

“Big Tech Has Big Bills to Pay”, Wall Street Journal July 18, 2018 by Dan Gallagher

<https://www.wsj.com/articles/big-techs-growth-comes-with-a-big-bill-1531819800?mod=searchresults&page=1&pos=7>

Summary: “Apple Inc., Amazon.com, Alphabet Inc., Microsoft and Facebook are expected to average sales growth of 21% on a combined basis this year compared with 19% last year...But the cost to generate that growth is going upward as well-at a fast clip. Combined spending on research and development is expected to rise 25% in 2018, while capital expenditures for the five are expected to surge by 48% compared with last year. For Big Tech, these expenses reflect the rising costs of running their current businesses while also developing new ones to stay more competitive-in a world where their most significant source of competition is each other.”

Lesia’s Comment: *Eventually competition requires that companies have to spend to keep growing setting up possible disappointment if growth numbers disappoint.*