

**LINER SHIPPING COLLABORATIONS  
AND A COMPARATIVE STUDY ON  
RELATED COMPETITION  
LEGISLATION**

**Dr. Alperen AKKAYA**



FİLİZ KİTABEVİ  
İSTANBUL  
2021

**Aralık 2021**

**ISBN: 978-975-368- 708-9**

**ISSUE**

**Kiraz Medya Sanayi ve Ticaret A.Ş  
Matbaacı Sertifika Numarası: 40162**

**PUBLISHING COMPANY**



**Filiz Kitabevi Basım Yayın Dağıtım  
Petrol Ürünleri Sanayi ve Tic. Ltd. Şti.  
Cemal Yener Tosyalı Cad. No: 57/A (113)  
Vefa-Fatih/İSTANBUL  
Tel: (212) 527 0 718  
(850) 441 0 359  
Fax: (212) 519 20 71**

**www.filizkitabevi.com  
bilgi@filizkitabevi.com  
Certification Number: 48596**

## ACKNOWLEDGEMENTS

This book has been the reviewed version of the PhD thesis namely “Liner Shipping Collaborations and A Comparative Study on Related Competition Legislation” which was completed at Dokuz Eylül University, Graduate Scholl of Sciences, Maritime Business Administration Program on July 2019 with the supervisory of Associate Professor NİL KULA.

I would first like to thank my supervisor Associate Professor NİL KULA. I consider myself lucky to had opportunity to work with her. Throughout my research, she had always encouraged me to finish the study. I will never forget her contributions. Also, I would like to express my thanks to my examining committee members, Prof. Dr. HAKAN KARAN, Associate Professor ÖZGÜR ÖZPEYNİRCİ, Associate Professor ÇİMEN KARATAŞ ÇETİN and Assistant Professor FATMA ITİR BİNGÖL.

I am very grateful to members of FİLİZ publishing house, especially Mr. OĞUZHAN ORUÇ.

Lastly, I thank my mother ÇİĞDEM AKKAYA, my father Prof. Dr. AYDIN AKKAYA and my brother Dr. SELİM AKKAYA for support, encouragements, and trust during my whole life. I am extremely thankful my wife MİNE AKKAYA for her patient and motivation. I want to dedicate this book to my lovely sons İBRAHİM KEREM AKKAYA and YUSUF EREN AKKAYA whom make my life more meaningful.



***TO MY SONS  
İBRAHİM KEREM AKKAYA AND YUSUF EREN AKKAYA***



## ABSTRACT

Sciences of economics, management and law are in constant interaction. A change in one of these disciplines affects others. Competition is one of the good examples of such interaction. The economists before the Industrial Revolution had supported the idea of self-regulating markets; and influenced by such ideas, governments avoided intervening in the markets while company managers developed various strategies aiming to support the self-regulation of the market. This idea triggered the emergence of monopolies during and after the Industrial Revolution. As a result of the destructive practices of monopolies, smaller firms began to disappear, and consequently social welfare was damaged. States, with the support of economists, introduced competition law rules with the purpose of preventing discriminatory practices of monopolies. Upon the enactment of competition laws, companies turned to collaboration strategies in order to reduce risks and increase sharing of knowledge. Collaborations are also regulated by competition laws; and companies are prohibited from abusing their dominant position in the market through different anti-competitive strategies such as price determination and sharing of markets. Liner shipping companies followed the collaboration strategy trend, and used several methods for collaboration including firstly conferences, and then strategic alliances and mergers due to regulatory changes. In order to promote the liner shipping industry, governments gave immunities by excluding them from competition regulations. Recently, economic circumstances have led to discussions about the necessity of the immunities, and several governments have already removed the exemptions while a few introduced some limitations. Considering the history as well as recent developments in this field, this thesis, firstly, discusses the place of collaboration strategies in strategic management science in addition to the liner shipping collaboration strategies. Secondly, this thesis examines the competition regulations and related cases in the United States of America (US) and European Union (EU) in the frame of cartels and abuse of

**dominant position. Finally, the thesis explores the US and EU regulations governing liner shipping collaborations, and compares leading cases of the US, EU and Turkey with each other to draw a road map for Turkey about how the liner shipping collaborations shall be regulated to promote the Turkish national liner shipping fleet.**



# **LINER SHIPPING COLLABORATIONS AND A COMPARATIVE STUDY ON RELATED COMPETITION LEGISLATION**

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## ABBREVIATIONS

<b>AGCAC</b>	Antitrust Guidelines for Collaborations Among Competitors
<b>BCG</b>	The Boston Consulting Group
<b>CENSA</b>	The Committee of European National Shipowners' Association
<b>CFI</b>	European Union Court of First Instance
<b>CP</b>	Canadian Pacific
<b>DWT</b>	Death Weight Tone
<b>DOJ</b>	The United States Department of Justice
<b>EU</b>	European Union
<b>EC</b>	European Council
<b>ECJ</b>	European Court of Justice
<b>ECU</b>	European Currency Unit
<b>EEA</b>	European Economic Area
<b>EUMR</b>	European Union Merger Regulation
<b>FMC</b>	The US Federal Maritime Commission
<b>FTC</b>	Federal Trade Commission
<b>HHI</b>	Herfindahl-Hirschman Index
<b>HMG</b>	Horizontal Merger Guidelines
<b>HMT</b>	Hypothetical Monopolist Test
<b>JV</b>	Joint venture
<b>LPG</b>	Liquefied petroleum gas
<b>M&amp;A</b>	Merger and Acquisition
<b>MOF</b>	South Korea's Ministry of Oceans and Fisheries
<b>MOFCOM</b>	Chinese Ministry of Commerce
<b>OECD</b>	The Organization for Economic Cooperation and Development
<b>OSRA</b>	Ocean Shipping Reform Act

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<b>PPDs</b>	Published Price of Dealers
<b>R&amp;D</b>	Research and Development
<b>RMN</b>	Relevant Market Notice
<b>S.Ct.</b>	The US Supreme Court
<b>SIEC</b>	Significant Impediment of Effective Competition
<b>SSNIP</b>	Small but Significant Non-transitory Increase in Price
<b>TACA</b>	Trans-Atlantic Conference Agreement
<b>TCA</b>	The Turkish Competition Authority
<b>TEC</b>	The Treaty Establishing the European Community
<b>TEU</b>	Twenty-foot Equivalent Unit
<b>TFEU</b>	2012 Consolidated Version of The Treaty on The Functioning of The European Union
<b>UK</b>	United Kingdom
<b>US</b>	United States
<b>UNCTAD</b>	The United Nations Conference on Trade and Development
<b>USSB</b>	United States Shipping Board

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