

EU defends split with UK on Microsoft, Activision Blizzard bid

May 25 2023



EU anti-trust chief Margrethe Vestager said the EU-UK split over Microsoft's takeover bid for Activision Blizzard raised 'questions'

The EU anti-trust chief on Thursday defended the bloc's decision to approve Microsoft's \$69-billion takeover bid for US video game giant

Activision Blizzard despite the UK's block on it.

But competition commissioner Margrethe Vestager admitted the split with Britain "raises questions".

Xbox-owner Microsoft launched a bid for Activision Blizzard early last year, seeking to establish the world's third biggest gaming firm by revenue after China's Tencent and Japan's PlayStation maker Sony.

Activision Blizzard's hit titles include "Call of Duty", "Candy Crush" and "World of Warcraft" and the move soon triggered competition concerns, and in Microsoft's home US market federal authorities have gone to court to try to halt the deal.

Last week, Brussels gave the takeover a [green light](#), just weeks after Britain's Competition and Markets Authority (CMA) blocked it, arguing it would harm competition in cloud gaming.

The split is the most significant between EU and UK regulators since Brexit.

Vestager, the European Commission vice president, told reporters in Brussels that the EU was satisfied with the commitments made by Microsoft that it would not make games "exclusive" to its own cloud gaming service.

"Where we diverged with the CMA was on remedies. We accepted a 10-year free license to consumers to allow them to stream all Activision games for which they have a license via any cloud service," Vestager said.

"And why did we do this instead of blocking the merger? Well, to us, this solution fully addressed our concerns. And on top of that, it had

significant pro-competitive effects," she argued.

But Vestager noted the "divergence raises important questions regarding our assessment, our remedies policy and our cooperation".

Microsoft filed an appeal against the CMA's decision with the UK Competition Appeals Tribunal on Wednesday, a company spokesman told AFP.

Microsoft's bid is also under threat in the United States as well where the Federal Trade Commission (FTC) launched a [legal action](#) to block it last year, one of Washington's biggest ever interventions to stop tech industry consolidation.

It could be game over for the merger unless Microsoft successfully fights off the challenges in Britain and the United States.

© 2023 AFP

Citation: EU defends split with UK on Microsoft, Activision Blizzard bid (2023, May 25)
retrieved 2 June 2023 from
<https://techxplore.com/news/2023-05-eu-defends-uk-microsoft-activision.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.