

Sales and market shares in Liverpool

1. The parties gave us information on their volume and value sales in Liverpool for the period 2000 to 2005, which we used in order to calculate market shares in Liverpool. We calculated market shares including and excluding Tranmere. Volume sales (expressed in terms of number of tug jobs) and market shares expressed in terms of volumes are reported in Table 1. Value sales and market shares expressed in terms of revenues are reported in Table 2.

TABLE 1 Volume sales, changes in volume sales and volume shares in Liverpool, 2001 to 2005

	<i>Number of tug jobs</i>					
	2000	2001	2002	2003	2004	2005
<i>Volume sales</i>						
Adsteam						
Svitzer:						
Excluding Tranmere				×		
Including Tranmere						
Total excluding Tranmere						
Total including Tranmere						
<i>per cent</i>						
<i>Year-on-year changes in volume sales</i>						
Adsteam						
Svitzer, excluding Tranmere				×		
Svitzer, including Tranmere						
<i>Market shares based on volume sales, excluding Tranmere</i>						
Adsteam	67	73	72	70	71	62
Svitzer	<u>33</u>	<u>27</u>	<u>28</u>	<u>30</u>	<u>29</u>	<u>38</u>
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<i>Market shares based on volume sales, including Tranmere</i>						
Adsteam	58	66	65	62	61	52
Svitzer	<u>42</u>	<u>34</u>	<u>35</u>	<u>38</u>	<u>39</u>	<u>48</u>
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Source: CC, based on Adsteam and Svitzer data.

Note: Sales for each year are calendar year sales for Svitzer, and financial year sales for Adsteam. So, for instance, data in 2000 relates to Svitzer's sales in the calendar year 2000, and Adsteam's sales in the financial year ended 30 June 2001.

2. Svitzer has been gaining market share over the period, both in volume and in revenue terms.

TABLE 2 Value sales, changes in value sales and value shares in Liverpool, 2000 to 2005

	£'000						
	2000	2001	2002	2003	2004	2005	
<i>Value sales</i>							
Adsteam	()						
Svitzer:							
Excluding Tranmere							
Including Tranmere							✂
Total excluding Tranmere							
Total including Tranmere							
<i>per cent</i>							
<i>Year-on-year changes in value sales</i>							
Adsteam	()						
Svitzer, excluding Tranmere							
Svitzer, including Tranmere							✂
<i>Market shares based on value sales, excluding Tranmere</i>							
Adsteam	66	70	70	68	69	61	
Svitzer	<u>34</u>	<u>30</u>	<u>30</u>	<u>32</u>	<u>31</u>	<u>39</u>	
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	
<i>Market shares based on value sales, including Tranmere</i>							
Adsteam	54	59	59	57	56	48	
Svitzer	<u>46</u>	<u>41</u>	<u>41</u>	<u>43</u>	<u>44</u>	<u>52</u>	
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	

Source: CC, based on Adsteam and Svitzer data.

3. Table 3 shows the average revenue per tug job of each tug provider over the period, based on the aggregate information on volumes and sales in Tables 1 and 2. Throughout the period, [✂].

TABLE 3 Average revenue per tug job, 2001 to 2005

	2000	2001	2002	2003	2004	2005	Cumulative increase 2000–2005 %	
Adsteam	()							
Svitzer, excluding Tranmere								
Total								✂
Svitzer, Tranmere								

Source: CC, based on Adsteam and Svitzer data.

4. At the aggregate level, there is an inverse correlation between changes in average prices by one company and changes in their volume market share, as shown in Table 4. For instance, in 2001, when Svitzer's average prices increased and Adsteam's average price decreased, Adsteam gained [✂] percentage points of volume share. In 2005, where Svitzer average prices decreased by [✂] per cent whilst Adsteam average prices increased by [✂] per cent, Svitzer regained [✂] percentage points of volume share. This could suggest that customers in Liverpool are sensitive to price and do switch volumes between the parties in response to price differentials. This also suggests a degree of price competition between the parties in Liverpool.

TABLE 4 Volume shares and changes in average prices, 2000 to 2005

	<i>per cent</i>				
	2001	2002	2003	2004	2005
<i>Year-on-year change in average price</i>					
Adsteam	()
Svitzer (excluding Tranmere)					
<i>Year-on-year change in volume share</i>					
Adsteam	(✂)
Svitzer (excluding Tranmere)					

Source: CC, based on Adsteam and Svitzer data.

Note: Correlation coefficient between changes in the relative average price of Adsteam and Svitzer and changes in their relative volume shares (2000 to 2005): [✂].