



# ECA Issues Guidelines on Competition in Digital Markets

In October 2025, The Egyptian Competition Authority (ECA) published guidelines on the application of the Egyptian Competition Law to digital markets (Guidelines). The Guidelines do not introduce new legal obligations. They clarify how the ECA intends to apply existing competition rules to platforms and other digital businesses—covering market definition, market power assessment, prohibited conduct, and compliance expectations.

### *Digital markets require a different lens*

Digital markets have structural characteristics that distinguish them from other markets and that impact on how competition is assessed. In the Guidelines the ECA identifies seven defining features in this respect: multi-sidedness, network effects, data access, economies of scale, economies of scope, zero-pricing strategies, and the ability of users to multi-home.

- Multi-sided platforms — most digital platforms serve more than one distinct user group simultaneously; connecting buyers with sellers, drivers with passengers, or advertisers with audiences. The ECA distinguishes between two platform types for the purpose of market definition. Where the platform facilitates direct transactions between groups (e.g. e-commerce, ride-hailing), both sides are typically treated as a single relevant market because neither side can function without the other. Where the platform serves groups independently without coordinating transactions between them (e.g. social media serving users and advertisers separately), each side may constitute a distinct relevant market.
- Network effects — compound market power over time. As a platform's user base grows, so

does the value of its product; attracting still more users, reinforcing the incumbent's position, and raising the bar for new entrants. The ECA distinguishes between two forms. Direct network effects (same-side effects) arise where additional users on the same side of a platform generate value for existing users on that same side. Social networks are the clearest example of such direct networks. They become more valuable to each user as more of their contacts join. Indirect network effects (cross-side benefits) arise where growth on one side of a platform increases value for users on the other side. These are for example, hotel booking platforms. Where they attract more hotels, they become more attractive to travelers, and a larger pool of travelers in turn incentivizes more hotels to list. Each side's growth reinforcing the others.

- Access to data — is treated as a key production input. Platforms that accumulate large datasets can better predict consumer behavior, personalize services, and refine pricing. Advantages grow with scale and are difficult for smaller competitors to replicate. Platforms operating across multiple markets targeting the same consumer base enjoy data access advantages that further entrenches their position.
- Economies of scale and scope — allow digital platforms to spread high fixed costs across large volumes of output and to offer multiple products at lower combined cost than each product separately. These features reduce average costs for incumbents in ways that can be difficult for new entrants to match.
- Zero-pricing — is a distinctive feature of many digital markets, where platforms offer services free of direct monetary charge to at least one side of their multi-sided structure and instead generate revenue through advertising or premium subscriptions. Offering services for free helps platforms attract users more quickly, as users face no financial risk in trying the product, which in turn strengthens network

effects, increases data collection and deepens user engagement. This creates challenges for competition law enforcement. Traditional price based measures of market power become less effective where prices are structurally zero. Although users do not pay money, they still provide compensation in the form of data and attention, which platforms monetize through advertising or use to enhance their competitive position. Accordingly, the ECA considers relying on non-price indicators, including active users, time spent, and transaction volumes, when assessing market power in digital markets.

- Finally, the ability of users to multi-home — that is, to use competing platforms simultaneously, can constrain market power. Where switching costs are low and alternatives are accessible, even a large platform may face meaningful competitive pressure. Conversely, where switching is difficult due to data lock-in or ecosystem dependencies, that pressure is reduced.

#### *Assessing market power in digital markets*

The Guidelines preserve the existing threshold for dominance—market share exceeding 25%. Still, they adapt methodologies to assess dominance considering the realities of digital platforms. Many digital services are offered free. Hence, revenue-based metrics can significantly understate a platform's actual position. The ECA therefore introduces six alternative metrics for digital market share calculation:

- Number of active users — the ECA distinguishes active users—those who continue to complete transactions or engaged with content—from registered users who may be inactive. In markets where multi-homing is common active user counts are more accurate indicator of competitive position than total registered accounts.

- Platform visits — the number of visits to a platform or website, regardless of whether the user transacted, measures reach and exposure. This metric is particularly relevant in advertising-driven markets where the platform's value to advertisers depends on traffic volume rather than completed transactions.
- Completed transactions — the number of orders, bookings, or rides completed on the platform is the most direct indicator of transactional activity. It is the preferred metric in markets such as food delivery, ride-hailing, and hotel booking, where the platform's core function is to facilitate specific exchanges.
- Time spent on platform — minutes or hours spent on a platform indicate engagement and loyalty. This metric is most relevant for content-driven platforms such as social media or streaming services, where time spent correlates with advertising revenue and user retention.
- Number of downloads — downloads measure the spread of a platform across new users and are particularly relevant where the platform can only be accessed through a dedicated application. The ECA notes, however, that downloads do not necessarily reflect active use. For instance, the same application can be downloaded multiple times through updates, and users may download without subsequently engaging.
- Search volume — for search engine platforms specifically, the volume of queries processed is the most direct measure of market position. It also serves as a proxy for the size of the dataset available to the platform for improving search quality, making it relevant to both market share and barriers to entry analysis.

#### *Barriers to entry and expansion*

Beyond market share, the Guidelines identify five structural features of digital markets that can

function as barriers to entry or expansion. Each is relevant to assessing whether a platform's position is durable:

- **Network effects** — platforms with large established user bases are difficult to displace even if a rivals offer comparable or superior products and services. The ECA notes that platforms can reinforce network effects through intensive promotion, acquisitions of competing or complementary platforms, and continuous product expansion; each of which raises the effective cost of entry for new rivals.
- **Single-homing** — where users rely on one platform exclusively—due to costs of switching, data portability limitations, or ecosystem lock-in—competitive pressure on that platform is reduced. The ECA expressly links single-homing to data portability gaps and to behavioral practices that trap users within a platform's environment, including exclusive dealing arrangements and price parity clauses.
- **Data access** — in markets where large proprietary datasets are a prerequisite for competing effectively—search, AI, targeted advertising—the inability of smaller players to accumulate equivalent data constitutes a structural disadvantage. The ECA points to its 2019 conditional clearance of Uber's acquisition of Careem as an illustration. In their clearance decision the ECA required Uber to provide new entrants with one-time access to rider, driver, and trip data precisely because data access was identified as the critical barrier in that market.
- **Digital ecosystems** — a platform that bundles multiple interdependent products into an integrated environment raises the cost of switching even without formal contractual exclusivity. The ECA treats ecosystem lock-in as an independent barrier category, noting

that users may find themselves unable to migrate to a rival not because of any contractual restriction but because their social connections, payment history, or application library exists only within the incumbent's ecosystem.

- **Access to capital** — digital markets require sustained investment in infrastructure, technology, and user acquisition. The Guidelines flag funding constraints as a recognized barrier. This includes minority shareholding arrangements that give incumbents a veto over rivals' fundraising rounds, which the ECA cites as an example of how a structural barrier can be created or reinforced through a transaction that falls below merger notification thresholds.

#### *Prohibited conduct*

The Guidelines identify nine categories of conduct most likely to raise concerns in digital markets. All map onto existing prohibitions in the Egyptian Competition Law—primarily provisions concerning abuse of dominance and agreements between competitors. The Guidelines outline how those concepts apply in a platform context.

Art. 8 Egyptian Competition Law applies where platforms are considered dominant, generally where they hold a market share exceeding 25% and possess effective pricing power that competitors cannot meaningfully constrain. Prohibited practices include tying and bundling, predatory pricing, self-preferencing, discriminatory treatment, denial of access to essential facilities, price parity (MFN) clauses, resale price maintenance (RPM), restrictions on passive sales, and killer acquisitions.

Several of these practices reflect concerns arising from the structure of digital platforms. For example, dominant platforms may leverage their position in one market to gain advantages in adjacent markets through tying and bundling or self-preferencing, such as prioritizing their own products or services in rankings and visibility.

Similarly, restricting competitors' access to essential digital infrastructure—including operating systems, data, or technical interfaces—may constitute abusive conduct where no viable alternatives exists. The Guidelines also address the growing role of algorithms in enforcing commercial restrictions, particularly in resale price maintenance cases where algorithmic monitoring may transform recommended prices into de facto fixed prices.

The Guidelines further recognize that competition issues in digital markets often arise through contractual restrictions that limit market openness and platform competition, which are addressed by Art. 7 Egyptian Competition Law. These include discriminatory treatment of business users, broad MFN clauses that reduce incentives for platforms to compete on price or terms, and restrictions on passive sales such as geo-blocking practices that prevent distributors from responding to unsolicited cross-border demand.

In addition, the ECA highlights concerns regarding “killer acquisitions,” where dominant platforms acquire nascent or emerging competitors to eliminate future competitive threats. Even where such transactions fall below merger notification thresholds, the ECA may still review them post-closing under Article 19(bis) Egyptian Competition Law where there is evidence of harm to competition.

### *Practical implications*

Although the Guidelines do not introduce new legal obligations, they provide valuable insight into how the ECA is likely to interpret and enforce existing competition rules in the context of digital markets. Businesses operating digital platforms or adopting data-driven business models should therefore assess their competition compliance frameworks, taking into account the specific characteristics of digital markets, including

network effects, access to data, ecosystem lock-in, and the role of non-price indicators in assessing market power.

In practice, companies with a significant digital presence should carefully evaluate their commercial practices, including platform design, ranking mechanisms, data access policies, exclusivity arrangements, and contractual restrictions that may limit user choice or restrict competition. Dominant platforms, in particular, should be mindful that conduct such as self-preferencing, tying and bundling, discriminatory treatment, restrictions on multi-homing, or limiting access to essential digital infrastructure may attract increased scrutiny.

The Guidelines also indicate that digital transactions may face closer examination, particularly acquisitions involving emerging competitors or valuable data assets, even where such transactions fall below traditional merger control thresholds. Accordingly, businesses active in digital markets should adopt a proactive approach to competition risk assessment and ensure that commercial strategies, partnerships, and M&A activities are evaluated through the lens of the ECA's evolving enforcement priorities.



## ASMAA MOHAMED ELDESOKY

### Senior Associate

[asmaa.eldesoky@bremerlf.com](mailto:asmaa.eldesoky@bremerlf.com)

Asmaa is a senior associate of the region law firm BREMER and part of the firms Antitrust & Merger Control team. She advises international corporates and PE firms on merger control, antitrust as well as FDI matters including investment protection and general corporate matters in Egypt, Saudi Arabia, Kuwait, and the larger Middle East. She works in English and Arabic languages.



## NICOLAS BREMER

### Partner

[nicolas.bremer@bremerlf.com](mailto:nicolas.bremer@bremerlf.com)

Nicolas is a partner and attorney with the regional law firm BREMER where he heads the firm's Antitrust & Merger Control team. He oversees the firm's Riyadh and Cairo representations and has extensive experience in advising international and domestic clients on merger control and antitrust matters as well as broader regulatory M&A matters in Saudi Arabia, the UAE, Egypt and the wider Near and Middle East. He works in English, Arabic and German languages.