



Google and Amazon to Face Antitrust Scrutiny

Google and Amazon are under Scrutiny for their influence on **consumer privacy, labor conditions, public discourse and violation of antitrust law.**

- U.S. government's antitrust enforcement agencies, the Federal **Trade Commission** and the **Department of Justice** are carrying out Antitrust Investigations against Amazon and Google respectively.
- In 2018, **The Competition Commission of India (CCI)** has also imposed Rs.136 crore fine on Google for unfair business practices and for infringing antitrust conduct in India.

Issues with Google and Amazon

- **Amazon:** Amazon's Prime program amount to **predatory pricing scheme** designed to choke out competitors.
 - Amazon's Marketplace platform, where third-party sellers can list products, are accused of **one-sided contracts, disputes over advertising policies, and a ruthless competitive environment.**
 - Amazon's continued growth also threatens to give it **monopsony power** (a market situation in which there is only one buyer) over other industries like shipping.
 - Some consumer groups and vendors have complained that **Amazon edges out new competition**, particularly as the company enters into new business lines like groceries and fashion.
- **Google:** It is accused of abusing its **dominance of the online search market** by showing its biases towards certain ads and searches.
 - In 2017, European regulators also slapped a \$1.7 billion penalty on Google for barring websites from selling ads from rivals alongside some Google-served ads near search results.

Antitrust Law

- Antitrust law also referred to as **competition laws** aims to protect trade and commerce from **unfair restraints, monopolies and price fixing.**
 - They ensure that fair competition exists in an open-market economy.
- **The Competition Act, 2002** is India's antitrust law. It replaced the **Monopolistic and Restrictive Trade Practices Act of 1969.**

The Competition Act, 2002

- The Act prohibits:
 - anti-competitive agreements.
 - abuse of dominant position by enterprises.
 - regulates combinations (Mergers and Acquisition), which causes or likely to cause an appreciable adverse effect on competition within India.

Competition Commission of India

- From the provisions under the Competition Act, 2002, the central government has established Competition Commission of India in 2003.
- CCI consists of a Chairperson and 6 Members appointed by the Central Government.
- It is the duty of the Commission to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India.
- The Commission also give opinion on competition issues on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.

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