

Unter dem Ehrenschutz des LHM von Salzburg Dr. Wilfried Haslauer

1a Fact File

Committee on Internal Market and Consumer Protection (IMCO)

The question of tech monopolies

Recently, the European Union has started to issue heavy fines and changing regulations to crack down on monopolistic tactics of several tech and social media companies that prevent competition and deliberately limit the choices and opinions of consumers.

How can the Union further protect consumers and tech companies alike from unfair competition by multi-billion corporations while also ensuring that it does not breach free market laws and non-governmental intervention?

The IMCO committee chairing team:

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Distinguished delegates,

as your committee presidents we are delighted to welcome you to this year's Austrian national session of the Model European Parliament. During this weekend in Salzburg you will be debating the question of tech monopolies and how to better encourage healthy competition and choice of product for consumers in the European Union. During this weekend, take the opportunity to learn about this and many other new topics, to connect with people from across the country and to learn new skills.

Having read through the Preparation Module and its links, you should already have a good understanding of tech monopolies. Writing a resolution is a hard task - thorough research will not only help you but the whole committee in delivering successful work this session. This document is meant to help you visualize important data further and help you gain a thorough understanding of our committee issue. Keep in mind that these resources are meant to help you with your research, but please deepen your knowledge through taking your research beyond the resources provided by us.

Writing your own position paper will truly help you in solidifying your understanding of our committee issue. That is why we kindly ask you to **submit a position paper by Wednesday, January 8th 2025, 20h00 CET** via e-mail:

Committee President (CP)	Anna Bota anna.bota@bgklosterneuburg.at
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We would also like to have **a first committee meeting via zoom on Saturday, January 11th 2025, 17h00 CET**. Please save the date!

If you have additional questions feel free to contact us via e-mail. We are happy to help you with any questions that may arise and support you through this experience that we hope will be an invaluable one.

Use this weekend to refine your debating skills and teamwork. Take the opportunity to learn about various topics and meet new people. We are looking forward to hearing from you and soon meeting you at the session!

Best regards,
Your Committee Presidents

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Key Terms:

Tech monopolies: The large technology companies that dominate the market, controlling significant shares of multiple sectors like social media, search engines, e-commerce, and cloud services.

Internal Market: Refers to the single market within the EU's territory. The aim is to have an area without internal frontiers or regulatory obstacles in which the free movement of goods, persons, services, and capital is ensured in accordance with the articles of the Treaties.

Free Competition: Key element of an open market economy. It stimulates economic performance and offers consumers a broader choice of better-quality products and services and at more competitive prices.

Prominent Tech monopolies

- **Google:** Dominates online search and digital advertising.
- **Apple:** Controls a substantial portion of the smartphone market and software ecosystem.
- **Amazon:** Leads in e-commerce and cloud services.
- **Facebook (Meta):** Major corporation in social networking and digital advertising.
- **Microsoft:** Dominant presence in operating systems and office software.

The EU's regulatory framework

- **EU Competition Law:** Governed by the Treaty on the Functioning of the European Union (TFEU), especially Articles 101 and 102. Article 101 prohibits cartels and any kind of agreement that restricts competition. Article 102 prohibits the abuse of dominant market positions.
- **European Commission:** The executive body responsible for enforcing these laws and investigating breaches.

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EU Actions to Combat Tech Monopolies

The European Union has recently started a crackdown on tech monopolies to ensure fair competition and protect consumer rights. Here are some key actions and regulations:

1. Antitrust Investigations and Fines:

The EU has imposed fines on major tech companies for antitrust violations. For example, Google has faced multiple fines for practices such as favoring its own shopping services in search results and bundling its apps with the Android operating system.

2. Digital Markets Act (DMA):

Proposed in 2020 and adopted in 2022, the DMA aims to ensure a level playing field for all digital companies by targeting companies with a strong economic position and significant influence on the market. The DMA imposes restrictions on these companies, such as preventing them from favoring their own services over those of the competitors.

3. General Data Protection Regulation (GDPR):

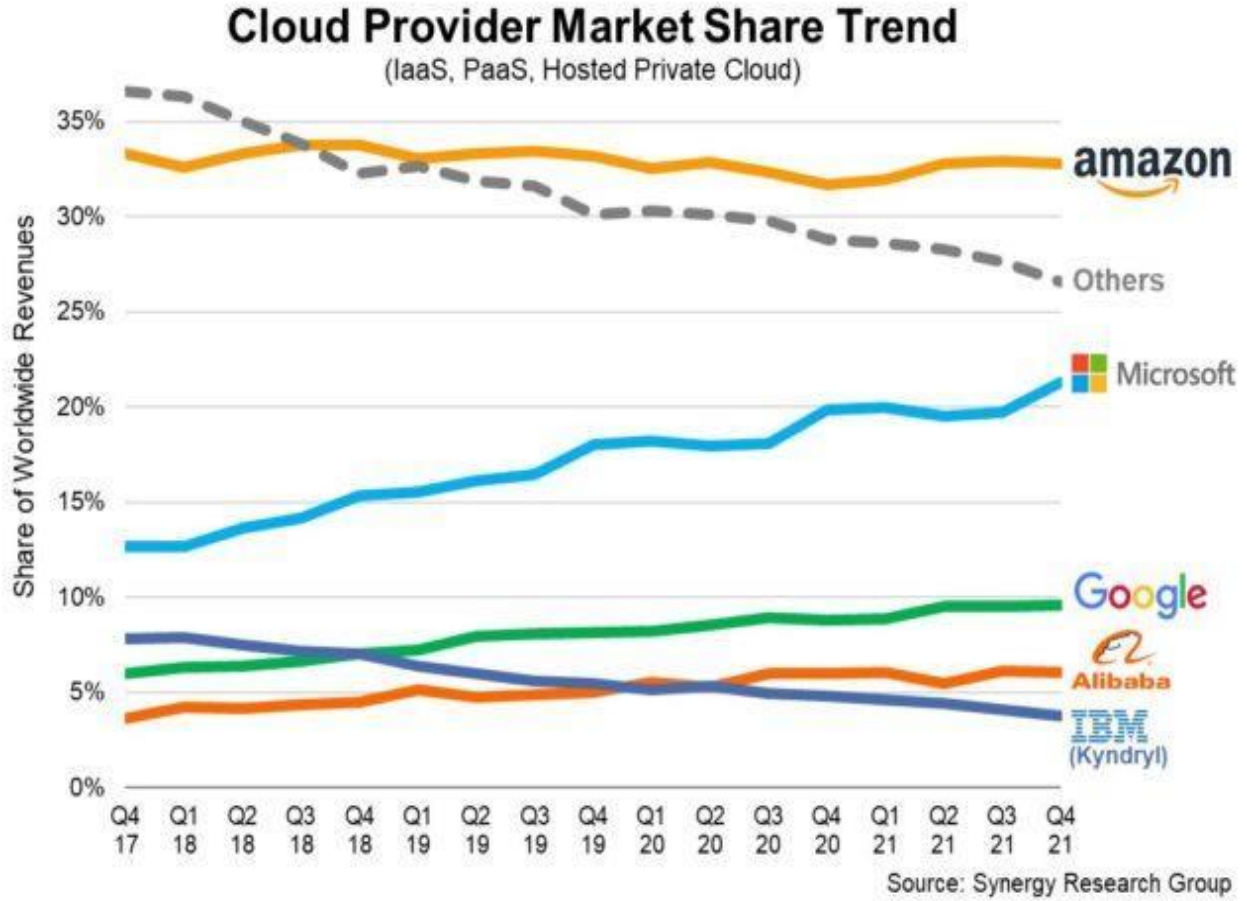
Enforced in 2018, the GDPR strengthens data protection and privacy for individuals within the EU. It impacts how tech companies handle personal data, giving consumers more control and imposing hefty fines for non-compliance.

4. Merger Control:

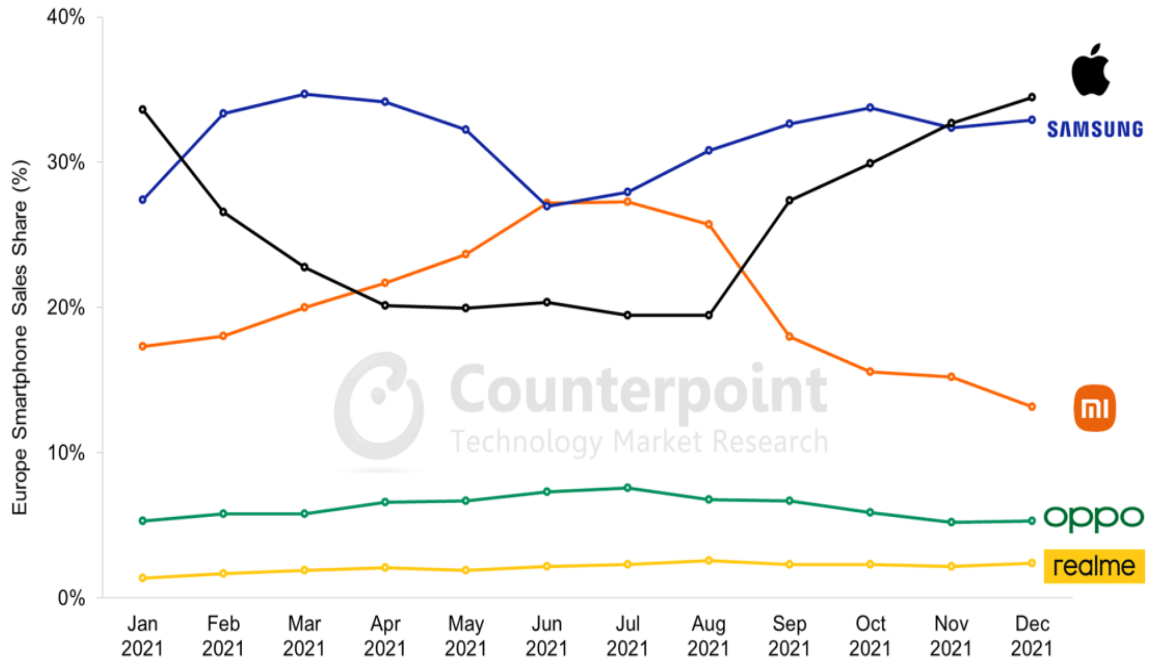
The EU puts under scrutiny mergers involving large tech companies to prevent more consolidation of market power. For example, Facebook's acquisition of WhatsApp and Google's purchase of Fitbit faced scrutiny and conditions to address antitrust concerns.

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Statistics on Tech monopolies:



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Source: Counterpoint Research Market Pulse Q4 2021

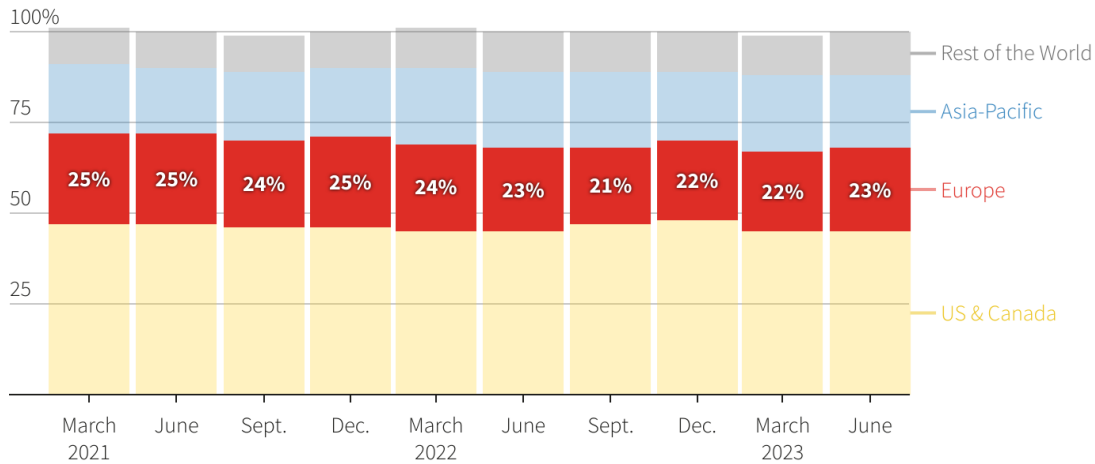
Note: Xiaomi includes Redmi and POCO, OPPO includes OnePlus

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Meta's Europe dependence

Europe contributes around **a quarter of advertising revenue** for Meta even with only 15% of total daily active users for Facebook.

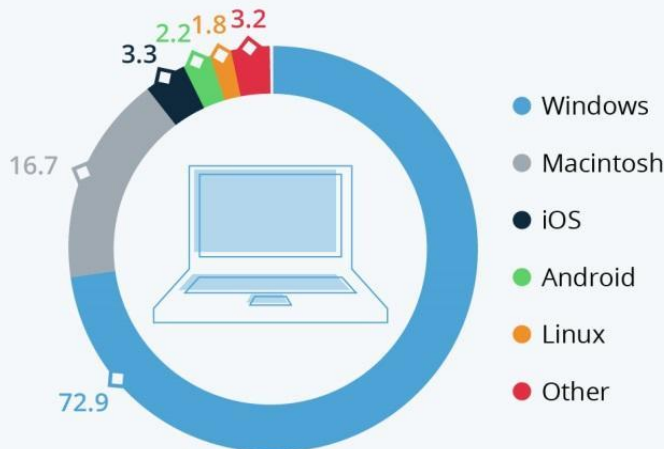
Share of advertising revenue from different regions



Note: Daily active users do not include users on Instagram, Whatsapp or other products.
Source: Company Results | Reuters, Oct. 3, 2023 | By Vineet Sachdev

Microsoft's Windows Still Synonymous with Computer

Market share of the top computer operating systems worldwide as of February 2020



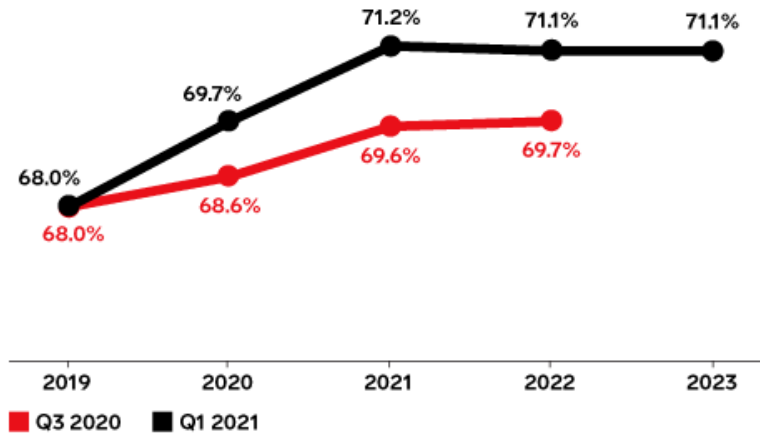
* Chart may not add up to exactly 100 due to rounding
Source: StatCounter



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Facebook and Google's Share of EU-5 Digital Ad Spending, 2019-2023

% of digital ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; includes Instagram advertising revenues; includes YouTube advertising revenues; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites
Source: eMarketer, March 2021

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eMarketer | InsiderIntelligence.com

Google's Search Engine Dominance

Search Engine Dominance



Google's leading market share remains relatively unchanged over the past few years.

Search market share

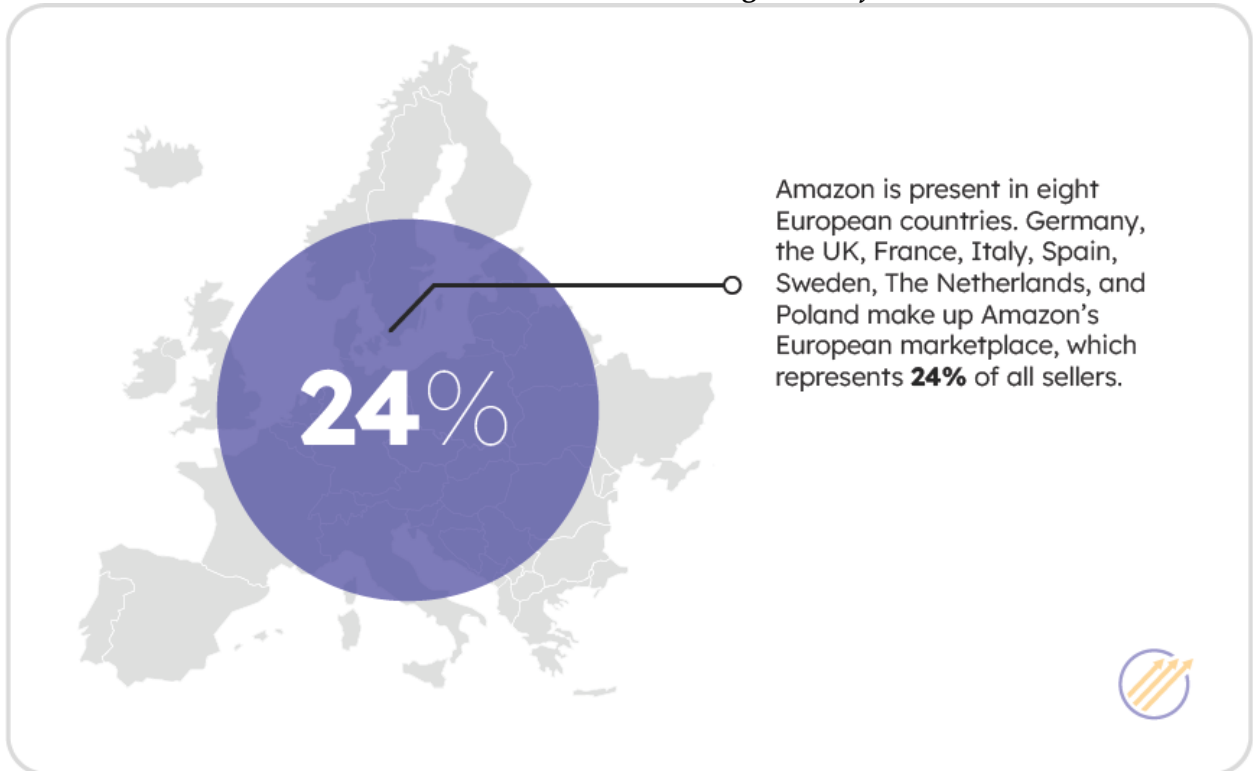
Major markets not included in this analysis include China and Russia.

Bing's partnership with OpenAI may help it steal some users in the future.

As of June 2023
Figures represent market share across all platforms, including desktop, mobile, and tablet.
Source: Similarweb (2023)

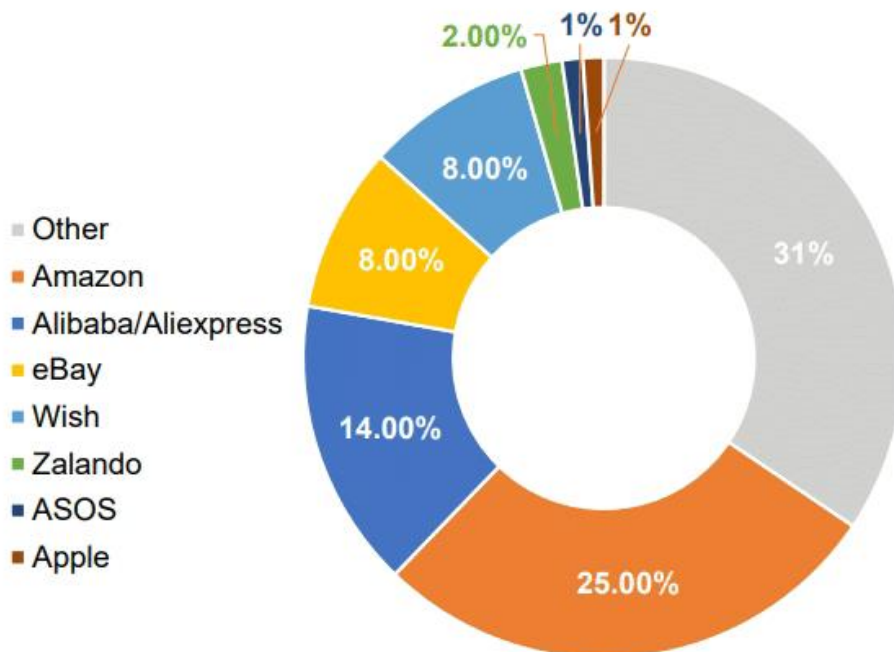
visualcapitalist.com

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RETAILER CHOICE: LAST CROSS-BORDER ONLINE PURCHASE

Cross-border ecommerce shopper survey, 2017



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REFERENCES:

- [Antitrust: Commission fines Google €1.49 billion for abusive practices in online advertising](#)
- [GDPR compliance](#)
- [Q&A: DMA: Ensuring fair and open digital markets](#)
- [Antitrust: Commission fines Google €2.42 billion](#)
- [Antitrust: Commission fines Google €4.34 billion for abuse of dominance regarding Android devices](#)
- [Europe fit for the Digital Age: Commission proposes new rules for digital platforms](#)
- [Antitrust and Cartels - European Commission](#)