



**competition commission**  
*south africa*

**Media Statement**

**For Immediate Release**

**16 September 2021**

**CALL FOR PARTICIPATION IN PUBLIC HEARINGS FOR THE ONLINE PLATFORMS  
MARKET INQUIRY**

Today the Digital Markets Inquiry (“The Inquiry”) has released a call for participation in the public hearings to all stakeholders that can provide insights into the functioning of the online economy, factors that may hinder competition or participation and proposals on solutions to any issues identified. This includes both large and small online platforms and retailers, the businesses that use these online channels to reach consumers, business organisations, venture capitalists that invest in the digital economy and the public that make use of online channels.

The call for participation is available on the Inquiry website (<http://www.compcom.co.za/online-intermediation-platforms-market-inquiry>) which explains the structure of the public hearings and how stakeholders can participate. Stakeholders wishing to participate are urged to fill in the Inquiry Hearing Form and send it through to the Inquiry email address (oipmi@compcom.co.za ) before the end of September 2021. The Inquiry will then communicate the programme for the public hearings a week later.

Aside from the public hearings, there are other ways for stakeholders to participate. The Inquiry website has a survey for businesses that use the online channels to reach consumers (“Business User Survey”). The Inquiry is particularly interested in understanding the experience of business users, in particular the extent of platform dependency, the restrictions placed on their business by platforms; the perceived fairness of search algorithms, platform terms & conditions, and platform commission fees; as well as the impact on their business of any unfair treatment. It is essential that businesses undertake the survey if their voice is to be heard. Alternatively,

stakeholders can send written submissions in respect of the Further Statement of Issues to the Inquiry email address.

Since the advent of the pandemic, South African consumers and businesses have embraced online channels for shopping, food delivery, booking travel accommodation, research before big purchases like cars or homes and downloading apps for almost every aspect of digital life. In response to the growing importance of the online economy and competition concerns in these markets emerging in other countries, the Competition Commission launched a probe into competition and participation in the online economy earlier this year. The purpose was to ensure that consumers and businesses that use online platforms to reach consumers benefit from competition amongst online platforms, and that small and historically disadvantaged business also get to participate fairly in the online economy.

The Inquiry completed the first phase of information gathering and the insights from that exercise resulted in the release of a Further Statement of Issues (FSOI) which identified market dynamics and practices that may have the potential to hinder competition or result in the unfair treatment of businesses using the popular online platforms. The full set of issues are available on the Inquiry website and include:

- The extensive and growing use of sponsored ranking (i.e. payments to appear higher up on consumer search results), and its impact on consumer choice and the discoverability of small or historically disadvantaged businesses on these platforms;
- The rationale for, and impact of, higher commissions and listing fees charged to small restaurants, auto dealers and estate agents relative to larger national chains on food delivery platforms and online classifieds (automotive and property);
- The necessity for businesses to discount or offer promotions on the platforms in order to get consumer visibility, and the pressure from platforms to do so;
- The fairness of platform terms and conditions, including payment terms, liability for loss and termination on the platform;
- The general lack of platform initiatives to support the transformation of the online economy and the increased involvement by SA businesses on global platforms.
- The rationale for, and impact of, price-parity clauses imposed on businesses (i.e. a requirement to price no less favourably on a platform relative to other platforms & channels) in eCommerce, delivery and travel & accommodation platforms;

- The impact of massive search engine marketing and consumer promotions by leading platforms on the ability of emerging platforms and individual businesses to get consumer visibility online; and
- The reticence of prominent brands or larger business chains to support emerging platforms and the impact of this on consumer adoption and platform growth.

These issues as well as the general functioning of the online economy will be the subject of virtual public hearings from 2-19 November this year. The public hearings are expected to unlock a public discourse on all these preliminary observations and identify any actions or business practice changes that may positively shape the burgeoning online economy to provide the best outcomes for consumers and the businesses that depend on it.

**[ENDS]**

**Issued by:**

Siyabulela Makunga, Head of Communication/Spokesperson

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 072 768 0238 / 067 421 9883

Email: [SiyabulelaM@compcom.co.za](mailto:SiyabulelaM@compcom.co.za)

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

Facebook, LinkedIn and YouTube: The Competition Commission South Africa