk of foreclosure through excessive wholesale pricing, discriminatory conduct, internal transfer arrangements, or margin squeeze; and address structural barriers associated with infrastructure and spectrum asymmetries through regulated national roaming and active RAN sharing. Accounting separation should further enhance TRCSL's ability to monitor compliance and detect undue preference or cross-subsidisation. While these remedies do not guarantee entry, expansion, or any particular market outcome, they are expected to remove the key obstacles that currently prevent access-based competition from emerging effectively.

9.6. Enforcement

Non-compliance with any remedy or component of this chapter constitutes a breach of an SMP regulatory obligation under the Competition Rules, 2024 and is subject to the enforcement and penalty provisions of the Telecommunications Act.

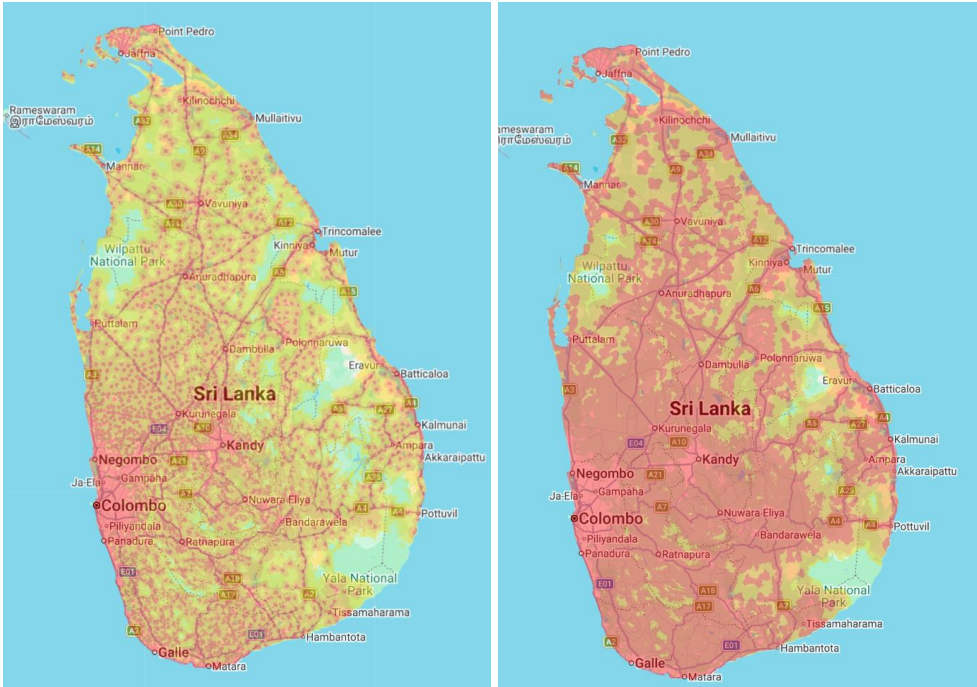
Dispute resolution. Where an access seeker considers that Dialog or Dialog Axiata PLC with its affiliates has failed to comply with any obligation — including by refusing an access request without adequate justification, failing to conclude an agreement within the prescribed timeline, or offering terms that are not cost-oriented or non-discriminatory — it may refer the matter to TRCSL for determination.

Annual compliance assessment. TRCSL will conduct an annual compliance assessment of Dialog's and its affiliates performance against each obligation and will publish its findings as part of the annual market monitoring report.

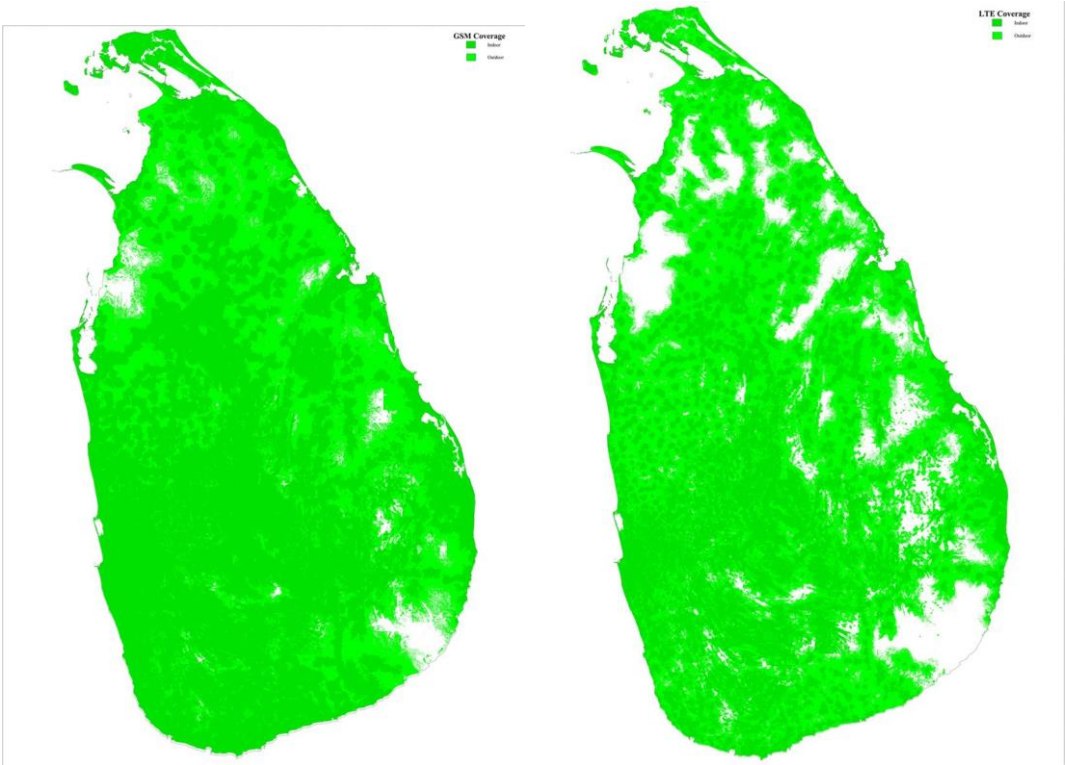
Interim review trigger. TRCSL may initiate an interim review where there is a material change in market circumstances, including changes in market structure, ownership or control of relevant operators or access seekers, spectrum assignments, wholesale access conditions, or competitive dynamics. TRCSL may also conduct an interim review where there is evidence that the imposed remedies are not producing the intended competitive outcomes, are no longer proportionate, or require modification to remain effective. Market participants may also request an interim review by submitting a reasoned and evidence-based request. TRCSL shall assess such requests and determine whether a review is justified.

Annex 1. Coverage maps per technology per operator

Dialog



Mobitel



Hutch

