The Autorité de la concurrence welcomes the European Commission's adoption of a revised version of its Notice on the definition of the relevant market (Market Definition Notice)

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This update, in which the *Autorité* was involved, provides greater guidance and transparency for undertakings while ensuring that changes in the economy, such as the development of digital markets, are better taken into account.

Market definition is an important first step in the review of mergers and many antitrust cases. It enables competition authorities to identify and define the perimeter within which competition between companies takes place.

The European Commission's Market Definition Notice aims to clarify its methodology for defining the market under EU competition law. The revised Notice is the first update of the text since its adoption in 1997. It provides greater transparency and predictability for undertakings and takes better account of changes in the economy, at the forefront of which is the development of digital markets.

The revised Notice is the culmination of an in-depth review process begun in April 2020. It is based on close cooperation between the European Commission and the national competition authorities within the European Competition Network (ECN) and on a public consultation that enabled many stakeholders to submit their observations.

This new version contains a significant number of improvements, including:

1. greater consideration of non-price competition parameters, such as innovation and the quality of products and services, including environmental sustainability;
2. new guidelines in relation to digital markets and their specific characteristics (multisided markets, indirect network effects and digital ecosystems);
3. clarifications regarding the Commission's approach to highly innovative markets;
4. further explanations on the quantitative techniques, such as the SSNIP (small but significant and non-transitory price increase) test, that the Commission may use when defining a market;
5. expanded guidance on possible sources of evidence (such as internal documents of market participants) and how they are to be assessed by the Commission.

Furthermore, the revised Notice reaffirms the principle that potential competition should not be taken into account at the market definition stage, but as part of the competitive assessment.

With regard to geographic market definition, it points out that the integration of imports is possible if the conditions of competition in the different areas concerned are sufficiently homogeneous.

The new version of the Market Definition Notice is available here for more information.

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