

## **Press release**

Luxembourg, 6 June 2023

### **Luxembourg Competition Authority launches a market study into the blockchain sector**

The Luxembourg Competition Authority is conducting a market study to better understand the relations between products and services relying on blockchain technology (so-called “web3 projects”) and incumbent digital firms (so-called “web2 firms”).

**Blockchain** is a technology for storing and transmitting information without a central authority. Technically, it is a distributed database in which the information sent by users and the links within the database are verified and grouped into blocks, thus forming a chain.

#### **A fast-growing sector with high potential**

The **blockchain** sector is fast growing with the potential to impact various economic activities. The Web3 industry is fast-growing, with over [30 billion USD in investments in 2021](#) as well as the expectation that [one billion users will use Web3 by 2031](#). Given the high potential of the sector, it is important to ensure that Web3 players can evolve in a competitive and well-functioning market.

The applications of blockchain technology go far beyond the most-known example of cryptocurrencies. Web3 products and services mimic those of Web2, including social media, search engine, online stores, etc. Web3 products and services also offers new business perspectives, such as non-fungible tokens “NFTs” (virtual property rights). The Luxembourgish government identified blockchain technology as a [key element in the green and digital transition of the economy](#).

## **The market study objectives**

The Competition Authority is opening a new market study on the relationship between Web2 companies and Web3 projects. The study is meant:

1. to document web3 dynamism and its competitive landscape,
2. to assess where and how web2 companies compete with web3 projects,
3. to map existing interactions between web2 companies and web3 projects, and
4. to document potential implemented anticompetitive practices against web3 projects.

## **Study undertaken in collaboration with Prof. Thibault Schrepel**

In light of this sector's complex nature, the Competition Authority is appointing Professor [Thibault Schrepel](#), Associate Professor of Law at Vrije Universiteit Amsterdam (ALTI), and Faculty Affiliate at Stanford University's Center for Legal Informatics (CodeX), as an external expert to contribute to the market study.

Thibault Schrepel is a world-leading expert in blockchain antitrust and crypto-economics, the author of "[Blockchain + Antitrust: The Decentralization Formula](#)" and, recently, "[The Complex Relationship Between Web2 Companies and Web3 Projects](#)".

## **Next steps**

In the coming weeks, the Competition Authority, together with Prof. Schrepel, will contact various Luxembourgish and European actors in the field.

Should you have relevant information, please contact us at [blockchain@concurrency.etat.lu](mailto:blockchain@concurrency.etat.lu)

*(Press release from the Competition Authority of the Grand Duchy of Luxembourg)*

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