Implications of fine on google

Why in news?

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European Union’s competition watchdog has fined Google with 2.42 billion euro.

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What was the reason?

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- ‘Google Shopping’ is Google’s own price-comparison website.
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- Google is alleged of abusing its position of dominance in the market by favouring products listed on ‘Google Shopping’, over those on competing websites.
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Is the judgment justified?

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- The fine is still considered baseless because businesses can have a valid economic reason to showcase certain products more prominently than others.
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- Advertisements can be considered faulty and punishable only if the standards are not met.
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- Google holds over 80% of the market share in Europe’s search engine market.
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- But it is not a legal monopoly, as anybody is free to compete against it.
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- So this did not call for an economic regulation by EU.

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- The decision also rejected the pro-consumer product design of Google Shopping.
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What should be done?

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- It should be ensured that EU’s regulatory overreach is not a barrier for innovation and consumers.
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- Innovations that benefit consumers must be properly differentiated from those that hurt competitors.
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Source: The Hindu

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