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3,000,000

= 1 single firm



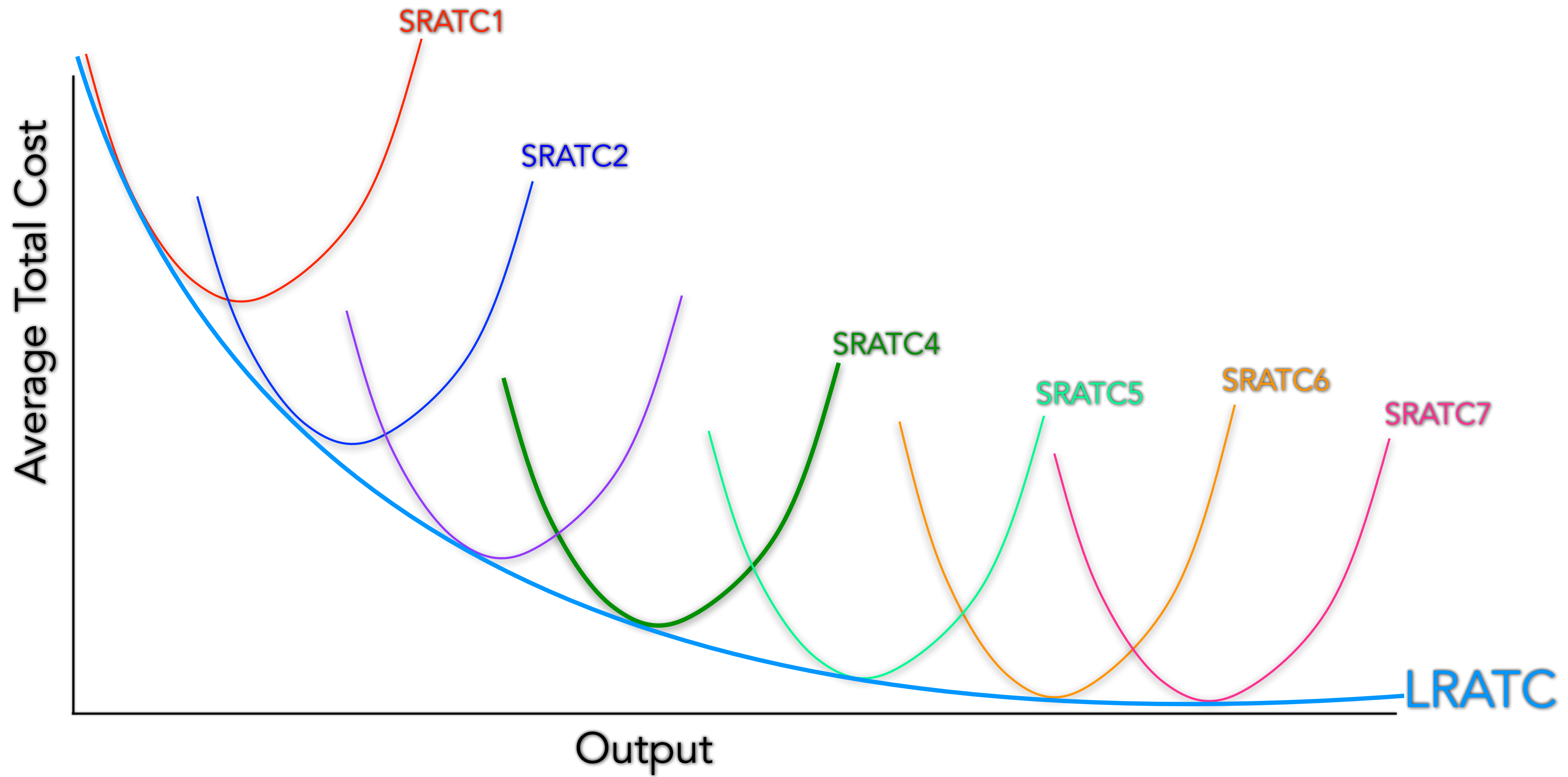
If the MES is a **large** plant which reaches min cost at a **large** output level such as

$$Q = 3,000,000 \text{ units}$$

Total Demand = 3,000,000



The **larger** the size  
of the MES, the  
**more concentrated**  
the industry

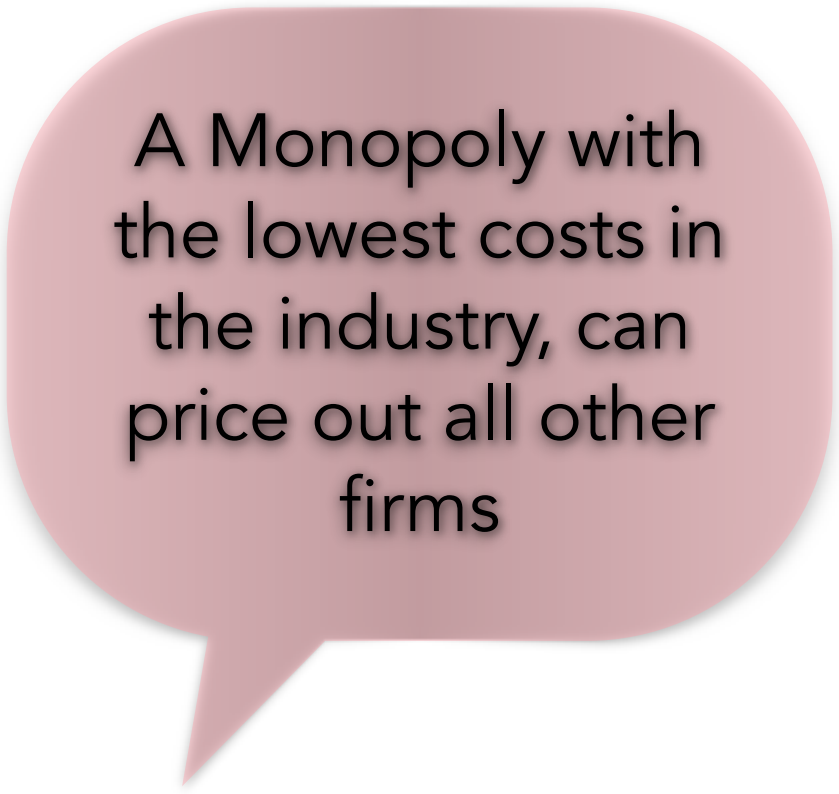


MESES = 3,0000,000



There is room  
for only 1 firm  
to supply the  
entire industry

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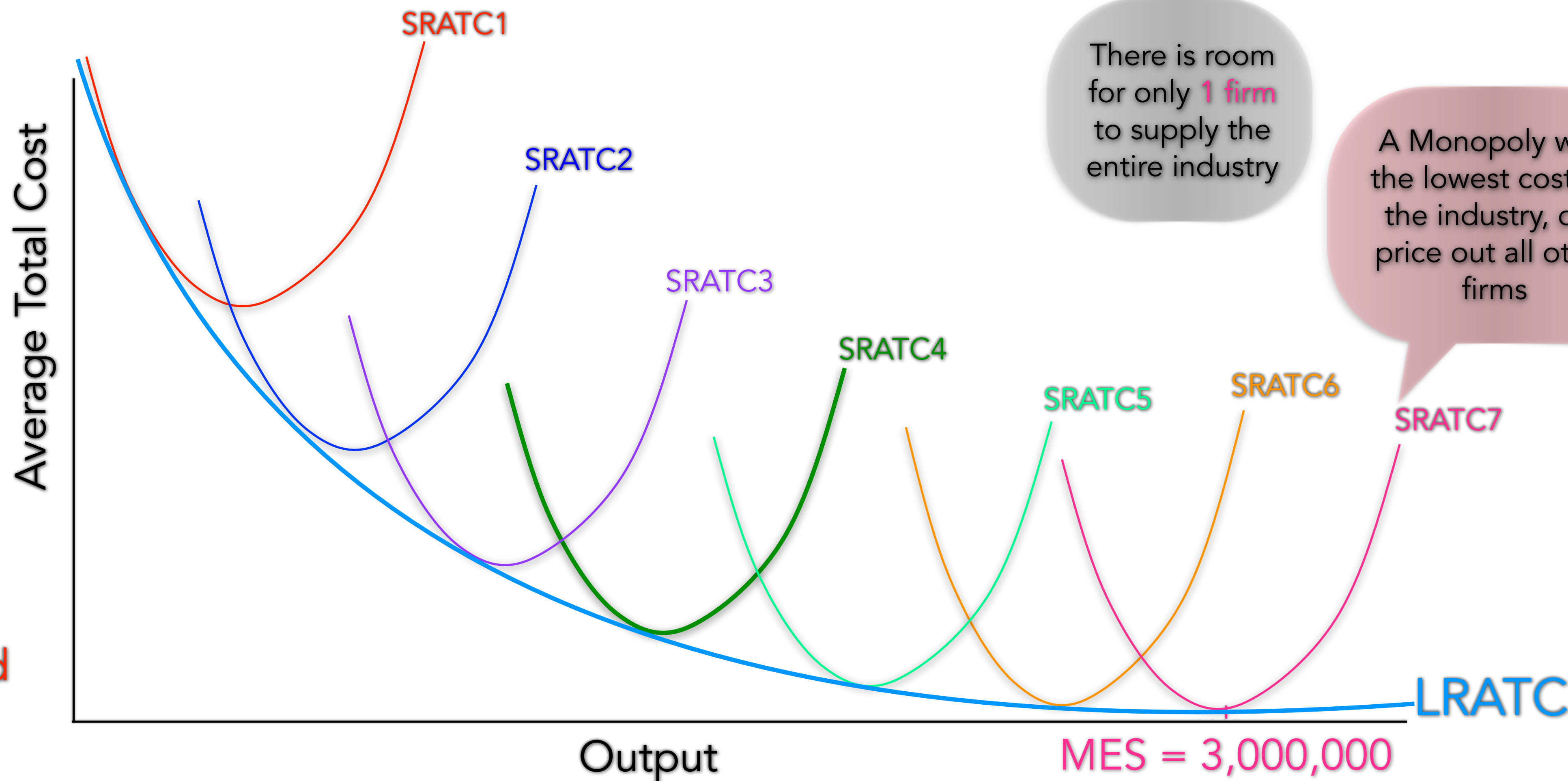
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A Monopoly with  
the lowest costs in  
the industry, can  
price out all other  
firms

Assume Total Demand = 3,000,000 units

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$$\text{Total Demand} = \frac{3,000,000}{3,000,000} = 1 \text{ single firm}$$



There is room for only 1 firm to supply the entire industry

A Monopoly with the lowest costs in the industry, can price out all other firms

The **larger** the size of the MES, the **more concentrated** the industry

If the MES is a **large** plant which reaches min cost at a **large** output level such as **Q = 3,000,000** units



# Is Amazon a Monopoly?

Amazon falls short of meeting the US Department of Justice's **monopoly threshold**, defined as a market share of **greater than 50 percent**.

As of October 2021, Amazon accounted for **41 percent** of the U.S. e-commerce market, making it by far the leading online retailer in the country