

Germany opens antitrust probe against Apple

June 21 2021, by Hui Min Neo



Germany's tougher stance against US digital giants came after new EU draft legislation unveiled in December aimed at curbing the power of the internet behemoths.

Germany on Monday opened an investigation against Apple over anti-competition practices, making the iPhone maker the fourth US tech giant to be hit by such probes.

The antitrust authority had in recent weeks opened similar investigations against Amazon, Google and Facebook under a new law that took effect in January giving regulators more powers to rein in big tech companies.

The watchdog said it has initiated the first stage of the probe to determine if Apple has "cross-market significance".

"An ecosystem extending across different markets can be one indication of such a position held by a [company](#)," said the authority. "Such positions of power can make it very hard for other companies to counter it."

Andreas Mundt, who heads the Federal Cartel Office, said his service will look at whether Apple has established such a digital ecosystem across several markets around the iPhone with its proprietary operating system iOS.

"A key focus of the investigation will be the operation of the App Store, because in many cases, it empowers Apple to have an influence on the business activities of third parties," he added.

An Apple spokesperson underlined the company's contribution to the employment market in Germany, saying its iOS app economy supported 250,000 jobs.

"We look forward to discussing our approach with the FCO and having an [open dialogue](#) about any of their concerns," said the spokesperson in a statement.

'Sufficient choice'

Following the first stage of the probe, the cartel office said it might then look at other specific issues after it received complaints from "several

companies against potential anticompetitive practices."

This included a complaint against the company's alleged tracking restrictions of users in connection with the introduction of the iOS 14.5 operating system.

It added that complaints had also been filed by app developers disputing the usage of Apple's system for in-app purchases.

Germany's tougher stance against the digital giants came after new EU draft legislation unveiled in December aimed at curbing the power of the internet behemoths that could shake up the way Silicon Valley can operate in the 27-nation bloc.

The push to tighten legislation comes as big tech companies are facing increasing pressure around the globe, including in the United States, where Google and Facebook are facing antitrust suits.

Besides looking at the reach of the companies, scrutiny often extends to privacy issues.

In its investigation targeting Google, for instance, the German cartel office said it was examining if consumers who wish to use the search engine giant's services "have sufficient choice as to how Google will use their data".

The multinationals are also facing a crackdown from Western governments seeking to claw back taxes which they fear had been channeled unfairly into tax havens.

Germany and France have joined calls from the United States to impose a global minimum corporate tax of at least 15 percent, a move which targets multinationals like Amazon and Google.

Critics have repeatedly warned that many of the world's biggest companies use tax havens or exploit loopholes to pay far less in taxes than some individuals.

© 2021 AFP

Citation: Germany opens antitrust probe against Apple (2021, June 21) retrieved 18 April 2024 from <https://techxplore.com/news/2021-06-germany-antitrust-probe-apple.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.