

Antitrust: Commission fines Google €1.49 billion for abusive practices in online advertising

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Today the Commission has fined Google €1.49 billion for illegal misuse of its dominant position in the market for the brokering of online search adverts. Google has cemented its dominance in online search adverts and shielded itself from competitive pressure by imposing anti-competitive contractual restrictions on third-party websites. This is illegal under EU antitrust rules. The misconduct lasted over 10 years and denied other companies the possibility to compete on the merits and to innovate – and consumers the benefits of competition.”*

Google’s strategy for online search advertising intermediation

Websites such as newspaper websites, blogs or travel sites aggregators often have a search function embedded. When a user searches using this search function, the website delivers both search results and search adverts, which appear alongside the search result.

Through **AdSense for Search**, Google provides these search adverts to owners of “publisher” websites. Google is an intermediary, like an advertising broker, between advertisers and website owners that want to profit from the space around their search results pages. Therefore, AdSense for Search works as an online search advertising intermediation platform.

Google was by far the strongest player in online search advertising intermediation in the European Economic Area (EEA), with a market share above 70% from 2006 to 2016. In 2016 Google also held market shares generally above 90% in the national markets for general search and above 75% in most of the national markets for online search advertising, where it is present with its flagship product, the Google search engine, which provides search results to consumers.

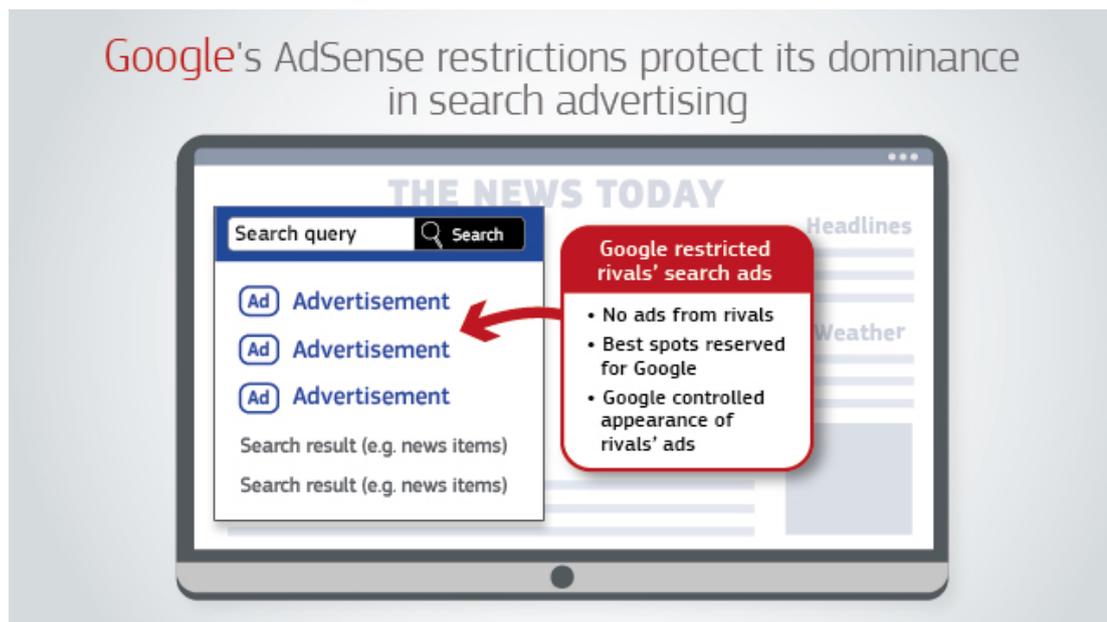
It is not possible for competitors in online search advertising such as Microsoft and Yahoo to sell advertising space in Google’s own search engine results pages. Therefore, third-party websites represent an important entry point for these other suppliers of online search advertising intermediation services to grow their business and try to compete with Google.

Google’s provision of online search advertising intermediation services to the most commercially important publishers took place via agreements that were individually negotiated. The Commission has reviewed hundreds of such agreements in the course of its investigation and found that:

- Starting in 2006, Google included exclusivity clauses in its contracts. This meant that publishers were **prohibited from placing any search adverts from competitors on their search results pages**. The decision concerns publishers whose agreements with Google required such exclusivity for all their websites.
- As of March 2009, Google gradually began replacing the exclusivity clauses with so-called “Premium Placement” clauses. These required publishers to reserve the most profitable space on their search results pages for Google’s adverts and request a minimum number of Google adverts. As a result, Google’s competitors were **prevented from placing their search adverts in the most visible and clicked on parts of the websites’ search results pages**.
- As of March 2009, Google also included clauses requiring publishers to seek written approval from Google before making changes to the way in which any rival adverts were displayed. This meant that **Google could control how attractive, and therefore clicked on, competing search adverts could be**.

Therefore, Google first imposed an **exclusive supply obligation**, which prevented competitors from placing any search adverts on the commercially most significant websites. Then, Google introduced what it called its **“relaxed exclusivity” strategy** aimed at reserving for its own search adverts the most valuable positions and at controlling competing adverts’ performance.

Google’s practices covered over half the market by turnover throughout most of the period. Google’s rivals were not able to compete on the merits, either because there was an outright prohibition for them to appear on publisher websites or because Google reserved for itself by far the most valuable commercial space on those websites, while at the same time controlling how rival search adverts could appear.



Breach of EU antitrust rules

Google's practices amount to an abuse of Google's dominant position in the online search advertising intermediation market by preventing competition on the merits.

Market dominance is, as such, not illegal under EU antitrust rules. However, dominant companies have a special responsibility not to abuse their powerful market position by restricting competition, either in the market where they are dominant or in separate markets.

Today's decision concludes that **Google is dominant in the market for online search advertising intermediation in the EEA** since at least 2006. This is based in particular on Google's very high market shares, exceeding 85% for most of the period. The market is also characterised by high barriers to entry. These include very significant initial and ongoing investments required to develop and maintain general search technology, a search advertising platform, and a sufficiently large portfolio of both publishers and advertisers.

Google has abused this market dominance by preventing rivals from competing in the online search advertising intermediation market.

Based on a broad range of evidence, the Commission found that Google's conduct harmed competition and consumers, and stifled innovation. Google's rivals were unable to grow and offer alternative online search advertising intermediation services to those of Google. As a result, owners of websites had limited options for monetizing space on these websites and were forced to rely almost solely on Google.

Google did not demonstrate that the clauses created any efficiencies capable of justifying its practices.

Consequences of the Decision

The Commission's fine of €1 494 459 000 (1.29% of Google's turnover in 2018) takes account of the duration and gravity of the infringement. In accordance with the [Commission's 2006 Guidelines on fines](#) (see [press release](#) and [MEMO](#)), the fine has been calculated on the basis of the value of Google's revenue from online search advertising intermediation in the EEA.

Google ceased the illegal practices a few months after the Commission issued in [July 2016](#) a Statement of Objections concerning this case. The decision requires Google to, at a minimum, stop its illegal conduct, to the extent it has not already done so, and to refrain from any measure that has the same or equivalent object or effect.

Finally, Google is also liable to face civil actions for damages that can be brought before the courts of the Member States by any person or business affected by its anti-competitive behaviour. The new EU Antitrust Damages Directive makes it easier for victims of anti-competitive practices to obtain damages.

Other Google cases

In [June 2017](#), the Commission fined Google €2.42 billion for abusing its dominance as a search engine by giving an illegal advantage to Google's own comparison shopping service.

In [July 2018](#), the Commission fined Google €4.34 billion for illegal practices regarding Android mobile devices to strengthen the dominance of Google's search engine.

Background

Today's decision is addressed to Google LLC (previously Google Inc.) and Alphabet Inc., Google's parent company.

The Commission's investigation into the conduct covered by the present decision began as part of the broader Google Search investigation (case [39740](#)).

On [14 July 2016](#), the Commission sent a Statement of Objections to Google setting out its preliminary views that the company had abused its dominant position by artificially restricting the possibility of third party websites to display search advertisements from Google's competitors.

[Article 102](#) of the Treaty on the Functioning of the European Union (TFEU) and [Article 54](#) of the EEA Agreement prohibit the abuse of a dominant position.

Fines imposed on companies found in breach of EU antitrust rules are paid into the general EU budget. This money is not earmarked for particular expenses, but Member States' contributions to the EU budget for the following year are reduced accordingly. The fines therefore help to finance the EU and reduce the burden for taxpayers.

More information on today's decision is available on the Commission's [competition website](#) in the public [case register](#) under the case number [40411](#).

[The WhiteDoveWay, a path of peace across Europe](#)



The European Economic and Social Committee (EESC) has adopted in its March plenary session on 20 March, an opinion proposing an EU-led global peace-building strategy which includes the creation of the WhiteDoveWay, a path of peace from Northern Ireland to Nicosia, to promote dialogue, reconciliation and conflict prevention following in the initial footsteps of the sixth century Irish pilgrim Columbanus.

The European Union was built on a mission of peace for which it won the Nobel Peace Prize in 2012. This has allowed many new generations of Europeans to be far removed from the reality of war. Now the time has come for the EU, the greatest peace project in modern history, to become a global leader building peace in Europe and the world. This is the main message of the own-initiative opinion [The WhiteDoveWay – Proposal for an EU-led global peace-building strategy](#) that will be adopted by the EESC. As stated by **Jane Morrice**, rapporteur of the opinion, *the EU has a moral obligation, above and beyond geopolitical or economic interests, to find ways to protect the lives of innocent victims caught up in conflict, particularly children.*

To this aim, the EESC urges the EU to create and finance a new Global Peace-building Strategy that would include as a main feature the creation of the WhiteDoveWay, a path of peace stretching 5 000 km across Europe, from Northern Ireland to Nicosia, capital of Cyprus. This route would follow in the footsteps of Columbanus, the sixth century Irish pilgrim described by EU founding father **Robert Schuman** as the patron saint of all those who seek to build a united Europe who travelled from Ireland to Italy.

The WhiteDoveWay would go beyond the original route and would pass through territories profoundly touched by war and conflict, such as the Western Front, South Tyrol and the Balkans, linking people and places along the way. The proposal includes the setting up of Peace Centres and branches to northern, eastern, central and southern Europe so walkers can select routes to visit as many sites as they see fit.

A cultural route accessible to all

The EESC proposal also includes an online portal creating a virtual reality and interactive experience with audio-visual components from each site that would be used as an educational tool to teach peace-building in schools throughout the EU. To this end, the EESC calls for the creation of an EU WhiteDoveWay task force to initiate consultations with local and regional partners and other established routes such as the [WesternFrontWay](#) and the cultural route proposed by the Friends of Columbanus. This task force would also be in charge of establishing closer collaboration with international organisations such as the United Nations, UNESCO, OSCE and the Council of Europe and preparing the logistics for a path from Ireland to Cyprus.

The initiative proposed by the EESC includes the creation of European Centres for Peace and Reconciliation in Northern Ireland and Nicosia and learning hubs connecting strategic sites along the WhiteDoveWay, as well as the recognition by the EU of the White Dove symbol as the “trademark” for all EU peace projects and increased obligation on peace projects to publicise EU support. As pointed out by **Jane Morrice**: *By providing a route map for an EU-led Global Peace-building Strategy, modelled on the EU PEACE Programme in Northern Ireland and the border counties, alongside a physical and virtual peace trail for travellers, the WhiteDoveWay will serve as a beacon showing a way to live, learn and connect in an increasingly globalised world.*

To achieve these goals, the EESC recalls that every euro invested in peace saves EUR 7 in defence and urges the EU to prioritise peace-building in its proposals for the new EU budget (MFF 2021-27). The new EU budget should not only focus on conflict prevention, and greater coherence and cohesion between internal and external trade, aid, development and security policies but also secure and increase resources on cultural diplomacy, peace journalism and intercultural dialogue.

The opinion also underlines the need for more structured involvement of civil society at all levels of decision-making as a key element for the success in the implementation of the strategy, with a special focus on women and youth.

According to the EESC opinion, the new budget should reflect the success of ERASMUS and place greater emphasis on Information, Communication and Education (ICE) strategies, particularly the use of both traditional and social media to engage citizens at every level in the EU peace building effort.

In **Jane Morrice's** words: *Using the White Dove symbol to signpost the direction of travel, the WhiteDoveWay would not only be a legacy to EU peace-building throughout the world but also a new vision for the EU and a message*

of hope in increasingly challenging times.

[International trade in goods in 2018 – A third of EU trade is with the United States and China – At Member State level, trade within the EU largely prevails](#)

In 2018, the **United States** (€674 billion, or 17.1% of total extra-EU trade in goods, i.e. the sum of exports and imports) and **China** (€605 bn, or 15.4%) continued to be the two main goods trading partners of the **European Union** (EU), well ahead of **Switzerland** (€265 bn, or 6.7%), **Russia** (€254 bn, or 6.4%), **Turkey** (€153 bn, or 3.9%) and **Japan** (€135 bn, or 3.4%).

[Full text available on EUROSTAT website](#)

[Capital Markets Union: Council confirms final agreement on easier access to financial markets for SMEs](#)

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[Industrial emissions to water decreased in Europe but current levels are still a challenge for European waters](#)



The EEA report '[Industrial waste water treatment – pressures on Europe's environment](#)' analyses recent data about emissions from industry directly to water bodies as well as to sewage systems and onward to UWWTPs. The analysis focuses on the latest information for 2016, when around 3 600 industrial facilities reported at least one direct or indirect pollutant release to water to the [E-PRTR database](#). Only those facilities with discharges above certain thresholds are required to submit these data.

The report shows that industrial sectors with large-scale activities tend to have a higher proportion of direct releases to water, which would require more intense on-site treatment. Pulp and paper, iron and steel, energy supply, non-ferrous metals and chemicals industry are examples of such sectors. Sectors with typically smaller facilities, and/or less polluted waste water, such as manufacturing and food and drink production, tend to report higher proportions of their releases to the sewer system, often similar in pollutant-loading as releases from domestic sources.

The largest environmental pressures caused by direct releases of pollutants to water bodies, assessed using an eco-toxicity weighting system, comes from single large, or clusters of smaller, thermal power plants, coke ovens and chemical manufacturing plants.

According to a recent [EEA assessment on the state of water in Europe](#), only around 40 % of Europe's surface water bodies are in good ecological status and 38 % of surface water bodies have good chemical status. Based on national assessments however, in most countries large industrial sources of pollution are identified as being only a relatively small source of pollution to water bodies. The data suggest that industrial facilities not regulated by EU legislation, i.e. smaller sites, may presently exert greater pressure on the quality of water than the larger installations covered by legislation.

Finally, the report identifies several further important knowledge gaps and provides a series of recommendations designed to support policy-makers and to improve the existing reporting mechanisms by UWWTP operators and European countries.

About E-PRTR

The [European Pollutant Release and Transfer Register \(E-PRTR\)](#) is the Europe-wide register that provides easily accessible key environmental data from industrial facilities in European Union Member States and in Iceland, Liechtenstein, Norway, Serbia and Switzerland. The register contains data reported annually by more than 30,000 industrial facilities covering 65 economic activities across Europe.