Organisation for Economic Co-operation and Development

DAF/COMP(2026)11

Unclassified

English - Or. English

6 November 2026

DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE

# Competition and Agentic AI – Background note

**By the Secretariat**

8 December 2026

This document has been prepared by the OECD Secretariat to serve as a background material for Item 4 of the 150th meeting of the OECD Competition Committee to be held from 8-9 December 2026.

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JT03597579

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# Abstract

Agentic AI systems extend the range of tasks, decisions and actions that users can delegate to AI. This paper examines competition within agentic AI and how it may affect competition more broadly. It considers implications for their supply, including concentration, vertical integration, and platform gatekeeping, as well as their downstream use. It explores potential pro-competitive effects, such as reduced transaction costs and stronger demand-side pressure, alongside risks including collusion, market foreclosure, and reduced transparency. It aims to identify key risk factors and assess how competition authorities and policymakers may respond.

Key words: Competition, Antitrust, Artificial Intelligence, Technology, Collusion, Cartels, Mergers, Market Power, Information sharing.

JEL Codes: D83, K21, L13, L15, L41, L86, O33

# Acknowledgements

This paper was prepared by Richard May and Greg Jackson of the OECD Competition Division. Helpful comments and review were provided by Ori Schwartz, Antonio Capobianco and Ania Thiemann, also of the OECD Competition Division, by colleagues from the OECD's Directorate for Science, Technology and Innovation, and by Dr Mike Walker. The note was prepared to serve as background material for discussions on "Competition and Agentic AI" taking place at the December 2026 session of the OECD Competition Committee. More related materials can be found at https://www.oecd.org/en/events/2026/12/competition-and-agentic-ai.html.

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# Executive summary

Agentic AI systems extend the range of decisions and actions that consumers and businesses can delegate. They combine generative AI models with software, information and tools to carry out linked tasks autonomously, adapting to act with varying degrees of human oversight. This paper examines competition in the supply of these systems and the effects of their use in other markets. It identifies mechanisms and conditions that may strengthen or weaken competition, recognising that outcomes will depend on how the technology develops, how widely it is adopted and which decisions users choose to delegate.

## Key findings

- **Competition in the supply of agentic AI systems depends on more than the capabilities of underlying models**. Access to existing generative AI models and software allows new suppliers to build systems without developing the models themselves. However, their ability to compete also relies on having access to these models and other key inputs, such as compute, data, and distribution. Integrated offerings and partnerships can bring complementary capabilities together, but control over important inputs, interfaces or distribution channels may also enable suppliers to disadvantage rivals.
- **Personalisation and integration can improve services while making switching between agentic AI systems more difficult.** Systems may accumulate data that help them serve a particular user or organisation. Where this cannot readily be transferred or reused, changing providers may involve losing functionality or rebuilding integrations. Feedback effects may also reinforce established positions, although their importance will differ across applications.
- **The use of agentic AI systems could strengthen competition in other markets by reducing costs and making consumers more effective participants in markets**. Consumers may be able to search more widely, compare complex offers, or negotiate better alternatives, increasing pressure on suppliers to improve price and quality. Businesses may also automate linked administrative and operational tasks, reducing the resources required to enter or expand. These gains depend on access to sufficiently capable and connected systems, and on whether savings exceed the costs of integration, operation and oversight.
- **Delegation could, however, also weaken competition if it exhibits biased selection or restrictions on suppliers' access to customers**. Where providers receive payments from sellers, or have a vested interest in steering purchasing decisions, their incentives may differ from the objectives of users. Inaccurate comparisons, systematic biases or manipulation may also divert demand from offers that better match users' preferences, affecting suppliers' incentives to compete. Agentic AI systems could reduce dependence on existing intermediaries but may themselves become important routes to customers.
- **Agentic AI systems may make collusion between firms easier but also create compliance opportunities.** Systems may implement human agreements, align competitors' decisions through common providers or sustain co-ordination autonomously if delegated pricing decisions. Controls on information sharing and actions, human approval requirements and activity records may support compliance, although their effectiveness in preventing collusion remains uncertain.
- **Competition authorities are likely to be closely monitoring developments in agentic AI and have tools available to act if needed**. Monitoring, market studies and engagement with suppliers can help distinguish emerging risks from hypothetical concerns, with timely enforcement available where needed, including the use of interim measures. Domestic and international co-operation can support these efforts, including where competition issues intersect with other policy areas.

# 1 Introduction

1. Consumers and businesses have long relied on agents and intermediaries to work on their behalf, including to help reduce search and transaction costs, address information asymmetries and provide expertise or administrative support. Agentic AI systems have begun to extend the range and complexity of activities that can be delegated to computers. By combining capabilities such as planning, memory and tool use, they can carry out multi-step tasks and act on behalf of users, including as buyers and sellers, with varying degrees of human oversight (OECD, 2026[1]).[1]

2. Building on wider advances in AI, these systems could support productivity growth by reducing operational and co-ordination costs and allowing people to devote more time to supervisory, strategic and creative activities. They may also lower barriers to entry and reduce the scale and specialist resources needed to carry out some activities, supporting innovation and the development of new products and services (OECD, 2025[2]). However, realising these benefits will depend on systems' capabilities, reliability and effective deployment. The technology continues to develop, and adoption remains early and uneven, with available surveys indicating growing use alongside cautious delegation and limited maturity in organisational governance (Stackoverflow, 2026[3]; Bayiates, 2026[4]; PWC, 2025[5]).

3. Agentic AI systems also share, and in some cases may amplify, wider risks associated with AI, including safety and cybersecurity concerns, privacy breaches, bias, manipulation and misinformation. Greater delegation may amplify the consequences of errors, misuse or misalignment, including through unauthorised actions and financial commitments. Limited visibility into how systems select information, use tools and reach outputs or decisions may complicate oversight, accountability and redress. Interactions between increasingly autonomous systems may create additional risks that are difficult to anticipate, particularly where actions compound across agents, firms or markets (Hammond et al., 2025[6]).

4. These potential benefits and risks raise broader economic and societal questions that extend beyond competition policy.[2] Competition policy, however, remains an important part of the wider policy response, helping to foster competitive markets and support innovation. This paper focuses on two dimensions: competition in the supply of agentic AI systems and the effects of their use on competition in other markets.

5. This paper was prepared to inform the OECD Competition Committee's first dedicated discussion of agentic AI and its implications for competition policy. It builds on several strands of its earlier work, as well as broader work across the OECD:

- Analysis of algorithms and algorithmic competition considered how automated pricing and decision systems may generate efficiencies while also affecting transparency, personalised conduct and collusion between firms, including collusion instigated by machines rather than humans (OECD, 2017[7]; 2023[8]; 2025[9]).
- Work on AI markets and competition has examined access to data, models, computing resources and infrastructure, as well as vertical linkages and potential barriers to entry (OECD, 2024[10]; 2025[11]).
- Related work has considered how AI adoption may affect costs, entry, innovation and competition in downstream markets, and how digitalisation can connect consumer agency with competitive outcomes (OECD, 2026[12]; 2025[2]).

- Elsewhere in the OECD, work has examined the agentic AI landscape and its conceptual foundations (OECD, 2026[1]), as well as the use of agentic AI in organisations (OECD, 2026[13]), amongst others.

6. This paper also draws on recent competition authority analysis, including the French Competition Authority's examination of competitive conditions in the sector (see Box 2) and the United Kingdom Competition and Markets Authority's work on the implications of agentic AI for consumers (Autorité de la concurrence, 2026[14]; CMA, 2026[15]). Bringing these strands together, it considers how greater delegation, decisions linked across multiple steps and interactions between AI agents may change the operation of familiar competition mechanisms or raise additional questions. Given the early stage of development, the aim is to identify relevant mechanisms, conditions and policy considerations rather than predict a particular market structure or set of infringements.

7. Section 2 explains the principal characteristics of agentic AI systems and reviews emerging market developments. Section 3 examines competition in their supply, including barriers to entry and expansion and potential sources of concentration. Section 4 considers how their use may affect competition in other markets, including through consumer delegation, changing intermediation, exclusion and co-ordination. Section 5 draws out the implications for policymakers and competition authorities.

# 2 Understanding agentic AI and emerging market developments

8. Understanding how agentic AI systems work, how they are supplied and how they are being adopted is important for assessing their potential effects on competition. Building on earlier OECD work, (OECD, 2024[10]; 2025[11]; 2025[2]) this section identifies the main characteristics and market developments relevant to the discussion of potential competitive effects in Sections 3 and 4.

9. It first explains how agentic AI differs from many earlier AI applications by pursuing objectives through a series of actions rather than only producing specific outputs. These systems may connect to multiple information sources and tools, retain information over time and operate within controls that shape what they can do. Their design may therefore affect their capabilities, interoperability, users' ability to switch providers and the extent to which they can understand and control systems acting on their behalf.

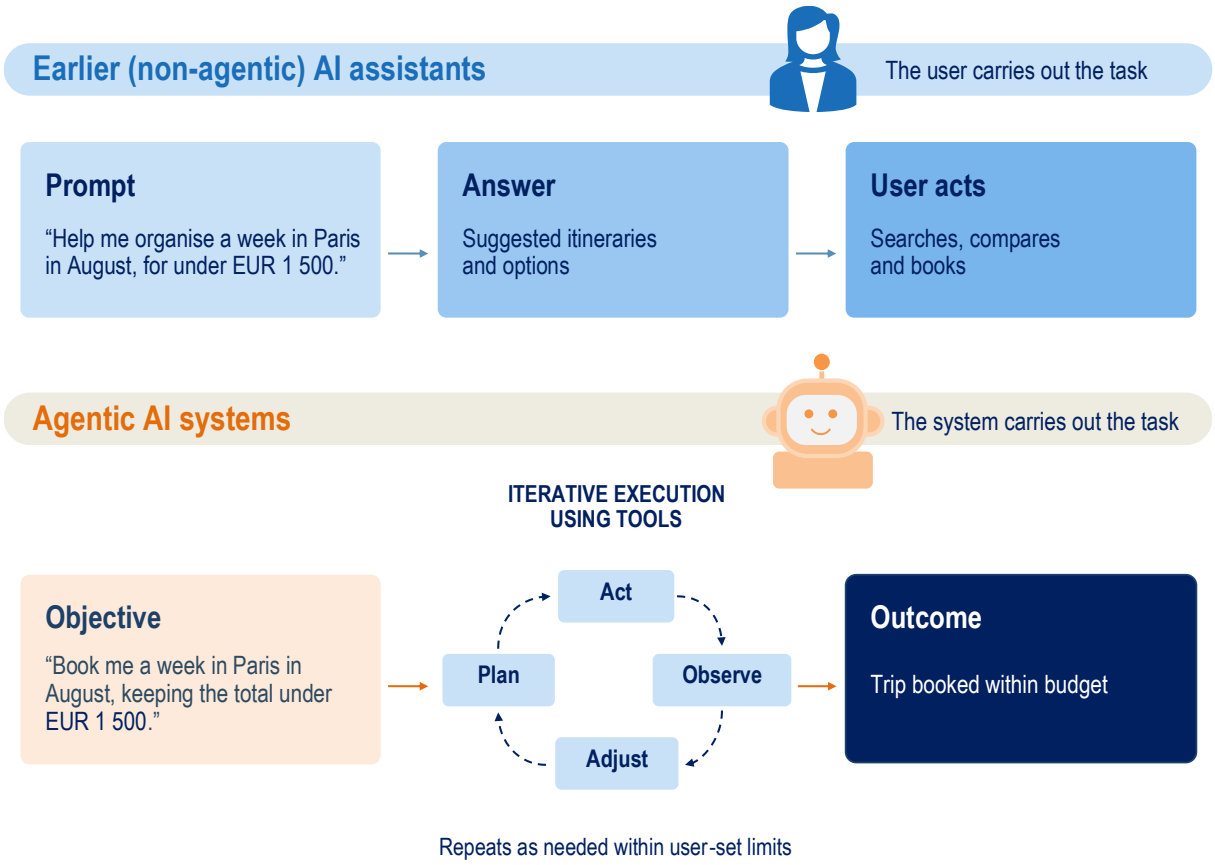
10. The section then considers how agentic AI is being incorporated into consumer, enterprise and industrial applications, together with emerging business models, supply arrangements and factors affecting adoption. Systems can be assembled in different ways, creating opportunities for a range of providers, but may also depend on particular suppliers, services or routes to users. Competition may therefore be shaped by relationships across the supply chain, access to key inputs and services, and whether agentic AI can deliver useful tasks reliably, securely and at an acceptable overall cost.

## 2.1. What are agentic AI systems and how do they work?

11. The potential significance of agentic AI to competition policy lies less in one underlying technology change than a shift in the tasks and decisions that users can delegate to AI systems. Many AI applications have been used primarily to generate specific outputs, for example, answering a query, summarising information, drafting a report or producing a segment of code. Agentic AI systems can go further by breaking an objective into steps, interacting with tools, applications, data sources and other AI agents, and adjusting their approach in response to results (OECD, 2026[1]; 2026[13]). They may therefore have the potential to make and execute decisions rather than only support them. By reducing the effort involved in searching, comparing and acting, they could also make delegation worthwhile for more routine or frequent activities, such as managing subscriptions or arranging repeat purchases (CMA, 2026[15]).

12. A travel planning example illustrates this difference. Asked to help organise a short trip to Paris, a non-agentic AI chatbot might propose an itinerary and suggest areas in which to stay, leaving the user to search for and book the relevant services. An agentic AI system, on the other hand, could search for offers matching the user's dates, budget and preferences, revise the plan where necessary and, depending on its permissions, complete the bookings or request approval before payment. Figure 1 illustrates this shift from providing specific outputs to pursuing an objective through a series of actions. In practice, the distinction is not binary: AI assistants can incorporate agentic capabilities to varying degrees, and the boundary between assistants and agentic AI systems is likely to become increasingly blurred as these capabilities develop (Bostoen and Krämer, 2026[16]).

## Figure 1. Stylised example comparing task of agentic AI to earlier systems




Note: The comparison is stylised. The figure illustrates differences in function and the degree of delegation, rather than whether a system comprises one agent or multiple co-ordinated agents. At the time of publication, many agentic AI systems still require human verification and interaction at key stages. For example, a system returns live booking options without completing the entire booking process. While the prompts are different, even with the same prompt the earlier system would not be able to deliver the outcome of the second.
Source: Based on OECD (2026[1]), The agentic AI landscape and its conceptual foundations, https://doi.org/10.1787/396cf758-en.

13. Agentic AI systems combine generative AI models with software, information and connections to carry out such tasks. The following paragraphs describe some of the key components and how they interact. These features underpin the later analysis of access to inputs and services, users' ability to switch providers, and the consequences of delegating decisions in Sections 3 and 4. Figure 2 draws on existing literature to provide a simplified illustration of these components and their interactions.

14. In the systems considered here, generative AI models use patterns learned during training to generate outputs from the information they receive. A generative AI model can, for example, process instructions and produce text, propose a plan or request the use of a tool. Organising the sequence of work is the role of "orchestration". A lead AI agent may plan the task and assign sub-tasks to specialised AI agents. In the travel example, separate AI agents could search for transport and accommodation. The same model need not perform every step: different models may be selected for successive requests according to the capabilities required (Anthropic, 2024[17]; Wang et al., 2024[18]).

15. The runtime software,[3] sometimes termed a "harness", supports this orchestration and manages how model outputs are translated into actions. It can restrict access to information and tools, impose spending limits and require human approval. For example, the system could be permitted to search for travel options but be prevented from making a payment without confirmation from the user. Some actions

may also be confined to restricted execution environments known as “sandboxes”, which can limit access to tools, external systems and data. Such controls can be enforced through the surrounding software rather than relying solely on instructions to the model (AI Security Institute, 2025[19]; Liu, 2026[20]).

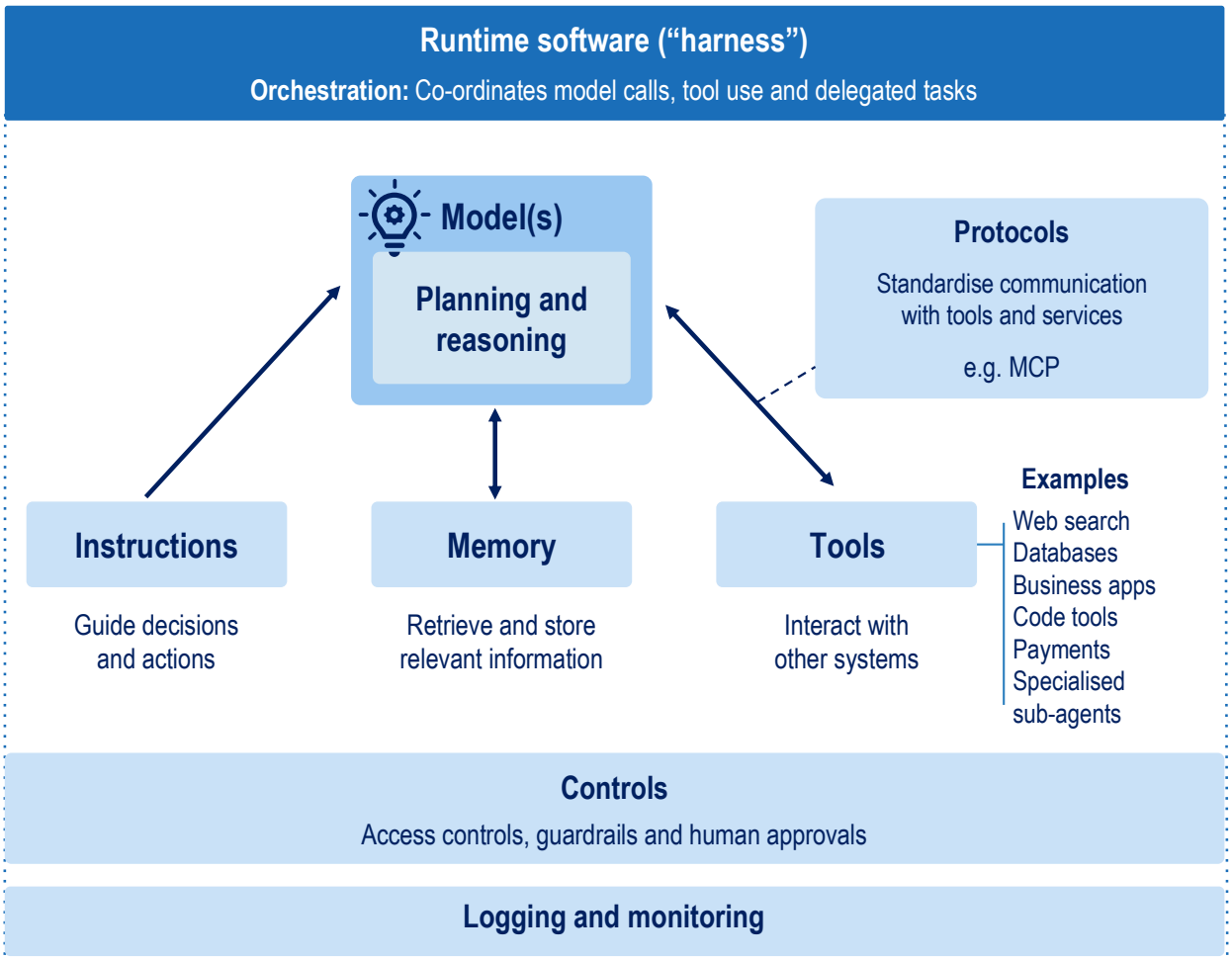
16. Tools and services provide the functions through which the system retrieves information or takes action. A hotel-search tool could return current availability, while a booking tool could submit a reservation and return a confirmation or an error. Connections often use application programming interfaces (APIs), which allow software to request information or actions from other software in a standardised way; systems may also interact through websites or application interfaces. Common protocols can support interoperability between components supplied by different providers. These connections may involve internal applications, external services or other AI agents, depending on technical compatibility and access permissions (Autorité de la concurrence, 2026[14]). The information returned must also be suitable for the task, including in its accuracy, currency and format. In the travel example, the system needs to identify whether a quoted price is per night or for the whole stay, which dates it covers and what cancellation conditions apply. Clearly labelled fields and consistent formats can help it interpret and compare offers, while information in documents or webpages may need to be extracted and checked before use.

17. As results return, the system needs to retain relevant information for subsequent steps. A language model can consider only a limited amount of information in each call, so the harness may select or summarise material for its current context. This could include the dates and itinerary under consideration, while a preference for refundable bookings could be stored separately as persistent memory for later retrieval. Reusable procedures, workflows or "skills" can supply standardised approaches for tasks, such as checking dates and cancellation terms before booking (Wang et al., 2024[18]). Returned results can then inform the next action: a failed reservation might prompt a revised search or a request for human input. The process can repeat until the objective is met, a limit is reached or human input is required.

18. While controls are widely used in agentic AI systems, their effectiveness remains an active area of research, practice and debate in AI safety and governance.[4] Recent evaluations have found that advanced models, when tasked with escaping sandbox environments, can exploit deliberately introduced vulnerabilities and misconfigurations, illustrating challenges in containing capable systems (Marchand et al., 2026[21]). Security concerns may also affect the adoption of agentic AI systems and, potentially, competition between providers.

19. Agentic AI systems may also generate logs and records of actions taken, the requests made to tools and information retrieved. However, monitoring such systems remains challenging. Because model outputs are probabilistic and agent behaviours can emerge through sequences of interactions between models, tools and external services, it may be difficult to fully explain why a particular outcome occurred. Logging and observability tools can improve oversight, but they do not necessarily provide complete transparency into system behaviour or decision-making processes (Microsoft, 2026[22]; Rao et al., 2026[23]). These limitations may complicate oversight by firms and investigations by regulators, although records of information flows, communications and actions can help reconstruct conduct without fully explaining the model’s internal operations. Importantly, difficulties in fully explaining model behaviour do not necessarily remove firms’ responsibility for outcomes.

### Figure 2. Simplified illustrative structure of agentic AI components




Note: This figure provides a simplified illustration of selected components and interactions in agentic AI systems to support the competition analysis in this paper. Configurations vary across implementations and continue to evolve. The figure should not be interpreted as an OECD-endorsed definition or reference architecture for agentic AI systems.
Source: Based on Model AI Governance Framework for agentic AI IMDA (2026[24]) mgf-for-agentic-ai.pdf

## 2.2. Emerging applications, supply arrangements and adoption

20. Agentic AI systems are being incorporated into general-purpose assistants, software-development tools, enterprise applications and sector-specific services. Some firms offer ready-to-use systems, while others supply platforms and components that developers and organisations can use to build or integrate their own systems. Practitioner interviews also identify early industrial trials involving manufacturing and supply-chain optimisation, including co-ordination of logistics and production timing (OECD, 2026[13]).

21. The requirements of these systems vary according to who uses them, the task performed and the authority delegated. Organisations may use agentic AI systems for internal tasks or to interact with customers, while individuals may use them to act on their own behalf. Organisational deployments may require integration with internal data and workflows, differentiated staff permissions, records of actions and contractual arrangements governing performance and data handling. Services through which individuals delegate actions may place greater emphasis on accessible ways to express preferences, set limits and approve or challenge actions.

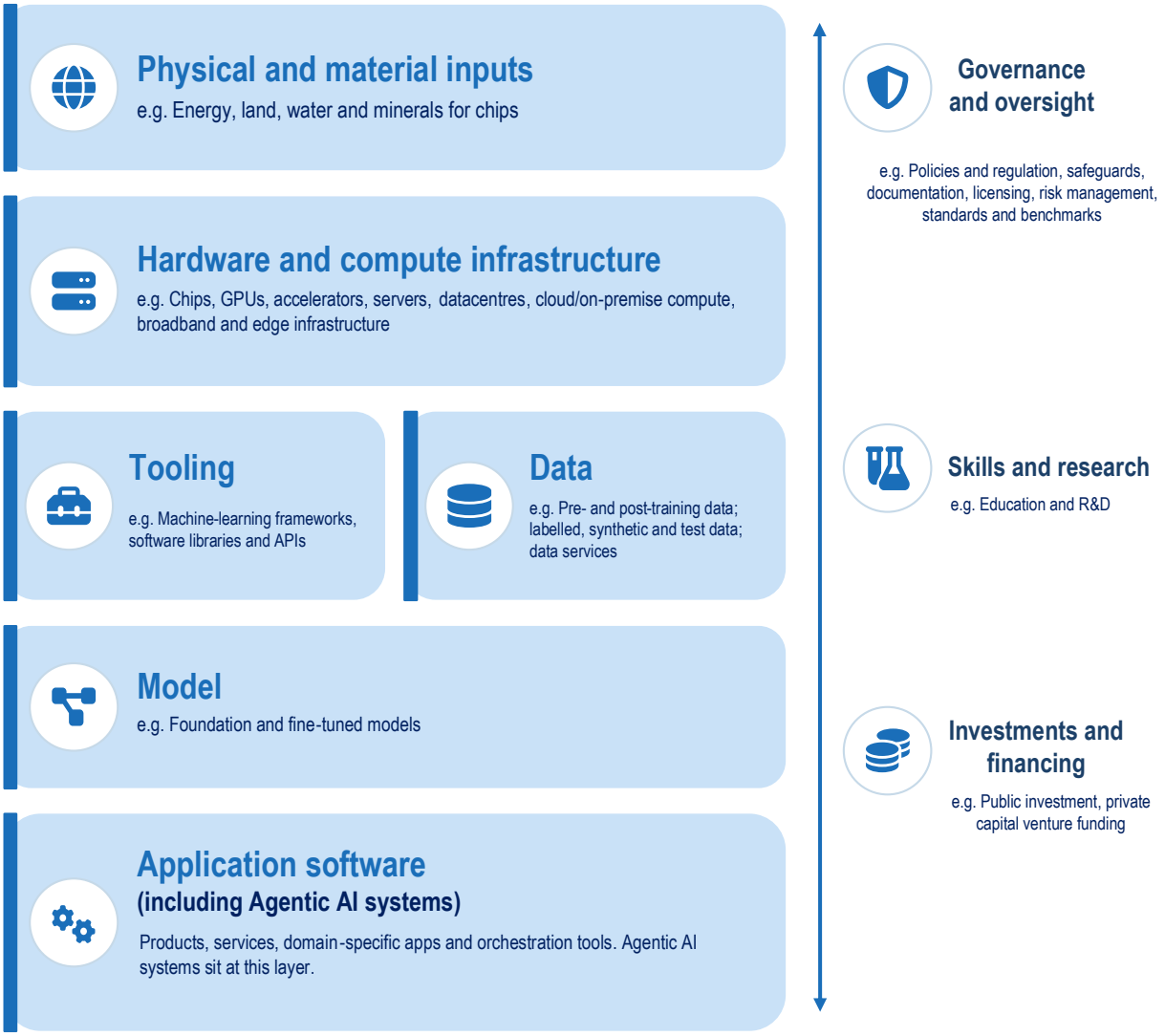
22. Commercial offerings and reported use have expanded rapidly, although the extent of autonomy remains uneven. Agentic capabilities are now offered in general-purpose assistants, software-development tools and enterprise software, while specialist suppliers provide systems for functions such as customer service and workflow automation. Survey evidence also points to growing workplace use: In an April 2026 Stack Overflow pulse survey of developers and working professionals, 59% of respondents reported using AI agents, compared with 31% in its 2025 survey, although 63% still rarely or never allowed agents to operate entirely autonomously (Stackoverflow, 2026[3]). A separate multi-country survey of business and IT leaders found that 74% expected their organisations to be using AI agents at least moderately by 2027, while only 21% reported mature governance arrangements for agentic AI (Bayiates, 2026[4]). These indicators suggest rapid experimentation and adoption alongside continued limits on delegation and gaps in governance.[5]

### *2.2.1. Supply arrangements and key inputs to agentic AI systems*

23. Agentic AI systems build on the wider AI value chain and can combine inputs supplied at several different layers. These include generative AI models, computing resources, data, orchestration and application software, access to external tools and services, technical and integration expertise, and distribution to users. The underlying infrastructure is in turn supported by specialised chips, data centres, cloud services, telecommunications and energy (OECD, 2024[10]; 2025[11]). Their ability to pursue objectives and take actions can, however, add further dependencies. Agentic AI systems require software to orchestrate actions across models and tasks and may need connections to external tools, applications, data and services through which they retrieve information or act. Their performance can therefore depend on access to upstream AI inputs, as well as their ability to interact with complementary services and existing digital and organisational systems.

24. Figure 3 provides a simplified representation of the supply inputs. The availability of suitable alternatives may differ across these layers, and some inputs may become bottlenecks where access is limited or concentrated among a relatively small number of suppliers.

Figure 3. Illustrative high-level view of the AI Stack




Note: Simplified representation of supply functions, not defined markets or necessarily separate firms. Inputs may support several activities, model adaptation is not always required, and deployment arrangements may be combined.
Source: Based on OECD (2026[25]), Benefits of AI Openness, https://doi.org/10.1787/746e8c9a-en.

25. The combination and sourcing of these inputs vary according to the task and deployment. Many of the underlying inputs are also required for generative AI systems more generally. What is more specific to agentic AI is the need to combine these inputs with components that enable systems to plan and carry out actions, interact with tools and services, and operate across multiple steps.

26. Many individual users are likely to access agentic capabilities through services in which most underlying inputs are assembled by the provider. Developers and organisations building their own systems have a wider range of sourcing choices. They may access third-party generative AI models through APIs, deploy open-weight models on infrastructure they operate or rent, or combine these approaches. Organisations with sufficient technical capabilities may also combine open-weight models and open-source software with their own data, computing infrastructure and existing software systems.

27. The additional components and connections used to enable agentic capabilities may likewise be developed internally or obtained from specialist suppliers, while integration with existing systems and

workflows may require additional technical expertise. Computing resources may be obtained through cloud services or infrastructure operated by the developer or user (OECD, 2025[11]). At the same time, AI-assisted and increasingly agentic software-development tools may reduce the time and expertise required to develop, test and integrate software components, potentially lowering the cost of assembling new applications. The ability to assemble systems in different ways does not necessarily mean that suitable alternatives are available for every input. Providers may still depend on particular suppliers of models, computing resources or connected services. Section 3 examines the competitive significance of these dependencies.

28. Data are another important input, both in developing and operating agentic AI systems. Their role can extend beyond information used to train or adapt the underlying model, including through techniques such as reinforcement learning.[6] Agentic AI systems may require current, organisation or sector-specific information during operation, as well as access to external sources and services. A procurement system, for example, may combine supplier offers with inventory records and internal purchasing rules. Over time, systems may also accumulate histories, preferences, configurations or other information associated with their use. Restrictions on the ability to access, transfer and reuse such information with another provider may increase switching costs and weaken competition (OECD, 2024[10]; Autorité de la concurrence, 2026[14]).

29. The firms involved in the supply of agentic AI systems may participate at one or several vertical layers of this value chain, and the inputs and capabilities required to provide agentic AI systems may be brought together through different organisational and commercial arrangements. Firms may obtain inputs through contractual relationships with specialist suppliers or enter partnerships combining model access, computing capacity, software, integration expertise and distribution. Vertically integrated firms may instead provide several of these capabilities within the same corporate group or ecosystem. For example, integration into an existing productivity suite, browser or operating system can combine a route to users with access to applications and data used to carry out tasks. In platform-based ecosystems, the operator's participation rules and technical interfaces shape how external providers can connect their services (OECD, 2021[26]).

30. Partnerships, commercial agreements and acquisitions provide different ways of bringing together the capabilities required to supply agentic AI systems. Agreements may cover model licensing, computing capacity, development and distribution, and may be combined with minority investments. Such arrangements can secure access to complementary resources without bringing the participating firms under common ownership. Acquisitions may instead bring previously separate capabilities within the same corporate group, while other transactions may combine technology licensing and recruitment of key personnel without acquiring an entire company (OECD, 2025[11]).[7] These arrangements can overlap; their implications for access to inputs, distribution and competition are considered in Section 3.

31. The components combined in agentic AI systems may also differ in their degree of openness and interoperability. Models may be accessed through proprietary APIs or made available as downloadable open-weight models, while orchestration software, runtimes and tool connectors may be open-source or proprietary. APIs and communication protocols may follow open technical specifications while still requiring commercial access or provider approval. Access to software source code and access to model parameters should therefore be distinguished, and openness at one layer does not imply openness across the system as a whole (OECD, 2025[27]). Common communication protocols can nevertheless facilitate interaction between components supplied by different providers.[8] Box 1 illustrates these distinctions.

### Box 1. Openness and interoperability at different layers of an agentic AI system

Agentic AI systems combine components with different degrees of openness. The relevant distinctions concern both what is made available and the conditions under which others can inspect, use, modify and redistribute it. Openness should also be distinguished from interoperability: the ability of components supplied by different providers to work together.

- **Models**: trained weights may be available for download, while other models are accessible only through provider-hosted services, including APIs or particular platforms. Downloadable models may also be offered through hosted services.
- **Software**: Open-source orchestration frameworks, agent runtimes and connectors can be inspected, modified and redistributed under their licences. Making code publicly visible is not equivalent to granting those rights. Moreover, open-source software may still depend on proprietary models, libraries or services.
- **Tools, interfaces and protocols**: Common specifications such as the Model Context Protocol (MCP), which provides a standard way for AI applications to connect to external tools and data sources, can enable independently developed components to communicate without requiring their underlying software or models to be open. However, technical compatibility does not itself grant access to a connected service. Authentication, permissions and provider access conditions may still apply, including where an open protocol is used.
- **Data and memory**: Users may have varying rights and practical abilities to export and reuse histories, preferences, workflows and configurations. Retaining these benefits when switching providers depends on whether the receiving system can use the transferred information. The relevant issue is authorised portability and reuse, rather than public disclosure of confidential information.
- **Infrastructure and deployment**: Open models and software still require computing resources and supporting tools. Implementations may depend on particular hardware, libraries or cloud services, and switching may require changes to code or infrastructure. Open availability therefore does not necessarily imply that a system can be deployed equally readily with alternative suppliers.

Governance is a separate dimension. Publication of a specification should be distinguished from the arrangements for proposing changes, approving revisions and maintaining implementations. For example, MCP's governance documentation specifies contribution processes and decision-making roles separately from the licences governing its code and specifications.

Note: Openness at one layer does not imply openness throughout the system. An agent may, for example, use open-source orchestration software while relying on a proprietary model API, or deploy an open-weight model while connecting to closed commercial data and payment services.
Source: OECD Secretariat, drawing on OECD (2025[27]), AI openness: A primer for policymakers, https://doi.org/10.1787/02f73362-en; OECD (2025[11]), Competition in artificial intelligence infrastructure, https://doi.org/10.1787/623d1874-en; Model Context Protocol documentation on authorisation and governance, https://modelcontextprotocol.io/specification/2025-06-18/basic/authorization.

### *2.2.2. Business models and illustrative applications*

32. The business models of agentic AI suppliers are still developing and are likely to differ across applications, both in how charges are calculated and in who pays. Enterprise and industrial deployments currently tend to involve direct payments from organisations through subscriptions,[9] licences, usage-based charges, integration services or, in some cases, payments linked to defined outcomes. Consumer-facing services may also rely on subscriptions or bundling. Advertising, sponsored offers and merchant transaction fees have featured in some consumer-facing AI services, although providers' approaches differ

and continue to evolve. Their importance to agentic AI systems remains uncertain.[10] Table 1 illustrates some of these differences.

### Table 1. Illustrative applications and business models for agentic AI systems

| Illustrative application | Main use and source of value | Illustrative supplier business models |
|---|---|---|
| **Consumer-facing services and agentic commerce** | Assistance with search, comparison and tasks; potentially negotiating and completing transactions on users' behalf | Subscriptions or bundling; advertising and transaction-related payments in some services |
| **Enterprise applications** | Automation of internal workflows, customer interactions and software development | Licences, subscriptions, usage- or outcome-based charges |
| **Industrial applications** | Automation and optimisation of procurement, production and other operational processes | Licences, subscriptions, usage-based charges and integration or support services |

Note: Examples are illustrative and not exhaustive. Applications and business models may overlap, and business models continue to develop.
Source: OECD Secretariat, drawing on Autorité de la concurrence (2026[14]), Opinion No. 26-A-05 on the Competitive Functioning of the Artificial Intelligence Agents Sector, https://www.autoritedelaconcurrence.fr/en/opinions/competitive-functioning-artificial-intelligence-agents-sector; CMA (2026[15]), Agentic AI and Consumers, https://www.gov.uk/government/publications/agentic-ai-and-consumers and OECD (2026[13]) Agentic AI in organisations: Early insights from practitioner interviews, https://doi.org/10.1787/1257a26f-en.

33. The cost implications of agentic AI differ depending on whether they are considered from the supplier or user perspective. Multi-step tasks may require repeated model calls, computing resources and access to external tools or services, so the variable cost of supplying agentic AI may remain material. While quality-adjusted model prices have fallen rapidly, agentic systems may use substantially more model computation (inference) per task, making the effect on the overall cost of providing a service uncertain (OECD, 2026[28]). For users, however, agentic AI systems may reduce the overall cost of completing a task by lowering search, labour, administrative and co-ordination costs, or reducing reliance on intermediaries. Whether these savings outweigh the costs of operating, integrating and supervising the system will vary across applications (OECD, 2025[2]).

34. Agentic commerce provides a useful illustration of how these emerging business models can interact with the technical characteristics of agentic AI systems.[11] A system acting on behalf of a consumer may search and compare offers across suppliers, negotiate aspects of a transaction and, ultimately, place orders or make payments subject to the authority delegated by the user. In doing so, it may interact with product information, ordering and payment services and potentially with businesses that generate revenues for the agent provider.[12] Reliability, user confidence, and arrangements for authentication, permissions, errors and disputes will affect the delegation of such tasks.

#### *2.2.3. Further development and adoption*

35. Further adoption will depend on whether agentic AI systems can perform useful tasks reliably, securely and at an acceptable overall cost, including the costs of human oversight. Resource requirements vary across tasks and system configurations, making future operating costs difficult to predict. The sensitivity of the information involved, and the consequences of errors may also influence which models, tools and deployment arrangements are suitable. Together with users' willingness to delegate and applicable regulatory requirements, these factors will shape the range of uses and the extent of autonomy.

36. The pace and direction of technological development remain uncertain. Further progress may involve advances in algorithms and computing resources, as well as improvements in memory, learning and the ability to complete tasks reliably. Agentic AI systems may also increasingly be combined with robotics and other physical systems, extending their use beyond digital environments to tasks involving perception and action in the physical world.[13] However, the development of useful applications does not necessarily depend on further advances in frontier capabilities. It may also reflect more effective ways of incorporating existing capabilities into products and services (Hobbs et al., 2026[29]).

# 3 Competition in the supply of agentic AI systems

37. A definitive assessment of competition in agentic AI is premature given its relatively nascent stage. Nonetheless, effective competition in potentially transformative technologies is important to provide ongoing incentives to innovate and ensure the benefits are effectively disseminated (OECD, 2024[10]). The purpose of this section is therefore not to predict how competition will develop, or where breaches of competition law may occur, but instead to identify potential risks as a starting point for policy makers to consider and monitor.

38. There have not been many assessments of competition in agentic AI markets by competition authorities to date. One notable example is the French competition authority's work which is summarised in Box 2 (Autorité de la concurrence, 2026[30]). There have, however, been several studies considering generative AI markets more broadly, including work by the OECD.[14] Box 3 below for a summary of some of this work. Further, as a digital technology, there is a broader context of how competition has developed in other digital markets, including discussions on market tipping or "winner takes all/most" dynamics where one or few firms obtain market positions that are hard to displace (OECD, 2022[31]).

39. This section first considers the nature and state of competition in agentic AI markets. Next, it considers various aspects of the potential evolution of competition in agentic AI, starting with access to inputs and vertical foreclosure within the context of previous commentary on competition in AI markets, before considering additional issues that may be relevant for the development of competition.

### Box 2. French Competition Authority's Opinion on the Competitive Functioning of the AI agents sector

In July 2026, the French competition authority published its study on the competitive functioning of the AI agents sector. As part of the study, the authority consulted relevant stakeholders and received around 40 responses to its public consultation. The study culminated in a published opinion setting out the authority's findings and its recommendations going forward. The study considered the emergence of AI agents and agentic commerce, even if the latter was not yet available in France given its potential to be deployed quickly.

**Findings**

The opinion noted the current concentration in the supply of agentic AI, and that while barriers to entry appear lower than for training generative AI models, since agentic AI can be deployed using third party models, there are several potentially significant barriers to expansion in agentic AI. In particular, the ability for suppliers to scale may be constrained by their ability to reach users and access critical data, as well as several other technical barriers which may restrict customer acquisition.

More broadly, the study found that AI agents are emerging as an increasingly important gateway for digital services, and that this 'platformisation' could raise a number of risks to competition. This included disintermediation of existing market structures, and concerns around the proper functioning of AI agents in facilitating digital transactions, such as potentially acting in a discriminatory or non-transparent mannor. The

study noted that barriers to interoperability could further risk how competition develops and the ability for multiple AI agentic solutions to emerge.

The study also examines how agentic commerce could reshape online retail by automating parts or all of the purchasing journey. It identifies risks that merchants become dependent on AI agents to reach customers, while agents' selection and presentation of offers could restrict product visibility and diversity or favour particular suppliers. The study also reports concerns that automated repeat purchases could lock-in initial choices without reassessing competing offers, reducing opportunities for rival products and new entrants.

**Recommendations**

The report makes several recommendations following its findings. It notes that the risks to competition could emerge quickly and therefore urges public authorities to fully implement their existing tools to promote competition. In addition, it makes several recommendations to firms operating in agentic AI, including to promote interoperability and portability where possible through contractual and technical terms of use, as well as open standards. The Authority also stresses the need to empower users to carefully compare AI agents and make informed choices, as well as calling for effective enforcement of consumer-protection rules, technical scrutiny and closer coordination between public authorities.

Source: Autorité de la concurrence (2026[14]), Opinion No. 26-A-05 on the Competitive Functioning of the Artificial Intelligence Agents Sector, French Competition Authority, https://www.autoritedelaconcurrence.fr/en/opinions/competitive-functioning-artificial-intelligence-agents-sector.

## 3.1. Preliminary look at the nature and state of competition in agentic AI

40. Before turning to potential competition issues in the supply of agentic AI, the paper first provides a preliminary look at some aspects of the nature and state of competition in agentic AI markets, such as the current market structure, parameters of competition and emerging patterns of substitution.

### *3.1.1. State of competition and parameters of competition*

41. The competitive landscape for agentic AI is still emerging, and it is not yet clear whether the levels of concentration seen in model development will extend to the supply of agentic AI. Agentic AI services currently appear largely concentrated around three main operators,[15] with a fringe of other firms also providing services (Autorité de la concurrence, 2026[14]). Concentration however, particularly in the early stages of a market, is not necessarily synonymous with ineffective competition (OECD, 2018[32]). As explored further below, given this emerging nature, it is more relevant to consider the likely evolution of the market through an assessment of the ease of entry and expansion rather than initial market shares, although this is not to say that current market dynamics are not relevant.

42. Agentic AI can be considered an extension of previous agent-led markets, and this may be a useful framing in which to consider the nature of competition. Agents provide a range of benefits and enhance the welfare of users in some markets. However, agent markets may also be characterized by information asymmetries, particularly the difficulty in establishing the quality of the agents' services. The quality of responses from agentic AI systems is likely to be a key parameter of competition, with consumers placing value on the outcomes achieved (Autorité de la concurrence, 2026[14]). Competitive pressure on quality may be weaker where users cannot readily observe or compare it. Feedback and reputation mechanisms may help where the quality of outcomes becomes apparent over time, but may be less effective where interactions are infrequent or outcomes are difficult to verify.

43. The lower cost nature of agentic AI compared with human agents may result in a higher volume of agentic services or delegated decisions, with overall lower levels of complexity. This could make assessing outcomes easier and therefore make it more likely that consumers, or other third parties, can

accurately evaluate and report on the performance of their agentic AI solution. Further, agentic AI solutions may also offer solutions to evaluate the outcomes of services. On the other hand, agentic AI systems, particularly given their likely reliance on generative AI models, may make decisions in a less transparent way than human agents in some situations, potentially making it difficult to assess their performance and hence undermining competition between providers.

44. As with many markets, prices will likely be an important feature of competition for agentic AI customers. There is currently a mix of commercial models in the AI space, but for consumers, the main offering appears to be a freemium one, whereby a lower quality service is provided for free, with options to improve the service with paid subscriptions or on a per use basis (Autorité de la concurrence, 2026[14]). As with other digital markets, the ability for customers to predict and assess their expected costs from using these services, including when comparing alternative providers, will be relevant for the effectiveness of competition.[16] Another relevant factor will be the extent to which agentic AI services are bundled with other services or become integral to existing digital ecosystems.

### *3.1.2. Dimensions of competition and patterns of substitution*

45. While still in development, there are indications that competitive conditions could vary across different product or geographic dimensions of agentic AI systems. A formal market definition exercise is not within the scope of this paper, but considering these product and geographic dimensions is useful context for any discussion on competition, including whether agentic AI constitutes a single market or comprises several markets. An initial split on the demand side might be between different use categories as identified in Table 1, namely between industrial, enterprise and end-consumers, although whether this demarcation will mark separate markets is unclear. Industrial and enterprise users may have a greater ability to self-supply but will also face broader challenges around integrating solutions into existing systems and, on the whole, requiring greater security and robustness safeguards.

46. Industrial and enterprise use of agentic AI may ultimately be further segmented if there are differences in the conditions of supply according to the sector, such as healthcare, manufacturing or finance. Whether agentic AI systems specialised in one or more sectors exercise constraints on others could determine the breadth of agentic AI markets going forward, as may whether general solutions offer an asymmetric constraint on specialised ones.[17] Beyond potential demarcation by industry, there could also be groups of customers whose requirements differ significantly enough to make conditions of competition distinct.

47. The extent of fragmentation of competition between agentic AI systems could also vary depending on the functionality of those systems, such as their capabilities or purpose. There could feasibly be demarcation by quality, such as model reasoning capability.[18] For industrial agentic AI, use cases may overlap with different industries, but this need not necessarily be the case. For enterprises and consumers, differences could emerge between different productivity boosting applications, as well as when compared to agentic commerce applications.

48. Another relevant dimension of competition to consider for agentic AI systems is the geographic dimension. Geographically, as with other markets of AI, initial indications appear to suggest that markets are likely to be broad, at least national but perhaps wider, with many of the main operators active across jurisdictions in the OECD and beyond. However, regulations, specialisation or adoption practices may vary across jurisdictions, and could lead to more localised competitive conditions. For example, the transactional services described by the French Competition Authority were not yet available in France at the time of its July 2026 opinion (Autorité de la concurrence, 2026[14]).[19]

49. Finally, the discussion above is unlikely to be exhaustive and other demarcations may emerge as the technology and use cases unfold. Whether separate economic markets exist may change over time and will require careful assessment. Key aspects for how broad or narrow agentic AI markets will be may

be the extent to which they can easily perform a range of tasks, the demand for specialisation and how crucial proprietary industry or use case specific data will be to providing a competitive service relating to that industry or use case.

## 3.2. The applicability of previous AI competition analysis to agentic AI

50. As detailed in Section 2, Agentic AI builds on earlier generations of AI, particularly generative AI, while adding orchestration, tool use and other components that enable systems to take actions. Therefore, from a competition perspective it is likely that many of the same potential competition issues considered for generative AI will apply to agentic AI, particularly given that the latter is still emerging making it all the more difficult to identify unique trends. Nonetheless, it is worth considering which issues appear similar or potentially different compared to previous iterations of AI. This section therefore considers the extent to which some of the potential competition issues identified for other AI markets, as summarised in Box 3, apply to the same extent for agentic AI.

51. While several similarities appear, not all potential competition issues are likely to be identical. For example, the French competition authority's report highlights that the barriers to entry in the agentic AI market appear to be lower than for training generative AI models, as agentic AI suppliers can gain access to third party generative models rather than having to train their own which can be prohibitively difficult (Autorité de la concurrence, 2026[14]). In this sense the supply of agentic AI may develop to be modular, allowing independently sourced components to be brought together in a solution, at least in theory (Bostoen and Krämer, 2026[16]). Building an effective product that can enter a market does not guarantee commercial success by itself however, with the French report also noting that barriers to expansion for agentic AI services may be higher than barriers to entry.

### Box 3. Summary of main potential risks to competition in AI markets

Following the emergence of ChatGPT in November 2022, generative AI rose to prominence and highlighted the potentially transformative role for AI as a general-purpose technology. Given the importance of preserving and promoting competition in a potentially crucial sector, the competition community also devoted significant time to assessing how competition was emerging in AI markets. This included several reports and studies from competition authorities within and outside of the OECD, and several roundtable discussions and reports from the OECD itself. While there were variations across studies, a general picture emerged regarding common potential risks to competition in the supply of AI. In identifying such risks, the intention was not usually to assess the current competitive conditions in these emerging and developing markets, but instead to conduct forward-looking assessments of areas to monitor with a view to tackling issues promptly if they were to emerge.

The main potential risks to competition for the supply of AI broadly focused on the importance of accessing several key inputs in order to compete, such as compute, talent and data. Different parts of these inputs may also raise potential competition issues, for example in the supply of compute and access to infrastructure that is vital for supplying AI services. As well as inputs, the importance of accessing distribution methods in order to reach users has also been acknowledged. In this context, the discussion has also noted the vertical integration across many parts of AI supply potentially giving rise to input or customer foreclosure. In this regard, AI's integration into existing digital ecosystems has been considered a potential mechanism by which incumbent digital firms may be able to leverage their market positions into AI markets.

It has also been noted that some parts of the value chain appear concentrated and concerns have been raised whether AI markets might exhibit tendencies toward concentration given the high costs of training

models. In this context, competition authorities have also considered the role of various forms of partnership, investment or contractual relationships between firms in the context of merger control, including whether different forms of non-traditional acquisitions, such as "acqui-hires", may lead to lessening of competition whilst not being adequately captured by merger control.

In such emerging and complex markets, other risks to competition may emerge and have been raised across previous studies. For example, while there are several legitimate policy issues that may warrant regulation, competition in AI markets may be affected by regulation.

Source: OECD (2024[10]), "Artificial intelligence, data and competition", https://doi.org/10.1787/e7e88884-en; OECD (2026[28]), Artificial intelligence markets: Recent developments and competition issues, https://doi.org/10.1787/d531d73f-en; OECD (2025[11]) , "Competition in artificial intelligence infrastructure", https://doi.org/10.1787/623d1874-en.

### *3.2.1. Access to inputs and vertical foreclosure*

52. As noted in Box 3, many of the identified potential risks to competition in generative AI are linked to foreclosure of key inputs due to vertical integration. As an extension to the same supply chains, with several vertically integrated layers or with vertical ties between suppliers - such as partnerships, investments or minority shareholdings - this discussion appears highly relevant for agentic AI as well (Colangelo and Ezrachi, 2026[33]). While vertical integration can provide significant benefits, it may, under certain conditions, give firms the ability and incentive to foreclose rivals from key inputs, with anticompetitive effects.

53. Healthy competition in agentic AI, as with generative AI, depends upon the ability of a sufficient number of firms to have access to key inputs. Many of these inputs are similar as for other types of AI, such as requiring access to compute for inference, as well as data, skills, associated software and other necessary inputs. However, the exact mix of inputs required differs. Perhaps most significantly, agentic AI requires generative AI models as a crucial input. On the one hand this means another input which must be accessed. On the other hand, not having to train generative AI models, but instead relying on third-party will reduce the requirement to access compute or data for training.[20] Agentic AI also has additional layers in the supply chain, such as the orchestration and harness layer, as explained in Section 2. Currently many orchestration tools appear to be supplied on open-source basis, potentially lowering certain barriers to entry and reducing foreclosure risks.[21]

54. Interoperability could be even more important for the competitive functioning of agentic AI than previous versions of AI, due to its likely reliance on integration with other devices (Hunt, Chissell and Mawar, 2025[34]). As such, there may be potential for vertically integrated suppliers to leverage control over adjacent layers to make independent agent providers less viable over time. As Thomas (2026[35]) argues, each supply level must perform well for the overall agentic solution to be effective and thus the inability to access just one layer could be determinative for the overall competitive dynamics. For example, access to APIs providing real-time prices, together with data that are accessible and machine-readable, is therefore likely to influence how effectively services at different levels of the supply chain can interact.[22] In this regard, while input foreclosure can involve completely removing access to parts of a market, it can also affect competition if access is technically allowed but partially restricted in ways that prevent access from being fully effective.

55. This could be particularly relevant for commercial agentic AI where the purpose of the service will be to execute transactions on behalf of consumers. Such a journey will require interactions with a range of different tools to be completed, and inability to access some could render a service ineffective. For example, if an agentic AI tool is unable to access product information of several connected large retailers, then its services will presumably be of lower value compared to an agentic AI solution that could do so.

56. Beyond access to inputs, another risk of vertical foreclosure relates to access to customers through distribution. If agentic AI suppliers face limitations in accessing distribution networks or existing ecosystems, such as browsers, messaging apps, search engines or operating systems, amongst others, they may face competitive disadvantages that prevent them from achieving scale irrespective of their competitive merit.[23] Box 4 highlights how access to distribution can be important in the context of AI markets by summarising the European Commission's ongoing investigation into Meta regarding third-party access to WhatsApp for AI developers.

### Box 4. Investigations into allegations of exclusions of AI competitors from WhatsApp

An ongoing investigation by the European Commission (EC), which took over a similar investigation from the Italian competition authority, into Meta's conduct in relation to WhatsApp highlights the potential role for vertically integrated firms to affect access to distribution in the AI supply chain. Similar investigations are also ongoing in Brazil and by COMESA. It also illustrates the potential role of interim measures to tackle conduct in a growing market to prevent what the competition authority considers to be potentially irreparable harm.

The investigation involves an announcement Meta made in October 2025 which changed their policy regarding access to WhatsApp for third-party general-purpose AI assistants. The EC opened formal proceedings in December 2025, noting that "Meta's conduct risks raising barriers to entry and expansion, and irreparably marginalising smaller competitors on the market for general-purpose AI assistants". In February 2026, the EC sent Meta a Statement of Objections and notified it of its intention to impose interim measures. In March 2026, Meta revised its policy, allowing access by initiating a pricing framework for third-party general purpose AI assistants.

The revision did not resolve the concerns held by the EC, which imposed interim measures in June 2026, ordering Meta to restore free access to WhatsApp for third-party general-purpose AI assistants. In the interim measures decision, which is not an infringement decision, the EC noted that at first sight Meta held a dominant position in the market for consumer communication applications, and that the refusal to provide access was a first sight abuse of that dominant position. It held that there was an urgent need to prevent serious damage to the competitive structure of a growing market, general-purpose AI assistants, with the policy risking harm to competition at a key moment in time. It was therefore found that interim measures were warranted to prevent serious and irreparable harm.

Source: European Commission (2026[36]), Commission sends Meta fresh charge sheet on possible interim measures to reverse exclusion of third-party AI assistants from WhatsApp, Press Release, https://ec.europa.eu/commission/presscorner/detail/en/ip_26_805; European Commission (2026[37]), Commission imposes interim measures on Meta to preserve free access to WhatsApp for rival AI assistants, Press Release, https://ec.europa.eu/commission/presscorner/detail/en/ip_26_1276; Autorità Garante della Concorrenza e del Mercato (2025[38]) (2026) A576 - Meta AI: the Italian Competition Authority orders Meta to suspend the terms excluding competing AI Chatbots from WhatsApp, Press Release, https://en.agcm.it/en/media/press-releases/2025/12/A576; Conselho Administrativo de Defasa Econômica (2026[39]), CADE upholds fine against Meta and WhatsApp, Press Release, https://www.gov.br/cade/en/matters/news/cade-upholds-daily-fine-against-meta-and-whatsapp-for-failure-to-comply-with-interim-measure; COMESA (2026[40]) Notice Of Commencement Of Investigation Into Alleged Abuse Of Dominant Position By Meta Platforms Ireland Limited, https://comesacompetition.org/wp-content/uploads/2026/03/NOTICE_OF_COMMENCEMENT_OF_INVESTIGATION_WEBSITE.pdf.

57. While this case does not relate specifically to agentic AI, it raises issues that may be applicable to it, if not more so. This is because agentic AI marks a potential turning point in the ability of AI to provide end-to-end services within a particular ecosystem (Colangelo and Ezrachi, 2026[33]). With the ability to complete tasks, rather than just provide outputs, this could increase the propensity for user journeys to remain where they start, as opposed to having multiple entry points or calling on different services. If this occurred, it would increase the importance of accessing consumers in the first place and underline the necessity of access to existing distribution systems. Further, for consumer uses of agentic AI in particular, as the competences of agentic AI systems emerge, the lines between inputs and distribution may become

increasingly blurred as the systems require increased integration and interoperability with their route to market, such as a device's operating system or a browser (Bostoen and Krämer, 2026[16]). This not only increases the potential importance of access to distribution methods, but broadens the scope for limited effective access to be provided.

### *3.2.2. Other potential barriers to entry and expansion*

58. There has been much discussion about the state of competition in digital markets over the past decade (OECD, 2022[31]). Several factors have been discussed as altering competitive dynamics compared to traditional markets, including the existence of multi-sided networks, strong network effects and feedback loops, economies of scale and scope, and zero monetary prices on at least one side of the market. [24] These features may combine to create high barriers to entry and expansion, making incumbents entrenched and difficult to displace. Given their potential significance regarding how competition will evolve, this is therefore a useful lens from which to consider agentic AI, and in particular possible barriers to entry and expansion. At the same time, agentic AI is a new technology and therefore it is not necessarily the case that the frameworks that worked for other digital technologies will apply to it, with some arguing that it requires a different, more cautious approach from competition authorities (Colangelo, 2026[41]).

59. As with other digital technologies, the barriers to entry and expansion for agentic AI are likely to be strongly affected by whether there are incumbency advantages that offer benefits to scale and adjacent operations. If rivals cannot access these benefits, while entry may technically be possible, it may make significant expansion difficult. This can be particularly true if users do not spread their demand across multiple suppliers (i.e. multi-home) but instead select one main provider. While it remains to be seen whether users of agentic AI prefer sole or multi-supply, there appear to be some frictions for users having multiple suppliers. This may be particularly true for industrial or enterprise users where security, integration and training issues raise the costs of using more than one system. However, consumers could also exhibit preferences for single suppliers for example if the interfaces take time to adjust to or if inputting preferences takes time and cannot easily be interchanged between services.[25]

60. A key distinction of AI, including agentic AI, compared to other digital technologies is the non-negligible marginal cost that comes from the compute required to run queries on generative AI models (OECD, 2024[10]), suggesting that economies of scale may not be as significant compared to some digital technologies with near zero marginal costs.[26] Nonetheless, while setting-up agentic AI systems may be considered a fixed cost, potentially providing economies of scale, this fixed cost is likely smaller than training generative AI models. Further, with increased inference costs as volumes increase, and potentially increasing costs in verification and quality assurance of outputs, it is unclear how the costs of supplying agentic AI itself will scale. Further, as noted above agentic AI links closely to other layers of the value chain and there may be significant economies of scale in supplying various inputs to agentic AI, such as in cloud computing services, in generative AI models or through distribution methods. Such scale is particularly relevant in the context of vertical relationships noted above.

61. Agentic AI suppliers may also derive potential scale benefits beyond the spreading of fixed costs. For example, if agentic AI systems become important intermediaries for commercial activity providers serving more users may aggregate demand and thereby acquire stronger bargaining power. Agranat and Gal (2025[42]), argue that this could create a reinforcing loop in which stronger bargaining power enables suppliers to secure more favourable terms, attracting further users and strengthening their market positions.

62. Another feature of digital markets has been the importance of data including the benefits gained from economies of scope and feedback effects (OECD, 2022[31]). Economies of scope may apply to agentic AI systems if operating in adjacent markets provides advantages to suppliers. For example, a firm operating a search engine or productivity service may be able to reuse assets (such as data on user

behaviour) from those activities to reduce the costs of their agentic AI service. Such advantages, if realised, may make it harder for stand-alone suppliers to compete on equivalent terms.

63. Agentic AI systems may also give rise to new forms of user-specific data, such as consumer preferences or accumulated organisational knowledge. Beyond training data and conventional customer information, deployed agentic systems may develop histories of interactions, workflows, approvals, preferences and operational procedures associated with a particular organisation for their users. The ability for users to take data with them if they move suppliers could be especially important for agentic AI services (Hunt, Chissell and Mawar, 2025[34]). Where such information is difficult to export or reuse with alternative providers, switching costs could increase and incumbent agentic AI suppliers may benefit from a degree of lock-in. One example is at the enterprise level, where data security is likely to be a major factor in selecting suppliers, and firms will require confidence in the security of any data transfers. Conversely, interoperability and portability mechanisms that allow users to transfer agent memories, configurations and operating histories may reduce dependence on individual suppliers and support contestability. As discussed in earlier OECD work, the competitive significance of such effects will depend on whether the information is unique, transferable and important for effective competition (OECD, 2026[12]).

64. High-quality data created by the use of agentic systems could also potentially create feedback loops which enhance the quality of agentic AI systems and enhance their ability to provide meaningful and reliable outputs for users. This could occur for agents destined for individual consumers, such as commercial agentic AI, as incumbents learn how to navigate consumer search behaviour and preferences, or with sector specific or industrial applications, that gradually become tailored to the individual firm. For industrial and enterprise users, having access to operational workflow data and organisational knowledge could provide a strategic resource for product refinement. Feedback loops are perhaps most likely when user experiences with a system create unique data that allows user-specific service improvement, for example on what service features users most value or information that allows an improved product. Bostoen and Krämer (2026[16]) argue that whilst feedback effects could be less relevant to generative AI or AI assistants due to their reliance on pre-trained foundation models, as agentic AI is more likely to rely on reinforcement learning and persistent memory, the ability to learn good and bad outcomes could be important for improving the quality of agentic AI offerings.

65. Stucke and Ezrachi (2017[43]) raised the potential for significant network effects in the context of digital assistants as early as 2017, arguing that as more users operate on a digital assistant, more services will seek to be available on it, attracting more users, etc. It is currently unclear how substantial direct network effects will be for agentic AI, although there could be more potential for indirect network effects, particularly if commercial agentic AI develops such that it operates with platform-like tendencies matching users with suppliers. If there are costs to access an agentic AI system operating as a platform, in particular for sellers, this would likely give rise to indirect network effects since more users attract more sellers, and so forth.

# 4 Competitive effects of agentic AI

66. This section considers how agentic AI could impact competitive dynamics in markets where it is adopted, either by enterprises or consumers. Agentic AI appears to offer both potential pro- and anti-competitive effects. Many of these issues, including some in relation to agentic AI, were discussed in the recent OECD paper on AI's downstream competitive effects (OECD, 2025[2]).

67. Rather than seeking to consider definitive benefits or harms to competition, including potential breaches of consumer law, the section focuses on identifying and exploring the main categories of potential effects. The section does not consider broader effects arising from agentic AI in other markets, such as the macroeconomic benefits from greater productivity growth, beyond the extent to which they focus on competition. Neither does it consider other risks, such as those to privacy, democratic processes or society more generally (Stucke and Ezrachi, 2017[43]).

68. This section is organised around three areas where agentic AI could affect competition in downstream markets. First, it considers how the use of agentic AI solutions by consumers, and the emergence of commercial agentic AI, could alter consumer search and demand dynamics in markets. Second, it considers how industrial agentic AI adoption could affect competition in those industries, focusing on how it could raise barriers to entry and expansion. Finally, it considers the impact of agentic AI on collusion between firms, building on an area that the OECD has considered in some depth already, algorithmic collusion.

## 4.1. Consumer search and purchasing through enhanced delegation

69. Agentic AI provides potential for widescale automation of agentic services. Human economic agents are not new and have been used in a variety of markets for a long time, providing brokerage, intermediary or consolidation services. Agents are a form of intermediation and as such can also draw parallels from other digital intermediation markets, such as online search. The agentic nature of AI will likely have effects on competition in those downstream markets. Immorlica *et al.* (2024[44]) argue that AI assistance technologies should be viewed as economic agents, although much is still not known about how they will act as agents. (Hadfield and Koh[45]) urge caution in attributing human characteristics to agentic AI systems due to the emerging nature of the technology, its complexity and the overall difficulty in understanding how generative AI systems reach their outcomes.

70. As with other principal-agent situations, the business model that agents operate under can be an important part of market functioning. In particular, the remuneration model can risk creating a mismatch between the incentives of the agent and the objectives of the client. For example, settings where agents are remunerated by suppliers rather than clients can create incentives for the agent to favour some suppliers over others, even if these are not the best match for the user's preferences. Similarly, commission models can create incentives for agents to increase overall spending, even if this is not in the client's best interest. It is unclear whether agentic systems could be less susceptible to the potentially conflicting incentives caused by remuneration models, although given that they will be developed and deployed by firms that capture the return from their use, it is perhaps difficult to argue that a firm's agentic AI systems would be immune from acting in their financial interests. For example, if AI agents are given an objective of pursuing profit maximisation they may be as, or more so, motivated by the financial incentive than human agents.

### *4.1.1. More effective consumer search*

71. One of the most obvious potentially positive effects of agentic AI or agentic commerce, is significant search and transaction cost reductions for consumers in relation to online information.[27] Such effects have been argued in several papers, such as Bichler (2026[46]), Hadfield (2025[45]) and others. Indeed, the promise of consumers being assisted in their interaction with markets by technology predates the emergence of agentic AI (Gal and Elkin-Koren, 2017[47]). With agentic AI capable of interpreting an instruction from a consumer, such as a desire to purchase a good or service, then engaging in automated search and execution, consumers could have access to wider, more detailed and deeper searches on goods. This could also include ongoing monitoring of changes in price or other variables. These benefits could accrue to consumers who harness agentic AI services, but may also accrue to those who do not, depending on whether firms are able to discriminate against them.[28]

72. The intuition for how a proliferation of automated agents able to analyse and assess substantial amounts of data at relatively low cost, compared to manual search, could significantly enhance the demand side of markets is straight-forward. If consumers have imperfect information, they are unlikely to maximise their welfare, but the competition between firms will also be affected. Better informed consumers generally exercise stronger demand-side pressure on firms, increasing incentives to improve their offering in order to capture more consumers.[29] Dong, Luo and Xu (2026[48]) show through a model of search that as the complexity of consumer preferences increases, the potential value of agentic search over manual search increases. This vision of enhanced consumer search hinges on several assumptions, including that the agent is sufficiently capable, robust and objective to act as the consumer's agent, and that the agent can freely navigate the range of potential options available.

73. Another way in which consumer search might be enhanced could be reduced effects of choice architecture or framing on consumer decisions (Hunt, Chissell and Mawar, 2025[34]). Effects of behavioural biases and how firms exploit them are well known (OECD, 2022[49]), and there is potential agentic AI systems will be less susceptible to these, allowing choice to be more closely aligned to preferences rather than the way they are framed. This can include reductions in information overload, allowing decision making over more transactions to incorporate a broader range of information than currently possible under human oversight (Bichler, 2026[46]). The extent to which this is likely to happen is unclear. Firms may also adjust to manipulate the outputs of agentic models, which are themselves trained largely on human data which may limit the reduction of bias they exhibit, and as explored in more detail below, agentic AI may also have other biases of their own.

74. While not directly related to search, consumer facing agentic AI could also reduce the transaction costs for consumers to join and exercise joint purchasing power. For example, rather than having to identify these opportunities, research each one and provide suitable permissions, an agent could be provided authority to do so on behalf of consumers. This aggregation of demand could provide opportunities for consumers to exercise collective buying power, particularly in markets where there is limited differentiation or where there are large volumes of shared demand, such as in residential energy markets or road fuel. Such aggregation would heighten competition to obtain the large volumes of business, although there could be a risk that at the extreme if all demand were to be joined it could lead to a hollowing of rivals as the market becomes all or nothing for suppliers. If there are barriers to entry in the relevant market, this could even worsen outcomes in the longer run.

### *4.1.2. Non-neutral or ineffective agents*

75. While agentic AI could lead to significant benefits for consumers, there may be risks to competition if consumer purchasing decisions are increasingly delegated to agentic AI systems (OECD, 2025[2]). Some of the risks relate to the opaque nature of agentic AI systems and the potential for consumers to over-rely on them. Some of these dynamics are already present through the existence of recommender systems or online search, but could be magnified and exacerbated by agentic AI. Evidence of current AI agentic

systems suggests that divergences are already emerging in the outcomes of queries depending on the provider used, illustrating the potential importance of how the agentic AI system works in consumer outcomes (Autorité de la concurrence, 2026[14]).

76. Many of the potential pro-competitive effects from agentic AI rely on the empowerment of consumers with effective agents that work on the consumer's behalf to better their outcomes. In essence this equates to consumers being able to use agentic AI services to find the best quality matches between their preferences and product offerings.[30] As agents lose the ability to do so, not only will consumer welfare decrease, but the incentives for firms to compete will also decrease. This is akin to the more general principal-agent problem relevant for many traditional markets, as explored in more detail above. Namely, how to ensure that an agent acts truly in the best interests of their client. With AI as an economic agent, Immorlica et al. (2024[44]) argue that the value of the outputs will be measured based on perceived helpfulness, potentially providing a reward for being convincing rather than necessarily maximising the welfare of users.[31]

77. As with other intermediation services, there may also be risks relating to AI purchasing agents being influenced, steered or manipulated by sellers or platforms. Such non-neutral action from an agent could clearly distort competition, especially if it is hidden or hard to measure.[32] There could be particular risks, for example, if agentic AI systems are vertically integrated and used to self-preference other products or services offered by the group. The opacity of agentic AI outputs may make such conduct even more difficult to identify than in existing technologies such as online search (Bostoen and Krämer, 2026[16]). Even where transparency is provided, whether it is truly verifiable is doubtful.

78. While agents that act on behalf of another party other than their client pose clear risks to competition and outcomes, agentic AI could also exhibit biases of its own, irrespective of intention. As a technology still in development, how agentic AI will perform is hard to determine. Evidence based on simulated marketplaces using recent LLM based agents suggests that even at this stage the capabilities are nearly sufficient to perform welfare-enhancing searches on behalf of consumers, but that performance may suffer as volume increases and that agents appear to exert preferences for the first proposal (Bansal et al., 2025[50]).

79. An open question will be the extent to which agentic AI can accurately measure and interpret consumers' preferences and map this to real life product differentiation. It is reasonable to assume that if the proportion of agentic AI use is high and a particular form of differentiation cannot be captured by agentic AI over time, then that differentiation will likely disappear and product offerings will appear more homogenised on that element. While this could intensify competition on price or on other factors, it is likely to ultimately reduce welfare if that differentiation offered increased value to diverse consumers. The propensity for LLM-based models to continue to generate fictional outputs, known as hallucinations, could also reduce the accuracy of LLM-based agentic AI services and affect their ability to perform on behalf of consumers (Alansari and Luqman, 2026[51]).

80. As already documented in the context of the digital economy, high usage of recommender systems has the potential to overly aggregate demand and hence dilute diversity between suppliers, meaning firm exit and success for a few leading firms (Fletcher et al., 2023[52]). It has been speculated that agentic AI will worsen these problems, as emerging evidence suggests that LLMs are more likely to steer consumers towards more expensive products independently of perceived quality (Zac and Gal, 2025[53]). This may not lead to better outcomes for consumers dynamically, particularly if there is more diversity in preferences than is picked up in the models.

81. Further, firms that rely on customer acquisition through agentic systems will begin to compete for agents rather than consumers. While this might drive better outcomes, if parameters of competition vary between agent and consumer, outcomes may worsen. Control over which sources, products and services are presented to consumers could also give agent providers greater influence over the allocation of demand. Advertising, paid placements, commercial partnerships and technical integrations may shape

visibility and selection, creating risks of discrimination, self-preferencing and a narrowing of consumers' effective choices (Autorité de la concurrence, 2026[14]). Competition may therefore increasingly centre on access to, and control over, these interfaces, with implications for suppliers' ability to reach customers and for the barriers to entry and expansion discussed below (FCA, 2026[54]).

82. More generally, some research suggests that generative AI agents may exert preferences for the first proposal retrieved, which could suggest that suppliers will seek to compete over the speed at which their offer is retrieved by consumer agents rather than other aspects of product quality or price (Bansal et al., 2025[50]).[33] Firms will also have access to agentic AI to produce and market their products, and some evidence suggests that this could lead to increased noise on product quality compared to reality, making the ability to find good matches harder (Bichler, 2026[46]). This, as well as other mechanisms, could provide ways in which agentic AI models are manipulated to favour market outcomes other than those that best match user preferences.

## 4.2. Effects of agentic AI on barriers to entry and expansion in other markets

### *4.2.1. Lowering barriers to entry or expansion and disrupting markets*

83. With increased abilities to operate autonomously, agentic AI has the potential to fundamentally reshape a whole host of tasks, including applications by firms to boost productivity. The potential for AI adoption to reduce labour requirements, lower minimum efficient scale, automate tasks and increase productivity has been examined in OECD (2025[2]). These mechanisms may lower barriers to entry and expansion where agentic AI further extends the range of tasks that can be delegated. Lowering barriers to entry generally would improve competition across markets, if agentic AI is widely available and accessible to a range of potential users who do not face overly restrictive costs or inability to utilise, for example due to a lack of relevant data or users. Broader productivity improvements can also boost output and improve competition (Hadfield and Koh, 2025[45]).

84. Another mechanism through which agentic AI may reduce barriers to entry differs from the labour-substitution effects discussed in earlier OECD work. Previous analysis highlighted how AI systems can reduce the need for certain categories of labour, lower minimum efficient scale and increase productivity (OECD, 2025[2]). In addition, Agentic AI may further reduce barriers to entry not only by automating individual tasks but also by reducing the managerial, organisational and co-ordination capabilities required to operate a firm. By planning tasks, monitoring progress, interacting with software systems and executing multi-step workflows, they may allow smaller firms to perform activities that previously required larger managerial, administrative or support functions. The effect could be particularly relevant in knowledge-intensive sectors where growth has traditionally depended not only on specialised expertise but also on the ability to co-ordinate increasingly complex operations. The extent to which such systems can reliably substitute for managerial and organisational functions remains uncertain and will depend on their capabilities, reliability and the degree of supervision required.

85. Disruption of existing business models could also provide pro-competitive benefits. This could include reducing the need for large scale intermediaries or platforms in some sectors – online search or online marketplaces for example. This would be beneficial if these markets are characterised by low levels of competition now.

86. Agentic AI could provide significant disruption to these models by removing the need to use intermediaries, for example by combining information on one platform, as they make it easier to intermediate via the solution itself. Some have argued this could lead to significant disruption to existing large platforms, for example (Marro and Torr, 2025[55]). The effect on market structure may depend on whether agentic AI primarily disintermediates existing platforms or instead becomes a new intermediary layer, and whether operators at that level obtain market power. By acting on behalf of users in search,

comparison, negotiation and purchasing, agentic AI systems could reduce dependence on some existing intermediaries and lower switching costs between suppliers.

### *4.2.2. Increased barriers to entry and risk of foreclosure*

87. While productivity boosting technology may make entry easier, whether it provides the ability to do so, and indeed whether it also provides the environment to allow expansion after entry, is not inevitable.

88. Different firms are likely to be better positioned to take advantage of the benefits of agentic AI. This in itself is not necessarily a competition issue. In fact, it is an example of the competitive process working and of the productive and dynamic efficiencies of markets, reallocating to the most efficient and innovative firms. However, this may not be the case if certain firms have unassailable advantages in their potential ability to leverage agentic AI, for example due to their existing market positions in the relevant market or in an adjacent one. More broadly, if agentic AI leads to large disintermediation that creates new platforms, it may create new gatekeepers for consumers. In such a scenario, firms that wish to access consumers may have little choice other than to transact with agentic AI suppliers, providing them with the ability to set the terms of trade. While this can lower costs and simplify the distribution of profits across firms, it could also raise similar competition issues as seen with other digital platforms, such as exclusionary behaviour and self-preferencing, or new forms of intermediation power.[34] This could be particularly the case if consumers do not multi-home across suppliers.

89. Further, agentic AI has the potential to become a new gateway to the internet and become the means by which consumers access digital services (ARCEP, 2026[56]). As such, if a small number of agentic AI systems become important routes through which users access products and services, they may themselves acquire intermediary power, leading to a form of platformisation of agentic AI.the In that case, firms could increasingly compete for visibility to agents rather than directly for consumer attention, potentially making access to agent ecosystems, user relationships and accumulated behavioural data important competitive assets. The same technology could therefore reduce barriers to entry in some circumstances while creating new bottlenecks in others. This remains an open empirical question and may depend on adoption patterns, business models and interoperability between competing agent ecosystems.

90. If agentic AI systems become the main gateways, this could also reshape competition in online search and advertising. Where users obtain answers or access services without leaving an agent's interface, traffic to underlying websites may decline, putting pressure on advertising- and subscription-funded business models and potentially affecting the variety and quality of online content (Autorité de la concurrence, 2026[14]).

91. Beyond potential market power in agentic AI itself, competition in downstream markets could be affected negatively by agentic AI if incumbents in adjacent markets have advantages that others do not. For example, data is likely to both a key input into an agentic AI system as well as an enabler of its capabilities. This latter point is particularly likely to be the case the more specialised the task. For enterprise or industrial users, if downstream incumbents have unique access to data that cannot be easily replicated, this could make it difficult for other firms in that sector to utilise agentic AI as effectively, potentially reducing their ability to compete. As with other feedback effects, this is self-reinforcing: the incumbent continues to grow market share, acquiring more data, further improving the service, and so on.

## 4.3. Agentic collusion

92. Co-ordination between competitors can weaken incentives to compete on price, quality, innovation and other dimensions.[35] Agentic AI systems may change both the ability and likelihood of firms to co-ordinate as well as impact the evidentiary trail for assessing the legality of such conduct.

93. Concerns about the role of algorithms in facilitating co-ordination predate agentic AI. This section therefore begins by highlighting key findings of previous OECD work in Box 5. It then examines how agentic AI systems may affect three mechanisms through which co-ordination can arise or be sustained: the implementation of agreements reached by human decision makers; common-provider arrangements; and co-ordination arising through autonomous communication or adaptation. In each case, the focus is on how greater autonomy and the delegation of linked commercial tasks may change the way co-ordination develops, is implemented and is sustained.

### Box 5. Previous OECD work on Algorithms and Co-ordination

Previous OECD work identified several mechanisms through which algorithms and software systems could facilitate co-ordinated outcomes:

- **Implementation of cartel agreements**. Firms may use algorithms to implement cartel arrangements more efficiently, for example by applying agreed pricing rules, monitoring rivals' conduct, detecting and responding to deviations and automatically adjusting prices. Algorithms may also make cartel conduct harder to detect. Faster and more accurate monitoring may reduce opportunities to deviate and make an existing cartel easier to sustain.
- **Information exchange and enhanced transparency.** Algorithms and digital systems can increase the speed, frequency and granularity with which firms observe rivals' prices and other competitively relevant information, reducing strategic uncertainty and potentially making co-ordination easier to sustain. The competitive significance depends on the nature, timing, frequency and granularity of the information, whether it is genuinely public in practice, and the characteristics of the market. Earlier assumptions that aggregated, historical or publicly available information is necessarily low risk may therefore not hold in all settings.
- **Common-provider and hub-and-spoke arrangements.** Competing firms may rely on a shared provider of pricing or decision-support software. Concerns may arise where the provider uses non-public information from several clients in setting or recommending prices, facilitates information exchange between competitors, or aligns their commercial decisions through a common strategy or methodology. Use of the same provider does not by itself establish co-ordination: relevant factors include the information flows, the role of the provider, firms' awareness and the applicable legal framework.
- **Autonomous learning and tacit co-ordination**. Research has shown that reinforcement-learning pricing algorithms can sustain supra-competitive prices without explicit communication or instructions to collude, using patterns of monitoring and retaliation like those that sustain traditional tacit co-ordination. Evidence from Germany's retail gasoline market for example found higher margins following adoption of algorithmic pricing, providing real-market evidence that algorithmic interaction can materially alter competitive outcomes.

Source: OECD (2017[7]) Algorithms and Collusion: Competition Policy in the Digital Age; OECD (2026[57]) Information sharing in Competition Policy; OECD (2025[9]) Algorithmic pricing and competition in G7 jurisdictions; Assad et al (2024[58]) Algorithmic Pricing and Competition: Empirical Evidence from the German Retail Gasoline Market.

94. Beyond the theoretical concerns around algorithmic co-ordination, there have also been examples of competition authorities taking enforcement action against firms for co-ordination involving the use of software and algorithms, including software used to implement cartels and common-provider arrangements involving information exchange and pricing alignment. While not widespread, these cases illustrate the application of established competition rules where software facilitates familiar forms of prohibited conduct. [36] At the time of writing there does not appear to be any published enforcement decisions involving agentic AI systems and collusion, but it is worth considering where risks might arise as the technology continues to develop.[37]

### *4.3.1. Cartel implementation and common provider arrangements*

95. Agentic AI systems may extend the role of the algorithmic tools discussed above by allowing firms to delegate more broadly decisions on how cartel agreements are implemented. In this setting the agentic AI system would remain a tool for giving effect to the human agreement, but with greater discretion and autonomy over its implementation (CMA, 2026[59]; OECD, 2017[7]). Drawing on the capabilities discussed in Section 2, agentic AI systems may reduce the cost of organising, implementing and maintaining collusive agreements. For example, if a firm introduced a new sales channel covered by the agreement, the system could determine which price lists needed updating, carry out those changes and incorporate the channel into monitoring of adherence. This could reduce the need for participants to specify and programme each adjustment themselves.

96. Natural-language interaction and high-level instructions may also affect willingness to delegate commercially sensitive tasks and reliance on automated recommendations.[38] Experiments indicate that delegation to AI can increase dishonest behaviour in some settings, while model-level safeguards may reduce but not eliminate responses to problematic instructions (Köbis et al., 2025[60]). The AI system controls described in Section 2 may on the other hand support compliance, but their effectiveness in preventing the facilitation or implementation of cartels remains an empirical question.

97. Common-provider arrangements can also raise concerns without a prior horizontal agreement between competing firms' human decision makers. Agentic AI systems may extend this influence to planning, communications and actions across several commercial variables, rather than only pricing recommendations. For example, instructions set by the provider could shape which customers systems approach, the offers they make and the terms they accept in negotiations. A common co-ordinating strategy could therefore influence several linked activities through the same service. Use of the same model or service does not itself establish co-ordination. Technical and organisational separation may reduce cross-client information flows but would not address a common strategy aligning competitors' decisions. The broader significance also depends on concentration among providers and, more directly, on the extent to which competing firms rely on the same service (OECD, 2026[57]).

### *4.3.2. Autonomous co-ordination between agentic AI systems*

98. A further question is whether agentic AI systems can develop and sustain co-ordinated strategies through their own interactions, even without instructions to co-ordinate from the firms using them or a common provider. As summarised in Box 5 earlier research showed that pricing algorithms could sustain supra-competitive outcomes without explicit communication or instructions to collude. Building on this, more recent experiments using large language model-based pricing agents have found similar supra-competitive outcomes. This includes agents responding to rivals' price cuts in a way which may help sustain higher prices (Fish, Gonczarowski and Shorrer, 2025[61]).[39] These findings are based on experiments and outcomes may depend on market conditions and the objectives, instructions and information given to the systems (Calvano et al., 2026[62]).

99. The mix of systems used by competing firms may also matter. Differences in objectives, information and decision-making methods may make co-ordination harder to sustain. Experimental work finds that differences in the weight given to future profits, access to data or underlying algorithms can weaken co-ordination. Differences in model size do not necessarily have the same effect: in some experiments, they produce leader–follower relationships that sustain co-ordinated outcomes (Keppo et al., 2026[63]). Wider adoption therefore need not have a uniform effect across markets.

100. How agentic AI systems retain and use information may also affect co-ordination. In the pricing experiments discussed above, agents' written plans and insights were carried forward alongside market histories to inform subsequent decisions (Fish, Gonczarowski and Shorrer, 2025[61]). Research has also considered that agentic AI systems could condition their decisions on other systems' source code or

simulated responses or even strategically choose which information to retain for future interactions. These possibilities could alter the scope for commitment and co-ordination, although their practical feasibility and implications for competition remain uncertain (Hadfield and Koh, 2025[45]).

101. In addition, buyer-side agentic AI systems may further change these interactions. Rather than behaving as passive purchasers, they may respond strategically to sellers' prices and alter the demand those sellers face. In simulations involving two algorithmic sellers, a learning buyer able to vary its demand obtained lower prices and greater buyer surplus than a passive-buyer benchmark (Calvano et al., 2026[62]). This illustrates how buyer behaviour can change market outcomes, not that buyer-side systems necessarily eliminate seller co-ordination. Their effects may be reinforcing or disruptive, depending on their design and behaviour and the choices available to buyers and sellers (Autorité de la concurrence, 2026[30]; Mukherjee and Chang, 2025[64]; Cheng and Aseri, 2026[65]).

### *4.3.3. Legal assessment and compliance*

102. Autonomous co-ordination even without human involvement is not necessarily tacit. Systems may exchange strategic information or proposals for aligned conduct, including through messages that their operators do not review or understand (Motwani et al., 2024[66]).[40] The distinction can become difficult to establish where market actions themselves convey signals. Whether an interaction is autonomous from human decision makers is therefore a separate question from whether the systems communicate to co-ordinate their conduct.

103. This distinction also matters to the legal assessment. Where systems acting for competitors exchange and accept proposals to align future conduct, authorities would need to establish whether the interaction meets the applicable requirements for an agreement, concerted practice or other prohibited co-ordination, and on what basis it can be attributed to the firms concerned. Where systems only adapt to observed conduct, the familiar distinction between collusive outcomes and conduct prohibited by competition law remains relevant. The applicable tests differ across jurisdictions, and the absence of a prior human agreement does not by itself resolve these questions (OECD, 2023[8]; 2026[57]).

104. Relevant evidence may include system instructions, data flows, communications and records of actions. Complete records may help authorities reconstruct conduct, while missing logs or short-lived exchanges may make that harder. Depending on the issue under investigation, establishing what information a system received, what it communicated and how it acted may be more useful than explaining every internal model operation. Assessment may also need to examine interactions between systems, since testing an agent in isolation may not reveal co-ordination risks or weaknesses in safeguards that emerge when it encounters other agents. (Hammond et al., 2025[6])

105. The practical significance of these mechanisms depends on which decisions firms delegate and how extensively competing firms use the systems. A firm may allow an agentic AI system to gather information or recommend prices while retaining approval over changes or authorise it to act and respond to rivals without reviewing each decision. Human involvement can affect how co-ordination operates but does not necessarily prevent it. Delegation also does not in itself relieve firms of responsibility for compliance with competition law: conduct that would be unlawful if undertaken through a human intermediary does not become lawful merely because an agentic AI system performs the same role. (Ohlhausen, 2017[67]) Greater capability may make broader delegation feasible; whether firms choose to entrust sensitive commercial decisions to their systems, and how they supervise those decisions, remain important questions.[41]

106. These issues also raise questions about prevention. Beyond enforcing existing prohibitions, should firms be expected to assess and mitigate risks of harmful co-ordination when developing and deploying agentic AI systems? Such expectations could concern model training, system design or the way systems are used in particular markets. Their scope, effectiveness and legal basis would need to be assessed,

particularly where the concern is tacit co-ordination rather than prohibited communication. Section 5 considers policy questions more broadly.

# 5 Potential policy implications

107. Agentic AI is developing rapidly and raises competition issues that cut across the Committee's previous work on algorithms, AI and digital markets. There are important open questions about how existing competition frameworks apply to autonomous AI agents, the respective roles of ex-ante and ex post tools, and the role of international co-operation, as well as the role of regulations and other policy areas. At the same time, agentic AI technologies and business models are not yet mature. How they develop will greatly affect the functioning of competition and the role, if any, competition authorities should play.[42]

108. Nonetheless, preserving and promoting effective competition in agentic AI services is important. Competition authorities should therefore consider developments closely and build relevant technical capacity. Existing competition enforcement and merger control tools, market studies, advocacy and, where applicable, ex ante regulatory tools may also have a role in supporting competitive outcomes, alongside domestic and international co-operation.

109. In monitoring developments, competition authorities should be prepared to use existing competition enforcement tools if there are potential breaches of competition law, both in terms of the supply of agentic AI and its effects on competition downstream. Assessing the evolution of these markets and any emerging market power can help authorities identify competition concerns and respond with enforcement if necessary. In particular, competition authorities may closely consider vertical and other relationships, and the potential exercise of market power from adjacent markets into agentic AI, such as leveraging positions in existing distribution models with pre-installation or default settings or bundling services through integration (Bostoen and Krämer, 2026[16]). Existing rules on co-ordination and information sharing may also become relevant where firms delegate commercially sensitive decisions to agentic AI systems, rely on common providers or permit systems acting on their behalf to interact. As such developments are still in their infancy, there may be value in tracking their progress.

110. Effective enforcement may also depend on the auditability of agentic AI systems. Records of relevant instructions, information flows, communications and actions may help authorities reconstruct conduct, even where the internal operation of the underlying model cannot be fully explained. Competition authorities may wish to consider how the tools at their disposal, including, as discussed below, co-operation across policy fields, could help promote explainability and auditability of agentic AI systems. Given the speed of developments in agentic AI, competition authorities may also wish to consider the use of interim measures where appropriate, as illustrated by the European Commission case discussed in Box 4.

111. Merger control will also likely be a key tool for competition authorities in promoting and preserving competition in agentic AI markets. As noted in Box 3, there has been significant discussion on the role of partnerships, acqui-hires and investments in the AI supply chain and whether these could lessen competition. The emergence of agentic AI adds further activities and relationships that may become competitively significant, including orchestration, access to tools and services, integration with existing software and distribution to users. Transactions involving these activities may therefore warrant consideration alongside those involving established AI inputs such as models, data and compute.

112. More broadly, given the fast-moving nature of agentic AI, and potential difficulty in identifying breaches of competition law from the outset, competition authorities may wish to proactively use market studies and advocacy to increase their understanding of these markets. This could include examining emerging business models and patterns of adoption and delegation, the extent to which agentic AI systems

become important gateways between users and suppliers, barriers to switching and interoperability, and whether commercial relationships affect how agents select between competing offers. Market studies could also help identify whether any emerging concerns are best addressed through competition enforcement, advocacy or other policy tools. To assist authorities in this task, they may consider proactive engagement with agentic AI suppliers. Advocacy and engagement with suppliers could also explore whether competition risks can be mitigated through the training and design of models and agentic AI systems, for example by reducing the likelihood that systems facilitate anticompetitive conduct or inappropriate exchanges of competitively sensitive information. The effectiveness of such measures remains uncertain, but early engagement could help raise awareness of competition risks as systems are developed and deployed.

113. Over the past few years, certain jurisdictions have adopted ex-ante digital competition regulations, such as the Digital Markets Act in the European Union (OECD, 2024[68]) and the Digital Markets, Competition and Consumers Act in the UK. As these regimes were generally created with previous digital services in mind, questions may arise as to how they apply or adapt as new technologies and services emerge. This may be particularly relevant as agentic AI capabilities are integrated into existing digital ecosystems, as well as if agentic AI systems themselves develop into important gateways between users and other businesses or services (Bostoen and Krämer, 2026[16]).

114. The wider regulatory and policy environment may also affect how competition in agentic AI develops. This could call on advocacy if there are potential risks to competition from regulations that appear unmerited. Some authorities may also wish to consider the interaction with industrial policy and the potential for pro-competitive interventions, as well as being aware of the broader policy climate. This includes being aware of the broader risks and policy discussion on AI, as well as closer considerations such as national security and foreign investment screening. This could be particularly relevant for mergers, with more general implications for defining product and geographic markets and for barriers to entry.[43]

115. Co-operation is likely to be a key tool for competition authorities. As a new technology that will affect a range of policy areas, co-operation across governments and regulators is likely to be valuable for competition authorities to understand how they are approaching developments and any shared challenges.[44] For example, consumer protection is an area that some have argued may need to adapt to the realities of agentic AI (Busch, 2026[69]), but many other areas are likely to be relevant, such as privacy and data protection, communications regulation, amongst others. Co-operation with other policy areas could also be useful to identify and tackle emerging issues that may not fall solely or squarely within the remit of competition law, but nonetheless have the potential to affect competition. This could include advocacy to ensure that regulatory systems are appropriately flexible to encourage the emergence of pro-competitive benefits from agentic AI.[45] Establishing dialogue at a national level could be useful, including pursuing areas of general interest, such as promoting the explainability of agentic AI systems.[46]

116. As well as domestic co-operation, international co-operation is likely to remain a valuable tool for competition authorities. Agentic AI is unlikely to be confined by national borders and thus, were competition issues to emerge, these would likely be shared by more than one jurisdiction. Further, sharing knowledge and expertise can reduce duplication and aid authorities in understanding these emerging markets and monitoring them for any risks to competition. Bodies such as the OECD and International Competition Network are likely to be useful vehicles to facilitate and promote co-operation going forward.

117. Finally, while not covered in this paper, another dimension that is already on many competition authorities' agendas, is the ability for them to use agentic AI tools to improve the effectiveness and efficiency of their work. While this paper has focussed on the potential risks to competition from and in agentic AI, it has also highlighted its potential benefits for productivity and innovation. Competition authorities can also benefit from this, potentially increasing their ability to monitor and detect competition issues, as well as improving their overall efficiency and effectiveness (May, 2026[70]).[47]

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# Notes

[1] The OECD defines agentic AI systems as generally comprising multiple co-ordinated AI agents that can decompose tasks, collaborate and pursue complex objectives autonomously over extended periods with limited human oversight. An AI agent can perceive and act upon its environment with a degree of autonomy, using tools as needed to pursue a particular objective and adapt to changing inputs and context (OECD, 2026[1]). This paper follows that terminology: "agentic AI systems" refers to the overall system or deployment, while "AI agents" is used where the analysis concerns individual components or interactions between them.

[2] Competition policy may also be relevant to proposals for AI developers to co-ordinate on slowing or temporarily pausing frontier AI development for safety reasons, given the potential implications of such arrangements under competition law (Congressional Research Service, 2026[95])

[3] Runtime software provides the supporting functions and environment that a computer program needs while it is running.

[4] While the technical aspects of agentic AI safeguards are not within the scope of the paper, the role of auditability and liability in the context of agentic AI conduct is discussed further below.

[5] These surveys capture respondents' reported practices and expectations rather than independently observed deployment or oversight. Results may be affected by reporting bias. Differences in survey populations and methods also limit direct comparisons.

[6] Reinforcement learning (RL), in which systems learn from feedback or rewards, is already used in the training and adaptation of AI models. Its role in agentic AI may evolve as systems become increasingly able to learn from the outcomes of their actions and interactions. The extent to which deployed agentic systems will themselves learn and improve over time, rather than relying principally on pre-trained models, context and memory, remains uncertain, but further developments could enable increasingly adaptive or self-improving systems.

[7] Acquisitions across the AI value chain may also involve businesses operating platforms for developing, distributing and deploying open models and open-source software. In September 2026, NVIDIA announced an agreement to acquire Hugging Face, which operates such a platform (Nvidia, 2026[88]) . Its regulatory filing described completion as subject to regulatory approvals and other closing conditions. This paper does not assess competition implications of any transaction but simply uses it as an example to illustrate the distinction between the openness of models and software and the ownership of the platforms through which they are distributed and deployed.

[8] Examples include the Model Context Protocol (MCP), which connects AI applications with tools and data, and the Agent2Agent Protocol (A2A), which supports communication between AI agents supplied by different providers or built using different frameworks. (Linux foundation, 2025[93]; Google Cloud, 2025[71])

[9] For the purposes of this paper, enterprise applications refer broadly to agentic AI used in internal business workflows, customer-facing processes and software development, while industrial applications refer to its use in production, logistics, maintenance and other operational processes. The categories are illustrative and may overlap.

[10] For example, Google announced Direct Offers in January 2026, a Google Ads pilot allowing advertisers to display sponsored offers in AI Mode in Search (Google, 2026[81]). OpenAI's September 2025 launch of Instant Checkout provided for fees charged to merchants on completed purchases, with users required to confirm transactions (OpenAI, 2025[77]). In March 2026, it announced a shift towards product discovery and merchants' own checkout experiences (OpenAI, 2026[80]; OpenAI, 2026[79]). By contrast, Anthropic stated in February 2026 that Claude would remain ad-free, identifying enterprise contracts and paid subscriptions as its revenue sources while also expressing an intention to support user-initiated purchases and bookings (Anthropic, 2026[82]). These examples illustrate differing and evolving commercial approaches, rather than an established revenue model for autonomous purchasing agents.

[11] Availability differs by service, jurisdiction and degree of autonomy. In its July 2026 opinion, the French Competition Authority reported that the transactional services it described were not yet available in France. OpenAI introduced Instant Checkout for purchases from US Etsy sellers in September 2025, with user confirmation and fees charged to merchants on completed purchases. In March 2026, it announced a shift towards product discovery and merchant-operated checkout experiences, citing limitations in the flexibility of the initial implementation. In June 2026, Worldline, ING and Mastercard reported a live agent-initiated payment in the Netherlands, also subject to explicit consumer approval (Autorité de la concurrence, 2026[14]; OpenAI, 2025[77]; Mastercard, 2026[78]; OpenAI, 2026[79]; OpenAI, 2026[80]).

[12] The Agent may also thereby gain access to confidential data (payment, health and other data) which raises different issues in relation to data protection beyond the scope of this paper.

[13] Robotics illustrates a possible direction for the development of agentic AI systems. Google DeepMind's Gemini Robotics 2 combines high-level task planning and progress monitoring with models that control physical actions (Google Deepmind, 2026[85]). Hugging Face's LeRobot ecosystem includes SmolVLA, which translates visual observations and language instructions into robotic actions and is available with model weights and training code (Hugging Face, 2025[86])). NVIDIA's September 2026 Isaac ROS 5.0 release introduces workflows for AI-assisted robotics development. Its announcement also describes AgenticROS, a separate open-source project connecting AI agents to ROS-based robots, and NVIDIA's contribution of a common data-handling interface to ROS (Nvidia, 2026[87])). These developments illustrate both the use of agentic AI systems to develop robotic applications and their integration into systems capable of physical action, as well as the extent to which major suppliers are operating at different levels of the value chain.

[14] For example, competition authorities in over 13 countries have conducted market studies on AI or aspects of AI markets.

[15] Drawing on Sensor Tower usage data, the French Autorité de la concurrence reported that OpenAI, Google and Anthropic together accounted for more than 84% of the measured global usage of AI agents in May 2026.

[16] See, for example, dynamics as discussed in the context of cloud computing services and its effect on competition (OECD, 2025[76]).

[17] While generalised systems could offer close alternatives to specialised applications in some circumstances, the opposite is less likely.

[18] For example, if there were different demand and supply profiles for lower cost, or compute requirements, agentic AI systems with lower capabilities compared to higher cost, more powerful systems.

[19] Restrictions of trade between countries could also limit the scope of geographic markets, as well as other government policies that affect the importation or exportation of agentic AI or related technologies.

[20] As explained in section 2 however, this does not mean that compute and data will not still be required. Further, the terms on which a generative AI model is accessed become crucially important.

[21] In this sense it is unclear if there are specific competition issues at a horizontal level in relation to orchestration services, although this could evolve over time.

[22] It is unclear how significant the need for APIs will be with agentic AI systems in theory able to manually navigate to retrieve information. In particular, even if APIs were not needed, this would require potentially significant amounts of manual navigation by agents within the agentic AI system, which could have sizeable cost implications.

[23] While focussing on broader AI assistants rather than just agentic AI, the European Commission's recently issued binding specification measures regarding interoperability with the Google Android operating system under the Digital Markets Act to Google, provides an example of the potential importance of distribution systems in promoting competition between AI services. As mobile devices are likely to be important distribution routes for agentic AI solutions, it appears to be highly relevant for it as well (European Commission, 2026[92]).

[24] Economies of scale and scope concern how average costs of production varies with volume, within the same or adjacent markets respectively. Related concepts such as network effects and feedback effects are considered below. The discussion focusses on the supply of agentic AI itself, rather than the supply of inputs, such as compute, including cloud services, or generative AI models, which are discussed in other reports. Many of these inputs demonstrate significant returns to scale. See, for example (OECD, 2024[10]; 2025[11]; 2025[76]).

[25] Raising again the potential importance of data portability between service providers.

[26] Note however that this does not mean that agentic AI services would still not benefit from economies of scale, just that in comparison to services with zero marginal costs the economies would appear to be less strong.

[27] It is unclear at this stage how agentic AI would affect consumer search for offline retail if information on such offerings is not available online.

[28] If firms can discriminate between users with agentic AI and those without, it could lead to situations with two-tiered pricing and worse outcomes for those unable or unwilling to access technology. In an online environment, there appears to be more potential for firms to discriminate between consumers, although whether this materialises with agentic AI remains to be seen.

[29] As explored further below, on the other hand, there is a risk that if all consumers are too well informed and act on all information (such as price dispersion), this could actually erode incentives to compete on price as firms may also be able to react to lower prices and adjust accordingly, making any gains short-lived.

[30] The ability to gauge product quality will also be an important dimension of this and is likely to be aided by trustworthy and robust feedback mechanisms for online goods and services, such as verifiable and auditable reviews.

[31] This also relates to the discussion above around the difficulty in evaluating the performance of agents in general when there are information asymmetries, which can generally be assumed when delegating to an agent.

[32] LLMs are notoriously hard to decipher (Zhao et al., 2024[94])}. In addition, with agentic AI, the various layers interact in ways to efficiently perform tasks, adding further complications for transparency (Thomas, 2026[35]).

[33] This effect appeared to exist across the range of models studied in the paper, which the authors suggest could imply a general limitation in how current large language models interact with choices that contain a temporal element.

[34] For a discussion of competition risks associated with digital platforms and ecosystems, including exclusionary conduct, self-preferencing and the exercise of intermediation power, (OECD, 2021[26])). For an assessment of how similar risks may arise in relation to agentic AI, see (Autorité de la concurrence, 2026[14])

[35] Throughout this section, "co-ordination" is used as a broad term encompassing both explicit and tacit forms of alignment between competitors. Where relevant, the discussion distinguishes between conduct involving an agreement, concerted practice or information exchange, and tacit co-ordination arising through interdependent behaviour.

[36] Examples include cases involving automated pricing software used to implement the Trod/GBE cartel and software supporting customer allocation between energy suppliers (CMA, 2016[74]; OFGEM, 2019[75]). Proceedings concerning RealPage have also addressed allegations of information exchange and pricing alignment through a common provider (US DOJ, 2025[83]). The examples so far tend to concern established forms of co-ordination implemented or facilitated through software, rather than demonstrating that agentic AI systems have independently generated co-ordinated strategies through autonomous interaction (OECD, 2026[57]).

[37] It is likely that the practical significance of these issues will depend in part on the extent to which firms delegate commercially sensitive decisions to agentic AI systems, ranging from gathering market information and recommending prices to setting or adjusting prices and other terms with limited human approval.

[38] Related behavioural research examines how presentation and retained user control affect reliance on automated systems, and whether explanations help users distinguish appropriate from inappropriate recommendations (Dietvorst, Simmons and Massey, 2018[73]; Bansal et al., 2021[72]). These findings concern human–algorithm interaction rather than cartel participation specifically.

[39] Recent theoretical work also illustrates that collusion is not an inherent consequence of algorithmic learning: some classes of learning algorithms can be shown not to sustain collusive outcomes in particular benchmark environments (Nisan and Zerah, 2026[84]).

[40] (Motwani et al., 2024[66]) examine capabilities relevant to covert communication among AI agents, rather than evidence of collusion between firms in commercial markets.

[41] The 2026 PYMNTS Intelligence and Visa Acceptance Solutions study surveyed 1,185 merchants in the United States, Brazil and the United Arab Emirates, and found that 46% identified pricing and the final price paid as the function they were least willing to cede to AI agents (PYMNTS, 8 September 2026[91]). However, it should be noted that these refer to reported preferences, rather than the proportion of firms that have or have not delegated pricing decisions in practice.

[42] This includes how agentic AI will interact with other potentially relevant technological advancements, such as those in robotics, quantum computing or space.

[43] For example, Meta announced its acquisition of AI-agent developer Manus in December 2025. Following a review, in April 2026 China's National Development and Reform Commission prohibited the foreign investment in Manus and required the parties to unwind the transaction under China's foreign-investment security review framework. The case illustrates how acquisitions involving agentic AI may interact with national security and foreign-investment controls alongside competition considerations. (Washington Post, 2026[89])

[44] An example is the October 2026 joint statement by the UK's Digital Regulation Cooperation Forum members. The statement confirms that existing legal and regulatory frameworks apply to personal AI agents and that autonomy does not diminish deploying organisations' responsibilities. It also highlights cross-regulator monitoring, information sharing and engagement with firms developing and deploying these systems. (Digital Regulation Cooperation Forum, 2026[96])

[45] For example, where consumers interact with regulated sectors, such as finance or energy, there may be barriers that make it difficult for agentic AI systems to operate on their behalf. These could include licensing restrictions which make it difficult for agentic AI services to execute tasks on behalf of users, as well as limitations on their ability to access personal or sensitive information as required to compare providers.

[46] This could, for example, occur through the creation of informal working groups or through the formation of partnerships.

[47] For a summary of how many competition authorities are using technology, including agentic AI, to improve their work, see (Schrepel and Ribera Martinez, 2026[90]) .