

Antitrust Case Against Amazon

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An Indian trade group representing online vendors has filed an antitrust case against Amazon in the country—which **follows other antitrust cases or expected probes against the retail behemoth in Canada, Europe and the United States**, from both the federal and various states—alleging that the e-commerce giant offers **preferential treatment to some retailers and brands whose steep discounts are driving independent retailers out of business.**

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It has been filed by the **All India Online Vendors Association** with the Competition Commission of India (CCI). The group has alleged that Amazon uses its wholesale unit to buy goods in large quantities from manufacturers and then sells them at a loss to vendors such as Cloudtail India and Appario, who then offer the items at big discounts. Both **Cloudtail India and Appario are partially owned by Amazon as India's foreign investment laws prevent the company from directly selling to customers in the country, which forces Amazon India to operate as a marketplace.** The group has also expressed concerns about Amazon's use of its own private label brands like Solimo and Presto to undercut sellers on the platform.

Earlier this year, the CCI had ordered an investigation into alleged antitrust violations by Amazon and Flipkart. The investigation, however, was put on hold by the Karnataka state High Court after Amazon argued that the CCI lacked sufficient evidence to order such an investigation. In January, Amazon CEO Jeff Bezos had made a high profile visit to India, where he promised \$1 billion in investments in the country. Unlike other major U.S. business leaders, Bezos received a cold shoulder from New Delhi, with the trade minister dismissing the proposed investment as “not a great favour” for India.

Outside India, **Amazon's dual role as both a retailer and a marketplace for third-party sellers has led to run-ins with regulators.** The company has been **accused of influencing search results on its site and using third party sellers' data to directly compete with them.** Earlier this month, Canada's Competition Bureau launched an investigation into whether Amazon's conduct on its marketplace has hurt consumers and companies in the country. Last year, India tightened rules to discourage steep discounting on e-commerce sites, but **small sellers say Amazon uses complex business structure to bypass these restrictions,** an allegation that the company denies.

Antitrust laws are regulations that monitor the distribution of economic power in business, making sure that healthy competition is allowed to flourish and economies can grow. Antitrust laws apply to nearly all industries and sectors, touching every level of business, including manufacturing, transportation, distribution, and marketing. Antitrust laws **prohibit a number of business practices that restrain trade.** Examples of illegal practices are price-fixing conspiracies, corporate mergers that are likely to cut back the competitive fervor of certain markets, and predatory acts designed to gain or hold on to monopoly power.