



GAFAM Acquisitions: What's The Big Deal?

Jay Ezrielev

Elevecon

February 10, 2022



www.elevecon.com



elevecon

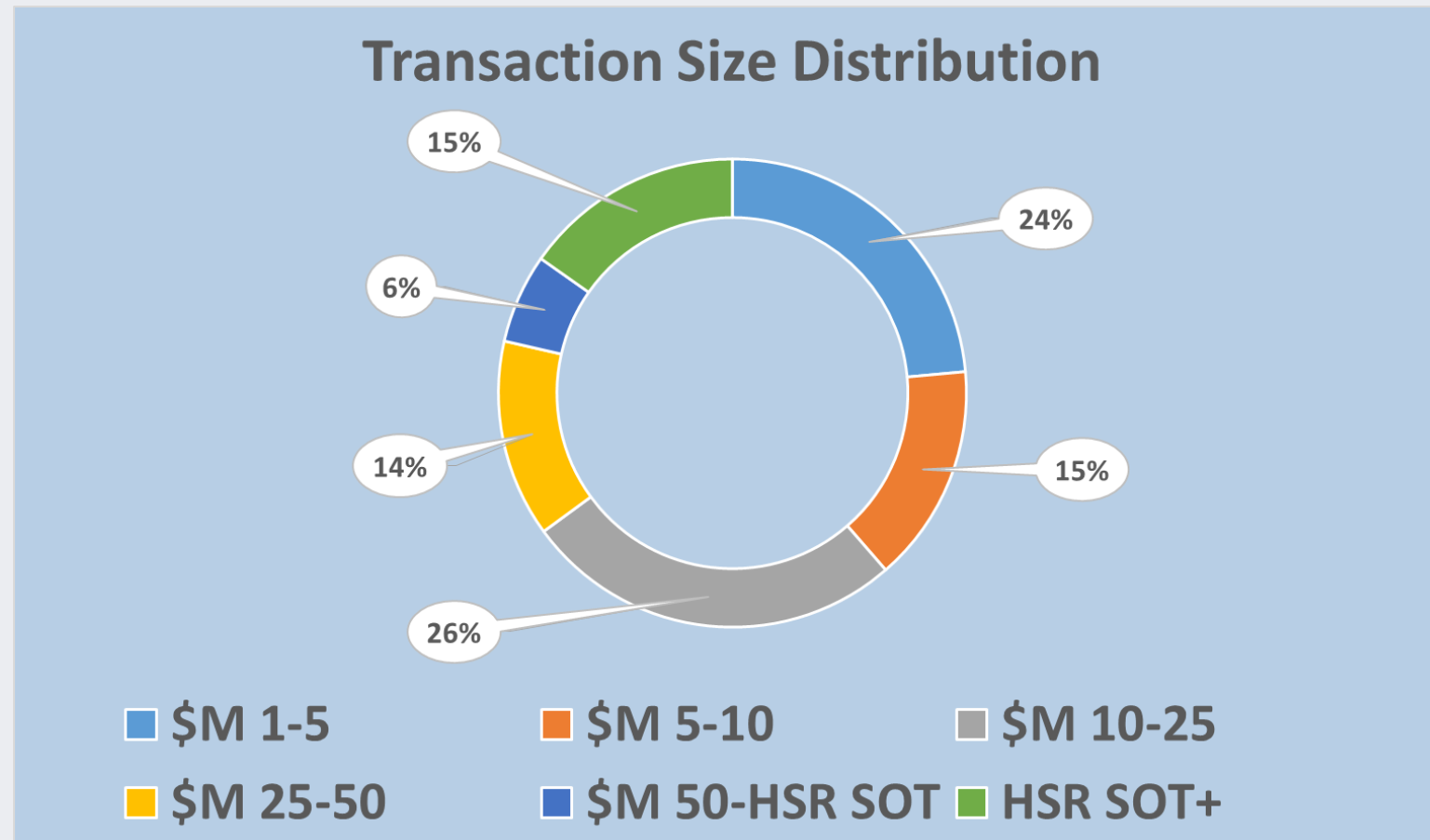
Do the Numbers Tell the Whole Story?

- 600+ GAFAM acquisitions in 2010-2019 period
- Many deals non-HSR reportable
- Evidence of harm?
- Empirical evidence

• FTC 6(b) Study

- Examines non-HSR reportable GAFAM acquisitions in 2010-2019 period
- 616 acquisitions excluding hiring events, patent acquisitions, & transaction value below \$1 million.

Transaction value below M\$25 in 65% of acquisitions.



Policy Reform

- Shifting the burden
- Identification of anticompetitive acquisitions
- Reporting requirements
- Killer acquisitions
- Innovation vs. price effects

Factors That Determine Innovation Effects

- (1) Replacement
- (2) Nascent Market Size
- (3) Synergies
- (4) Appropriability
- (5) Nascent Market Competition
- (6) Entrenchment
- (7) Incumbent Innovation Competition
- (8) Merger Incentives
- (9) Entry Incentives

Ezrielev, Jay, An Economic Framework for Assessment of Innovation Effects of Nascent Competitor Acquisitions (March 22, 2021). Available at SSRN: <https://ssrn.com/abstract=3810486>