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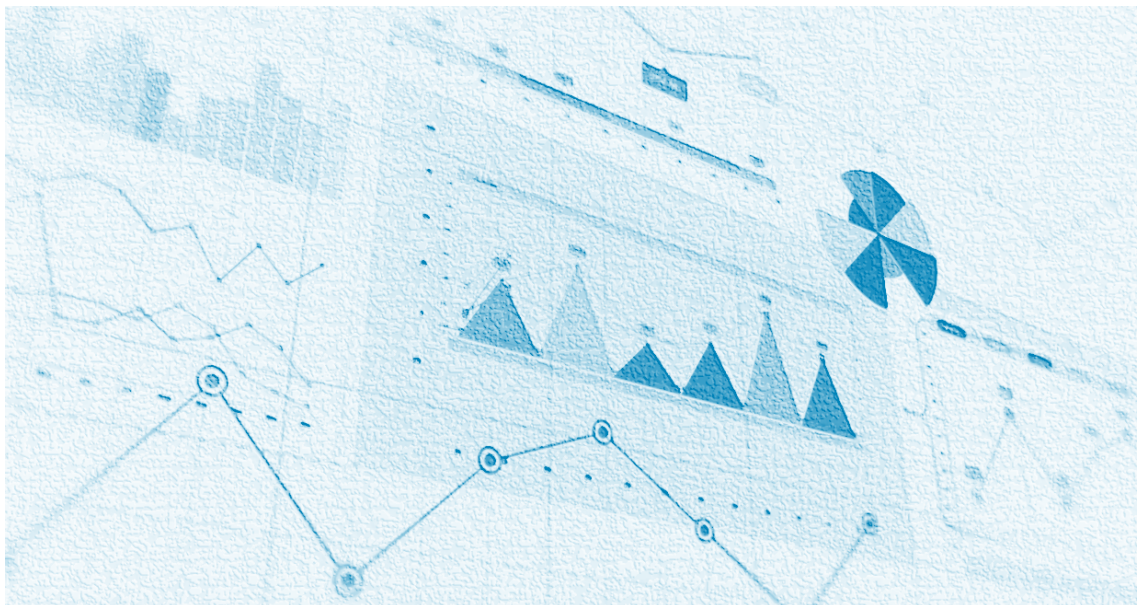
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Evolving role of market studies in competition policy

Focus on the Arab region



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Introduction

Market studies have become essential tool in modern competition policy, helping to identify structural issues, guide enforcement, and support evidence-based advocacy. Globally, competition authorities use these studies to analyze market dynamics, anticipate risks, address regulatory gaps, and inform policy development. This is particularly relevant in the digital economy, where traditional enforcement tools may be inadequate.

Across the Arab region, interest in market studies is growing. Although many competition authorities are still in the early stages of implementing these tools, there is a shift towards broader market assessments. This trend was evident at the Fourth Arab Competition Forum (ACF) in May 2023, where best practices in market studies were extensively discussed. Since then, regional authorities have increasingly recognized the value of data-driven analysis and cross-sectoral insights in improving competition outcomes.

This paper examines the evolution of market studies since the 4th ACF, highlighting four key takeaways:

- Market studies are becoming forward-looking, data-driven tools that complement enforcement and support regulatory design.
- Arab competition authorities are in the early stages of adoption, with variations in capacity and experience.
- Emerging trends, such as AI, big data, and behavioural screening, offer new opportunities for market analysis.
- To maximize these benefits, Arab authorities must address challenges like data access, institutional independence, and regional cooperation.

The goal is to outline future directions for market studies in the Arab region as proactive tools for fostering fair and competitive markets.

Recent trends in market studies on digital markets

The Fourth ACF highlighted the complexity of regulating digital markets in the Arab region due to rapid innovation and the dominance of global platforms. Many competition authorities face technical and resource constraints limiting their ability to conduct in-depth market studies. These challenges underscore the need for improved tools, better data access, and enhanced cross-border cooperation.

Globally, market studies increasingly focus on digital economy sectors. Examples include:

- Mexico's 2022 study on retail e-commerce platforms.¹
- South Africa's 2021–2023 Online Intermediation Platforms Market Inquiry.²
- The UK Competition and Markets Authority's (CMA) 2021–2022 study on mobile ecosystems.³

Box 1. Case study: UK's CMA on digital markets

In June 2021, the CMA launched a study on mobile ecosystems, analyzing operating systems, application stores, and web browsers. The 2022 report found that Apple and Google dominate the market, limiting competition through network effects, default settings, and switching barriers. While these platforms offer consumer benefits, restrictive practices could hinder innovation and reduce consumer choice.

Similarly, the CMA's 2020 on digital advertising revealed that Google and Facebook had solidified market power in search and social media advertising, raising concerns about reduced competition and potential data misuse.

Source: Competition and Markets Authority, *Mobile Ecosystems: Market Study Final Report* (2022). Available at <https://www.gov.uk/government/publications/mobile-ecosystems-market-study-final-report> (accessed on 10 April 2025). United Nations Conference on Trade and Development, *Market Studies as a Tool to Foster Competition and Protect Consumers: Approaches and Lessons Learned* (UNCTAD/DITC/CLP/2023/7, 2023).

These studies highlight unique competition dynamics in digital markets – such as network effects, platform gatekeepers, and algorithm-driven conduct, requiring updated methodologies. Some authorities now analyze user data flows and multi-sided interactions rather than traditional product boundaries.

Authorities also recognize that market studies in digital sectors can serve as a foundation for the development of new regulatory frameworks. The outcomes of recent studies illustrate this trend. For instance, the South African inquiry into online platforms initially considered recommending ex-ante regulation for major platforms – similar to the European Union's Digital Markets Act. However, the final report, published in 2023, ultimately refrained from proposing immediate legislation measures.⁴

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1. United Nations Conference on Trade and Development, 2023. *Market studies as a tool to foster competition and protect consumers: Approaches and lessons learned* (UNCTAD/DITC/CLP/2023/7, p. 44).
 2. Ibid.
 3. Ibid.
 4. United Nations Conference on Trade and Development, 2023. *Market studies as a tool to foster competition and protect consumers: Approaches and lessons learned* (UNCTAD/DITC/CLP/2023/7, p. 44).

Global trends in tools and methodologies for market studies

Big data and AI are increasingly influencing market studies. Competition authorities are leverage these technologies to enhance analysis, detect pricing patterns, and identify algorithmic behaviours.

Box 2. Case study: Big data market in Italy

In 2020, the Italian Competition Authority collaborated with the data protection and communications regulators to study Big Data markets.^a They collected large datasets from online platforms, addressing privacy and competition concerns.

^a Bascunana-Ambros, P., and Ferrandi, R., 2022. *Tackling the winds of change: Market studies on emerging competition issues*. Competition Policy International.

Several jurisdictions have integrated screening tools into their market monitoring frameworks. For example:

- Mexico's Federal Economic Competition Commission (COFECE) uses digital tools to screen procurement markets.⁵
- Brazil's Administrative Council for Economic Defense (CADE) employs algorithmic tools to detect collusive bidding.⁶ The UK's CMA has invested in data science, hiring technologists and embedding digital tools into.⁷
- Germany has developed antitrust screening tools focusing on digital advertising and algorithmic pricing.⁸

These tools are not only enhancing the detection of non-compliant conduct, but also improving the precision and timeliness of interventions. The experience of these jurisdictions underscores the importance for Arab competition authorities to regard data capabilities not as supplementary assets, but as essential components of contemporary competition oversight.

5. OECD, Data Screening Tools – Mexico's Contribution.

6. OECD, Data Screening Tools – Brazil's Contribution.

7. UK CMA, Technology-Led Transformation in Competition Agencies.

8. Oppenhoff (Germany), Digital Antitrust Screening Tools.

Regional momentum and gaps in the Arab region

The Arab region's digital economy is expanding rapidly, with growth in e-commerce, ride-hailing, fintech, and telecommunications. However, high market concentration, network effects, and first-mover advantages pose challenges for competition enforcement.

At the 2025 Arab Competition Network (ACN) conference, the Egyptian Competition Authority highlighted concerns about addressing anti-competitive conduct in digital markets. The remarks emphasized the limitations of traditional investigative tools and underscored the need for greater integration and regional cooperation to address cross-border digital dominance and algorithmic collusion effectively.⁹ This perspective reflects a growing recognition that regional market studies – supported by pooled resources and shared digital infrastructure – may offer a viable path forward.

Saudi Arabia's 2023 GAC report demonstrates how strategic investments in data collection enhance market studies. Sectors such as poultry, pharmaceuticals, and construction, have benefited from data-centric investigations, showing that actionable insights can emerge even in opaque markets.¹⁰

These efforts were commended at the Fourth Arab Competition Forum, where experts from the Organisation for Economic Co-operation and Development (OECD), ESCWA, UNCTAD, and national authorities emphasized the importance of developing clear methodologies for sector selection, stakeholder engagement, and evidence synthesis.¹¹ The Forum has consequently become a platform for disseminating best practices and fostering institutional consensus on the role of market studies as proactive instruments of competition policy.

The case of Jordan further highlights the resource-related constraints faced by smaller competition authorities in the Arab region. As documented in the World Bank's Middle East and North Africa (MENA) competition policy review, Jordan's Competition Directorate has been limited in its ability to conduct a substantial number of market studies due to staffing shortages and an unclear mandate to pursue non-enforcement research.¹² This situation underscores the necessity for regional entities – such as the Arab Competition Forum and ESCWA – to provide technical assistance, shared data platforms, and training programs tailored to the specific needs of under-resourced agencies. As interest in market studies continues to grow, ensuring equitable capacity-building support will be critical to establishing a coherent and effective competition framework throughout the Arab region.

9. Daily News Egypt, Remarks by ECA Chair at ACN Conference (2025).

10. Baker McKenzie, Insights on Saudi Arabia's GAC 2023 Report.

11. ESCWA, Fourth Arab Competition Forum – Final Report, Session on Market Studies.

12. World Bank, 2019. *Reaching New Heights: Promoting Fair Competition in the Middle East and North Africa*.

Challenges facing market studies in Arab competition policies

Arab competition authorities are increasingly recognizing the need to modernize their tools and approaches in response to the evolving dynamics of digital markets and the growing significance of big data. Traditional methods of competition enforcement – such as responding to complaints or conducting manual investigations – are no longer adequate to keep pace with rapidly changing market conditions. Despite the progress achieved, competition authorities in the Arab region continue to face significant challenges, even in the application of traditional enforcement methods. Certain aspects of competition enforcement present unique obstacles within the regional context. In addition to cross-cutting institutional and legal barriers, market studies focusing on the digital economy are confronted with a distinct set of technical and structural challenges, as outlined in box 3.



- **Resource Constraints:** Limited financial, technological, and human capital hinder thorough market analyses. In addition to technological awareness, officials lack access to the advanced analytical tools required for modern market analysis, including sophisticated econometric models and artificial intelligence technologies such as machine learning.
- **Regulatory Limitations:** Competition authorities may face challenges in translating the recommendations of market studies into legislative reforms or enforcement actions. Limitations related to institutional authority and the lack of sufficient independence of competition agencies may hinder effective implementation. In some instances, agencies are not fully independent from the executive branch or operate under inadequate legal frameworks.¹³ As a result, adopting study findings that propose changes impacting large enterprises or State-owned sectors may prove difficult.¹⁴

13. Friedrich Naumann Foundation, 2023.

14. Ma, 2010.

- **Data Availability:** The collection of comprehensive market data can present significant challenges, as enterprises are often reluctant to disclose sensitive information and may be protected by confidentiality regulations. Consequently, the capability of competition authorities to conduct thorough, factual market research is severely limited by these constraints.
- **Jurisdictional Fragmentation:** A significant challenge stems from the fragmented regulatory landscape across the Arab region, which poses an obstacle to the effective conduct of market studies. Each Arab country maintains its own set of competition rules and enforcement authorities,¹⁵ making it difficult to harmonize findings at the regional level or to conduct studies across borders. The absence of a unified competition framework covering all Arab markets, coupled with irregular cooperation among national authorities, further complicates efforts to promote cohesive competition policy in the region.

Box 3. Challenges in digital market studies in the Arab region

Market studies in the digital economy present a unique set of challenges that extend beyond those encountered in traditional sectors. In the Arab region, competition authorities frequently lack direct access to platform-level data – such as algorithmic structures, pricing mechanisms, user traffic, and advertising practices – which significantly limits their ability to conduct comprehensive assessments. In addition, the legal frameworks in several jurisdictions also constrain the scope of market studies, as many authorities do not have an explicit mandate to initiate such studies outside the context of enforcement proceedings.

Institutional capacity represents another critical constraint. The effective analysis of digital markets requires specialized expertise in areas such as data governance, algorithmic auditing, and platform-based business models – competencies that are still under development across numerous agencies. The complexity and opacity of digital platforms, particularly those functioning as multi-sided ecosystems, further complicate market definition and competitive assessment.

These challenges are exacerbated by fragmented regulatory environments, where competition authorities operate alongside telecommunications regulators, data protection bodies, and digital economy units, often with overlapping mandates. Limited digital literacy and low consumer awareness also undermine the potential for public reporting of algorithmic pricing, misuse of data, or other anti-competitive practices. Moreover, the heavy reliance of Arab markets on foreign-owned digital platforms poses additional obstacles for enforcement and engagement, particularly in light of geopolitical and jurisdictional limitations.

15. World Bank, 2019.

In the past, competition authorities in the Arab region lacked a formal platform for cooperation and information exchange. Recognizing this gap, ESCWA, UNCTAD, and the OECD jointly established the Arab Competition Forum. The Forum serves as a mechanism to strengthen knowledge-sharing and promote cooperation among antitrust authorities across the region. In the absence of such collaboration, market research conducted in a single country may fail to detect anti-competitive practices that span borders, while large corporations may exploit jurisdictional gaps to avoid regulatory scrutiny.

Conclusion

Market studies are becoming vital tools for competition policy worldwide, including in the Arab region. As economies grow more complex and digital, broader, data-driven approaches are needed to understand market dynamics and detect emerging risks. ESCWA has supported these efforts through research, advocacy, and the Arab Competition Forum, while also developing market monitoring frameworks to track trends and enhance analytical capacity. These efforts seek to enable Arab competition authorities to align with global trends by modernizing their tools, enhancing market oversight, and adopting more proactive and evidence-based approaches to competition policy.

To sustain this momentum, Arab competition authorities must address persisting challenges, including resource constraints, fragmented regulatory frameworks, and institutional capacity gaps. The adoption of AI-driven tools, algorithmic screening, and real-time data monitoring offer solutions for improving efficiency and prioritize investigations. By drawing on internationally tested methodologies, Arab regulators can reinforce competition oversight and carry out more impactful market studies, ultimately fostering fair and competitive markets.

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