

COMPETITION

On to the next! The Competition Commission Sets its Sights on Digital Platforms

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The Competition Commission (**Commission**) plans to conduct an inquiry into the distribution of media content on digital platforms.[1] The inquiry, named the [Media and Digital Platforms Market Inquiry \(MDPMI\)](#), will focus broadly on –

- the interaction and dependency of South African news media businesses on relevant digital platforms as an intermediary, distributor, and link to online users for the dissemination of news content online; and
- the impact, thereof, on news media businesses to aggregate, display, create, and monetise their news content online.

The Commission's view is that there may exist market features of digital platforms that distribute news media content that impede, distort, or restrict competition and which may have adverse implications for the news media sector of South Africa.[2] **The main digital platforms that the inquiry will focus on are –**

- search engines;
- social media sites;
- video-sharing platforms; and
- news aggregation platforms.

Further, the Commission intends to adopt a forward-looking approach to the inquiry by evaluating the technologies adopted by digital platforms (i.e. [artificial intelligence](#) search support tools such as Chat GPT), and the significance of same on the operations of South African businesses.[3]

Indeed, the distribution of news content over digital platforms has become an effective way in which news media businesses can reach consumers – mainly due to the increasing adoption and usage of smartphones and more affordable access to the Internet.[4] Unsurprisingly, this latest trend in news media consumption has attracted the attention of competition authorities around the world.

Since 2019, global competition authorities have focused their attention on the relationship between digital platforms and news media publishers; launching several inquiries and investigations pursuant to establishing the impact of this relationship – particularly in the context of imbalances in the trading relationship between the news media and digital platforms.[5]

For example, the Australian Competition and Consumer Commission (**ACCC Digital Platform Inquiry**) conducted the world's first inquiry on the impact of digital platforms on competition in media and advertising markets.[6] From a news-content distribution point of view, global inquiries such as the ACCC's Digital Platforms Inquiry and the like have found that large digital platforms are important gateways for news content to reach consumers.[7]

The South African context is no exception to the global trend of a growing shift from consumption of news media in the form of traditional print, to the consumption of media via digital platforms.[8] Accordingly, the MDPMI is a necessary tool in ensuring, *inter alia*, fair payment for content and the continued sustainability of independent journalism, particularly when one considers that properly funded and functional press is an essential element of any well-functioning democracy.[9]

In hot pursuit of the much-anticipated release of its final report on the Online Platforms Market Inquiry,[10] the Commission has, on 17 March 2023, published the draft Terms of Reference (**ToRs**) for the MDPMI. Stakeholders have until 20 April 2023 to make submissions and comments on the proposed ToRs.

Click on the link to view the full [Terms of Reference \(ToRs\)](#)

Footnotes

- [1] Competition Commission "[Media Statement: Online Platforms Market Inquiry Final Report to be Released in February 2023](#)" accessed on 17 March 2023. ITWeb "[CompCom extends online platforms market inquiry](#)" accessed on 17 March 2023.
- [2] Competition Commission "[Media Statement: Online Platforms Market Inquiry Final Report to be Released in February 2023](#)" accessed on 17 March 2023. ITWeb "[CompCom extends online platforms market inquiry](#)" accessed on 17 March 2023.
- [3] Competition Commission "[Media Statement: Commission Releases Terms of Reference to Establish a Media and Digital Platforms Market Inquiry](#)" accessed on: 17 March 2023.
- [4] Competition Commission "[Media Statement: Commission Releases Terms of Reference to Establish a Media and Digital Platforms Market Inquiry](#)" accessed on: 17 March 2023.
- [5] Competition Commission "[Media Statement: Commission Releases Terms of Reference to Establish a Media and Digital Platforms Market Inquiry](#)" accessed on: 17 March 2023.
- [6] Australian Competition and Consumer Commission "[Digital platforms inquiry](#)" accessed on 17 March 2023.
- [7] Competition Commission "[Media Statement: Commission Releases Terms of Reference to Establish a Media and Digital Platforms Market Inquiry](#)" accessed on: 17 March 2023.
- [8] Competition Commission "[Media Statement: Commission Releases Terms of Reference to Establish a Media and Digital Platforms Market Inquiry](#)" accessed on: 17 March 2023.
- [9] Competition Commission "[Media Statement: Commission Releases Terms of Reference to Establish a Media and Digital Platforms Market Inquiry](#)" accessed on: 17 March 2023.
- [10] Competition Commission "[Media Statement: Online Platforms Market Inquiry Final Report to be Released in February 2023](#)" accessed on 17 March 2023. ITWeb "[CompCom extends online platforms market inquiry](#)" accessed on 17 March 2023.



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