

EU's Vestager to scrutinise data in merger decisions

September 29 2016

EU competition chief Margarethe Vestager on Thursday said that the relevance of user data to major corporate mergers will come under closer scrutiny as her teams get set to consider Microsoft's mega buyout of LinkedIn.

Data has increasingly become a major driver for big acquisitions in the digital world, including the blockbuster buyout of messaging service WhatsApp by Facebook in 2014 that was waved through at the EU by Vestager's predecessor.

"I will keep a close eye on how companies use <u>data</u>," Vestager said at a conference in Brussels.

"A company might even buy up a rival just to get hold of its data, even though it hasn't yet managed to turn that data into money," she added.

The veiled warning to tech firms comes weeks after Vestager ordered Apple to pay back 13 billion euros in taxes and with her team running several cases against Google.

Her new focus looks set to influence the EU's appraisal of Microsoft's \$26 billion acquisition of LinkedIn, the biggest-ever deal for a social media company.

Microsoft has said its bid for LinkedIn will require regulatory approval in the EU, US, Canada and Brazil and data is increasingly a big



consideration.

Microsoft has yet to formally submit the LinkedIn deal to the EU, but hopes to close the deal this year.

Earlier this month, Vestager said her teams were taking another look at the Facebook-WhatsApp deal after the social media giant loosened privacy policy allowing Facebook and Instagram to draw on data from WhatsApp.

"Companies need to make sure they don't use data in a way that stops others competing," Vestager said Thursday.

© 2016 AFP

Citation: EU's Vestager to scrutinise data in merger decisions (2016, September 29) retrieved 26 April 2024 from https://phys.org/news/2016-09-eu-vestager-scrutinise-merger-decisions.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.