

## **Book Review**

**A. Kanafani and K. Kuroda (eds.)**

### ***Global Competition in Transportation Markets: Analysis and Policy Making***

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I have read the above book on a long flight to Japan. And it was certainly not boring literature; it kept me awake during a twelve hour flight. This is certainly the type of book that one likes to see in the hands of researchers and students. It contains 16 individual and self-contained chapters of a high quality. They all center around the theme of competition and globalization in modern transportation markets.

The book, an edited volume based on proceedings of a conference, comprises essentially two disjoint parts, the first one dealing with air transport and the second one with maritime transport. Clearly, these are rather different markets and one may wonder what these markets have in common. The editors offer only a two-page preface in which they try to indicate that these markets may have indirectly some commonalities. These markets share the following features. They are both globally and locally subjected to strict competition. Next, both markets are characterized by economies of scale (including economies of scope and density in networks). Furthermore, both markets exhibit clearly the features of network externalities at various geographical networks. And finally, these markets display a high degree of dynamics and much uncertainty, so that the design of proper policies is not an easy task. A more profound editorial synthesis connecting both markets from a fundamental global-economic perspective would certainly have been desirable. This is perhaps the only weakness in this book.

The individual chapters in the air transport part of the book read very well, are properly documented and offer a fair balance between practical arguments and analytical – sometimes theoretical – modeling. Various chapters are jewels in the airline economics and reflect a high skill of the authors. Several standard topics such as deregulation, hub -and - spoke systems,

airline alliances and low cost carriers are treated with great craftsmanship. This makes it a valuable book.

The second part of the book addresses several issues in maritime economics. This part is slightly out of balance in terms of size compared to the remaining part of the book: 5 chapters in contrast to 11 chapters on aviation! The individual contributions again have a high quality, but the part as a whole does not offer a fair coverage of major issues in maritime transport from a global competition perspective, for instance, the consequences of shifts in global production systems or the market structuring effects of ICT.

Despite some (necessary) limitations in this volume it offers many new insights of a high level for students, researchers and planners in the area of transport economics. Personally I was very much impressed by the sophisticated modeling efforts and experiments in this book, which certainly call for further elaboration and application. There is certainly a need for further solid applied work in this field, especially since the deregulation/privatisation movement has caused major problems to collect or obtain suitable data from private market actors.

After having read this book, I asked myself: have I got a representative overview of the field of air and maritime transport in a globalizing market? A book of this nature is by necessity selective and hence, some important topics are underrepresented or not treated at all. I mention a few in the air transport market: the growing market share and impact of charter companies in various parts of the world (e.g., Europe), the importance of air freight transport, the design of new generations of long-haul mega-size airplanes, the consequences of rapid innovations in combination with new materials technology and ICT, the impact of the growing leisure industry on international mobility, the possibilities for and barriers to intermodal competition in a global context, and last but not least the implications of the rise of global air transport markets for world-wide sustainable development. And many more topics can be imagined. They are too numerous to be included in one volume and call for another volume.