

Round Table 5-6 February 2009

**Integration and Competition
between
Transport + Logistics Businesses**

www.internationaltransportforum.org



Goal

- **Identify if there are circumstances where integration causes welfare losses, should governments intervene, how?**

Approach

- **Discussion among participants, initiated by background papers and outline paper.**

Chatham House rule

- **Comments and opinions are not attributed in write-up.**



Thurs
AM

Integration trends, ports, shipping, logistics

- **Antoine Fremont**
- **Eddy van de Voorde**

Thurs
PM

Rail freight integration welfare impacts

- **Marc Ivaldi**

Extreme integration, SA ports and railways

- **Lou Thompson**

Friday
AM

Competition policy remedies

- **Simon Pilsbury**

Integration in ports, shipping and logistics

- **Is there evidence for exercise of market power and abuse of market power?**
- **Is this a feature of horizontal rather than vertical integration?**
- **What are the competitive implications of alliances that are not full mergers?**
- **Role of competition authorities?**
 - Are national authorities inclined to protect national interests?
 - Is there consistent and transparent transnational policy, e.g. at the level of the EU?



Game theory and market power

- **How does strategic behaviour play out in the sector?**
- **Has integration eliminated competitors in either vertical or horizontal mergers and acquisitions in ports and shipping, or in railways?**



Freight rail services

- **Is there consensus US integration has not reduced consumer welfare?**
- **Does intermodal competition in Europe make market power abuse unlikely?**
- **Does combined horizontal and vertical integration pose particular problems?**



Total rail and port integration

- **Is vertical or horizontal divestiture the priority?**
- **Would a fully integrated private company provide better services at lower cost than a state owned monopoly?**
- **Can we predict how ports will compete?**



Case for government intervention?

- **Does global reach of logistic groups raise new regulatory issues?**
- **Do national regulators have the right incentives to ensure competition?**
- **Do regulatory authorities have sufficient competence and authority?**
- **Is the best remedy for concerns with vertical integration simply preventing abuse from horizontal integration?**