

CMA welcomes government response to digital advertising study

Press release

The CMA has welcomed the UK Government's response to its online platforms and digital advertising market study.



The government has today accepted, in principle, the findings of the Competition and Markets Authority's (CMA) year-long study, committing to introducing a new pro-competition regulatory regime to tackle the market power of tech giants like Google and Facebook.

In its [response to the study](#), the government has also outlined that a Digital Markets Unit (DMU) will be established within the CMA in 2021/22 to enable the CMA to begin work to put into operation key elements of the regime.

The CMA's Digital Markets Taskforce is due to advise government on the design of the new regulatory regime before the end of the year. It will then be for government to take action and bring forward legislation to establish the regime.

In the final report from its [online platforms and digital advertising market study](#), published in July this year, the CMA outlined a number of factors that undermine competition and entrench the market power of Google and Facebook.

The scale and nature of these issues led the CMA to conclude that a new pro-competition regulatory regime is needed so that people can continue to benefit from innovative new services; rival businesses can compete on a level playing field and publishers do not find their revenues unduly squeezed.

CMA Chief Executive Andrea Coscelli said:

We welcome the government's response to the findings of our digital advertising market study.

Only through a new pro-competition regulatory regime can we tackle

the market power of tech giants like Facebook and Google and ensure that businesses and consumers are protected.

We will soon be providing advice to government on how this new regime should work, as requested earlier this year, and stand ready to support the setup of the Digital Markets Unit.

Alongside today's announcement, Her Majesty's Treasury announced in its Spending Review on 25 November that the CMA will receive additional budget to take on new responsibilities, including establishing the Digital Markets Unit from 1 April 2021.

Notes to editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
2. In March, the CMA was asked by government to lead a Digital Markets Taskforce, led by the CMA working closely with Ofcom and the Information Commissioner's Office to advise government on how a new pro-competition approach should be designed for digital markets. Find out more in the [Terms of Reference for this work](#).
3. As a result of its clear recommendation for a new regulatory regime, and the ongoing work of the Taskforce, the CMA is not currently recommending making a market investigation reference. However, after the work of the Taskforce has concluded, it will assess whether the actions being taken by the government are sufficient to address the full range of issues identified by its market study, or whether direct action by the CMA is likely to be required.
4. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.

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