

Facebook Inc

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Bosses of Facebook, Apple, Amazon and Google parent Alphabet blasted over market dominance in Congressional hearing ahead of results

The bosses of some of the world's largest tech firms, Facebook Inc (NASDAQ:FB), Apple Inc (NASDAQ:AAPL), Amazon Inc (NASDAQ:AMZN) and Google parent Alphabet Inc (NASDAQ:GOOG) faced a gruelling interrogation from the US Congress on Wednesday where they faced sharp criticism over their dominance of the sector.

The hearing saw Facebook's Mark Zuckerberg, Amazon's Jeff Bezos, Apple's Tim Cook and Sundar Pichai of Alphabet grilled by the antitrust subcommittee of the US House of Representatives, where they were told they had "too much power" and involved in stifling free speech, spreading misinformation and stifling competition in the market.

Complaints varied against the tech giants but most focused on their ability to use their size to crush smaller competitors as well as overcharging customers reliant on their services.

Republican committee members also attempted to pivot the discussion away from antitrust issues toward accusations of anti-right wing bias on the platforms, a common allegation within conservative circles.

Zuckerberg was hit with repeated questioning over the 2012 purchase of image-based social network Instagram, which congressman Jerry Nadler cited as "exactly the type of anticompetitive acquisition the antitrust laws were designed to prevent" after referencing internal documents from the company that revealed the purchase had been made to neutralise a competitor.

Pichai also faced questions around Google leveraging its dominant position as a search engine to threaten companies that objected to its business practices.

Meanwhile, Tim Cook ended up in the committee's crosshairs regarding the review process of Apple's App Store, while Bezos faced scrutiny around Amazon's use of third-party seller data in sales decisions.

The congressional grilling comes ahead of the all-important results from all four of the big tech firms, which between them account for around a fifth of the S&P 500's total value.

Due to their heavy presence online shopping, internet use and content streaming, the tech giants have been massive winner during the coronavirus pandemic, which has seen most of their shares pull ahead of the more lacklustre performance of the wider market.

However, after such a strong performance, investors will likely wonder just how far the big four can go before the bubble bursts.

Shares in Facebook were down 0.9% at US\$231 in pre-market trading in New York on Thursday, while Apple fell 1.08%

Price: 267.56

Market Cap: \$762.23 billion

1 Year Share Price Graph



Share Information

Code: FB

Listing: NASDAQ

52 week High Low
304.67 137.11

Sector: Online business & e-commerce

Website: www.facebook.com

Company Synopsis:

When it comes to social networking, it's wise to put your best face forward. Facebook, the social networking juggernaut, lets users share information, post photos and videos, play games, and otherwise connect with one another through online profiles.

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to US\$376, Alphabet dropped 1% to US\$1,507 and Amazon sank 0.7% to US\$3012.

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