

ISTANBUL COMPETITION FORUM ANNUAL WEBINAR

in cooperation with UNCTAD

15.12.2020

08.00 Washington DC, USA

14.00 Geneva, Switzerland

15.00 Bucharest, Romania

16.00 Istanbul, Turkey

17.00 Baku, Azerbaijan

18.00 Islamabad, Pakistan

“Competition Issues in Digital Markets”

The existence of platform-based business models, network effects, multi-sided markets and economies of scale lead to complex competition issues in digital markets around the world. As such, digital markets cause different competition concerns compared to more traditional markets. In this panel session we will discuss the issues faced by competition authorities in these markets and possible proactive actions to prevent irreversible problems thereof.

First, the rapid rate of technological innovation associated with digital markets provides scope for market disruption through new entrants and new products to the benefit of consumers. Thus, one of the responsibilities of competition authorities with respect to these markets is to encourage and facilitate this innovation, while ensuring that these technologies are accessible to consumers.

Second, in digital markets the concentration levels are high compared to most of the traditional markets. This is in part due to economic features of these markets such as first-mover advantages from the positive network effects of two-sided markets and further product development advantages from data accumulation. However, it is also due to deliberate strategies to retain early leadership, acquire rivals and leverage dominance in some areas to exclude or limit competitors in others.

These special features of these markets necessitates a proactive approach from competition authorities, including consideration of new theories of harm and measures to alleviate irreversible concentration.

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Competition policy should also initiate mechanisms to facilitate entry to these markets by enabling access to important consumer data.

In this session we will discuss these special features of digital markets and proactive mechanisms that can be employed by competition authorities.