

Unclassified

English - Or. English

3 December 2025

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

## **Competition in Artificial Intelligence Infrastructure – Summaries of contributions**

5 December 2025

This document reproduces summaries of contributions submitted for Item 7 of the 147th OECD Competition Committee meeting on 4-5 December 2025.

Antonio CAPOBIANCO  
Antonio.Capobianco@oecd.org, +(33-1) 45 24 98 08

**JT03578032**

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## *France*

On 28 June 2024, the *Autorité de la concurrence* (the *Autorité*) published Opinion 24-A-05 on the competitive functioning of the generative artificial intelligence sector<sup>1</sup> (hereafter generative AI). The opinion aims to provide stakeholders with a competitive analysis of the fast-growing generative AI sector.

During the investigation carried out for its opinion, the *Autorité* launched a public consultation during which more than 40 stakeholders and a dozen stakeholder associations expressed their views. At the same time, the *Autorité* held interviews with French and international private players (suppliers, customers, associations and others) and institutional players (government departments, Industry Regulators, foreign competition authorities, etc.). In particular, the *Autorité* exchanged views with the authorities that conducted in-depth work on the competition issues raised by the generative AI sector: the Portuguese competition authority (*Autoridade da concorrência*), the European Commission, the US *Federal Trade Commission* (FTC) and the UK *Competition and Markets Authority* (CMA).

Generative AI has made a remarkable and rapid entry into the public arena since the launch of version 3.5 of the ChatGPT chatbot by the US company OpenAI in November 2022. This technology represents a major technological revolution, distinguished by its ability to generate new content, an unprecedented rate of adoption - 100 million users in two months for ChatGPT2 - and massive investment. This sharp uptake has catalysed interest among the public and companies, making generative AI a central subject of public and economic debate.

The *Autorité's* opinion had a particular focus on the strategies implemented by major digital companies aimed at consolidating their market power upstream in the generative AI value chain, i.e. the design, training and fine-tuning of large language models (LLMs) or at leveraging this market power in order to expand in this booming sector. It also took an interest in analysing minority shareholdings in the sector.

This contribution will first present the different players in the generative AI value chain, before setting out the lessons learned from the *Autorité's* opinion specific to computing power, a key input for the development of foundation models.

In conjunction with the *Autorité*, in September 2025, as part of the review process of the Digital Markets Act (DMA), the French authorities presented several proposals toward the evolution of the DMA. In line with the proposals made by the French authorities and continuing this work, while France and Germany, at the European Summit on digital sovereignty, on 18 November 2025, called for greater contestability and fairness in the cloud and AI markets, the Commission has just opened two investigations under the DMA into the cloud market, which represents a critical competitive infrastructure for AI.

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<sup>1</sup> <https://www.autoritedelaconcurrence.fr/en/press-release/generative-artificial-intelligence-autorite-issues-its-opinion-competitive>

<sup>2</sup> <https://www.itforbusiness.fr/chatgpt-depasse-deja-les-100-millions-dutilisateurs-mensuels-59523>

## *Japan*

Generative AI, which is rapidly evolving, is expected to offer numerous benefits to the economy and society, such as enhancing the productivity of enterprises and providing a range of services. It is also anticipated to develop further, as it has the potential to spur new innovations.

On the other hand, various risks associated with generative AI have been highlighted, including the risk of disrupting society through the infringement of intellectual property rights (such as copyright) and the proliferation of false or misleading information, as well as security risks such as its potential use in cyberattacks. From a competition policy perspective, there are also potential risks, such as limited access to computing resources (like GPUs) necessary for generative AI development. In light of this, the Japan Fair Trade Commission (JFTC) launched a market study on generative AI to understand the market conditions in Japan, from the viewpoint of maintaining fair and free competition, ensuring the sustainable development of the technology for further innovation, and implementing generative AI in a sound manner for the social economy.

In October 2024, the JFTC published a discussion paper titled "Generative AI and Competition (Discussion Paper)" to provide an overview of generative AI and its market structure. At the same time, the JFTC invited stakeholders to provide information and comments to contribute to the maintenance and promotion of fair and free competition in Japan's generative AI sector.

As a result, the JFTC received 712 comments and opinions. The JFTC also conducted interviews with roughly 50 stakeholders, including domestic and foreign enterprises, to gather a wide array of views and up to date information. The JFTC analyzed trends in those information and opinions, carefully selected major themes, and compiled "Report Regarding Generative AI ver.1.0 (Report)" in June 2025, in a more targeted form than the Discussion Paper.

The Report includes the followings regarding the infrastructure layer of the generative AI sector.

- In the GPU market, a certain manufacturer holds a significant share globally. In the provision of computing resources, particularly during the training phase, the manufacturer's GPUs are likely to maintain their status as leaders due to factors such as the development environment. On the other hand, the inference phase is witnessing heightened competition compared to the training phase, driven by factors such as the emergence of new entrants. This has led to innovation across diverse players in the market.
- When an enterprise that has established a strong position in a certain market such as computing resources, data and specialized human resources restricts access, it may become difficult for new entrants or existing competitors to secure alternative suppliers, raising the costs of business activities and undermining the motivation to enter the market or develop new products. Through such actions, when there is a risk of creating a situation in which new entrants or existing competitors are excluded or their business opportunities are reduced (market foreclosure effect), this may become problematic under the Antimonopoly Act (Private Monopolization, Interference with a Competitor's Transactions (Unfair Trade Practice), etc.)

## *Israel*

The Israeli Competition Authority (the "**ICA**") took part in an intergovernmental task force for examining the use of artificial intelligence in the financial sector. The team brought together representatives from the Ministries of Justice and Finance, financial regulators and the ICA and published an intermediate report in October 2024 (the "**Report**").

The team's work comes as a continuation of governmental engagement with the subject of artificial intelligence in Israel. This engagement included, among other things, Government Resolution 212 from 2021 and Government Resolution 173 from 2023, which dealt with formulating a national plan regarding AI; a policy document by the Ministries of Innovation and Justice from 2023, which presented a regulatory strategy for dealing with AI; and a report by the Israeli Ministry of Justice and a group of researchers from Tel Aviv University, which dealt with AI applications in the financial sector. The team's work is a continuation of the recommendations included in the policy document, that regulation in the AI field be done on a sectoral basis (as opposed to horizontal regulation), aligned with regulation practiced in leading countries worldwide, and be flexible and "soft" in order to enable technological advancement. The Report implements this approach.

The Report does not focus on infrastructure inputs underpinning developments in AI. Nonetheless it has meaningful insight on AI regulation that can impact competition in AI infrastructure inputs in the financial sector.

AI has the potential to increase productivity in the financial sector, drive innovation, and enable the creation of entirely new products and services that will benefit the public. Recent developments in artificial intelligence technologies are generating expectations that AI will be integrated over time in a more significant manner in the financial sector. For example, AI applications may be used in core operations in decision-making processes in the fields of credit, insurance and investment, in work interfaces with customers and investors such as clarifying customer needs, tailoring product offerings and handling their requests, and in streamlining internal processes such as risk management and fraud prevention.

To the extent that this promise, inherent in AI advancement, is indeed realized, it may yield numerous benefits for the general public, including significant improvement in the quality of financial products and services, cost reduction, and making services more accessible. At the same time, the entry of AI raises many concerns. These relate both to new and unique challenges such as understanding how AI systems operate and their outputs, and to existing challenges that may change and intensify, such as risks of discrimination or manipulation. Specifically, developing technologies, implementing them in markets, and allowing consumers to obtain their benefits, requires effective and dynamic competition.

## *Korea*

Demand for high-performance Artificial Intelligence (AI) infrastructure has surged as AI has become a new driver of global economic growth. In particular, physical AI-infrastructure markets—AI semiconductors and cloud computing resources—require substantial upfront investment and are likely to be dominated by a small number of well-resourced firms, including global Big Tech. Policy concerns have also been raised that such market power could restrict competition in several downstream markets. Against this backdrop, analyzing competitive dynamics in AI infrastructure markets and establishing a fair competitive order have become important policy priorities.

This contribution introduces the Korea Fair Trade Commission’s (KFTC) 2024 policy report “Generative AI and Competition” and shares its merger review experience in the field of AI semiconductors. Through these, it examines potential competition issues in AI infrastructure markets and outlines policy implications for addressing them.

The KFTC’s policy report “Generative AI and Competition” provides a proactive analysis of the structural features of AI markets and the associated competition-law issues. It finds that, due to structural factors such as economies of scale, the AI infrastructure market tends to favor large firms, which can lead to the strengthening of market power. Within this structure, the report identifies conduct that may restrict competition in AI infrastructure markets, including limitations on access to essential inputs and anticompetitive mergers.

In the AI semiconductor field, mergers and acquisitions (M&A) have blurred the boundaries of the semiconductor value chain, driving innovation in value creation and across the broader ecosystem. In this context, the KFTC approved the merger between Synopsys and Ansys in March 2025, on the condition that certain assets of both Synopsys and Ansys be divested.

## *Portugal*

The development and deployment of AI depends critically on data, talented know-how and foundation models, as well as computing resources and infrastructure, including advanced semiconductors (chips), specialized hardware, high-capacity network connectivity, as well as significant energy resources.

AI infrastructure inputs, such as advanced chips, are high capital intensive and characterised by significant economies of scale, which entail strong barriers to entry, fostering a tendency towards high concentration and benefiting early movers and digital incumbents.

Other than these more traditional structural barriers to entry, network effects – commonly present in digital markets – may also be present in AI infrastructure inputs, reinforcing market power.

Partnerships and exclusive deals are also becoming more prevalent, including amongst players present in the AI infrastructure layer, which can also pose risks to competition.

Competition authorities must remain vigilant to the competition risk that incumbents, which may enjoy preferential access to AI infrastructure key inputs, may grant to parties on an exclusive basis, or prevent competitors from accessing it.

Ensuring open and competitive access to AI infrastructure inputs, such as publicly funded compute capacity, in addition to remaining key inputs such as data, talent and foundation models, as well as promoting interoperability between hardware and cloud services providers to avoid lock-in effects, is critical for fostering innovation, mitigating market foreclosure and sustaining a diverse AI ecosystem.

The Portuguese Competition Authority (AdC) has been following the generative AI sector, advocating for open and competitive access to key AI inputs.

## *European Union*

The European Commission is committed to supporting AI technologies, considering their significant potential for the Union's economy, productivity and competitiveness. In this vein, the Commission has introduced policy initiatives to support the research, development, innovation and production of necessary elements for AI technologies, such as semiconductors and the necessary computing capacity. Those initiatives include the Chips Act Communication, the AI Continent Action Plan and the Apply AI Strategy. Such actions should take place with the benefit of consumers and the protection of the internal market in mind; thus, competition policy and enforcement play a significant role in this field.

Ensuring the semiconductors markets' appropriate functioning by preventing both collusions and abuses of dominant position is a crucial step to promote European competitiveness. The European Commission has intervened on several occasions in the past under Article 102 TFEU, namely in the *Intel*, *Broadcom* and *Qualcomm* cases, which surfaced before the emergence of AI. The recent worldwide semiconductors shortage combined with the uptake of AI have made dominant undertakings' semiconductors almost indispensable. In the context of its Competition Policy Brief of September 2024, the European Commission identified several potential anticompetitive concerns that could rise in these markets, and in particular exclusionary practices by dominant players.

In addition to antitrust enforcement, the European Commission has assessed several transactions shaping the AI infrastructure markets, such as the acquisition of VMware by Broadcom and the acquisition Run:ai by NVIDIA. The European Commission has recognised that consolidation in the AI infrastructure markets, ranging from semiconductors and networking components to associated software or related IP, may determine access to critical computing resources and thus influence competition and innovation in AI-related markets. The European Commission will continue to closely scrutinise transactions involving AI-critical inputs, to ensure that vertical and conglomerate mergers do not foreclose independent suppliers or limit customer choice.

Member States can provide public support to AI infrastructure projects in accordance with State aid rules. Most notably, State aid for new semiconductor manufacturing capacity can be granted under the principles enshrined in the Chips Act Communication, namely to 'first-of-a-kind' production facilities, when the aid is necessary, proportionate and has additional positive effects going beyond the beneficiary. Since 2022, the European Commission has adopted eight State aid decisions based on the Chips Act Communication. Moreover, Member States can also grant aid for Important Projects of Common European Interest (IPCEIs) in the field of semiconductors. Two such IPCEIs have been approved by the Commission, one focusing on innovative technologies and components that can be integrated in downstream applications, and one focusing on innovative, energy-efficient and resource-saving solutions and manufacturing methods. One more candidate IPCEI is currently being explored by interested Member States in the field of advanced semiconductor technologies.

## *BIAC*

This paper focuses on physical infrastructure elements including specialized chips, hardware, data centers, telecommunications networks, and energy requirements—distinct from data and talent considerations.

BIAC argues that the AI infrastructure sector exhibits dynamic competition rather than “winner takes all” dynamics. The market features unprecedented investment levels from numerous competing firms, high R&D spending, and extensive partnerships across the value chain. Global AI infrastructure investment is projected to grow from \$135.8 billion in 2024 to between \$394-521 billion by 2030, with data center spending alone forecast to exceed \$1.4 trillion by 2027. Investment sources are diversifying beyond established tech companies to include private equity, telecommunications firms, and government-backed initiatives.

The document examines three infrastructure layers: micro-processing units (GPUs, FPGAs, ASICs), supercomputers and data centers (including emerging “AI Gigafactories”), and connectivity services with energy infrastructure. While chip supply shows concentration—particularly Nvidia’s GPU dominance—other infrastructure elements are less concentrated and often subject to sector-specific regulation.

BIAC contends existing competition laws adequately address potential concerns without requiring new enforcement tools or preemptive intervention. The paper analyzes traditional theories of harm including vertical mergers (with input and customer foreclosure risks), partnerships and joint ventures, and unilateral conduct like tying and bundling. However, BIAC emphasizes that firm size alone shouldn't trigger concern, and partnerships often generate pro-competitive efficiencies essential for smaller players to compete.

BIAC concludes that premature enforcement could discourage the generational investments required for AI infrastructure development. While supporting competition authority monitoring and advocacy for pro-competitive policies especially given the high levels of public funding in this area, BIAC recommends rigorous, evidence-based analysis applying established competition principles on a case-by-case basis, recognizing that different infrastructure segments have distinct competitive characteristics.