European Commission - Press release



Antitrust: Commission welcomes steps taken by Amazon/Audible and Apple to improve competition in audiobook distribution

Brussels, 19 January 2017

The European Commission welcomes an agreement to end all exclusivity obligations concerning audiobook supply and distribution between Amazon's subsidiary Audible and Apple. This step is likely to improve competition in downloadable audiobook distribution in Europe.

The agreement between Amazon/Audible and Apple to remove these exclusivity obligations, following contacts with the Commission and the German Federal Cartel Office, means that Audible is able to supply its downloadable audiobooks to third party platforms, that Apple can source audiobooks from alternative suppliers, and that publishers and content aggregators will be able to enter into distribution agreements directly with Apple.

Audible and Apple's iTunes store are two of the world's largest distributors of downloadable audiobooks to consumers. A subsidiary of Amazon since 2008, Audible is the world's largest seller and producer of downloadable audiobooks and other spoken-word content. Apple's iTunes store, integrated in Apple devices, allows customers to purchase and download content, including audiobooks.

On 5 January 2017, Audible and Apple agreed to remove all exclusivity obligations governing the supply and distribution of audiobooks. These exclusivity obligations, which predated Amazon's acquisition of Audible in 2008, required Apple to source exclusively from Audible and Audible not to supply music digital platforms other than Apple's iTunes store. The removal of these exclusivity obligations will allow for further competition in a fast growing and innovative market and allow European consumers broader access to downloadable audiobooks.

The European Commission had been looking into the exclusivity arrangement since it received a complaint from the German Publishers and Booksellers Association (the *Börsenverein des Deutschen Buchhandels*), which objects to various practices used by Audible, including its exclusive supply of audiobooks to Apple's iTunes Store. A substantially similar complaint was submitted by the same association to the German Federal Cartel Office, which <u>opened an investigation</u> against Audible and Apple on 16 November 2015.

The Commission has closely cooperated with the German Federal Cartel Office on this matter. The German Federal Cartel Office has also welcomed today the agreement between Amazon and Apple (press release).

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