

Beat: Business

## FRENCH SENATE ECONOMIC AFFAIRS COMMITTEE HEARD CEO OF AMAZON DUVAL

### AMID CONTINUATION OF ACTIVITIES

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**USPA NEWS** - Tuesday, April 28, the Senate Economic Affairs Committee heard videoconference Frédéric Duval, CEO of Amazon France, to take stock of the modalities of the continuation of the activity of the company during the coronavirus health crisis, and more broadly on the impact of the latter on online commerce. The senators pointed out that the media decision of the Versailles Court of Appeal, which ordered Amazon on Wednesday to better protect its employees and to restrict its activities to products deemed essential, illustrates, beyond the present case, the imperative need for employers of clear and precise health instructions so that the economic recovery does not come up against differences in legal assessment between obligation of means and result. The Managing Director said: "This judgment puzzles me because it has enormous consequences for customers, French SMEs and our employees." He specified in particular that it is the way in which the employees were associated with the risk assessment which is criticized and that the court decision relates to "the form and not the substance of the measures implemented".

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#### THE FRENCH SENATORS QUESTIONED AMAZON ON ITS TAX SOCIAL AND ENVIRONMENTAL PRACTICES-----

More generally, the senators questioned Amazon on its tax, social, environmental and commercial practices when the company is regularly accused of not respecting the same rules as its competitors. Noting a form of unfair competition, they thus underlined the weakness of the amount of tax paid in France, its refusal to sign the Charter of e-commerce and a form of "blackmail with wild dereferencing" vis-à-vis third-party sellers for that they comply with its commercial requirements.

In tax matters, Frédéric Duval considered that "reasoning only on the tax contribution of the company through corporate tax is very reducing" and that in any event, "our direct contributions, among which the employer contributions amount to 150 million euros for a turnover of 4.5 billion euros", or 3.3%. Relaunching on the difference in taxation with other players, he also claimed that "the tax rate on Amazon's IS is the same as that of other companies". Concerning the possible application of the tax on commercial surfaces to the warehouses of the actors of the online trade, he clearly dismissed this possibility by indicating that "TASCOM applies to warehouses which welcome the public; however, our warehouses do not accept them and also pay other production taxes linked to the nature of these warehouses."-----

Senators also asked Frédéric Duval about the environmental impact of Amazon's business. After recalling that the company finances, among other things, wind turbines and solar farms, he indicated that only renewable energies should be used by 2030, that the total decarbonization of the activity should take place by 2040 and that Amazon acquired a fleet of one hundred thousand electric vehicles. Asked about the carbon footprint of the "last kilometer", the Director-General pointed out that "a van filled with parcels to deliver is less polluting than the journeys made by consumers to go to the periphery to buy their products, in the same way that collective transport is more virtuous than individual transport".

Concerning the longer term strategy of the company in France, the senators questioned Frédéric Duval on ways to strengthen the complementarity between digital platforms and physical stores. He said he wanted his group to set up physical Amazon Go stores in France. Asked about developments in the sector, he said that three requirements should remain at the center of economic transformations: price, choice and delivery time.

For the president of the economic affairs committee, Sophie Primas, "online commerce, whether from Amazon or from another company, is complementary to physical commerce and offers many opportunities for producers, by opening up very important commercial possibilities, including international ones, only for consumers, whatever the commercial density and supply of their place of residence. This hearing made it possible to recall that, however, this complementarity can only be expressed fully and fairly if the

rules, in particular fiscal, environmental, digital and of course health, are the same for all stakeholders. " The Economic Affairs Committee is chaired by Mrs. Sophie Primas (Les Républicains - Yvelines).

The activity of the Senate takes place in strict compliance with the sanitary conditions dictated by the need to stop the COVID-19 pandemic. Source : French senate

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