

New Commissioner, New Priorities

What's Next for AI Competition Regulation?

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With the start of 2025, the European Union has entered a new phase of technology regulation. Over the recent past, AI competition policy has already undergone significant shifts, with increased scrutiny on Big Tech investments, 'acqui-hires' being treated as mergers, and growing concerns over algorithmic collusion. This is the scene that Teresa Ribera has stepped foot on as the EU's new competition chief. She has inherited a regulatory framework built on robust AI oversight from her predecessor Margrethe Vestager. However, given that her mandate is broader than just competition enforcement and now includes the ambitious goals of the European Green Deal, the crucial question is: How will Commissioner Ribera's blend of competition oversight and environmental vision shape Europe's AI industry?

With EU climate targets looming, her appointment has marked a pivotal moment in the convergence of technological innovation and sustainability. This briefing explores the key trends in AI competition policy and the potential regulatory developments ahead — including a look at the Commission's Competitiveness Compass.

Keeping Big Tech in Check: The New Frontier of AI Regulation

Three major trends are shaping the regulatory environment, building on the groundwork laid by former Commissioner Vestager:

Increased Scrutiny of Big Tech's AI Dominance

The Commission continues to keep a close eye on the competition risks in AI markets which were identified in its [policy brief](#) of September 2024 :

- **Market Power Concentration:** Control over critical resources such as computational power, specialized chips, and data could create bottlenecks, sidelining smaller players.
- **Self-Preferencing and Bundling:** Dominant firms may bundle AI services or impose exclusivity clauses, limiting competition.
- **Network Effects:** AI models improve through usage, reinforcing incumbents' advantages and raising barriers to entry.
- **Cross-Market Power Expansion:** Established digital giants could leverage their dominance in one sector to expand into adjacent AI markets.

Commissioner Ribera has signalled a **stronger and faster approach to enforcement**. While traditional **abuse-of-dominance tools** remain available, their effectiveness in the rapidly evolving AI sector remains uncertain. The Digital Markets Act (DMA) may also play a role, although its application to AI has been limited so far.

Commissioner Ribera has already firmly positioned herself in opposition to US President Trump's more lax approach to Big Tech regulation. She recently reaffirmed the EU's unwavering commitment to core principles of regulatory oversight, particularly concerning Big Tech. Despite speculation that Ribera might delay ongoing DMA non-compliance investigations into Apple and Meta because of pressure from the Trump administration, she made it clear that both decisions will proceed as planned in March.

Acqui-Hires: The New Face of Mergers

In the intensifying race for AI talent, "**acqui-hires**"—the practice of acquiring key personnel rather than entire businesses—have rapidly come under heightened scrutiny from regulators. This was exemplified by Microsoft's March 2024 acquisition of the Inflection AI team, which the European Commission classified as a concentration under the EU Merger Regulation.

Unlike "**killer acquisitions**", which eliminate competition, acqui-hires focus on securing top AI talent. This distinction remains a grey area in merger control. Commissioner Ribera's upcoming review of the merger guidelines may provide much-needed clarity on how such transactions will be treated in the future.

Algorithmic Collusion: The Silent Threat

The Commission has been adamant about being alert to **algorithmic collusion**, i.e. price-fixing or strategic data exchange facilitated by AI systems either intentionally or through automated optimization.

While case law remains limited, the crucial question to distinguish permissible market observation from anti-competitive coordination seems to be:

- Are we dealing with independent decision-making based on public market price monitoring (i.e. "scanning" or "crawling" techniques)? **Probably permissible.**
- Are we dealing with algorithms designed to align prices with competitors or promote parallel conduct? **Probably problematic.**

Commissioner Ribera's pledge to accelerate enforcement makes it clear: **AI-driven collusion will be a key focus of future investigations**. For businesses, compliance is no longer just a legal requirement — it's a competitive advantage.

In the absence of official guidelines, companies should embrace "**antitrust compliance by design**", a proactive approach emphasizing built-in compliance mechanisms, continuous monitoring, and robust safeguards to detect and prevent anti-competitive practices before they arise.

Competitiveness Compass: Balancing Innovation and Regulation

With Commissioner Ribera at the helm, there is a fresh set of priorities for AI governance in the EU, which are rooted more in **climate and sustainability** rather than competition law. The Commission's Competitiveness Compass already reflects this shift: Despite its name, it actually offers little insight into competition regulation but prioritizes investment, ethics, and sustainability instead. It outlines five key areas:

1. **Ethical and Trustworthy AI:** Ensuring AI systems uphold transparency, accountability, fairness, and robustness.
2. **Investment and Innovation:** Boosting AI-driven innovation across sectors to enhance EU market competitiveness. This includes:
 - **AI Continent Strategy:** Establishing AI factories using EuroHPC supercomputers to support start-ups, researchers, and industry.
 - **EU Cloud and AI Development Act:** Creating AI Gigafactories for training very large AI models, setting minimum cloud service standards, and advancing AI chip development.
 - **Apply AI Strategy:** Accelerating AI adoption in key industries (e.g., manufacturing, energy, finance, pharmaceuticals, healthcare, and justice).
 - **Quantum Strategy and Quantum Act:** Expanding quantum computing, encryption, and next-gen AI applications, while aligning EU and national programs.
3. **Skills, Talent, and Research Coordination:** Strengthening AI education and workforce training initiatives while improving collaboration in AI research ('CERN for AI').
4. **Regulatory Framework:** Establishing clear AI governance while aligning with data protection and consumer rights laws.
5. **International Cooperation:** Shaping global AI standards to ensure interoperability across jurisdictions.

The **Competitiveness Compass** largely avoids addressing competition enforcement but centres on merger control, emphasizing the need for refined enforcement practices

and updated merger guidelines. Does this suggest a softer regulatory stance toward AI? Or is the Commission still defining how competition policy fits into its broader economic vision?

The challenge ahead will be **balancing AI innovation with regulatory safeguards**. For a deeper dive into how the Commission plans to shape AI's future, read our [Competitiveness Compass briefing](#).

Looking Ahead: A New Era of AI Governance?

AI will play a crucial role in achieving Europe's **economic and regulatory priorities**. In 2025, we can expect:

- **Stronger AI Competition Enforcement:** The Commission is set to intensify investigations into AI-driven market dominance, particularly under the DMA. Ongoing probes into Apple and Meta will shape the EU's stance.
- **Revised Guidelines on AI-Related Mergers:** Expect clarifications on 'acqui-hires', with potential updates to merger guidelines to address talent-driven acquisitions. The aim? Preventing undue market concentration while fostering AI innovation.
- **Guidance on Algorithmic Collusion Risks:** The Commission may issue enforcement guidelines on AI-powered coordination, distinguishing between permissible market behavior and problematic algorithmic alignment. Increased scrutiny of pricing algorithms and strategic data-sharing is on the horizon.
- **AI in the Green Deal Strategy:** As AI plays a growing role in industrial transformation, expect a push for AI applications in energy efficiency, decarbonization, and climate-friendly innovations. New regulatory incentives for sustainable AI solutions could emerge.

As the Commission sets its priorities, businesses must proactively strengthen compliance frameworks, particularly in high-risk areas like pricing algorithms and strategic acquisitions. In this new era of AI governance, the ability to anticipate and align with evolving regulatory expectations will be critical.

BLOMSTEIN will closely follow developments in AI and digital policy and keep you informed. If you have any questions on competition law or AI, [Anna Blume Huttenlauch](#), [Jasmin Sujung Mayerl](#) and the entire [team](#) is ready to assist you.
