

## **Summary**

In this session various aspects of vertical integration are considered especially with the reference to monopoly firms. Various factors provide an incentive for vertical integration. Incentives for integration may exist because of technological interdependencies or market uncertainty or as a consequence of industry life cycle considerations. Market power is also an important determinant. So far monopolistic integration, is concerned they may put restraint on input substitution and possible entry barriers. Vertical integration can be socially beneficial especially when cost savings are considered.