

Australian media

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Google and Apple app stores investigated by Australia's competition watchdog

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Australia's competition watchdog has launched an inquiry into how Google and Apple run their app stores for Android and iOS devices.

The Australian Competition and Consumer Commission, in its latest action targeting digital platforms, on Tuesday announced it would be examining the app stores with a focus on how data is used and shared.

The ACCC will examine how Google and Apple link their own products in their app stores, what effect this has on competition, the competition between the stores, fees

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charged to businesses on the app stores, the transparency surrounding how apps are ranked and whether processes are in place to protect people from harmful apps.

The commission highlighted in an issues paper various complaints regarding app stores globally, including that Google and Apple take between 15% and 30% of each inapp purchase and that Apple - as the gatekeeper of its store - allegedly preferenced its own apps over competitors' apps in search results.

The paper also references the recent fight between Epic Games, the developer of the incredibly popular video game Fortnite, and Google and Apple.

Fortnite was removed from both app stores after Epic Games sought to circumvent the in-app purchasing systems in both stores to prevent Google and Apple taking a large percentage of sales. Epic Games is now taking legal action against both companies.

The ACCC deputy chair Delia Rickard said apps are becoming increasingly important for businesses to grow.

"We want to know more about the market for mobile apps in Australia, including how transparent and effective the market is, for consumers as well as those operating in the market," she said.

"For app developers and suppliers, gaining a spot in one of the major app stores can result in significant sales, while failing to gain access can be a major setback. We are keen to provide greater transparency on how this process works."

A Google spokesman said the company would engage constructively with the ACCC as it has done since the digital platforms inquiry started.

"In the interest of transparency, we've been open to dozens of meetings on request and provided thousands of documents to assist in the process," he said.

Guardian Australia has sought comment from Apple.

Consumers and developers have been asked to provide submissions to the inquiry by 2 October and a report will be released in March 2021.

It comes as the ACCC is also finalising a mandatory code that would require Google and Facebook to pay news media companies for using their content. Google has launched a public advertising campaign against the code while Facebook has threatened to remove all news from Australian feeds.

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The prime minister, Scott Morrison, has said he would <u>not respond well</u> to threats from tech companies.

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