

Amazon has 'destroyed' US retail industry, Mnuchin says

25 July 2019, by Ryan Beene, Bloomberg News



Credit: CC0 Public Domain

U.S. Treasury Secretary Steven Mnuchin alleged that Amazon.com Inc. has "limited competition" and harmed the retail industry as the Trump administration announced a broad antitrust review into whether technology companies are using their power to thwart rivals.

"If you look at Amazon, although there are certain benefits to it, it destroyed the retail industry across the United States, so there's no question they've limited competition," Mnuchin said in an interview with CNBC Wednesday.

The Justice Department's antitrust division disclosed plans to scrutinize tech platforms following mounting criticism across Washington that the companies have become too big and too powerful. The department didn't specify which firms it would look at but strongly suggested Facebook Inc., Alphabet Inc.'s Google and

Amazon are in the cross-hairs.

Amazon holds less than 8% of the U.S. retail market.

"I think it's very good that the attorney general is going to look into this," Mnuchin said. "I think it's an important issue and I look forward to him reporting back to the president and hearing his recommendations."

Amazon slipped 1.2% in early trading as of 9:24 a.m. in New York. The stock is up more than 30% this year through Tuesday.

Of Amazon, Mnuchin said, "There's areas where they've really hurt [small businesses](#), so I don't think this is a one-size-fits-all, and I don't have an opinion going in other than I think it's absolutely right that the [attorney general](#) is looking into these issues and I look forward to listening to his recommendations to the president."

Mnuchin has seen firsthand the way e-commerce has disrupted traditional retailers. He was a board member of Sears Holdings Corp. from 2005 to 2016, an era in which the once-mighty department-store chain spiraled toward bankruptcy. His college roommate and longtime friend Eddie Lampert is still running the much-diminished retailer.

©2019 Bloomberg News

Distributed by Tribune Content Agency, LLC.

APA citation: Amazon has 'destroyed' US retail industry, Mnuchin says (2019, July 25) retrieved 29 January 2022 from <https://techxplore.com/news/2019-07-amazon-retail-industry-mnuchin.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.