

Russia's Yandex files antitrust complaint against Google

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Russia's search engine provider Yandex asked local antitrust authorities to investigate Google for unfairly keeping its rivals' services off its mobile devices

Russia's search engine provider Yandex asked local antitrust authorities Wednesday to investigate Google for unfairly keeping its rivals' services off its mobile devices.

The request came with Google making recent inroads in the Russian

market thanks to its popular Android-powered smartphones.

The European Commission last year reopened a similar probe against the US giant after initially weighing a settlement that would have allowed competitors to buy space at the top of Google's search results.

Yandex is asking Russia's Federal Antimonopoly Service to prevent Android phones from being automatically bundled with Google's [search engine](#).

"We believe that device manufacturers should have a choice as to which search provider to set as the default or which services to have pre-installed on the device," Yandex spokesman Ochir Mandzhikov said in a statement released to AFP.

"Google should not prevent manufacturers from pre-installing competitor apps."

Google Russia said it could not comment until it had seen a copy of the complaint.

"Consumers are free to choose which applications and services they use on Android-based devices," Google said in a statement released by its California head office.

Decade of dominance

Yandex has dominated the Russian market since its founding in 2000.

Much of that initial success came thanks to an advanced search engine that provided much more precise results for entries made in Russian. It also offered its own map and traffic-tracking services and has recently entered the web advertising market.



Commuters consult their electronic connected devices inside a train coach in the Moscow Metro on December 1, 2014

Yandex on Wednesday said its net profit for 2014 had jumped 26 percent to \$302.5 million (266 million euros).

But economists at Moscow's VTB Capital investment bank warned that the first half of 2015 "might prove more challenging" for the ambitious firm.

Yandex's share of Russian searches has slipped markedly in the past few years.

The company—wholly owned by Amsterdam-based Yandex N.V. and

listed on New York's NASDAQ exchange in 2011—reported handling 62 percent of the queries made across the country in December 2013. That lead had been pared down to 54 percent by last May.

Industry analysts attribute most of Google's recent gains to users' increasing reliance on smartphones and other [mobile devices](#).

Yandex said that Google's Android operating system is installed on 86 percent of all smartphones sold in Russia.

It added that three leading Russian cellular equipment manufacturers have notified the company that they could no longer pre-install Yandex services on their Android phones.

"Chances are high that Google will continue this practice," the Yandex statement said.

"Ultimately, it is the end-users who suffer because of inferior services."

The Federal Antimonopoly Service must make a decision on whether to open a formal probe into Google within a month.



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Anti-US sentiments

The case was brought with East-West tension at a post-Cold War high because of Russia's alleged backing for insurgents battling government troops in neighbouring Ukraine.

A late January poll conducted by the independent Levada Center showed more than 80 percent of the respondents reporting a negative view of the United States.

Global US firms such as McDonald's have cried foul after being targeted by food safety checks that resulted in the temporary closure of its busiest restaurants.

Yet some Russian industry analysts said the investigation request into Google had substantial legal grounds.

"They should have complained not just about Android, but also Google's position on the Russian advertising market," said German Klimenko, owner of the Liveinternet web statistics company.

"It is rather strange to see a Russian company paying taxes on these operations when the American one is not," Klimenko told the online edition of Moscow's Expert magazine.

"Google is able to profit off Russian advertising without almost any infrastructure costs."

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