

## Turkish Competition Authority Considers Cement Companies in Sector Analysis

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The Turkish Competition Authority ("**Authority**") has published a final report following research into the cement sector ("**Report**"). The Report provides a comprehensive competition-focused analysis, based on data about firms and customers. It presents a long term and holistic reflection of the market and firm attitudes.

The Report includes two sections:

### The Competition Authority's Experience in the Cement Sector

An overview of sector characteristics and problems, including:

- Seasonal Market Structure.
- "Maverick" (killjoy) Firms' Effect on the Cement Market.
- Vertical Integration & Manipulation of Plant-Mixed Concrete Market.
- Division of Clients.
- Unusual Price Movements.
- New entrants to the Market and Entry Barriers.

### Cement Sector Economic Analysis

Economic analysis of five different factors: national, city, enterprise, product and client type, as well as clients.

- Price-Cost-Demand: The Report notes that:
  - Price changes are mostly effected by previous period price alterations
  - It is not possible to observe specific correlation between price and cost changes in either long nor short terms.
  - If cement production cost for an undertaking decreases, the price of cement does not always decrease respectively. Rather, it may even increase.
- Joint Pricing: The Report notes that:
  - Joint Profit Maximization was mostly carried out by the sector participators.
  - According to the Authority, Joint Pricing may originate from oligopolistic structure and rational choices; but also may originate from concerted action between the undertakings or collusion.

Overall, the Authority concluded:

- Competition issues in the cement market are once again highlighted, as they have been in prior reports from the Authority.
- The sector is falling behind the expected level of competition in respect to market division claims.
- Competition in the market is not functioning properly due to regional and city market concentrations.

Please see this [link](#) for full text of the Report (only available in Turkish).

## Related Practices

- [Antitrust and Competition](#)