Organisation for Economic Co-operation and Development

DAF/COMP/WP3/M(2026)1/ANN1/FINAL

Unclassified English - Or. English

12 November 2026

DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE

Working Party No. 3 on Co-operation and Enforcement

Summary of Discussion of the Roundtable on National Security Considerations in Competition Enforcement

Annex to the Summary Record of the 143rd Meeting of the Working Party 3 on Co-operation and Enforcement

23 June 2026

This document prepared by the OECD Secretariat is a detailed Summary of Discussion of the Roundtable on National Security Considerations in Competition Enforcement, held by Working Party 3 on Co-operation and Enforcement on 23 June 2026.

It presents a factual summary of the views expressed by speakers and delegations that intervened during the discussion. It was produced using Artificial Intelligence (AI) tools subject to human oversight and review in line with the OECD AI Principles.

More documents related to this discussion can be found at:
https://www.oecd.org/en/events/2026/06/national-security-considerations-in-competition-enforcement.html

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JT03597965

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Summary of Discussion of the Roundtable on National Security Consideration in Competition Enforcement

Introduction: Chair's opening remarks and Secretariat's presentation

On 23 June 2026, Working Party No. 3 on Co-operation and Enforcement held a roundtable discussion on national security considerations in competition enforcement chaired by Mr. Benoît Cœuré.

The **Chair** opened the session by noting that national security questions had become part of the operating context of competition authorities. He observed that concepts such as economic security, resilience and sovereignty had moved from adjacent policy debates into markets reviewed by competition authorities. The Chair emphasised that competition policy does not operate in a silo, particularly in a period of geopolitical change and renewed attention to resilience. At the same time, he underlined that competition authorities should remain within their remits and priorities when dealing with those issues.

The Chair outlined the session's structure, introducing expert speakers, **Mr. Daisuke Korenaga** (Professor at the Graduate School of Law, Tohoku University), **Ms. Roslyn Layton** (Executive Vice President, Strand Consult) and **Mr. Shanker Singham** (CEO, Competere Group), as well as OECD speakers, **Ms. Sara Sultan** (State-Owned Enterprise Unit, Capital Markets Division) and **Mr. Joachim Pohl** (International Investment Governance Unit, Investment Division).

The Chair invited the **Secretariat** to introduce key messages from the background note. The Secretariat presented how competition enforcement should respond to the growing prominence of national security, and argued that competition authorities should neither ignore security considerations nor become instruments of national security policy. While security concerns may affect market realities, they do not alter competition law and should therefore be assessed through evidence and within clear institutional boundaries. The Secretariat also emphasised that competition can support national security by enhancing resilience, preserving alternatives, reducing dependence on single suppliers and promoting innovation.

The Secretariat stressed that competition authorities should address national security concerns only where they can be translated into competition-relevant effects, such as concentration, reduced supplier diversity, barriers to entry, foreclosure or access to critical inputs. Concerns based on geopolitical assessments or foreign influence should instead be handled by the institutions responsible for such trade-offs. The Secretariat identified five points for enforcement, namely competitive constraints, merger control, coordinated conduct, unilateral conduct and remedy design, stressing that security considerations may shape the facts without altering the applicable competition law standards. Transparent prioritisation in strategically significant sectors, advocacy to promote less competition-restrictive security measures, guidance to reduce business uncertainty, and institutional coordination to combine security expertise with competition authorities' assessment are also helpful.

Part 1: The expanding scope of national security and implications for competition authorities

The Chair invited **Mr. Daisuke Korenaga** to provide his views on how the concept of national security has evolved and what this means for competition authorities. Prof. Korenaga mentioned that economic activity and security are increasingly intertwined. Trade measures, export restrictions and tariffs can affect structural vulnerabilities in global supply chains for critical materials, energy, food and logistics. Prof. Korenaga explained the three pillars of Japan's economic security strategy: strategic autonomy, strategic indispensability and the promotion of an international order.

The primary concern is state intervention to support national champions. Providing preferential treatment to favoured firms is likely to distort the level playing field, weaken innovation, create dependencies, encourage rent-seeking and generate moral hazard. National champion strategies rarely maximize consumer welfare. His conclusion was that rigorous enforcement and continued evolution of existing competition policy may well represent the most effective path to harmonise resilience with a free and fair global economic order.

The Chair asked **Ms. Sara Sultan** how governments ensure that state-owned enterprises (SOEs) mandates linked to national security can preserve competitive neutrality. Ms. Sultan spoke on the OECD Guidelines on Corporate Governance of State-Owned Enterprises. The Guidelines do not take a position on whether governments should own enterprises, as this remains a sovereign decision. Still, they require clarity about the rationale for ownership where SOEs pursue public policy objectives. Governments should explain why state ownership is the appropriate and proportionate tool to address a specific risk and define objectives precisely rather than relying on broad labels such as "strategic." Ms. Sultan emphasised that national or economic security should not become blanket justifications for state ownership, where other tools may be more appropriate. Where SOEs carry out overriding public policy objectives or security functions, the objectives should be clearly defined, transparently assigned with a clear separation between the state's ownership, policy and regulatory roles to reduce the risk of preferential treatment that can undermine competitive neutrality.

The Chair called on **Ukraine** to explain how a competition authority handles competition policy considerations while a country is defending itself against invasion. Ukraine explained that the relationship between national security and competition policy had become crucial during the war. In merger control, the authority continued to apply competition criteria while temporary exemptions were introduced for transactions connected with defence industry, critical infrastructure and essential public services. Ownership structures, beneficial owners and possible links to sanctioned persons or entities connected with the Russian Federation are also examined. In public procurement, simplified wartime procedures were necessary for defence, logistics, medical supplies and reconstruction, but bid rigging in defence or infrastructure procurement remained a serious risk. Ukraine therefore treated competition enforcement as supporting security, transparency, accountability and efficient public spending.

The Chair asked **Indonesia** to explain what competition authorities can do when national security arguments are used to justify restrictions on competition. Indonesia described an expanding reliance on public interest and national-security-related justifications in sectors considered strategic for the national economy, including food security, energy security and strategic resources. The Indonesian government may grant exclusive rights, designate a single operator or create special arrangements to secure supply stability, national resilience or strategic autonomy. Indonesia noted that the competition law recognises certain

exemptions from competition rules and limits monopoly rights to activities explicitly mandated by legislation. In practice, exclusive rights or market privileges may be created through government or presidential regulations rather than Acts of Parliament, raising questions about the appropriate scope and legal authority for competition-law exemptions. Indonesia argued that invoking strategic national interests should not automatically lead to exemptions from competition law. Exemptions should be necessary, proportionate and directly linked to stated policy objectives, with clear legal boundaries and institutional safeguards so that security objectives are achieved without unnecessarily undermining competition, efficiency and consumer welfare.

The Chair invited **Israel** to share perspectives on energy as a national security concern. Israel described Section 52 of its Economic Competition Law, which allows the Minister of Economy to exempt a restrictive trade practice from all or part of the law if necessary for foreign policy or national security reasons, after consultation with the Parliament Economic Committee. The delegation explained that the mechanism had been used only once, in relation to the Tamar and Leviathan natural gas fields, which raised competition concerns because it left Israel dependent on a single active supplier of natural gas. The government used Section 52 on energy security grounds, including the need to develop gas fields rapidly to ensure reliable domestic supply and the diplomatic importance of gas exports to neighbouring countries. The exemption was conditioned on the sale of two smaller fields to third parties and other behavioural remedies. Israel noted that the High Court of Justice reviewed the reasonableness of using Section 52 and found that, although the harm to competition was significant, the security and diplomatic reasons provided a reasonable basis for the exemption.

Part 2: National security considerations within competition enforcement

The Chair gave the floor to **Ms. Roslyn Layton**. She presented a case study on national security, 5G networks and trusted vendors. She argued that competition and national security often share similar regulatory processes: identifying risks, mitigating them and designing remedies to protect people from harm, whether that harm arises from anti-competitive practices or security intrusions. She suggested that competition analysis often treats firms as independent commercial actors, whereas national security analysis may require authorities to consider whether firms are instruments of state policy. In digital infrastructure, this distinction is especially important because telecommunications networks form the foundation of the digital economy and can carry risks to data, privacy, property and people. Ms. Layton contrasted an open OECD-style digital stack, with multiple countries and firms competing under common rules, with a Chinese state-centred digital stack in which network equipment can become a distribution channel for a broader ecosystem of preferred applications, integrators and standards.

The Chair asked the **European Union** to explain the Commission's approach to national security, particularly in merger control in light of the draft revised merger guidelines. The EU explained that the European Commission has exclusive competence ~~for~~ to review mergers with an EU dimension, but national security remains within Member State competence. National security considerations may nevertheless interact with merger review for instance when a merger threatens access to critical input, technology, infrastructure or lead to sharing sensitive information. The EU also explained that the draft merger guidelines introduce the concept of resilience. This is a multifaceted concept which refers to the readiness and ability of the EU internal market to continue servicing customers and to anticipate, withstand and recover from shocks. Mergers may affect resilience positively or negatively. Separately, Member States may intervene to protect legitimate interests other than competition, including national security but, when such interventions

affect mergers of an EU dimension, they must respect the framework set out in Article 21 of the EU merger regulation which may involve a review of the interventions by the Commission. The draft merger guidelines also include guidance on this framework.

The Chair called on **Portugal** to address how to draw the line between competition assessment and national security considerations. The delegation noted that national security considerations have become increasingly central to the policymaking. Competition authorities assess the effects of transactions on rivalry, innovation and market structure, while governments may consider broader strategic or security concerns outside competition analysis. Portugal pointed to the EU Merger Regulation and Article 346 of the Treaty on the Functioning of the European Union as examples of coexistence between instruments, noting that security exceptions must be interpreted restrictively and not adversely affect competition for non-military products. The delegation argued that the existing competition framework already has flexibility to address competition risks. Portugal emphasised that Europe's increased defence investment should be spent through open, competitive procedures, because innovation and resilience are not built by shielding incumbents.

The Chair turned to the **United States** for its views on the relationship between national security considerations and competition enforcement. The United States stated that a strong economy enables a secure nation and that effective competition is the engine of the US economy. Competition enforcement supports national security by keeping markets competitive, lowering prices, improving quality, encouraging innovation and promoting efficiency. It cited a 2025 Department of Justice case requiring divestiture of power plants to address competition concerns involving electricity that is one of the most critical national resources. The United States also explained that foreign investment review, export controls and trade law address traditional national security concerns such as buyer identity, market access and distortions. Limited antitrust exceptions exist where security overrides competition, including agreements under the Defense Production Act during national emergencies such as pandemic. In technology matters, the delegation stressed the need for verifiable and quantifiable proof of tangible security concerns, working across government to confirm or reject such claims.

The Working Party No.3 then held a closed-door session in which only competition authorities participated. First, **Australia** explained that foreign investment screening and competition assessment run in parallel, with both authorities engaging closely on timing, the protection of information, and any potential remedies. Australia provided examples of cases in which the competition and national security authorities reached different conclusions and outlined the circumstances in which transactions were ultimately declined on national security grounds. The delegation then explained the current merger regime and how public interest considerations (like national security, resilience, and sovereignty) can be taken into account under a net public benefit test that can be considered only after the competition review. In that context, the competition authority would require clear evidence to assess the public interest considerations.

Then, **Lithuania** stated that is the competition authority is not the most appropriate institution to assess security interests. However, it seeks encourage public authorities, where competition restrictions are deemed necessary, to limit those restrictions to the minimum possible. The authority contributes its expertise to make sure that decisions are the most favourable economically. Lithuania also developed guidelines on how companies may co-operate, including in the context of defence-related standards, in a manner that avoids unnecessarily restricting competition.

Following Lithuania's remarks, the Chair concluded the closed-door session and resumed the original format of the meeting.

Part 3: Institutional boundaries, advocacy and tools outside competition enforcement

The Chair gave the floor to **Mr. Joachim Pohl**. He explained the relationship between competition and investment policies. He observed that OECD investment policy instruments have long preserved openness to international investment while recognising an essential security caveat. The concept of national security itself has not evolved: it continues to refer broadly to state existence and sovereignty against internal and external threats. What has changed is the range and nature of vulnerabilities that can threaten security. Technological change, dependence on connected components, the COVID-19 pandemic and Russia's war of aggression against Ukraine have broadened the areas in which governments perceive vulnerabilities.

Mr. Pohl used the image of two red lights to explain the relationship between competition review and investment screening. Some transactions must receive both a competition and a national security green light, but these lights switch according to independent rationales and institutional rules. He noted that many security-screening cases do not overlap materially with competition cases. He concluded that economic security and resilience will increasingly affect both competition and investment screening, but the purpose and rules of competition enforcement and national security review will and should remain separate.

The Chair invited **Mr. Shanker Singham** to share his views. Mr Shanker noted that national security and competition policy are not always in tension and that the proper application of competition policy can sometimes promote national security He stated that competition authorities have a crucial role as inputs into whole-of-government decision-making by making the economic and competitive costs of security measures explicit, even though they should not decide ultimate security policy.

He proposed five steps: define the national security objective precisely; map the anti-competitive market distortion; preserve contestability through interoperability, multiple suppliers and transparency; protect competition rather than competitors; and build in sunset review and measurable metrics.

The Chair gave the floor to **BIAC**. It emphasised the importance of predictability for business planning, especially as foreign investment reviews and competition reviews increasingly intersect. It supported institutional separation between security review and competition enforcement, echoing the Secretariat's premise that national security issues should not be absorbed into competition law. BIAC argued that security review processes should contain published guidelines and clear timelines, and that competition is part of national security strategy and particularly market studies in security-critical sectors. BIAC suggested that the OECD Competition Committee develop best practice guidance specific to the security and competition interface, including mandatory time limits, coordination for parallel reviews, jurisdictional coordination and coherence in remedies.

The Chair asked **Romania** to describe its experience with national security and competition mandates. The delegation explained that its national security review was historically linked to merger control, but that a dedicated standalone Foreign Direct Investment screening regime was established in 2022 through an inter-institutional screening commission. The commission includes relevant ministries as voting members, intelligence bodies as permanent participants, and an expert working group including competition authority experts, while the secretariat is hosted within the Romanian Competition Council. Romania highlighted that competition enforcement and national security screening pursue different objectives and operate through different analytical frameworks. Co-operation is important; for example, the FDI screening commission has sought the Competition Council's

expertise to acquire a better understanding of market structures or specific market realities for the national security assessment. The delegation stressed that competition authorities should not become national security authorities, nor vice versa, emphasising the importance of ensuring that each institution addresses only the questions it is mandated to answer.

The Chair called on **Japan** to explain how the authority has supported economic security. Japan explained that promoting competition and innovation among diverse market participants strengthens economic resilience. Businesses had expressed concerns that uncertainty about the competition law could chill legitimate economic-security initiatives. In response, the Japanese Government published two documents in November 2025: a Basic Concept and a Casebook intended to increase transparency about the application of competition law. The Basic Concept clarifies the application of the competition law to information sharing and issues relating to critical raw materials. The Casebook includes 15 hypothetical cases on issues such as overseas leakage of sensitive technology, emergency procurement and consolidation of domestic oligopolistic firms. The publications have generally been well received for enhancing clarity for the business community, without altering the established interpretation of competition law.

The **United Kingdom** took the floor to explain how national security concerns are managed in parallel with the CMA's competition role. The CMA assesses cases based on competition and market outcomes, and national security concerns are examined by the UK Government through the Investment Security Unit. Some transactions may be reviewed simultaneously under both frameworks, requiring appropriate co-ordination. In NVIDIA/Arm case, the CMA was concerned that the merged firm could restrict access to Arm's intellectual property and disadvantage rival semiconductor firms. The government also intervened on national security grounds because of concerns about semiconductor supply chain resilience, technological sovereignty and foreign control over critical digital infrastructure. The case shows that competition and national security concerns can be considered in parallel.

Chair's closing remarks

The **Chair** thanked the experts, delegations and the Secretariat for their contributions. He noted that the discussion had confirmed that national security considerations are increasingly relevant to competition authorities. He also emphasised that the roundtable had underscored the role of competition authorities in informing governments of the economic consequences of certain national security choices. The Chair then closed the session.