

Google dinged with \$32M fine in South Korea for blocking mobile games on rival app store

Article

The news: Google was fined 42.1 billion won (\$32 million) by South Korea's Fair Trade Commission (KFTC) for blocking mobile video game developers from a rival Korean mobile

app platform called **One Store**, per [TechCrunch](#).

- South Korea is **Google Play**'s third-biggest market behind the US and Japan.
- One Store, which was founded in June 2016, belongs to a conglomerate of South Korea's three telecom providers—**SK Telecom**, **KT**, and **LG Uplus**—and internet provider **Naver**.

More than a slap on the wrist: The fine is a result of Google's alleged efforts to require Korean video game companies to exclusively release new games on the Play Store from June 2016 to April 2018.

- Regulators say Google blocked local game developers from releasing their content on the competing One Store in exchange for in-app exposure and promises of support for global expansion.
- **Google grew its South Korean mobile market share from 90% to 95% in 2018.**
- Meanwhile, One Store's market share accounted for about 5% to 10% in the same time period, falling from 15% to 20% in 2016.

Repeat offender: This isn't the first time Google has faced regulatory scrutiny in South Korea.

- **The KFTC fined Google 207.4 billion won (\$177 million) in 2021** for abusing its dominant position in the **Android** market by **restricting device makers from using rival operating systems**.
- This time around, the KFTC said Google's activity derailed larger mobile video game makers such as **NCSOFT**, **Netmarble**, and **Nexon**, as well as small and mid-size companies.

Google's response: "Google makes substantial investments in the success of developers, and we respectfully disagree with the KFTC's conclusions. We believe that there has been no violation of the law," a spokesperson at Google said.

Our take: Google—which is facing various antitrust charges outside the US, including **\$160 million fine in India** and **\$155 million in the UK**—is treading on dangerous ground and could incite intensifying regulatory scrutiny at a time when [it's scrambling for economic recovery](#) and cutting costs.

Mobile Game Consumer Spending Worldwide, iOS App Store vs. Google Play, 2022

billions

iOS App Store		Google Play	
US	\$14.35	US	\$9.67
China	\$14.35	Japan	\$4.48
Japan	\$8.61	South Korea	\$4.16
Taiwan	\$1.96	Germany	\$1.74
South Korea	\$1.12	Taiwan	\$1.16
UK	\$0.96	UK	\$1.05
Canada	\$0.88	France	\$0.80
Australia	\$0.79	Canada	\$0.68
Germany	\$0.73	Australia	\$0.56
Hong Kong	\$0.72	Brazil	\$0.51

Note: total worldwide consumer spending (including countries not shown)=\$336 billion; gross spending, inclusive of percentage taken by app stores
Source: data.ai, "State of Mobile Gaming 2023," March 28, 2023

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