Enforcing Competition Law in Digital Markets and Ecosystems

Presentation

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What are the major competition concerns related to the digital markets?

How to address the competition concerns?

How can competition agencies use AI?
02 Major competition concerns related to the digital markets

- Economies of scale
- Digital ecosystems
- Switching costs
- Economies of scope
- Network effects

Characteristics of the Digital Markets
Market entrenchment and bottlenecks

- **Incumbents** tend to have both the **incentives** and the **ability to exploit the bottlenecks**

- Anticompetitive effects may operate both **vertically and in adjacent markets**

- Risk that incumbents **leverage their market power** to neighboring markets
How to address the competition concerns?

- Sector Inquiries
- Digital market expertise
- AdC’s Digital taskforce (2020)
How to address the competition concerns?

- **Exclusionary abuse** cases (e.g. Google Android, Amazon Buy Box, Microsoft Teams)
- **Exploitative abuse** cases (e.g. Facebook marketplace, Apple music streaming)
- **International cooperation** (e.g., the ECN)
How to address the competition concerns?

- **Article 22 European Union Merger Regulation – referral mechanism**
- Updated merger **notification thresholds** (*e.g.* market-share-based; value of the transaction)
- **New theories of harm** (*e.g.* innovation effects)
03 How to address the competition concerns?

Regulatory efforts

- Digital Markets Act:
  - contestability and fairness considerations
  - complementary to antitrust enforcement
How to address the competition concerns?

- Interplay between competition policy and other fields of knowledge (Competition 2.0.)
- Competition authorities can act as nudges for other public policies
- Importance of international fora
The use of digital tools and AI by NCAs

- Digital toolbox
  - Web scraping
  - Screening tools
  - AI technologies

Efficiency and effectiveness gains in enforcement activity