

The Study Group on Competition Policy in Digital Markets Released the Report
on Algorithms/AI and Competition Policy

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Japan Fair Trade Commission

In order to ensure fair and free competition and to promote creative initiative of businesses in digital markets, which are rapidly changing due to expeditious development of technologies in recent years, it is important to effectively and appropriately pursue competition policy in these markets in line with trading conditions and competitive environments in the markets.

Algorithms and AI (Artificial Intelligence) are key technologies for innovation in digital markets; many businesses conduct activities by using algorithms and AI. Therefore, it is crucial to understand the changes in business activities and competitive environments brought by algorithms and AI, in order to pursue sound competition policy in digital markets.

Moreover, while algorithms and AI would bring significant benefit to the society, for example, in the course of streamlining business activities and/or increasing consumer convenience, there have been some foreign competition cases in which algorithms and AI were used for anti-competitive conducts. Given the background and others, there is an increasing need for discussing issues and challenges regarding algorithms/AI and competition policy in Japan.

The Japan Fair Trade Commission (hereinafter referred to as the "JFTC") has held the "Study Group on Competition Policy in Digital Markets" (Chairman: Professor YANAGAWA Noriyuki, Graduate School of Economics, The University of Tokyo) hosted by Director General, Economic Affairs Bureau of the JFTC, in order to study issues and challenges on the Antimonopoly Act and competition policy in digital markets. The study group has had eight meetings since July, 2020, under the theme of algorithms/AI and competition policy.

The JFTC releases the report "Algorithms/AI and Competition Policy" which the Study Group submitted.