

**9th United Nations Conference on Competition and Consumer Protection
Room XIX, Palais des Nations
Geneva
7-11 July 2025**

Regulatory Framework for Digital Platforms in Uzbekistan & Global Challenges

AND

**Panel Intervention of the Chairman of Competition Promotion and Consumer
Protection Committee of the Republic of Uzbekistan**

*Mr. Khalilillo Sobirjonovich Turakhuaev
Chairman
Competition Promotion and Consumer Protection Committee
Uzbekistan*

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**COMPETITION PROMOTION
AND CONSUMER PROTECTION COMMITTEE
OF THE REPUBLIC OF UZBEKISTAN**



REGULATORY FRAMEWORK FOR DIGITAL PLATFORMS IN UZBEKISTAN & GLOBAL CHALLENGES

KHALILILLO TURAKHUDJAEV

Chairman

Geneva, Switzerland
July 9, 2025



UZBEKISTAN: BRIEF ECONOMIC OUTLOOK

POPULATION



37.5
MILLION

GDP



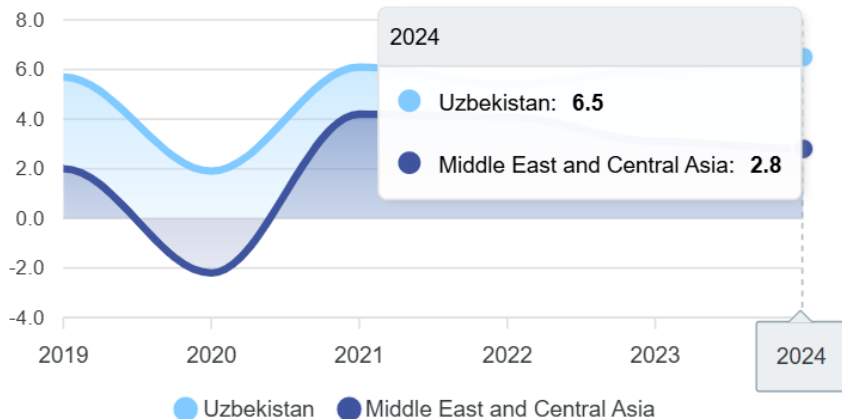
115
BILLION

DIGITAL ECONOMY



9%
of GDP

GDP growth



MOBILE & INTERNET USE IN UZBEKISTAN

(as of January 1, 2025)

CELLULAR MOBILE CONNECTIONS



34
MILLION

INDIVIDUALS USING THE INTERNET



33
MILLION

SOCIAL MEDIA USERS

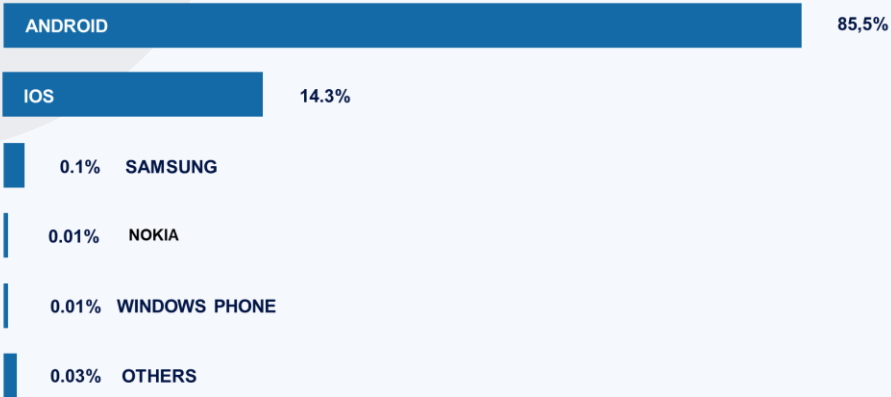


12
MILLION

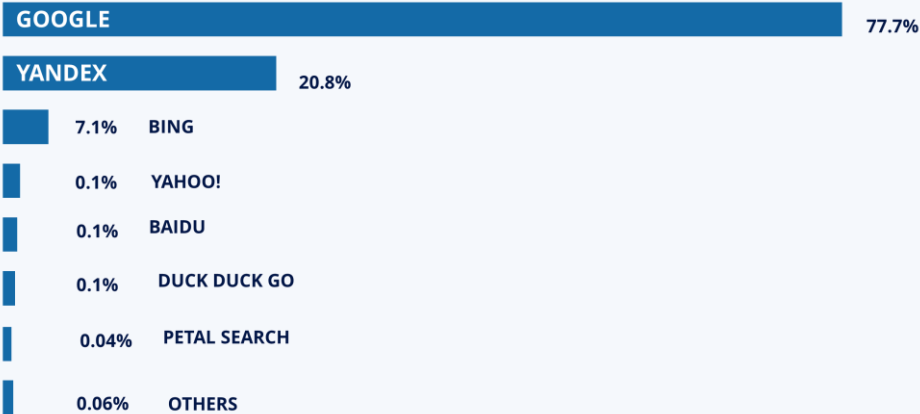


SNAPSHOT OF DIGITAL MARKETS IN UZBEKISTAN

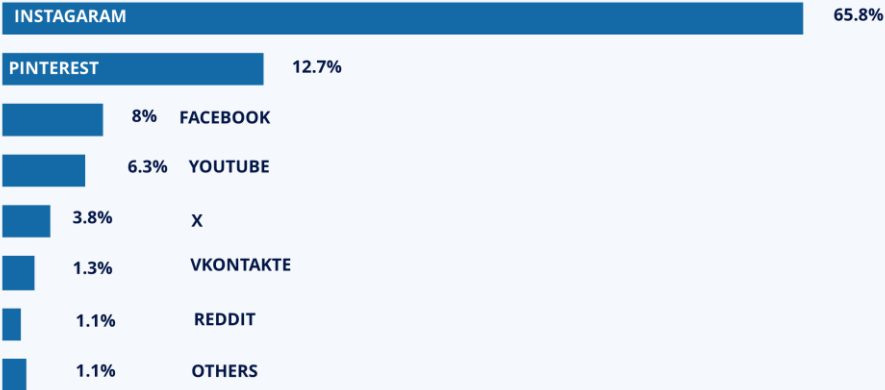
SHARE OF MOBILE OPERATING SYSTEMS



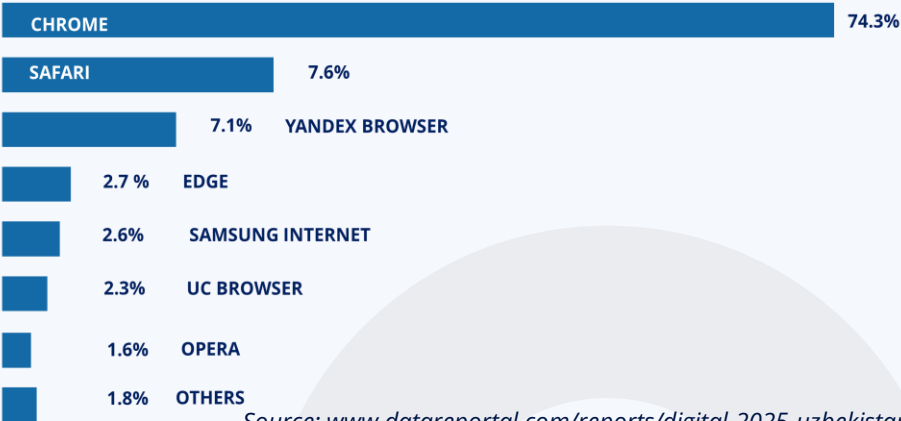
SHARE OF SEARCH ENGINES



SHARE OF SOCIAL MEDIA



SHARE OF WEB-BROWSERS



REGULATORY FRAMEWORK FOR DIGITAL PLATFORMS IN UZBEKISTAN

“ex-ante” regulation

LAW ON COMPETITION

(adopted in 2023)

Article 18. The operator of a digital platform with a dominant position is **PROHIBITED** from taking actions that restrict competition by imposing requirements on the use of information, technologies and digital products

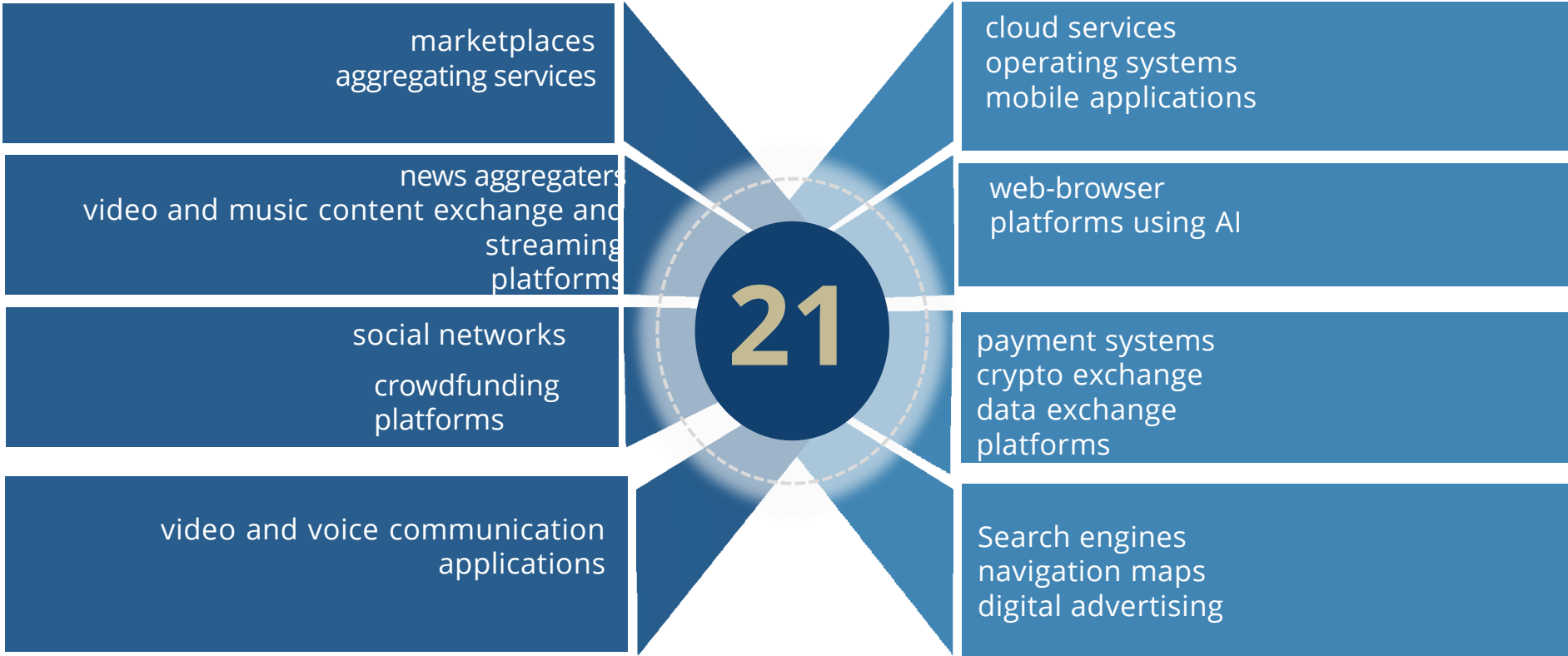
GOVERNMENT RESOLUTION No 256

(adopted in 2024)

Regulation for recognizing the dominant position and superior bargaining position of a digital platform operator & prohibitions for abuse of dominant & superior bargaining position

TYPES OF DIGITAL PLATFORMS

stated in Digital Platform Regulation (Government Resolution No 256 of 2024)



PROHIBITED ACTIONS FOR DOMINANT PLATFORMS

- not allow end users to easily remove pre-installed applications or change settings that point to the digital platform's own goods and services;
- prevent end users who use the digital platform from installing third-party apps or app stores;
- limit the ability of end users to easily unsubscribe from the main services of the digital platform;
- unreasonably reduce the quality and level of confidentiality and security of data, the ease of switching to another provider;
- limit the ability of third parties to interact with their own digital platform services;
- prevent end-user tracking for targeted advertising outside of digital platforms without permission from digital platforms;
- force users to accept conditions that are not related to the subject of the contract when using a digital platform

- do not allow the free use of tools to measure the effectiveness of the digital platform and access to information;
- restrict user options, promote offers and enter into contracts with customers outside the digital platform;
- limit the free receipt by users of information obtained as a result of their activities on the digital platform;
- classify the digital platform's own goods or services more favorably than the goods or services of its users or third parties;
- require app creators to use digital platform services to list them in digital platform app stores;
- evaluate own products in such a way as to gain an advantage over third-party products

NOTIFICATION OBLIGATION

- It is mandatory to notify the competition authority within **TWO MONTHS** of achieving the dominance criteria.
- The dominance thresholds are set according to the scale of the local economy and will be reviewed as the companies evolve.
- Currently, thresholds are much lower than in the EU or UK — meaning that **GLOBAL TECH GIANTS ALREADY FALL UNDER THE “DOMINANCE” CRITERIA BY DEFAULT.**

DOMINANT LOCAL PLATFORMS

  — *online payment service platforms*

 **uzum market** — *e-commerce platform*

 **EXPRESS 24**    **uzum tezkor** — *food delivery aggregators*

Yandex Go — *ride-hailing aggregator*

MAIN CHALLENGES

The growth of digital markets strengthens the influence of large local and global tech companies — leading to high market concentration, stifling innovation, threatening fair competition, and consumer rights, especially the protection of personal data.

Unlike traditional industries, digital platforms exploit:

- **Network effects**
- **Vast user data**
- **Control over ecosystems**

...to entrench their power and suppress competition.

MAIN RISKS & CHALLENGES

● **Creating significant entry barriers**

This leads to anti-competitive behaviors like self-preferencing, algorithmic collusion, acquiring potential competitors, transferring dominance from one market to another.

● **"Killer acquisitions"**

acquiring companies at early stages to eliminate competition and stifle innovation.

● **Unrestricted access to personal data enhances platforms' power and hinders new entrants**

Consequently:

- Platforms manipulate user choices with targeted ads and interface tricks;
- Users face misleading ads, fraud, and data abuse;
- Consumer dispute mechanisms are often ineffective or absent, especially in cross-border e-commerce.

The dominance of Big Techs is also shifting into AI-related markets

KILLER ACQUISITIONS

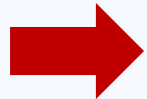
- Big Tech companies **acquired at least 191 companies** globally between 2019 and 2025: on average, **one every 11 days**.
- **184** mergers went completely unnotified, meaning that **only about 4% of Big Tech mergers were investigated by competition authorities**.
- **67%** of these acquired companies have shut down their own websites and in certain cases, they **stopped serving customers entirely** post-acquisition.

Source: Center for Multinationality Research (The Netherlands)

ADVERSE EFFECTS OF GLOBAL DOMINANCE OF BIG TECHS

- Dominant digital platforms may use lobbying, public pressure, and financial influence to shape favorable policies — undermining regulatory integrity.
There are cases, where Big Techs are pressuring developing countries to revise or even abolish digital platform regulations.
- They often show **selective compliance** — obeying antitrust laws in advanced countries but **resisting** them in smaller economies - developing countries .
*A striking example, these companies follow EU rules but continue restrictive practices in developing countries — effectively **imposing their own rules** and **maintaining ecosystem control**.*
- This is a clear evidence of “**double standards.**”
- It shows that tech giants **abuse their global dominance** and try to **influence regulatory framework**, especially in the Global South.

PROPOSALS FOR ACTIONS FOR GLOBAL RESPONSE



Launching a **GLOBAL INITIATIVE FOR FAIR DIGITAL ECONOMY AND COMPETITION** focused on developing and emerging economies of **Global South**, *which includes following actions:*

- Creating a unified regulatory approach to digital platforms dominance and abusive practices (including in AI emerging sectors and markets);
- Joint investigations of cross-border M&As of digital platforms aimed to detect potential cartel behaviors
In this regard, to continue the mandate of UNCTAD Working group on cross-border
- Coordinated technical assistance for competition authorities of developing countries on digital platforms, algorithms, and AI
- Enhancing South–South cooperation in antitrust, consumer protection, and data governance.

Thank you for your attention!

PANEL INTERVENTION
OF THE CHAIRMAN OF COMPETITION PROMOTION AND CONSUMER
PROTECTION COMMITTEE OF THE REPUBLIC OF UZBEKISTAN
Mr. HALILILLO TURAKHUJAEV

Dear distinguished participants of the panel discussion and colleagues, ladies and gentlemen! Good morning to all.

On behalf of the Competition Promotion and Consumer Protection Committee of the Republic of Uzbekistan, I warmly welcome each of you to this important global forum.

It is a great honor for me to participate in this crucial discussion about the challenges posed by global digitalization through the lens of its impact on market dynamics, competition policy, and consumer protection.

Digitalization is not just a trend — it's a transformation. It is changing not only how markets operate, but also how people buy, sell, and interact with each other.

This transformation brings enormous benefits: efficiency, scalability, innovation, and expanded access.

In Uzbekistan, the development of digital markets and the IT sector is given great attention.

As a result of consistent structural reforms initiated by President Mirziyoyev in recent years, Uzbekistan has made significant progress and is becoming the largest market in Central Asia, with a population of **37 million**.

Uzbekistan's economy is growing rapidly — 5–6% annually, while the IT services sector is growing at a very high rate of **44%** per year.

Exports of IT services have increased nearly **sixfold** in the past **three years** and reached **USD 1 billion**.

Internet speed has increased **sevenfold**, and mobile speed — by **4.5 times**.

Uzbekistan ranks first among Central Asian countries in the AI Readiness Index and has become a leader in telecom growth among CIS countries.

In online payments and e-commerce, national "unicorn" digital platforms have emerged with a market capitalization of over **USD 1 billion**.

Given such rapid growth of the digital economy, Uzbekistan, like the rest of the world, has begun to form **a legal framework for antitrust regulation of digital platforms**.

If 5 years ago, there was no common approach to regulation and the antitrust world was divided into two camps: *ex-ante* regulation and *ex-post* regulation, then today, many countries choose the *ex-ante* approach — setting prior on restrictions and requirements for dominant platforms.

Uzbekistan is no exception. At this stage, we have also chosen the **ex-ante** regulation path.

In 2023–2024, the **new Law “On Competition”** and a special Regulation on antitrust regulation of dominant digital platforms introduced regulatory framework for prohibiting abuse of dominance, the first among Central Asian and CIS countries.

This regulation:

- Defines **21 types** of digital platforms;
- Establishes **criteria for recognizing a digital platform operator as dominant**;
- Lists **more than 20 specific prohibitions on actions by dominant platforms** (*e.g., self-preferencing, restricting third-party apps, price algorithm manipulation, discrimination, etc.*).

Also, it requires mandatory notification of competition authority within two months of achieving the dominance criteria.

The dominance thresholds are set according to the scale of the local economy and will be reviewed as companies evolve.

Currently, they are much lower than in the EU or UK — meaning that global tech giants already fall under the “dominant” category by default.

We have already recognized several dominant local platforms in online payments, marketplaces, food delivery, and ride-hailing aggregators.

Work is underway to recognize global digital platforms as well.

Another feature of our regulation is the concept of “superior bargaining position.”

This applies to entities that, while not formally dominant, can impose unfavorable or coercive terms on partners due to asymmetrical dependency — including geographic, volume, or price conditions.

This helps balance markets and prevent abuse even among non-dominant players.

However, the rapid evolution of digital platforms poses complex challenges to competition authorities worldwide.

The growth of digital markets strengthens the influence of large local and global tech companies — leading to high market concentration, stifling innovation, threatening fair competition, and consumer rights, especially the protection of personal data.

Unlike traditional industries, digital platforms exploit:

- Network effects
- Vast user data
- Control over ecosystems

...to entrench their power and suppress competition.

Major risks from growing dominance include:

1. Digital companies, with near-zero marginal costs and no need for physical delivery, grow rapidly and use their dominance to control key aspects of the digital markets **by creating significant entry barriers.**

This leads to anti-competitive behaviors like **self-preferencing, algorithmic collusion, acquiring potential competitors, transferring dominance from one market to another.**

2. "Killer acquisitions" — buying startups at early stages to eliminate competition and stifle innovation.

According to the Netherlands' Center for Multinationality Research:

- from 2019 to 2025, Big Techs acquired at least **191 companies globally** — **one** every **11 days**;
- **184 mergers** in the EU went unreported to the European Commission — only **4%** were reviewed for competition impact;
- **67% of acquired companies shut down their websites**, and some ceased operations altogether.

Examples:

- ***Blue Diagnostics** was acquired in 2020, and was closed in 2024;*
- ***Strato Zone** was acquired, and was shut in late 2024;*
- ***Ready & Done** was acquired in 2020, laid off one-third of staff in 2023, and shut down in 2024.*

Among **27** EU companies acquired, most specialized in AI, cloud tech, and robotics — **16** of which later closed their websites.

Aggressive Mergers & Acquisitions have extended tech giants' dominance.

3. Unrestricted access to personal data enhances platforms' power and hinders new entrants.

Consequently:

- Platforms **manipulate user choices** with targeted ads and interface tricks;
- Users face **misleading ads, fraud, and data abuse**;
- **Consumer dispute mechanisms are often ineffective or absent**, especially in cross-border e-commerce.

4. The dominance of Big Techs is also shifting into AI-related markets.

Colleagues, let me emphasize an important point:

Dominant digital platforms use lobbying, public pressure, and financial influence to shape favorable policies — undermining regulatory integrity.

There have been cases where Big Tech pressured developing countries to revise or cancel digital platform regulations.

They often show **selective compliance** — obeying antitrust laws in developed countries but **resisting** them in smaller, developing economies.

A striking example, these companies follow EU rules but continue restrictive practices in developing countries — effectively **imposing their own rules** and **maintaining ecosystem control**.

This is clear evidence of “double standards.”

In my view, our common goal is to find a balance between innovation and fairness, openness and safety, competition and consumer protection.

This requires not only effective regulation, but also **deeper international cooperation, capacity building, and knowledge sharing**.

By working together, we can turn digital markets into engines of inclusive growth, innovation, and consumer trust.

In this context, we propose launching a **Global Initiative for Fair Digital Economy and Competition** focused on developing and emerging economies of Global South.

Key goals include:

- Creating a unified approach to dominance and abuse analysis (including in AI emerging sectors and markets);
- Studying cross-border digital mergers to detect potential **cartel-like behaviors**/ In this regard, we request continuing the **UNCTAD working group mandate on cross-border cartels** (we’ve submitted this proposal to the UNCTAD secretariat);
- Enhancing **South–South cooperation** in antitrust, consumer protection, and data governance;
- Coordinated technical assistance for competition authorities on digital platforms, algorithms, and AI.

Developing nations of the Global South must become the CO-CREATORS of antitrust rules and international standards — not only the passive recipients.

This initiative could be implemented under **UNCTAD, OECD**, or other regional bodies — with support from donors, research institutions, and civil society.

Today, the rise of AI makes such an initiative even more urgent. **We must act now to build fair, sustainable, and competitive digital markets — for all.**

Thank you for your attention.