

China fines food delivery giant Meituan for monopolistic behaviour

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Meituan, one of China's biggest food delivery firms, has been under fire, with particular scrutiny paid to the working conditions of its millions of delivery drivers.

China has fined food delivery giant Meituan 3.4 billion yuan (\$527

million) for monopolistic practices and ordered it to undertake a "comprehensive rectification", the market watchdog said Friday.

Authorities have launched a crackdown on a range of homegrown tech behemoths—including Meituan, ride-hailing giant Didi Chuxing and [e-commerce](#) titan Alibaba—for alleged monopolistic behaviours and aggressive harvesting of consumer data.

Meituan has been under fire since market regulators launched an investigation into the group in April, with particular scrutiny paid to the [working conditions](#) of its millions of delivery drivers, who are often employed as third-party contractors without [legal protections](#) or worker benefits.

On Friday the State Administration of Market Regulation (SAMR) said in an online statement that an investigation had concluded the group had "abused its dominant market position in China's online food delivery platform market."

It added that Meituan's behaviour "eliminates and restricts market competition... weakens platform innovation power" and "damages consumers' interests".

The 3.4 billion RMB fine is equal to three percent of Meituan's 2020 domestic sales, the watchdog said.

It is just the latest home-grown tech giant to come under Beijing's scrutiny.

E-commerce behemoth Alibaba was hit with a record \$2.78 billion fine by the market regulator in April, when a separate investigation said it had been abusing its dominant market position.

Chinese authorities have since ordered online food delivery platforms to guarantee basic labour protections for delivery riders, such as a base income above [minimum wage](#) and access to [insurance coverage](#).

Regulators in September ordered Meituan's ride-hailing arm—along with ten other car platforms—to stop "disorderly expansion" and "vicious competition" tactics.

Tech firms have been battered in recent months as Chinese regulators tighten the leash, citing [data security](#) and antitrust concerns.

Meituan shares plunged 14 percent in July after new rules were issued to protect hard-pressed drivers and ensure workers' incomes are above minimum salary levels.

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