

Title: Collective Decision-Making in Global Antitrust
Enforcement: Evidence from Shipyard Mergers

Authors: Hsin-Tien Tiffany Tsai
(National University of Singapore)

Abstract:

This paper examines how factors beyond market impact and strategic interaction among authorities shape antitrust decision-making in shipyard mergers. Modeling merger reviews as unanimous voting games, we rationalize two empirical patterns: authorities may become more lenient due to trade or political considerations, with many large ship-buying countries rubber-stamping the mergers. Structural estimation shows that removing non-market considerations or incentives to free-ride on other authorities leads to stricter enforcement. As the probability of obtaining unanimous approval falls by 0.64–1.04 percentage points, anti-competitive mergers become less likely to materialize, resulting in consumer welfare gains equivalent to 4.1–5.8% of annual global ship-sales revenue.