
CLOSING REMARKS
14th ANNUAL SHIRLEY PLAYFAIR LECTURE
September 16, 2013
David Miller, Executive Director
FAIR TRADING COMMISSION



We have heard today about a few of the key drivers for Jamaica: the need for companies to be more efficient; specialization; supply chain management and reliability; and servicing consumers better. Mr. Pengelley touched on some of the benefits of this approach in Jamaica referred to as vertical integration by economists.

In recent times we have seen the emergence of this business model, an approach to addressing these drivers, that is, local manufacturers expanding their operations across various functional levels...from the production of raw materials which they require in their manufacturing processes to the retailing end, selling directly to consumers.

This kind of integration can be of significant benefit to both the commercial enterprise and consumers. As the competition agency, you have heard some of what our job entails: our interest is whether the enterprise that is engaging in vertical integration may be hindering competition by for example, harming rival manufacturers by restricting the supply of the raw material that it produces or by making it available on highly unfavorable terms. The end result being, higher input costs to rival manufacturers which leads to higher selling prices by those manufacturers thereby leading to the likelihood of exit from the manufacturing business. Ultimately, the consumer is left with less or no choices and likely higher prices.

But we too are mindful of the benefit that may yield to consumers. Eliminate the multiple mark-ups in the distribution chain. As the saying goes “Cut out the middle man and pay a lower price”.

We have seen time and again that competition drives innovation, it drives creativity and encourages new ways of doing things. The Fair Trading Commission embraces innovation in business strategies that lead to improved efficiencies and ultimately more products, more choices and lower prices. Vertical integration provides incentives for an ‘injured’ firm to look into itself and innovate before it is too late.

Ladies and Gentlemen, we thank everyone for attending and participating in this the 14th lecture in the Shirley Playfair Lecture Series.

Thank you, Minister Hylton for your participation; and for the continued support of your Ministry, as we work together to foster a culture of competition.

Next a very special thank you to our presenter, Mr. Brian Pengelley who has himself been an integral part of driving the members of the Jamaica Manufacturers Association to new levels. A few years ago, past president Mr. Omar Azan presented the Shirley Playfair Lecture, and we are pleased that our ties with the JMA are being strengthened through fora such as this one.

On behalf of the Commissioners and Staff of the Fair Trading Commission I thank you the audience, for taking the time to attend and for participate in the discussions.

A word from Mr. James Dyson, who said “Manufacturing is more than just putting parts together. It’s coming up with ideas, testing principles, and perfecting the engineering, as well as final assembly.”

Ladies & Gentlemen, this year marks our 20th year of existence and it has been an exciting 20 years, similar to manufacturers, we have had to implement new strategies and ideas, test old and new principles, create new ways of studying the various sectors of our economy, trying at all times to perfect our engineering. But the area of competition law and policy is dynamic, it continues to grow and evolve and it is our job to keep abreast of happenings in the market; and to ensure that competition remains vibrant. We are here to stay and most certainly, we will be here for another 20 years.

To our past and present hardworking and dedicated Commissioners and Staff, who has brought us to this point in our life, a special thank you for your efforts and for your commitment to the Fair Trading Commission.

I ask that you make your attendance at the Annual Shirley Playfair Lecture a fixture on your calendar, it is usually held in the 2nd week of September, and so we look forward to seeing you here again next year.

Thank you and have a pleasant evening. Please join us for refreshments.