

# Presentation to the Conference Designing Antitrust for the Digital Era

Sipho Mtombeni

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**competition commission**  
south africa

# Outline

- I. South African context
- II. Commission's case work in this area
- III. Challenges and opportunities
- III. Work programmes and way forward



# The South African context

- Many of the global internet giants are present in the country, including online search services, social networks, e-commerce platforms as well as e-hailing and matching services
- There are also a number of local start-up that are active in South Africa
- In 2018 there were about 21 million internet uses in the country
- The country is faces challenges with high data prices - Data Service Market Inquiry
- High concentration is persisting in many markets

# Mergers in Digital Markets

Merger	Issues	Decision
Takealot/Kalahari (2015)	Two online retailers. Horizontal overlaps. Constraints by brick and mortar retailers	Approved
Facebook/WhatsApp (2015)	Transaction not notifiable due to WhatsApps revenue in the country	N/A
Microsoft/LinkedIn (2016)	Social Networking and cloud services. Concerns of exclusionary conduct	Approved
MIH (Naspers)/Autotrader (2017)	E-commerce and vehicle advertising platforms. Merged entity with significant market power	Approved
MIH(Naspers)/We Buy Cars	Advertising and retail platform and used car sales.	Prohibited

# Cartels in Digital Markets

Merger	Issues
Bluespec	Use of algorithms to allocate markets, exclusionary conduct
Glass	Use of algorithms to allocate work

# Unilateral Conduct in Digital Markets

Merger	Issues	Decision
Dirk Lucas v Microsoft SA and Dell (2009)	Allegations of inducement and exclusionary conduct for the sale of Dell computers with Microsoft software	Case was not pursued
Entelligence v Google SA	Allegations of inducement. Google approached Entelligence's client TDS not to deal them	Case was not pursued
Metered Taxi Industry v Uber (2015)	Predatory pricing	Case was not pursued

# Challenges and Opportunities

- Challenges with prosecuting global firms
- Thresholds in merger analysis
- Market definition and the assessment of market power
- Use of analytic tools and methods
- Innovative and disruptive entry
- Greater participation of small and medium enterprises as well as historically disadvantaged individuals

# Work Programmes and Way Forward

- The Commission has set up a task team lead by the Chief Economist
- The development of a toolkit and guidelines: information requests, theories of harm, demarcation of markets
- Setting up advisory panels and collaborative knowledge building initiatives
- Improving technology available to the agency
- Recent amendments to the Competition Act
  - National Security Provision
  - Buyer Power
  - Market Inquiry recommendations



# Thank you

Website: [www.compcom.co.za](http://www.compcom.co.za)

email: [SiphoM@compcom.co.za](mailto:SiphoM@compcom.co.za)

Tel: +27 (0) 12 394 3378

