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Online Intermediation Platforms Market Inquiry – Provisional Summary Report Released

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Digital markets are the fastest growing segment of the economy according to the Competition Commission ("**Commission**"), who has today released its provisional summary report in the Online Intermediation Platforms Market Inquiry ("**Market Inquiry**"). This provisional report comes nearly 14 months after the Market Inquiry was initiated on 19 May 2021.

Online intermediation platforms facilitate transactions between business users and end customers (so-called B2C platforms) for, amongst others, the sale of goods, services and software (such as apps for your mobile device). Online intermediation platforms include online classifieds, price comparator services and intermediated services platforms for food delivery, travel and accommodation.

The Market Inquiry has identified the following platforms as leading platforms in their respective platform categories:

- Apple App Store and Google Play store in software app stores;
- Takealot in eCommerce;
- Property24 and Private Property in property classifieds and Autotrader and Cars.co.za in automotive classifieds;
- Booking.com and Airbnb in travel and accommodation;
- Mr Delivery and UberEats in food delivery; and
- Google search in general search (as an input to platform competition).

The remedial actions and recommendations made by the Market Inquiry in the provisional summary report only apply in respect of the South African operations for global platforms and domestic platforms.

In addition, the Market Inquiry has made what it calls cross-cutting findings in respect of leading platforms in all categories. In this regard, the Inquiry acknowledges that whilst the platform categories focus on different products and services, they have a substantial amount in common since they are all two-sided intermediation platforms.

Two-sided platforms need consumers on the one side and business users on the other side in order to function.

The Market Inquiry's provisional recommendations include:

- recommendations to government, including the National Treasury in relation to the Market Inquiry's provisional recommendation on digital taxation distortions; and
- the proposed recommendation that the Commission should issue guidelines or the Minister should issue new regulations to prohibit certain conduct by leading platforms in online intermediation platform markets, and to permit the ongoing identification and review of leading platforms.

The Market Inquiry has called on stakeholders and members of the public to make submissions to the Market Inquiry on its provisional findings and recommendations by 24 August 2022. The Inquiry has indicated that it anticipates releasing its final report in 4 months' time and during November 2022.

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