



Commission launches calls for contributions on competition in virtual worlds and generative AI

Brussels, 9 January 2024

The European Commission has launched today two calls for contributions on competition in virtual worlds and generative artificial intelligence ('AI') and sent requests for information to several large digital players.

All interested stakeholders are invited to share their experience and provide feedback on the level of competition in the context of virtual worlds and generative AI, and their insights on how competition law can help ensure that these new markets remain competitive. The European Commission will carefully review all input received through the calls for contributions. Following that review, the Commission may organise a workshop in the second quarter of 2024 to bring together all different perspectives emerging from the contributions and continue this reflection.

In addition, the European Commission is looking into some of the agreements that have been concluded between large digital market players and generative AI developers and providers. The European Commission is investigating the impact of these partnerships on market dynamics.

Finally, the European Commission is checking whether Microsoft's investment in OpenAI might be reviewable under the EU Merger Regulation.

Next steps

Interested parties are invited to submit their responses to the calls for contributions by 11 March 2024. The calls for contributions on virtual worlds and generative AI are available <u>here</u>. Interested parties may contribute to one of those two calls for contributions, or to both, as they wish.

Background

Generative AI systems and virtual worlds are disruptive technologies with great potential.

In addition to the enforcement of competition rules, the EU is already active in addressing the challenges posed by these new technologies: in July 2023, a <u>Communication on Web 4.0 and virtual worlds</u> was published, while in December 2023, the European Parliament and the Council <u>reached a political agreement</u> on the Commission's proposal for an AI Act: the first-ever comprehensive framework on Artificial Intelligence will ensure that AI is safe and respects fundamental rights, while fostering innovation.

Virtual worlds are persistent, immersive environments, based on technologies including 3D and extended reality (XR), which make it possible to blend physical and digital worlds in real-time, for a variety of purposes such as designing, making simulations, collaborating, learning, socialising, carrying out transactions or providing entertainment.

Generative AI systems are AI systems that generate, in response to a user prompt, synthetic audio, image, video or text content, for a wide range of possible uses, and which can be applied to many different tasks in various fields.

Venture capital investment in AI in the EU is estimated at more than \notin 7.2 billion in 2023. The size of the virtual worlds market in Europe is estimated to have reached more than \notin 11 billion in 2023. Both technologies are expected to grow exponentially in the next years and are likely to have a major impact on how businesses compete.

Effective enforcement of EU competition rules is essential to maintain competition in the EU's Single Market, which is Europe's best asset in terms of creating jobs and economic growth. These calls for contributions follow other calls carried out in recent years regarding the application of EU competition rules in various contexts.

For more information

See also the dedicated webpage of DG Competition, which contains the calls for contributions. Non-

Quotes:

"Virtual worlds and generative AI are rapidly developing. It is fundamental that these new markets stay competitive, and that nothing stands in the way of businesses growing and providing the best and most innovative products to consumers. We are inviting businesses and experts to tell us about any competition issues that they may perceive in these industries, whilst also closely monitoring AI partnerships to ensure they do not unduly distort market dynamics." Margrethe Vestager, Executive Vice-President in charge of competition policy - 09/01/2024

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