

EU launches probe into Amazon's use of merchant data

Brussels, Belgium

The EU's powerful antitrust authority launched an in-depth investigation into Amazon yesterday, amid suspicions the US-based online behemoth misuses merchant data hosted on its website.

The formal investigation opens a new chapter in the European Union's campaign to curtail the dominance of US tech firms with Google, Facebook and Apple also regular targets of regulators in Brussels.

"I have... decided to take a very close look at Amazon's business practices and its dual role as marketplace and retailer (and) to assess its compliance with EU competition rules," the EU's anti-trust commissioner Margrethe Vestager said in a statement.

At the heart of the case is Amazon's service to third party merchants who use the world's biggest online retailer to access customers and broaden their reach.

In providing this service, Amazon "continuously collects data about the activity on its platform", the commis-



EU's anti-trust commissioner Margrethe Vestager

sion said. Preliminary findings, according to the statement, indicate that Amazon "appears to use competitively sensitive information -- about marketplace sellers, their products and transactions on the marketplace."

The investigation, which has no deadline, is likely to be the final offensive by Vestager against big tech before the end of her current mandate on October 31.

In an email, Amazon said: "We will cooperate fully with the European Commission and continue working hard to support businesses of all sizes and help them grow."

US hopes China to undo trade backtracking

Washington, United States

US officials hope China will reverse its decision to backtrack on commitments it made in the effort to settle the ongoing trade conflict, Commerce Secretary Wilbur Ross said yesterday.

US and Chinese officials held high-level discussions by telephone this week and last as they try to re-start negotia-

tions. The talks collapsed in May after Washington accused Beijing of reneging on core issues it had agreed to earlier this year.

"This is a long, involved process. The fundamental question now, though, is will they go back to the point where they were before they changed their mind?" Ross told Fox Business Network on Wednesday.

Global stock markets weaker

London, United Kingdom

Global stock markets turned weaker Wednesday after recent record gains in the US while growing concerns about a no-deal Brexit kept the pound under pressure.

By the close in Europe, London's FTSE 100 index was down 0.55 per cent, Paris shed 0.76pc and Frankfurt dropped 0.72pc.

All three had been little changed earlier in the day.

The pound dropped to \$1.2382, its lowest since April 2017, but recovered some lost ground by late afternoon in London to trade at \$1.2433.

Sterling was also steadier against the euro after hitting fresh six-month lows.

Traders said the overall outlook depends on what happens to US interest rates as concerns continue over US-China trade tensions.

"Investors are clearly worried that the ongoing trade standoff between the US and China may hurt economic growth and require a looser monetary policy now rather than later," Fawad Razaqada of Forex.com said in a note.

President Donald Trump hit out at what he said was a lack of follow-through from Beijing on promises to buy more farm goods just as more high-level talks were due to take place this week.

There had been hopes of some sort of progress after Trump and Chinese leader Xi Jinping agreed at the G20 last month to restart talks.

Tapas Strickland, senior analyst at National Australia Bank, said there were "no signs that tensions will abate anytime



A gold coin, produced by Perth Mint and supposedly worth \$45 million USD stands on display at the New York Stock Exchange (NYSE) located at Wall Street in New York City

Key figures around 1600 GMT

Pound/dollar:	▲ at \$1.2433 from \$1.2408 at 2040 GMT
Euro/pound:	■ at 90.32 pence
Euro/dollar:	▲ at \$1.1228 from \$1.1211
Dollar/yen:	▼ at 108.11 yen from 108.26 yen
London - FTSE 100:	▼ 0.55pc at 7,535.46 points
Frankfurt - DAX 30:	▼ 0.72pc at 12,341.03
Paris - CAC 40:	▼ 0.76pc at 5,571.71
EURO STOXX 50:	▼ 0.56pc at 3,501.58
Tokyo - Nikkei 225:	▼ 0.3pc at 21,469.18 (close)
Hong Kong - Hang Seng:	▼ 0.1pc at 28,593.17 (close)
Shanghai - Composite:	▼ 0.2pc at 2,931.69 (close)
New York - Dow:	▼ 0.10pc at 27,305.79
Brent North Sea crude:	▼ 0.31pc at \$64.15 per barrel
West Texas Intermediate:	▼ 0.64pc at \$57.25 per barrel

soon".

Oanda analyst Craig Erlam

said there was "little doubt that the threat of no-deal Brexit is

what's driving" the pound.

The battle to be Britain's next prime minister is entering the final stretch with both candidates hardening their positions on Brexit, putting the future government on a collision course with Brussels.

The business community and many lawmakers fear dire economic consequences from a no-deal Brexit which would lead to immediate trade tariffs for certain sectors including the automotive industry.

On the oil market, both main contracts were firmer after sharp losses of more than threepc on Tuesday as tensions between the US and Iran appeared to be easing.

However, prices slipped late afternoon to leave the market in the red.

France defiant in digital tax showdown with US at G7

Chantilly, France

France yesterday said it would push ahead with its law to tax tech giants that has sparked a row with the United States, saying that an international accord was the only way to solve the dispute.

French Finance Minister Bruno Le Maire met US Treasury Secretary Steven Mnuchin on the sidelines of the meeting of finance ministers from the world's seven most developed economies in Chantilly outside Paris.

"We don't always agree on all issues, but we do agree on many and it's always important to listen to each other," Le Maire tweeted non-committedly.

The French parliament earlier this month passed a new law that will tax digital giants on revenue accrued inside the country, even if their European headquarters are elsewhere, in a move that will affect huge US groups Google, Apple, Facebook and Amazon.

The move has infuriated President Donald Trump and the United States has announced an unprecedented probe against France which could trigger the imposition of tariffs.

'Won't back down'

In comments to France Inter radio, Le Maire said France would not back down on its plans to impose the three-percent tax on revenue.

He said he would make clear



Italian Finance Minister Giovanni Tria (R) speaks with European Commissioner for Economic and Financial Affairs, Taxation and Customs Pierre Moscovici at the start of a meeting of Eurogroup Finance Ministers at the European Council headquarters in Brussels

that the French parliament had agreed the tax and this could only be withdrawn if there was an international agreement.

"The possibility of US sanctions against France exists," Le

Maire said. "There is a legal instrument for that and clearly there is the political will."

Even before the final vote by French lawmakers, the US announced it was opening a so-

called Section 301 investigation into the measure.

A Section 301 investigation was used by the Trump administration to justify its tariffs on China.

But Le Maire said: "France will not back down on the introduction of its national tax. It was decided upon, it was voted upon, it will be applied from 2019."

The minister had late Tuesday expressed confidence that the G7 could find a consensus for an international accord which would be overseen by the Organisation for Economic Cooperation and Development (OECD).

"This would be the best way to solve this problem," said Le Maire.

France became the first major economy to pass such tax legislation last week when parliament gave its final approval.

Britain unveiled legislation last week and Spain's new government is expected to introduce its own version.

But smaller EU states such as Ireland and Luxembourg -- low-tax countries which host the European headquarters of the digital giants -- have prevented a consensus in the EU.

While the measure does not specifically target US internet giants, the French commonly call it the GAFA tax, an acronym for Google, Apple, Facebook and Amazon.

Work has been under way for several years on a reform of the international tax system to ensure that multinationals are not able to escape paying taxes in countries where they do large amounts of their business.

German Finance Minister Olaf

Scholz said he hoped that next year there could be international rules in place that "we can introduce everywhere, including in the EU and Germany."

'Serious concerns on Libra'

Plans by Facebook to launch a virtual currency called Libra have also stoked concerns among regulators in numerous countries about regulation and market oversight of cryptocurrencies.

Le Maire said the conditions were not yet in place to launch Libra, a virtual currency to be backed with a basket of real-world currencies that Facebook says will facilitate online financial transactions.

He said he hoped the G7 would consider the necessity of a "framework or a regulation" and also "what would be the conditions that would make such an instrument feasible."

Scholz said the ministers and central bankers present had "serious concerns" about the implications.

"We are talking about currency stability, security, data protection and democratic control," he added.

The ministers are also expected to discuss who will take over at the International Monetary Fund after Frenchwoman Christine Lagarde was named to head the European Central Bank. The IMF post has traditionally been held by a European.