

Italy's antitrust watchdog fines Amazon \$1.3B for requiring sellers to use its logistics service

Article

The news: The Italian Competition Authority (AGCM) has fined **Amazon** \$1.3 billion for “abuse of dominant position,” in the Italian brokerage services market—this is the [second](#)

penalty the AGCM has imposed on Amazon in two months.

How we got here: The AGCM found that sellers had to use Amazon's **Fulfillment by Amazon** (FBA) logistics service over others if they wanted access to key benefits like the **Prime** label, which enables them to participate in **Black Friday, Cyber Monday, and Prime Day** sales events, per Engadget.

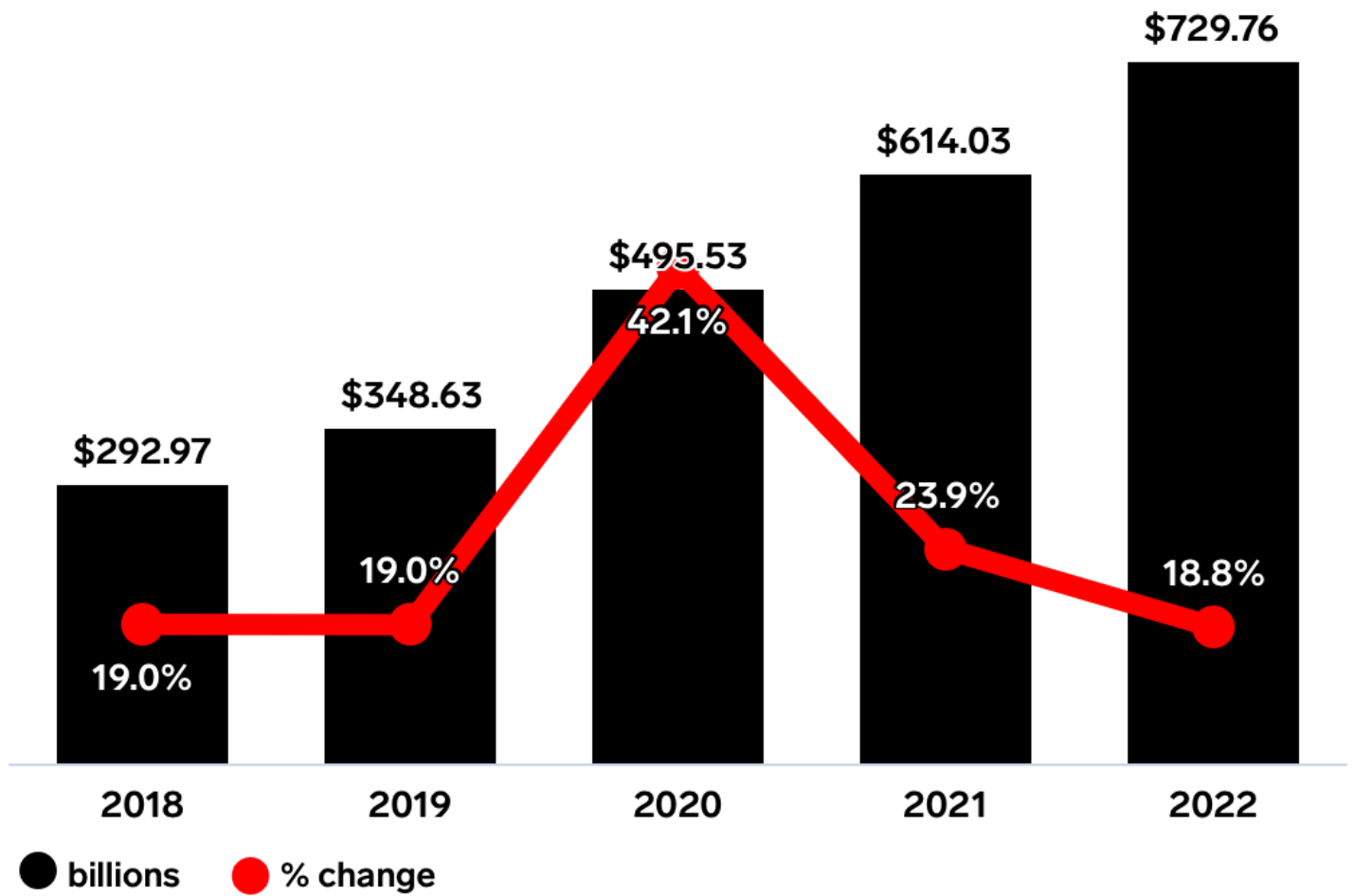
- The fine is the **largest levied in Europe against Amazon**, which has enjoyed unprecedented growth in Italy during the pandemic. In context, **70%** of consumer electronics purchases in Italy are from Amazon.
- Amazon responded by saying that the proposed fine and remedies are unjustified and disproportionate. “More than half of all annual sales on Amazon in Italy come from SMBs, and their success is at the heart of our business model.”
- Amazon and **Apple** were fined **\$228 million** by AGCM last month for limiting sales of Apple’s **Beats** items to Amazon and selected sellers “**chosen individually and in a discriminatory manner.**”

More on this: European regulators are intensifying their investigations into Big Tech anticompetitive practices and their resulting effects on the market as a whole.

- Italy’s **AGCM is pursuing various antitrust cases against Amazon**, which, if successful, could inspire other countries to follow suit. This could result in a change of policy for Amazon, even larger fines, or calls to break up Amazon’s monolithic business to even the playing field.
- AGCM has ordered Amazon to “grant sales benefits and visibility on **Amazon.it** to all third-party sellers which are able to comply with fair and non-discriminatory standards for the fulfillment of their orders,” the AGCM said.

Amazon Retail Ecommerce Sales

Worldwide, 2018-2022



Source: eMarketer, October 2021

eMarketer | InsiderIntelligence.com