

CHAPTER THIRTEEN

COMPETITIVE DYNAMICS



LEARNING OBJECTIVES

After studying this chapter, you should be able to

- 1 Explain how attacks and counterattacks are used in dynamic competition
- 2 Explain how and why firms sometimes like to collude
- 3 Outline how competition policy and anti-dumping laws affect international competition
- 4 Articulate how resources and capabilities influence competitive dynamics
- 5 Participate in leading debates concerning competition
- 6 Draw implications for action



OPENING CASE

Gulf Airlines challenge a global industry

Three airlines in the Gulf region are challenging European and US airlines in their most profitable business: long-haul connections. The three 'super-connectors', *Emirates*, *Etihad Airways* and *Qatar*

Airways are intensively competing with each other by investing in modern aircraft and upgrading their airport hubs. Together, they have become the most disruptive force in global aviation.

Launched in 1985 in Dubai, United Arab Emirates (UAE), *Emirates* serves 140 destinations in 70 countries. It is the largest customer of the ultra-long-range