Strengthening Competition and Consumer Protection in the Digital Economy

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Strengthening competition and consumer protection in digital economy

The rise of the digital economy

- Individuals using the Internet per 100 inhabitants

*Source: ITU*
The rise of the digital economy

Top 10 global listed companies, 11 December 2019 (Trillions USD)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Industry</th>
<th>Market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Saudi Aramco</td>
<td>Oil</td>
<td>1.88</td>
</tr>
<tr>
<td>2</td>
<td>Apple</td>
<td>Technology</td>
<td>1.18</td>
</tr>
<tr>
<td>3</td>
<td>Microsoft</td>
<td>Technology</td>
<td>1.15</td>
</tr>
<tr>
<td>4</td>
<td>Alphabet*</td>
<td>Technology</td>
<td>0.93</td>
</tr>
<tr>
<td>5</td>
<td>Amazon.com</td>
<td>Consumer services</td>
<td>0.87</td>
</tr>
<tr>
<td>6</td>
<td>Facebook</td>
<td>Technology</td>
<td>0.57</td>
</tr>
<tr>
<td>7</td>
<td>Berkshire Hathaway</td>
<td>Financials</td>
<td>0.54</td>
</tr>
<tr>
<td>8</td>
<td>Alibaba</td>
<td>Consumer services</td>
<td>472</td>
</tr>
<tr>
<td>9</td>
<td>JPMorgan Chase</td>
<td>Financials</td>
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<tr>
<td>10</td>
<td>Tencent Holdings</td>
<td>Technology</td>
<td>0.41</td>
</tr>
</tbody>
</table>

Source: The Guardian, 2019
Effective consumer protection online

- UN Guidelines for Consumer Protection (63-65)
- Legal and policy frameworks
- Consumer empowerment and business guidance
- Enforcement
- Dispute resolution and redress
Effective competition in digital markets

• Legal and policy frameworks
• Enforcement
• Regulation
Policy recommendations for effective consumer protection online

• Laws and policies to be technology neutral;
• Liability and responsibility regimes of platforms;
• Consumer privacy;
• Product recalls and fight against distribution of hazardous and unsafe products (in particular if they have been recalled in other jurisdictions);
• Education and information campaigns for consumers’ digital literacy, introducing behavioural insights;
• Enforcement powers for consumer protection agencies for online investigations, sanctions and cross-border investigations;
• Resources to address cross-border challenges;
• Guide businesses and encourage voluntary commitments;
• Businesses to provide online dispute resolution for consumer disputes, in particular online platforms.
Policy recommendations for effective competition in the digital economy

- Adapt competition tools (laws, regulations, guidelines) to the new reality: new business models, network effects, access to data, economies of scale and scope;
- Reform merger control regimes to enable competition authorities to scrutinize M&As involving dominant platforms;
- Adopt new regulations/guidelines to deal with unfair trade practices and abuses of superior bargaining position by big tech platforms;
- Consider ex-ante regulation of dominant online platforms to facilitate switching and multihoming by consumers and market access by new firms;
- Consider ensuring platform neutrality, requiring large platforms that also offer their own products or services on their platforms to treat all firms, including their own, neutrally.
Thank you!