

The Year of Digital Competition

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Digital and competition policies must adapt to the pace of technological, geopolitical, and regulatory changes. Addressing these challenges requires research and stakeholder consultation to ensure policies remain effective and relevant.

1 Introduction

Digital competition has flourished globally in recent years. Between 2020 and 2024, numerous countries, including Europe, the United Kingdom, and Germany, have introduced digital competition regimes to regulate the business practices of large online platforms in key digital markets. Alongside these efforts, competition authorities have increasingly turned their attention to the rapidly evolving Artificial Intelligence (AI) sector, scrutinising market developments to ensure the sector remains competitive.

Looking ahead, 2025 promises to be a pivotal year for digital competition. Businesses and governments will focus on designing, implementing, and enforcing digital competition regimes while striving for coherence across regulatory frameworks. This period will mark a shift toward new approaches where participative enforcement and competitiveness become central to enforcers and policymakers. Additionally, the competitive dynamics of emerging technologies, including AI, will require significant attention due to their profound economic implications.

This analysis delves into the key challenges shaping digital competition in 2025 and examines the broader implications for digital and competition policies worldwide.

2 Challenges

European Digital Markets Act (DMA): Enforcing, adapting, and measuring the Act.

Since entering the enforcement phase in March 2024, the European Commission has launched multiple investigations into non-compliance and has already issued preliminary findings of non-

compliance against Meta and Apple¹. These ongoing cases will likely lead to a final decision in 2025. Additionally, private enforcement before national courts is expected to gain traction, with stakeholders leveraging it to amplify regulatory pressure on designated large online platforms.

As emerging technologies, such as AI, reshape the digital landscape, the Commission must evaluate the DMA's relevance and adaptability to ensure these innovations thrive without compromising the Act's objectives of contestability and fairness in digital markets². Meanwhile, firms like Apple are delaying the launch of their AI products and services in Europe due to DMA concerns.

Finally, the DMA's first ex-post regulatory assessment in 2026 will spark debates on how the Commission should measure its effectiveness and whether the DMA needs revisions.

UK Digital Markets, Competition and Consumers Act (DMCCA): Implementing the Act.

With the DMCCA taking effect in January 2025, the UK Competition and Markets Authority (CMA) faces the daunting task of drafting designations and compliance measures, all subject to stakeholder consultation before adoption. The CMA's guidance provides a roadmap for implementation without details about the envisaged firms or measures³. However, the CMA

¹ For a DMA tracker, see Christophe Carugati, Digital Markets Act (DMA), *Digital Competition* (accessed 3 January 2024). Available at: <https://www.digital-competition.com/dmatracker>

² The Commission has launched a call for tenders on this issue. European Commission, Call for Tenders: Study into How Emerging Technologies May Impact Digital Market Regulation, *European Commission*, 14 October 2024 (accessed 3 January 2024). Available at: https://digital-markets-act.ec.europa.eu/study-how-emerging-technologies-may-impact-digital-market-regulation-2024-10-14_en

³ CMA, Digital Markets Competition Regime Guidance, *Competition and Markets Authority*, 19 December 2024 (accessed 3 January 2025). Available at: <https://www.gov.uk/government/publications/digital-markets-competition-regime-guidance>

will likely prioritise issues identified through prior enforcement actions and sectoral inquiries into digital markets, such as digital advertising⁴, mobile ecosystems⁵, and foundation models⁶.

Digital Competition Regimes: Learning from leaders.

Given the global nature of digital markets, countries worldwide target similar large online platforms and business practices with their digital competition regimes. Regulatory coherence will become paramount to reducing regulatory burdens on designated firms, enhancing stakeholder benefits, and minimising administrative costs for competition authorities.

Australia has already signalled its intention to act as a "*fast follower*," adapting compliance solutions developed in other jurisdictions⁷. Meanwhile, the EU's DMA is poised to lead, driven by the "*Brussels effect*," provided it successfully addresses competition concerns.

Participative enforcement: Ensuring predictability.

Competition authorities increasingly adopt participative enforcement to enforce digital competition cases, including in the context of digital competition regimes like the DMA and DMCCA. The approach involves diverse stakeholders across the value chain during the enforcement phase to solve the case. While this collaborative model is commendable, given the complexity of digital cases, it might fall short due to conflicting economic interests among stakeholders.

⁴ CMA, Online Platforms And Digital Advertising Market Study, *Competition and Markets Authority*, 1st July 2020 (accessed 3 January 2025). Available at: <https://www.gov.uk/cma-cases/online-platforms-and-digital-advertising-market-study>

⁵ CMA, Mobile Ecosystems Market Study, *Competition and Markets Authority*, 10 June 2022 (accessed 3 January 2025). Available at: <https://www.gov.uk/cma-cases/mobile-ecosystems-market-study>

⁶ CMA, AI Foundation Models: Initial Review, *Competition and Markets Authority*, 16 April 2024 (accessed 3 January 2025). Available at: <https://www.gov.uk/cma-cases/ai-foundation-models-initial-review>

⁷ Australian Government, Digital Platforms – A Proposed New Digital Competition Regime, *The Treasury*, 2 December 2024 (accessed 3 January 2025). Available at: <https://treasury.gov.au/consultation/c2024-547447>

For instance, the ongoing *Google Privacy Sandbox* case in the UK illustrates the pitfalls of participative enforcement due to the inability to satisfy all stakeholder interests⁸. Against this background, setting clear expectations and rules of engagement is crucial to ensure predictability and fast-track resolutions.

Competition policy: Taking into account competitiveness.

Competitiveness is set to become a central theme for newly elected governments worldwide, especially in Europe⁹. Competition policy will play a pivotal role in achieving competitiveness. In line with the Draghi report's recommendations, the new European Commission is expected to revamp its competition policy¹⁰. Competition Commissioner Teresa Ribera has already announced plans to reform European competition policies¹¹. She also indicated a keen interest in monitoring strategic sectors, including AI, to safeguard Europe's future competitiveness¹².

Artificial Intelligence: Navigating rapid Market and regulatory developments

The rapid evolution of the AI sector continues to reshape competition dynamics across markets such as general search engines. Competition authorities must closely monitor emerging technology trends, such as those identified by the CMA, including AI agents, machine learning, AI-powered productivity tools, and synthetic data, given their potential impact on competition¹³.

⁸ CMA, Investigation into Google's 'Privacy Sandbox' Browser Changes, *Competition and Markets Authority*, 20 December 2024 (accessed 3 January 2025). Available at: <https://www.gov.uk/cma-cases/investigation-into-googles-privacy-sandbox-browser-changes>

⁹ Ursula Von der Leyen, Political Guidelines 2024-2029, *European Commission*, 18 July 2024 (accessed 3 January 2025). Available at: https://commission.europa.eu/document/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en

¹⁰ Mario Draghi, The Future of European Competitiveness – In-Depth Analysis And Recommendations, *European Commission*, 9 September 2024 (accessed 3 July 2025). Available at: https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en

¹¹ Teresa Ribera, Speech by Executive Vice-President Teresa Ribera at the CRA Annual Conference on the Competition Policy Adapted to the New Global Realities, *European Commission*, 10 December 2025 (accessed 3 January 2025). Available at: https://ec.europa.eu/commission/presscorner/detail/en/speech_24_6341

¹² European Commission, Commission Approves Acquisition of Run:ai by NVIDIA, *European Commission*, 20 December 2024 (accessed 3 January 2025). Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_6548

¹³ Lindsay Taylor, Top 10 Technologies – A CMA Horizon Scanning Perspective, *Competition and Markets Authority* 23 December 2024 (accessed 3 January 2025). Available at:

Simultaneously, regulatory developments in data protection, intellectual property rights, AI governance, and content moderation will significantly influence market entry conditions. Competition authorities must work with relevant authorities and legislators to study their impact on competition and innovation before adoption.

3 Implications

These challenges will profoundly shape the evolution of digital and AI markets during a transformative industrial revolution driven by the adoption and diffusion of AI technologies, alongside a shifting global order characterised by intense trade competition among major nations. In this dynamic context, both businesses and governments must navigate unprecedented complexities and uncertainties.

To address these challenges effectively, advancing research on platform regulation, international cooperation, participative enforcement, competitiveness, and AI will be pivotal. Digital and competition policies worldwide must evolve to accommodate the rapid pace of technological, geopolitical, and regulatory changes. Stakeholder consultation on emerging issues will also play a critical role in ensuring that policies are both relevant and proportionate to the challenges they aim to address.

At Digital Competition, we are committed to supporting businesses and governments in tackling these challenges. Through cutting-edge research, strategic advisory services, think tank initiatives, tailored training, and thought-provoking conferences, we aim to contribute to shaping digital and competition policies that foster innovation in the digital economy.

<https://competitionandmarkets.blog.gov.uk/2024/12/23/top-10-technologies-a-cma-horizon-scanning-perspective/>

About

Digital Competition

Digital Competition (www.digital-competition.com) is a research and advisory firm dedicated to advancing open digital and competition policies that promote innovation. We help public policy teams, legal professionals, economists, in-house counsels, investors, and civil servants navigate the evolving complexities of digital and competition policies worldwide. We offer tailored research projects, consultations, training sessions, conferences, and think tank membership. This analysis was conducted independently and did not receive any funding.

This paper is part of our Digital Competition Coherence Hub (<https://www.digital-competition.com/digitalcompetitioncoherencehub>). The Hub aims for global coherence in digital competition rules for effective and cost-efficient regulation.

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Dr. Christophe Carugati (christophe.carugati@digital-competition.com) is the founder of Digital Competition. He is a renowned and passionate expert on digital and competition issues with a strong reputation for doing impartial, high-quality research. After his PhD in law and economics on Big Data and Competition Law, he is an ex-affiliate fellow at the economic think-tank Bruegel and an ex-lecturer in competition law and economics at Lille University.