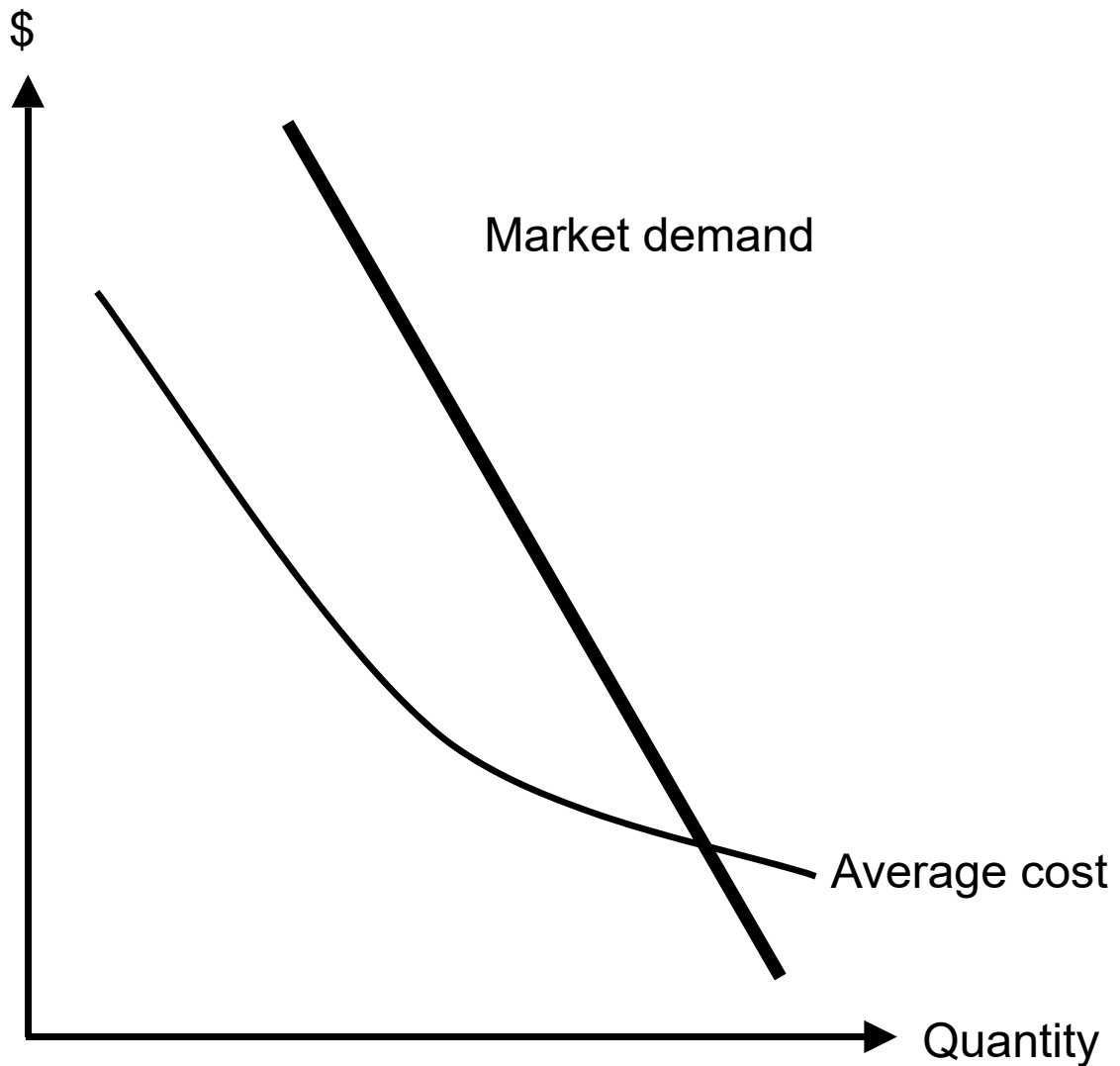


Natural monopoly



A natural monopoly may arise when there are high fixed costs and, therefore, falling average costs.