



competition commission
south africa

Media Statement

For Immediate Release

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LAUNCH OF THE ONLINE INTERMEDIATION PLATFORMS MARKET INQUIRY

The Competition Commission (“Commission”) will officially launch the Online Intermediation Platforms Market Inquiry (“Online Markets Inquiry”) on Tuesday 19 May at 10am.

The Inquiry covers online markets that facilitate transactions between businesses and consumers (or so-called “B2C” platforms) for the sale of goods, services and software. Online intermediation platforms include eCommerce marketplaces, online classified marketplaces, software application stores and intermediated services such as accommodation, travel, transport and food delivery.

Online markets have become an increasingly important channel for businesses to reach consumers, a trend which has accelerated under the Covid-19 pandemic and which is likely to continue. Online markets provide consumers with the convenience of comparing a wide range of options and then safely purchasing online. For businesses, the online markets offer a ready-made infrastructure to sell online and a means to reach an enormous number of consumers nationally and internationally. The shift to online commerce also means that it is increasingly important for South African businesses to participate actively in these markets if they are to be part of the global and national economy.

However, global experience is that a few platforms may start to dominate online commerce given the features of online markets and in some cases the conduct of the markets themselves. In those circumstances, businesses using the markets may be exploited or discriminated against and consumers may not be presented with the optimal choices.

For this reason, the Inquiry is a proactive measure for the Commission to get a greater understanding of the online markets operating in South Africa and whether there are factors which may be hindering competition or undermining the public interest. This will ensure that these markets remain contestable and competitive, which is in the long-term best interests of South African consumers and businesses that depend on them.

The inquiry is broadly focused on three areas of competition and public interest, namely a) market features that may hinder competition amongst the online markets themselves, b) market features that may give rise to discriminatory or exploitative treatment of business users, and c) market features that may negatively impact on the participation of SMEs and firms owned and controlled by historically disadvantaged persons.

The online launch will involve the following elements:

- Official announcement of the Commencement along with the Inquiry timetable
- A statement by the Commissioner on the scope of the inquiry
- Announcement of the Commission team that will undertake the Inquiry
- The approach to the Inquiry from the Commission team incl. next steps
- The release of the Statement of Issues and invitation for public submissions
- The release of an online survey of business users of online markets
- Q & A

[ENDS]

Issued by:

Siyabulela Makunga, Head of Communication/Spokesperson

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493

Cell: 067 421 9883 (WhatsApp No: 072 768 0238)

Email: SiyabulelaM@compcom.co.za

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