

# Amazon offers concessions to head off EU antitrust cases

July 14 2022, by KELVIN CHAN

---



An Amazon logo appears on an Amazon delivery van, on Oct. 1, 2020, in Boston. Amazon, seeking to resolve two European Union antitrust investigations, has promised to treat third-party merchants on its site fairly, the bloc's competition watchdog said Thursday, July 14, 2022. The EU Commission had launched an investigation four years ago over concerns Amazon was using data from merchants selling products on its platform to gain an unfair advantage over them. Credit: AP Photo/Steven Senne, File

Amazon, seeking to resolve two European Union antitrust investigations, has promised to treat third-party merchants on its website fairly, the bloc's competition watchdog said Thursday.

The U.S. online retail giant offered to make a number of commitments to ease competition concerns, and the European Commission, the 27-nation bloc's top antitrust enforcer, said it will now seek feedback on them from "interested parties."

The commission launched an investigation four years ago over concerns Amazon breached EU competition rules by using data from merchants selling products on its platform to gain an unfair advantage over them.

It also opened a separate investigation into whether Amazon favors its own retail business and merchants that use its logistics and delivery system over other sellers.

The investigations are part of the bloc's wider efforts to curb the power of big technology companies. Amazon also is facing similar scrutiny in the U.S.

Amazon said that while it disagreed with several of the conclusions, it has "engaged constructively with the commission to address their concerns and preserve our ability to serve European customers and the more than 185,000 European small- and medium-sized businesses selling through our stores."

The company also said it has "serious concerns" about new EU digital regulations, known as the Digital Markets Act, that it said are "unfairly targeting Amazon and a few other U.S. companies." The act, part of the EU's overhaul of its digital rulebook, aims to prevent tech giants from becoming dominant by making them treat smaller rivals fairly under threat of hefty fines.

Under the commission's investigation, Amazon had faced a possible fine of up to 10% of its annual worldwide revenue, which could have amounted to billions of dollars.



European Executive Vice-President Margrethe Vestager speaks during a press conference regarding an antitrust case with Amazon at EU headquarters in Brussels, Tuesday, Nov. 10, 2020. Amazon, seeking to resolve two European Union antitrust investigations, has promised to treat third-party merchants on its site fairly, the bloc's competition watchdog said Thursday, July 14, 2022. The EU Commission had launched an investigation four years ago over concerns Amazon was using data from merchants selling products on its platform to gain an unfair advantage over them. Credit: Olivier Hoslet, Pool via AP, File

Britain's [competition watchdog opened a similar probe](#) into Amazon last week, looking into concerns that the online retailer is abusing its dominance to undermine rivals.

The EU commission suspected Amazon of distorting competition by accessing and analyzing real-time data from independent vendors selling goods on its platform to help decide which new products of its own to launch and how to price and market them.

To address the problem, Amazon has promised to refrain from using "non-public data" from the vendors' activities to compete with them through its own sales of branded goods or "private label" products.

To settle the second investigation, Amazon committed to allowing sellers on its Prime membership service to use any logistics and delivery company of their choosing and to set "non-discriminatory" criteria for who gets chosen to sell on Prime.

The company also promised to give equal treatment to all sellers when ranking their product offers for the site's "buy box," which lets shoppers add items directly to their shopping baskets. The box features a single seller's product even though multiple merchants might offer the item, so Amazon also is promising to show a second, competing offer to give consumers more choice.

If accepted, Amazon's commitments would remain in force for five years. The commission is receiving feedback on the proposals until Sept. 9.

Amazon's dominance is also a concern across the Atlantic. In April, the Wall Street Journal reported that the Securities and Exchange Commission was investigating how the company disclosed some of its business practices, including how it handles seller data.

A month prior, federal lawmakers had asked the Justice Department for a criminal probe into the tech giant's testimony over its competitive practices. In a letter to Attorney General Merrick Garland, the House

Judiciary Committee accused Amazon of attempting to "influence, obstruct or impede" a congressional investigation into the company's market dominance, a charge the company denies.

Simultaneously, federal lawmakers are leading a push to pass bipartisan legislation aiming to rein in anticompetitive practices from Amazon, Google, Meta and Apple.

© 2022 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Amazon offers concessions to head off EU antitrust cases (2022, July 14) retrieved 26 April 2024 from

<https://techxplore.com/news/2022-07-amazon-concessions-eu-antitrust-case.html>

<p>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.</p>
--