

## EC chief economist not yet convinced of algorithmic collusion - Lear Rome

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The notion that computers can tacitly collude through data driven algorithms is not yet convincing, the European Commission's chief economist said in Rome today (3 July).

Tommaso Valletti explicitly referred to the theories of Oxford University professor Ariel Ezrachi, in a keynote speech to the 2017 Lear conference in the Italian capital.

Ezrachi is known for his warnings that computers can tacitly collude via data-driven algorithms which can swiftly monitor prices competitors charge for their products and adjust their prices of their own products accordingly.

Referring to a study by Ezrachi and fellow academic Maurice Stucke on the use of algorithms and artificial intelligence by companies selling products online, Valletti said that the arguments are "hugely entertaining", but added: "I have some doubts about what they are saying."

Valletti said he was considering other academic theories which suggested that the benefits of a collusive algorithm were destined to be short-lived.

"How can tacit collusion be sustained if you are immediately detected?" he asked.

The debate on the anticompetitive elements of algorithms has seen renewed interest after EC competition chief Margrethe Vestager said in March that businesses should consider whether algorithms comply "by design" with EU competition rules.

Vestager said that while algorithms can work together or on their own to fix prices, "the responsibility still ends with the people". She added that even if it is a form of artificial intelligence that would potentially collude, "it is still people and businesses who are to be held responsible". She added that, while the EC currently has no investigations into competition law infringements through algorithms in progress, these "will come".

Late last month, Johannes Laitenberger, the director general at DG Comp, told a conference in Malta that the agency is "looking at potential issues that may arise from things like big data and algorithms".

"I don't think we are there yet and I have my doubts," Valletti told delegates.

by Jeremy Fleming-Jones in Rome

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