

First, get to work, protect online consumers, then talk about growth of digital firms

Following World Competition Day celebrations on December 5, it is important we examine recent market developments, particularly the digital economy. It is important to deliberate on how best competition and regulatory regimes are prepared to deal with challenges posed in an increasingly online world, while delivering on their mandate of ensuring efficient and fair markets.

Digital transformation is profoundly impacting our economies and societies, it is also changing the ways in which consumers interact with each other and the online marketplace.

Consumer data has become an essential economic asset powering a wide range of new and innovative business models, technologies, and transactions.

It has raised not only consumer concerns related to information asymmetry, but has also brought competition related concerns such as market power.

Firms are now seen to compete for the market instead of competing in the market, leading to "winner takes all" outcomes.

There are growing concerns about the abuse of market power by some digital platforms, the extent of their control of data and

the harm not only to consumers but also to society. Some of these platforms have become dominant and almost indispensable to consumers. There is need for further reflection on whether competition law enforcement is the most appropriate or best placed tool to address concerns arising from digital platforms. It may be more effective to regulate such platforms to ensure a level playing field rather than regulation trying to address competition problems.

Recent competition cases show that competition law frameworks and enforcement need to be adapted to the features and business models of digital platforms.

Since digitalisation will continue to affect virtually all sectors of the economy. It is important, moving forward that the Competition Authority of Kenya employs a forward-looking approach to address the negative outcomes arising from digital platforms. By doing so will they will realise fair markets and efficient markets that work for consumers.

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