



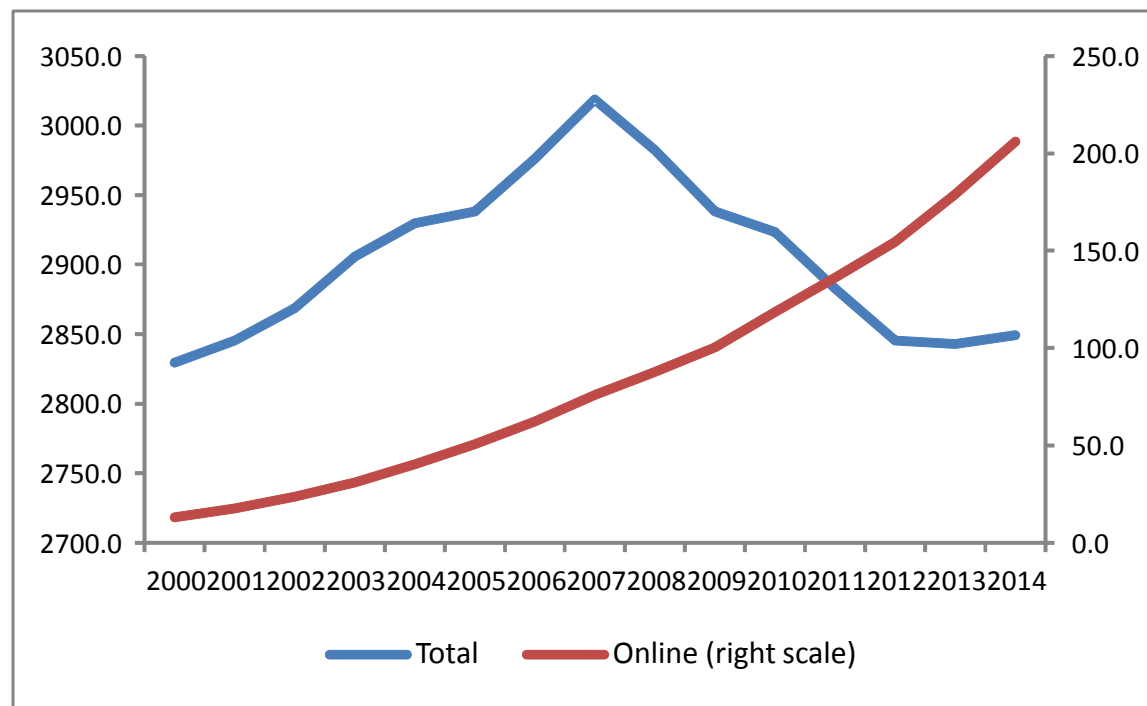
E-commerce and EU competition law

Szilvia SZEKELY
DG Competition, European Commission

(The views expressed are not necessarily those of the European Commission)

e-Commerce

Evolution of total and online retail sales in goods in the EU, 2000 -2014 (EUR billion)

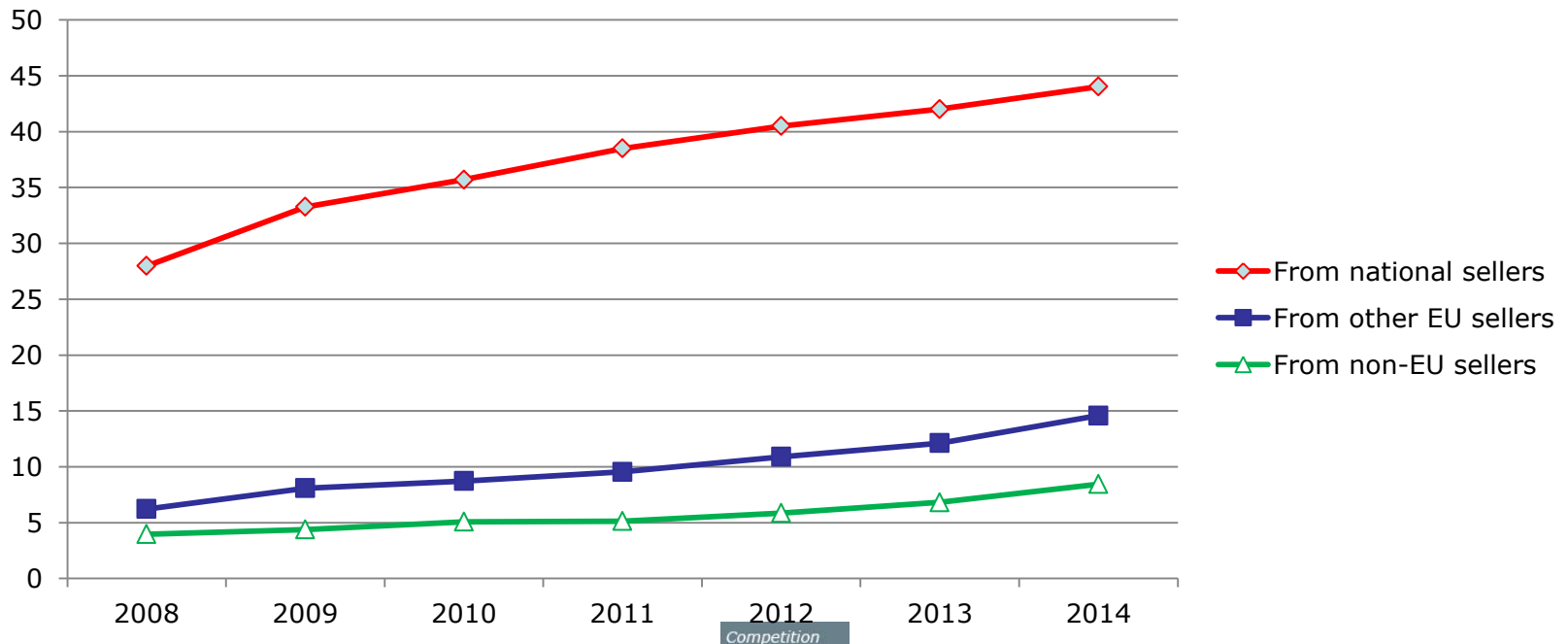


Source: Duch-Brown and Martens (2015)

e-Commerce in the EU

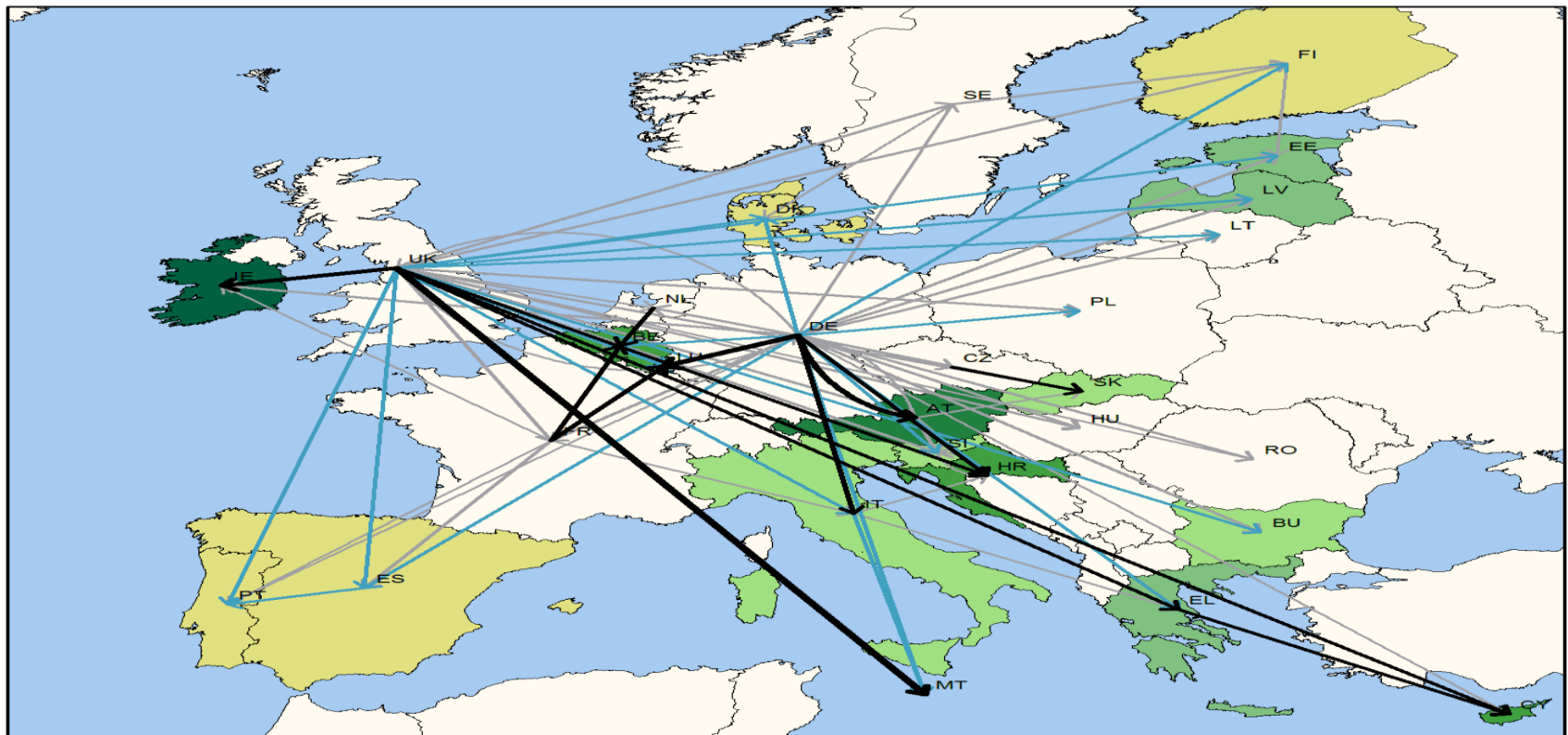
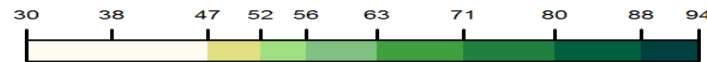
Domestic and cross-border online shopping (2008-2014)

(%) of population who ordered goods or services over the Internet from national sellers / from sellers from other EU countries / from sellers from the rest of the world (non-EU) in the last 12 months. (Eurostat)



e-Commerce in the EU

Online consumers who purchased tangible goods and offline services abroad (%)





Context: Digital Single Market Strategy

- Political priority of the Commission, adopted on 6 May 2015

- Aim: Better access for consumers and businesses to online goods and services across Europe - Remove unjustified barriers

- Actions:
 - Legislative actions → regulatory barriers
 - **Complemented by Sector Inquiry → company erected barriers**

E-Commerce Sector Inquiry

- Commission Decision of 6 May 2015 initiating an inquiry into the e-commerce sector pursuant to Article 17 of Regulation 1/2003

- Article 17 Regulation 1/2003:

"[...] where the trend of trade between Member States, the rigidity of prices or other circumstances suggest that competition may be restricted or distorted within the internal market, the Commission may decide to conduct an **inquiry into a particular sector of the economy or into a particular type of agreements across various sectors.**"

Undertakings involved

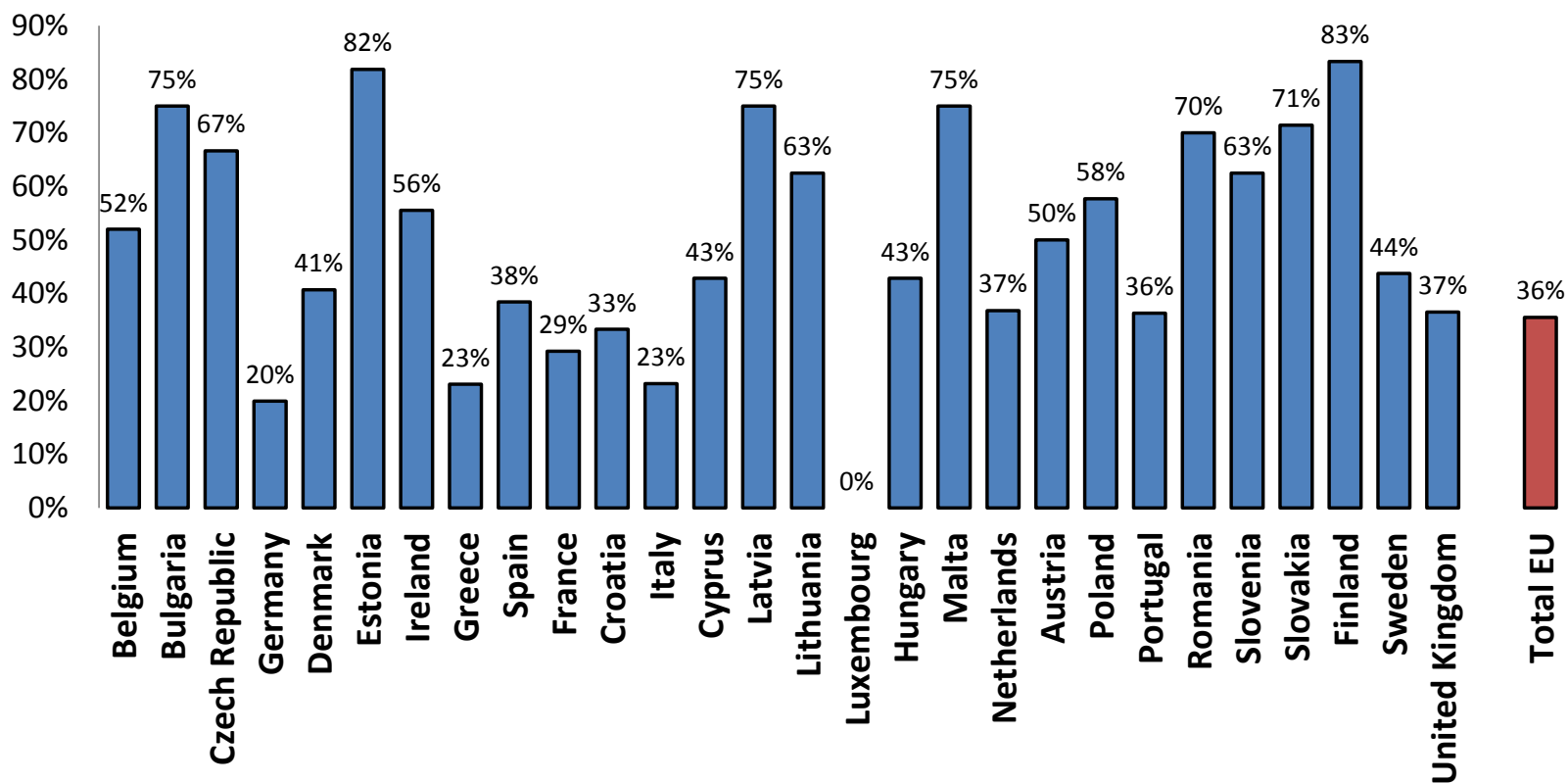
- Manufacturers and distributors of goods (hybrid, e-tailers)
 - Online platforms: marketplaces and price-comparison tools
 - E-payment service providers

 - Online content service providers (VOD, OTT)
 - Providers of hosting services
 - Providers of VPN/IP routing services
 - Right-holders
- ➔ Cross-border and pan-European issues across all 28 EU Member States

Examples of possible restrictions

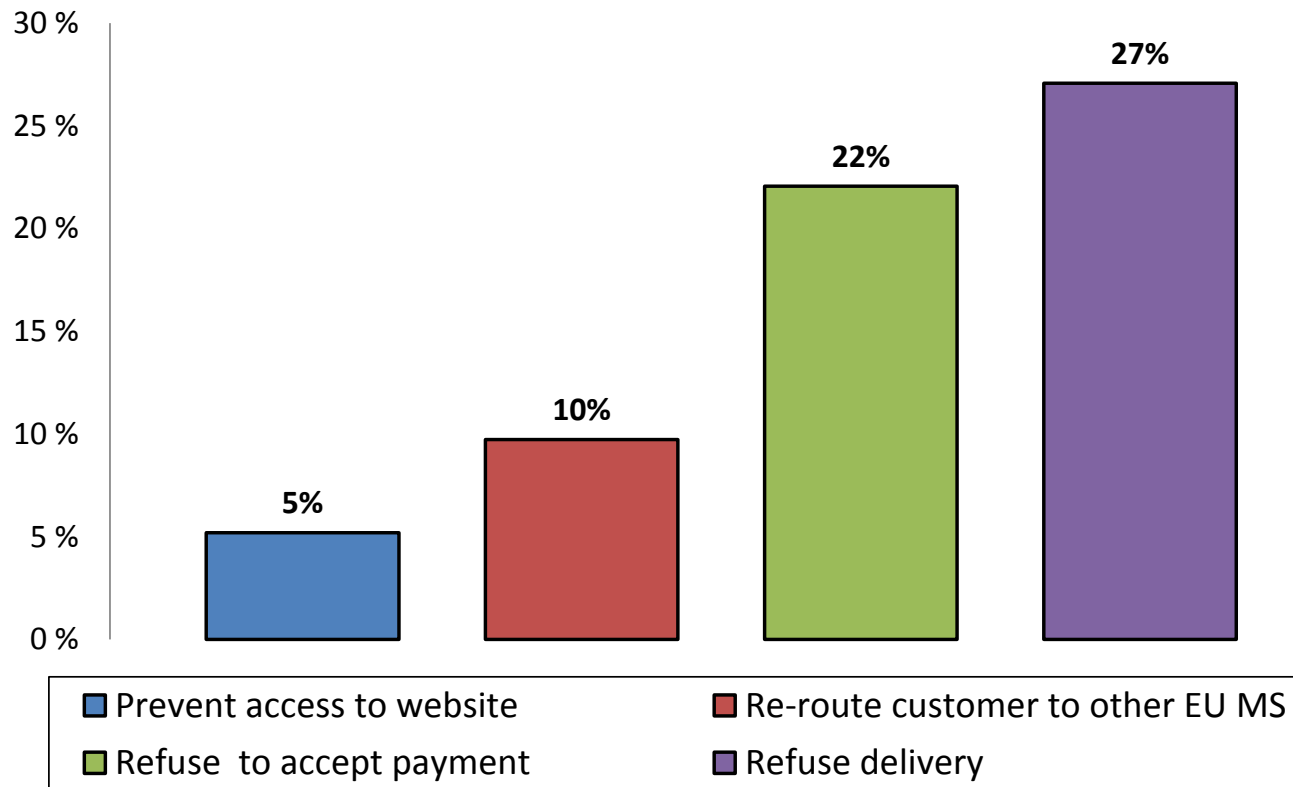
- Restrictions to sell cross-border (passive sales prohibitions, geo-blocking practices)
- Restrictions to sell online
- Restrictions to online advertising
- Platform bans
- Pricing restrictions (dual pricing, RPM, price parity clauses)

More than a third of retailers do not sell cross-border (goods)

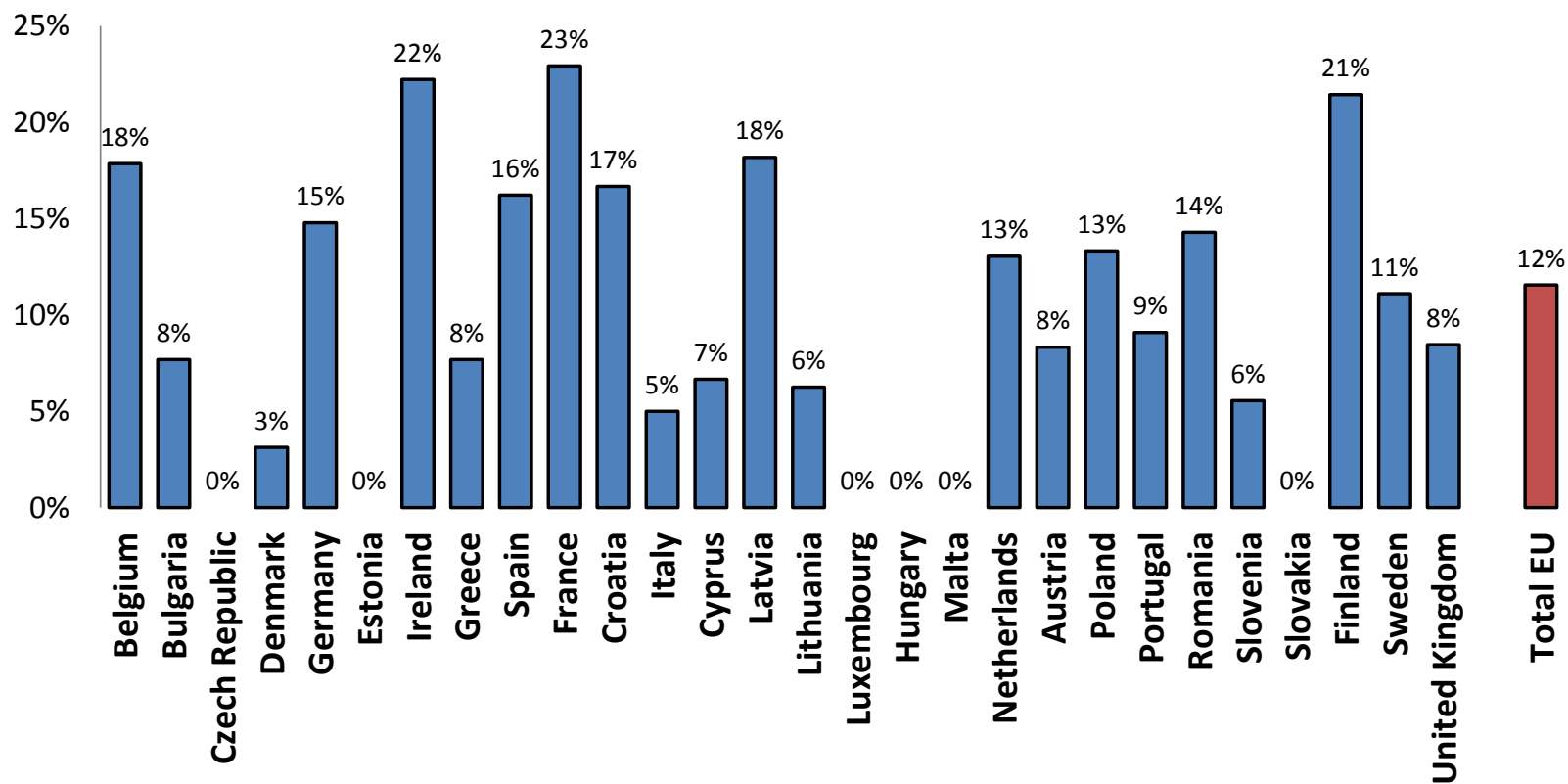


Retailers who do not sell cross-border in at least one product category, EU-28

Delivery refusal most common geo-blocking measure (goods)

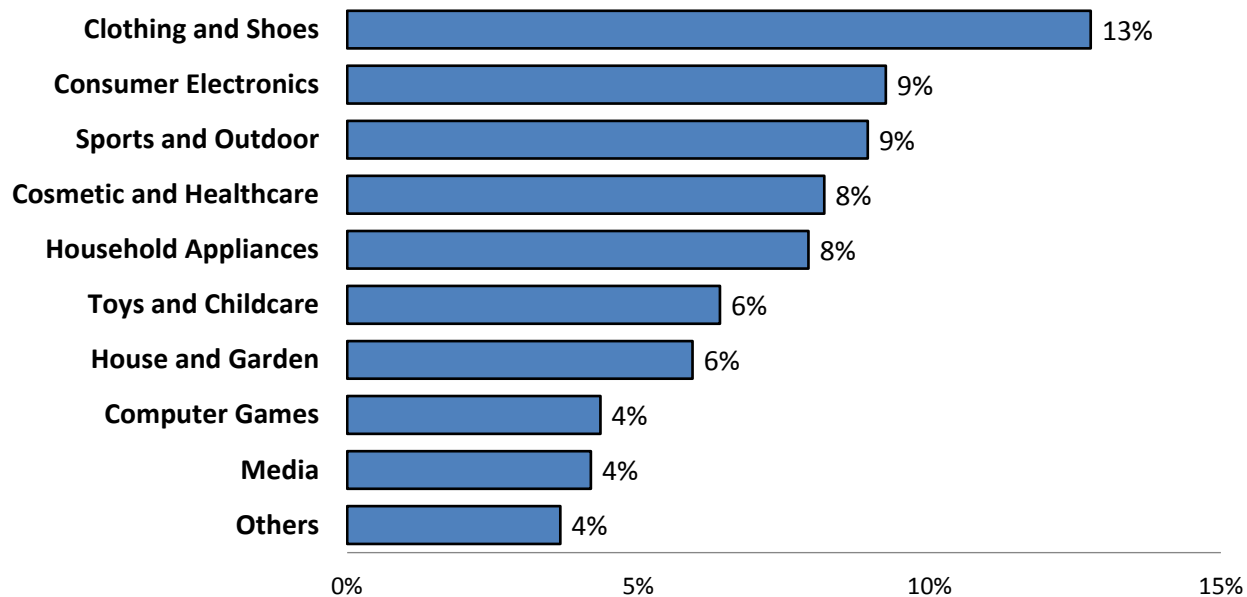


More than one in ten retailers has a contractual restriction (goods)

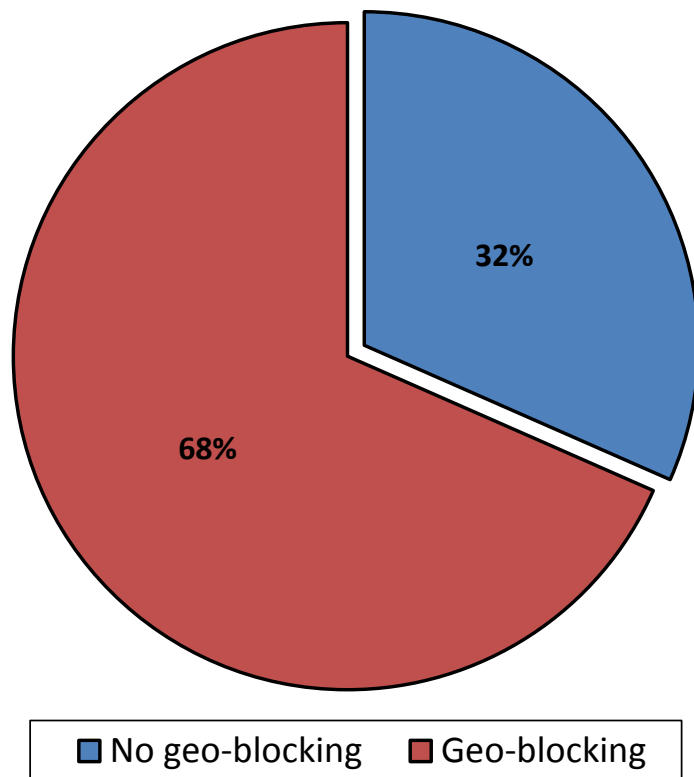


Geo-blocking (Goods)

Respondents that have a contractual restriction to sell cross-border for each product category – EU 28 (Issues paper on geo-blocking)

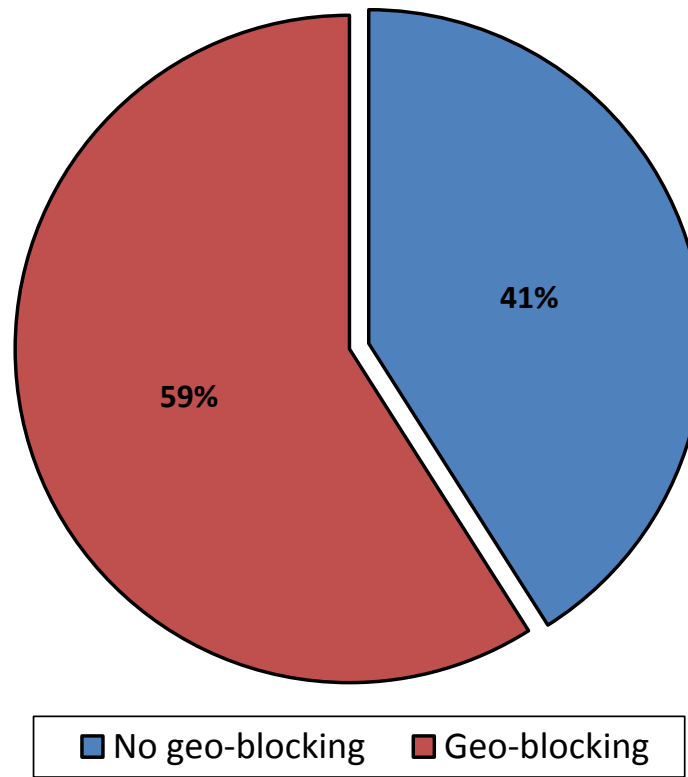


More than two thirds of digital content providers geo-block



Proportion of respondents implementing at least one type of geo-blocking measure, EU-28

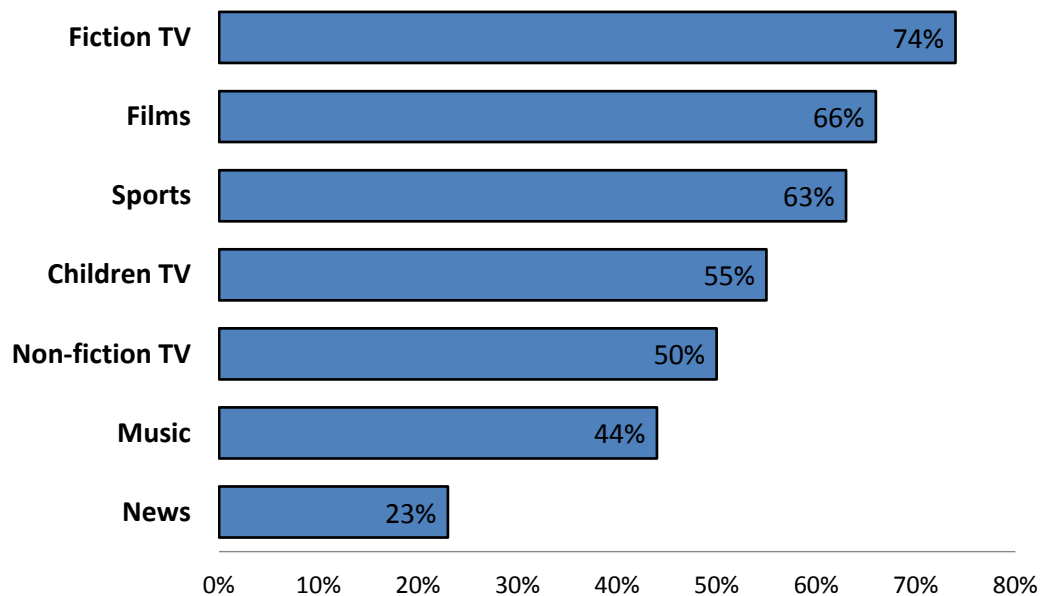
Most of geo-blocking in digital content comes from contractual restrictions



Proportion of respondents indicating contractual agreements which require them to geo-block, EU-28

Geo-blocking (digital content)

Proportion of agreements requiring providers to geo-block by category – Average for all respondents – EU 28 (Issues paper on geo-blocking)



Sector Inquiry (Timing)

- Preliminary Report followed by Public Consultation mid-2016
- Final Report in the 1Q 2017

Goals of the Sector Inquiry

- Gain a more comprehensive understanding of competition issues, market dynamics and business challenges in cross-border e-commerce
- If appropriate, provide guidance to businesses through subsequent enforcement
- Look at the legal framework on online vertical restraints in the light of current market realities
- Complement legislative initiatives