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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Cancels & replaces the same document of 23 July 2025

Global Forum on Competition

Artificial Intelligence and Competitive Dynamics in Downstream Markets

Session I - Call for contributions

1 December 2025

This document is a call for country contributions for Session I of the Global Forum on Competition to be held on 1-2 December 2025. GFC participants are invited to submit their written contributions by **24 October 2025** at the latest.

Please contact Ania Thiemann [Ania.Thiemann@oecd.org] if any questions on this document.

JT03570004

TO ALL GLOBAL FORUM PARTICIPANTS

Re: Roundtable on “Artificial Intelligence and Competitive Dynamics in Downstream Markets”

24th Global Forum on Competition (1-2-December 2025)

Dear GFC Participant,

This year, the [Global Forum on Competition](#) (GFC) will hold a roundtable discussion on the competitive dynamics that arise from the use of Artificial Intelligence in downstream markets on 1 December 2025 (“Artificial Intelligence and Competitive Dynamics in Downstream Markets”). This call for contributions provides some background on the topic, and is an invitation for written submissions to this Roundtable from those agencies that have relevant experience in this area.

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

This roundtable discussion forms part of a wider horizontal OECD project to evaluate different aspects of AI and its value chain, along with its impact on competition as well as broader societal and economic effects. The roundtable discussion will specifically build on and continue from the 2024 OECD background note “Artificial Intelligence, Data and Competition” (OECD, 2024_[1]). Other competition issues arising from the use of AI, such as the role of cloud computing, were discussed in June 2025 (OECD, 2025_[2]), and the issue related to competition in AI infrastructure will be discussed by the Competition Committee in December 2025 (OECD, forthcoming). Previous, related work includes “The intersection between competition and data privacy” (OECD, 2024_[3]), “Algorithmic Competition” (OECD, 2023_[4]); or “Algorithms and Collusion: Competition Policy in the Digital Age” (OECD, 2017_[5]), to cite a few.

(OECD, 2024_[1]) discusses the potential competition bottlenecks related to the development of AI. Beyond the market for the development of AI models themselves, the paper also touches upon the fact that diffusion of generative AI technologies¹ has the potential to raise competition concerns in adjacent and downstream markets. Firms that control foundational AI models may leverage their position to gain advantages in related sectors such as cloud computing, productivity software, search, and digital advertising. This is particularly the case where vertically integrated firms can use their control over key AI inputs, including proprietary models, data, or compute infrastructure, which in turn can be used to foreclose rivals or self-preference their own services.

¹ Generative AI refers to AI systems that can create new content—such as text, images, audio, or code—rather than simply analysing or classifying existing data. According to the OECD, generative AI has emerged as a transformative technology with wide-ranging applications across sectors. It is built on foundation models and is characterised by its ability to produce outputs that are novel and contextually relevant. The 2024 paper discusses the generative AI lifecycle which (in simplified form) involves three stages: training foundation models, fine-tuning them for specific tasks, and deploying them in end-user applications.

AI can distort competition in downstream markets when dominant providers restrict access to key tools like Application Programming Interfaces (APIs) or favour their own applications in distribution channels. Bundling AI features into existing platforms can also entrench incumbents by raising switching costs and locking in users. These effects go beyond the digital sector and may impact a wide range of industries, which may eventually require regulatory attention.

As noted, some of the effects of the use of AI in other sectors may be to stimulate entry, lower costs, or enhance innovation and consumer choice, allowing for disruptive new entry, or rationalisation that enables small businesses to scale rapidly. In agriculture, for example, using AI to predict the optimal moments for sowing or harvesting may enable small producers to enhance their efficiency, while in manufacturing predictive maintenance and quality control tools may increase overall quality, enhancing consumer welfare.

However, other effects, such as the use and reliance on proprietary data, for instance in the retail or financial sector, may in fact reinforce market power or give rise to new competition risks. These may include parallel or dynamic pricing that ultimately harm consumers, although they are not per se illegal and may not even be intentional. Other anticompetitive effects may also be related to new forms of entry barriers, network effects or new forms of anticompetitive effects that are yet to be disclosed, for instance through the use of "agentic AI"² and its potential for autonomous behaviour, as well as the use of proprietary APIs and plug-in architectures.

This roundtable will explore the mechanisms through which AI influences competitive dynamics in other, downstream markets, i.e. markets whose primary output is not related to AI, but where AI is used as an input. The discussion should consider what this means for competition law enforcement, market monitoring, and policy adaptation. Its purpose is not to discuss the market for AI itself, nor competition within the value chain for AI development, but solely on the application of AI to other markets.

Suggested questions for consideration in the written contributions

Objectives of the Roundtable

The roundtable aims to:

- Examine how the use of AI alters downstream firms' ability to compete through changes in production, service delivery, or strategy;
- Identify pro- and anti-competitive effects of AI use in non-AI, downstream markets;
- Understand how the use of AI may reshape business models, market boundaries, and sectoral dynamics in the downstream markets;
- Discuss the implications for competition enforcement, such as collusion, abuse of dominance, merger control, and prioritisation frameworks, as well as possible ramifications for market definitions.

Contributions from competition authorities will not only help inform a broader discussion on the influence of AI use on competition in downstream markets across the economy, but will also ensure that the topic remains relevant for enforcement. Moreover, it is important that the discussion addresses the issue of the application of AI in other, downstream markets, rather than in AI markets themselves. Contributions in that

² The term "agentic AI," is increasingly used in broader discussions, including across the OECD, to describe AI systems that can autonomously pursue goals, make decisions, and interact with their environment with minimal human oversight. These systems may combine generative capabilities with planning, memory, and real-time learning. As such technologies evolve, they could introduce new layers of complexity to competition analysis, particularly in markets where autonomous decision-making could influence pricing, service delivery, or strategic behaviours. These systems may be particularly relevant for how competition in other markets that adopt AI tools will evolve.

sense are therefore encouraged. We also strongly welcome expression of interest from delegates that can report cases or work undertaken that align with these objectives.

Key questions for contributions

We invite written contributions based on enforcement experience, sector inquiries, internal strategy work, or prospective analyses conducted in your authorities. In particular, we encourage you to consider the following questions:

1. Have you observed cases or market developments where firms' use of AI affected competitive dynamics in a sector outside the AI market?
 - How did AI shape firm behaviour, market outcomes, or entry/expansion patterns?
2. Has AI contributed in some markets to greater competition in your jurisdiction, for example, by enabling smaller firms to scale or challenge incumbents?
 - In which sectors or particular cases have you observed these pro-competitive effects?
3. Have you encountered concerns in some downstream markets that the use of AI by entities might reinforce market power, for instance, through data advantages, dynamic pricing, or lock-in via ecosystems or bundling?
 - What types of harm or barriers to entry were considered?
4. Have you faced challenges in assessing competitive constraints where AI disrupted traditional value chains or enabled cross-sector entry? Has the use of AI in downstream markets challenged traditional market definitions?
 - How did you approach these analytical difficulties?
5. Has your agency adapted any internal tools or approaches to better understand AI-driven changes in competition in downstream markets?
 - Are there sectors or types of cases where you foresee greater enforcement or advocacy needs?
6. More broadly, how is your authority thinking about the implications of AI for competition policy and enforcement priorities in downstream markets ?
 - Are there lessons emerging from merger control, collusion or hub-and-spoke collaborations, dominance cases, or market studies?

We also welcome references to relevant sectoral work, market studies and market inquiries, consultations, or forward-looking assessments your agency has undertaken on the impact of AI.

In order to ensure an effective preparation of the roundtable discussion, we would be grateful if you could let the Secretariat know by **Friday 19 September 2025** at the latest if you are planning to make a written contribution on the topic. Written submissions are due by **Friday 24 October 2025**. Failure to meet this deadline may result in your contribution not being distributed to delegates via O.N.E. in a timely fashion in advance of the meeting. We would also ask delegates to note that in the particular case of the session on AI, we would be particular grateful for suggestions related to cases or work that can support the discussion and the background paper.

All communications regarding the documentation for this roundtable should be sent to Ms Angélique Servin (Angelique.SERVIN@oecd.org). Please address all substantive queries relating to this discussion to Ms Ania Thiemann (Ania.Thiemann@oecd.org).

We look forward to your insights and thank you for your engagement.

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