

Google to create 'separate' shopping unit to avoid EU fines

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Google formally offered its solution to avoid more EU mega-fines on Wednesday, proposing to run its controversial shopping service as a standalone business.

The European Commission in June slapped Google with a record

2.4-billion-euro (more than \$2.7 billion) fine for illegally favouring its [shopping](#) service in [search](#) results.

The fine came after seven years of investigation launched by complaints from other price-comparison services that lost 90 percent of traffic against Google Shopping, according to the European Commission.

"We're implementing a remedy to comply with the European Commission's recent decision," Al Verney, a spokesperson for Google said in a statement.

Google, which was given until Thursday to provide its remedy or face further fines, is also appealing the decision at EU court.

The remedy by Google invites other comparison services to auction for display space on Google search results.

These slots will be labeled with the name of the service providing the link, such as "By Google," a feature that emerged on certain EU versions of Google last week.

To ensure fairness, the firm said its Google Shopping unit is to be separated from Google and will also have to participate in the auction for display space on search results.

"Google Shopping will compete on equal terms and will operate as if it were a separate business participating in the auction in the same way as everyone else." said Verney.

The unit would remain part of the company, but use its own revenues to bid for ads.

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controlling roughly 90 percent of the search market in Europe, according to EU data.

The fine over Google Shopping broke the previous European Union record for a monopoly case against US chipmaker Intel of 1.06 billion euros in 2009 and made the EU the global leader in regulating Silicon Valley giants.

The EU is also expected to soon decide another case against Google over abusing its dominance of internet search to impose its Android mobile operating system.

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