

Civil society organisations concerned weaknesses in Amazon settlement remain unresolved

The Balanced Economy Project and the Centre for Research on Multinational Corporations (SOMO) broadly support the legally binding commitments the European Commission has extracted from Amazon, following several detailed investigations into its anti-competitive practices. We welcome the fact that Amazon will no longer be able to use private data generated by sellers on its platform to compete unfairly against them, or use discriminatory criteria to decide which sellers get to enjoy crucial benefits such as Prime and the Buy Box.

Nevertheless, as we explained in our initial [response](#) to Amazon's initial commitments to the Commission, the settlement is rife with loopholes. The complaint mechanism included in the latest commitments lacks real teeth; sellers and carriers can submit written complaints, but with no formal timeline for a response or even a guarantee of receiving one in the first place. Amazon's promise to avoid using "non-public" seller data is undermined by its ability to unilaterally make such data "public" to all sellers – ignoring the fact that Amazon is in a far better position to draw insights from that data than most of the small-scale sellers on its marketplace.

We also deeply regret the Commission's decision not to impose a fine on Amazon for its blatantly anti-competitive practices. Amazon will now go unpunished for the harm it has inflicted on countless small businesses and consumers over many years. But perhaps more importantly, it means that Amazon – and other companies – will have the incentive to continue abusing their dominance in other markets, knowing that they can always change their practices without incurring a cost once – or rather if – the Commission catches on.

The Digital Markets Act, which is almost certain to apply to Amazon's marketplace, will further help in reining in Amazon's harmful practices. Ultimately however, we believe that structural remedies – above all the separation of Amazon's marketplace and retail businesses – are the only way to seriously address the problems the Commission has identified.

"The final settlement is an improvement to Amazon's original offer, yet, many questions remain open about how these complex behavioural commitments will be monitored and enforced. We are especially concerned that sellers, carriers and users are not given a bigger role in ensuring that Amazon complies with its promises", says Margarida Silva from SOMO.

"Amazon's commitments do not address the root causes of its abusive practices, which are its sheer size and control of an entire ecosystem" says Nick Shaxson from the Balanced Economy Project. "Instead of relying on weak and difficult to enforce commitments, the Commission should use structural remedies to untangle the multiple conflicts of interest at the heart of Amazon's dominance – in this instance by separating Amazon's marketplace from its retail and logistics operations."

"The Commission's failure to impose a fine on Amazon is regrettable. Not only does this mean that Amazon will go unpunished for the harm it has inflicted on countless small businesses that use its platform, but it – and many other companies – will be incentivised to continue abusing their dominance in other markets, knowing that there is no financial cost to getting caught.

Notes to the editor:

- On September 13 2022, 12 NGOs and trade unions wrote a submission to the European Commission's Competition department highlighting the weaknesses of Amazon's commitments and asking for the investigation to continue. You can read the letter [here](#).
- For background read the Balanced Economy Project's [blog](#) about Amazon's abuse of power in the marketplace and SOMO's [explainer](#) on the investigations.
- The Balanced Economy Project is dedicated to protecting democracy and tackling monopolies and excessive concentrations of economic and financial power. Find out more [here](#).
- The Centre for Research on Multinational Corporations (SOMO) is an action-oriented research NGO that exposes the impact and unprecedented power of multinationals and shows the underlying structures that enable them. Find out more [here](#).