BACK-TO-OFFICE REPORT OF OECD GLOBAL COMPETITION FORUM

	Date submitted: 8th December 2025 **Activity date(s):** 1 – 4 December 2025

Activity details *(name, participants, venue)*	**Department/Division:**
OECD Global Forum on Competition 2025, held in Paris, France. The Forum attendees include; • Competition authorities • Government agencies and international/regional organizations • Representatives of the business community and trade movements • Consumers International	• Director General's Office • Planning Policy and Research Department • Policy, Research & Quality Assurance Directorate • Competition and Consumer Protection Directorate

Brief descriptions of the activity *(overview of the activity)*

The OECD Global Forum on Competition is an annual conference that brings together officials from more than 110 competition authorities worldwide from both OECD and non-OECD economies. This year, the Forum explored AI in downstream markets, the healthcare sector, informal markets and a peer review of Kenya's competition regime.

Purpose/objective of the activity

The Forum promotes a wider dialogue that encompasses the linkages between competition policy and other cornerstones of economic development.

Highlights of the activity *(Summary of topics covered, key presentations and discussions)*

SESSION 1 – ARTIFICIAL INTELLIGENCE AND COMPETITIVE DYNAMICS IN DOWNSTREAM MARKETS

Artificial Intelligence (AI) is transforming competition across a wide range of sectors, whose influence extends well beyond the market for AI systems themselves. It enables new forms of production, reshapes service delivery, redefines firm capabilities, and may also change the market dynamics across a range of sectors and markets. These changes are likely to have far-reaching implications for how competition unfolds in both digital and traditional industries.

The session explored the mechanisms through which AI may influence competitive dynamics in downstream markets, such as markets whose primary output is not related to AI, but where it is used as an input. The discussion considered the ways in which the use of AI systems may support competition by substituting for labour, increasing efficiency and lowering barriers to entry, as well as the emerging risks related to data access, model restrictiveness and the downsides of AI use. The session concluded by considering what this means for competition law enforcement, market monitoring and policy adaptation.

The session highlighted ways in which AI fosters competition, including;

- Labour substitution and augmentation by automating routine or repetitive tasks, lowering the skills threshold for market participation. This may reduce entry barriers in knowledge-intensive sectors by enabling smaller teams to perform functions that previously required larger, highly skilled workforces, supporting leaner and more agile business models.
- Product improvement and innovation by customizing and personalizing services, enabling smaller firms to access design and communication tools previously reserved for larger incumbents. This expands the range of viable business models and opens space for challengers to compete on quality, user experience and new product features, rather than solely on scale.
- Cost reduction, efficiency and productivity gains through automation, predictive analytics and modular deployment, which may lower fixed costs and support incremental scaling.

- Reduced search and switching costs thus promoting competition in downstream markets by reducing consumers' search and verification costs. AI-enabled search, recommender and conversational systems help filter, rank and personalize options, which can broaden effective choice sets, improve matching efficiency and intensify competitive pressure on price and quality.

The competition concerns identified are;

- Horizontal co-ordination through algorithmic collusion, including hub-and-spoke arrangements and tacit co-ordination, and
- Unilateral conduct where dominant firms may use AI to exclude rivals through ranking bias, personalized pricing or bundling.

Full paper available here –
https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/11/artificial-intelligence-and-competitive-dynamics-in-downstream-markets_c6e81d0e/ccf0624a-en.pdf

SESSION 2 – COMPETITION IN THE HEALTHCARE SECTOR

Healthcare markets are complex and influenced by a range of factors. These include market structure and information asymmetries, regulatory frameworks, financing and payment models, innovation as well as the critical nature of healthcare needs. These present significant challenges for competition authorities in carrying out their mission. The session explored the evolving role of competition authorities in shaping accessible healthcare markets, including how their work can extend beyond enforcement to advocacy and cooperation with other health regulators. Moreover, it explored potential risks across the pharmaceutical value chain, such as pricing strategies, intellectual property, and vertical integration while also considering broader concerns related to access, quality, and equity in healthcare system. The session discussed access, quality and equity, as documented here - https://one.oecd.org/document/DAF/COMP/GF(2025)5/en/pdf.

Moreover, it looked at Competition Risks Across the Pharmaceutical Value Chain, related to intellectual property and pricing strategies, and increasing vertical integration, contained here - https://one.oecd.org/document/DAF/COMP/GF(2025)6/en/pdf.

SESSION 3 - COMPETITION LAW ENFORCEMENT IN INFORMAL MARKETS

The session explored the challenges faced by competition authorities when addressing competition concerns in mixed environments. It also examined potential responses, including

co-operation with other regulatory and administrative bodies. Experiences from Kenya, Egypt, South Africa, Guatemala, the EU, USA and other jurisdictions were considered. These examples highlighted how to factor informality into enforcement decisions, both in fully informal sectors and in formally regulated sectors with significant informal participation. Finally, the session addressed the dual role of informal businesses in competition enforcement: as actors that may engage in anticompetitive conduct and as potential victims of such conduct, especially in contexts where formal firms exploit regulatory advantages or seek to exclude informal competitors.

Informal markets contribute 80% of employment, with construction, hospitality and ride hailing were identified as highly informal markets. There's a symbiotic relationship between the formal and informal sector as it supplies inputs, and an informal serve as outlet to the formal sector, through delivery services and distribution. Some markets are dominated by informal players in Kenya – *Matatus*, and compete vigorously for the consumer e.g. the retail sector, delivery and logistics.

Informal sector tempers market power pushed by *Kadogo* economy targeted to the low-income consumers. The Brookside/Buzeki Merger (Horizontal merger) was used to illustrate this point. It was concluded that Compliance Programmes to enhance compliance by players, rather than price control, should be prioritized.

Competition Commission of South Africa (CCSA) pointed out that other sources of data to add on to the employment data, including licenses/permits issued, primary data through market studies and inquiries, cooperation with other agencies should be used to measure the informal sector. Moreover, US DoJ pointed out that the informal sector has been impacted by the disappearing cash economy and the effect digital payments. Working on studies that impede competition by SMEs, adopt competition advocacy to promote competition in the informal markets (Refer to DOJ paper, 2009 on distribution of music).

In the presentation by Egypt in the enforcement in the informal markets, ECA's decision in the poultry sector, players were sanctioned for fixing egg prices; additionally, in the logistics market informal drivers and formal companies, who agreed (explicit collusion) through WhatsApp, were fined. Advocacy was also used to educate the players on the benefits of competition.

Zambia submitted that informal traders are not registered, or their registration details were unavailable; limited competition literacy and therefore their conduct was driven by fear rather than willingness to comply; fines would have eliminated income and the commission desisted to fine; deterrence must not destroy the livelihood of these players. Advocacy was adopted through issued corrective directives.

Guatemala - Making formalization attractive – Competitive neutrality (developing the competition policy to link competition and formalization as a goal; establish working relationships with sector regulators to ensure that regulation does not impede market openness; identifying regulations that block entry – Regulatory impact assessment by relying on international best practice.

Equitable enforcement across formal and informal markets – positive solutions to challenges on data gaps using indirect measurement tools like market studies, national statistics data, electricity usage, structured interviews, to measure utilization and the impact of informal markets on the formal markets and determine AoD and that formal markets and vice versa do not overshadow informal markets. Institutional cooperation in the respective mandates to enable robust evidence gathering, including tax agencies, market inspectors, licensing agencies, etc. (Refer to OECD submission).

Informal markets are essential, yet competition law is designed for the formal market. This results in a reduction in consumer welfare, including lower innovation and efficiency, and reduces choice and prices (Refer to CI submission).
In summary;

- Data challenges must be addressed and embrace alternative data sources, including regulators, market studies, firms in the formal sector and media;
- how to assess violations in the informal sector – prioritize advocacy as opposed to hard enforcement
- Understand informality by creating an observatory of the informal sector, and aim to reduce informality by reviewing policies that discourage formality

The contributions are available here –

https://www.oecd.org/en/events/2025/12/competition-law-enforcement-in-informal-markets.html

SESSION 4 - AI, COMPETITION AND PARTNERSHIP AGREEMENTS

AI partnerships increasingly span compute, data, distribution, talent, and investment — reflecting the need for complementary assets, capital, and flexibility. These structures sit between arm's-length contracts and mergers, enabling collaboration while preserving innovation autonomy amid significant uncertainty. Traditional merger control frameworks often struggle with these partnerships, which rarely involve control and frequently fall below jurisdictional thresholds. Two dimensions are central to assessing competitive impact: **(1)** the nature of exclusivity (with input exclusivity being the most concerning); **(2)** the counterfactual — whether the AI firm would have access to key inputs absent the partnership.

Partnerships can deliver meaningful efficiencies but may also raise foreclosure risks when access to compute or data becomes exclusive. For Europe, the challenge lies in supporting domestic innovation and preserving local spillovers while addressing genuinely problematic arrangements. The broader AI landscape remains fluid, with evolving business models and market dynamics and no clear "winner-take-all" trajectory. A measured, evidence-based enforcement approach remains essential — avoiding hype-driven intervention while strengthening technical expertise within agencies.

SESSION 5 – KENYA'S PEER REVIEW

Kenya's enforcement framework was peer reviewed, and the Report will be launched on 25th February 2026.

SIDE MEETINGS WITH VARIOUS STAKEHOLDERS/PARTNERS

The Authority held several meetings on the sidelines of the conference as summarized below;

i. **George Washington University –** The Authority has engaged GWU for a capacity building partnership. The meeting on the sidelines of the OECD forum sought to firm up the dates and format for the sessions. The training dates agreed on are;
    a. Phase 1 – April 2026
    b. Phase 2 – August 2026
    c. Phase 3 – September 2026.

Further, it was agreed that the Authority will cover the phase 1 costs while GWU will fund raise USD 100,000 to cover phase 2 and 3.

ii. **Gates Foundation –** In its fundraising endeavor, the Authority engaged Gates Foundation to support its activities. Specifically, the Gates Foundation will support seven staff for training in Competition in the Digital Financial Services in January. In addition, the Authority requested for support in conducting market inquiries in DFS. It was agreed that a follow up meeting to firm up this request will be held on 15th January 2026 at 3.00pm EAT/12 noon UK time.

iii. **CCPC Zambia –** To strengthen the Authority's collaboration with our peers in Africa, the Authority engaged the Competition and Consumer Protection Commission of Zambia. The session identified two areas of collaboration; CCPC will participate in the ICN Food Project by implementing the just concluded Poultry study; and the Authority will notify CCPC on the ongoing capacity building webinars with our partners so that they can join the sessions.

iv. Belgium Competition Authority – Finally, the Authority engaged the Belgium Competition Authority. The discussions were on how best the Belgium Authority and CAK will collaborate in capacity building and studies. Follow up discussions will be held in January 2026.

Insights/lessons learned (*brief description of how the lessons learned can be applied at the Authority)*

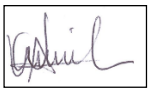
- Prioritize market studies to support data driven decisions
- Launch a screening study to understand the effects of AI on competition, and establish the beneficial effects of AI to the Authority.

Recommendations/Action points *(What actions are the Authority required to take, by when, by whom)*

Peer Review – Consider publishing the full decision of each case; reconsider percentage of penalties imposed and fining processes to give the Authority more credibility and powers to deter;

Prioritize the list of recommendations – to be finetuned with the lead examiners. The implementation of the recommendations will phrased, so that they support our lobbying for more tools.

Follow up meeting with the Gates Foundation.

Prepared by: **Ninette Mwarania:**  **Reviewed by:** **Joel Omari:**  **Dr. Adano Roba:** 	**Approved by:** **David K. Kemei** **Signed:**  _____

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