

EU antitrust chief defends probe of Google, US tech giants

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EU Commissioner of Competition Margrethe Vestager, seen at her Brussels office this month, spoke at a Washington forum on Monday

Europe's top antitrust regulator Magrethe Vestager on Monday defended her agency's investigations of Google and other US tech giants, arguing that dominant companies have a "special responsibility" to avoid abusing their market power.

"If you have products that people like and they keep coming, you can keep growing," Vestager told a forum at the American Enterprise Institute in Washington.

But she said that when companies become overwhelmingly dominant, "then you get a special responsibility because it is quite obvious that [competition](#) suffers if you control 90 percent of the market."

The EU Competition Commissioner said this means a "responsibility not to misuse your muscle."

Vestager's comments follow a decision by EU authorities in June to slap Google with a record 2.4-billion-euro (more than \$2.7 billion) fine for illegally favoring its shopping service in search results.

A year earlier, Vestager shocked the world with an order that iPhone manufacturer Apple repay 13 billion euros (\$14 billion) in back taxes in Ireland.

Vestager insisted that her actions were not aimed at punishing successful companies.

"I've never had the run of thinking that we are hammering big companies," she said. "We are punishing illegal behavior."

Vestager said maintaining competition is important for consumers even when the "products" delivered by search engines or social networks is free.

"There's more to competition than keeping prices low," she said.



Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs of the European Commission poses for a photo while visiting the Agence France-Pressé offices September 18

"Even when a product seems to be free — like a search engine, or a social network — competition still helps to get consumers a better deal."

She argued that competition can enable consumers to find better deals on privacy, and can encourage companies to innovate.

Vestager said Google failed in its obligation to maintain a level playing field by promoting its own products and services ahead of those of rivals, some of whom lost up to 90 percent of their traffic.

"Big companies also have to face competition — to face the risk of failure," she said.

"And that won't happen if we allow them to use their power to stop anyone else even having the chance to compete."

Taxing tech giants

In a related matter, European economy commissioner Pierre Moscovici said in Washington he is open to all options on a tax reform that would enable the EU to obtain more tax revenues from Silicon Valley tech giants.

Moscovici's comments come after EU powers, led by France and Germany, said they were exploring ways to tax [internet giants](#) based on revenue instead of profits, which can more easily be shifted to low-tax jurisdictions.

He added that a number of options are being considered including taxing profits, revenue or "digital presence."

"We want to create tools so they pay their fair share where they create value and profits," he said in an interview with AFP.

Moscovici said he favors a plan that would only tax revenue above 750 million euros "to avoid handicapping start-ups because we want this sector to continue to grow."

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