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**FTCNewsLine** is a quarterly newsletter of the **FAIR TRADING COMMISSION** that contains information on competition matters dealt with by the Fair Trading Commission as well as other competition agencies from around the world. The aim is to provide readers with insights into some of the matters that are prosecuted in other jurisdictions; and to assist businesses and consumers in better identifying issues that may pose competition concerns.

Competition legislation is specific to each jurisdiction and activities that are prohibited in one jurisdiction are not necessarily prohibited in other jurisdictions. For information on the prohibitions under the Jamaica's competition legislation, the **FAIR COMPETITION ACT (FCA)**, please visit our website at [www.jftc.gov.jm](http://www.jftc.gov.jm).

*In this Issue we feature issues related to the period July 1, 2018 to September 30, 2018.*

## FTC participates in Commercial Banking Sector Study

The Ministry of Finance & the Public Service, together with the Bank of Jamaica (BOJ) and the Fair Trading Commission (FTC) has commissioned a study of the commercial banking sector in Jamaica. Menns SPRL from Belgium was awarded the Contract to undertake the study over a six month period; and work commenced on September 24, 2018.

The objective of the study is to assess competition in the space or market in which commercial banks operate, to identify bottlenecks and impediments as well as propose policy recommendations for improved competition. It is intended that the study will help policy makers to understand the reasons for the low level of financial intermediation in Jamaica and provide insights into possible ways for using this information to unlock economic growth.

The conclusions from the study will be used to guide policy recommendations which will be used by the Government of Jamaica to determine whether to create discrete or more tailored regulation for different classes of market players in the banking and financial sectors.

The Consultants' Inception Mission will take place on October 21 - 25, 2018; with a series of meetings with several Ministries, Departments and Agencies, private sector stakeholders and market players in the banking and financial sectors.

## FTC engages expert to strengthen Competition Advocacy efforts

In August 2018, LEAR Lab based in Italy, specialists in competition economics, commenced work under a six month contract with the Government of Jamaica, to conduct an assessment of the effectiveness of FTC's advocacy interventions; to build capacity within the FTC on the relevant competition advocacy tools; and ultimately, to increase the effectiveness of competition

advocacy in Jamaica by proposing well-sequenced and gradual recommendations that the FTC may implement in order to increase the likelihood that its opinions and other interventions are accepted and/or implemented.

As a first step, the FTC submitted to LEAR Lab, historical information on advocacy efforts over the past 12 years. That is, a summary of the FTC's 48 advocacy efforts geared at introducing, preserving or enhancing competition in several markets or sectors in Jamaica, including sectors such as telecommunications, financial, energy, construction, health, agriculture, tourism, transportation, gaming and education. It was found that the FTC's interventions have been particularly successful in the telecommunications, agriculture and construction sectors. LEAR Lab's work will include consultation with several Ministries, Departments and Agencies as well as members of the private sector and academia.

This work is another initiative under the Foundations for Competitiveness and Growth (FCG) Project being undertaken by the Government of Jamaica in collaboration with the World Bank Group.

### **FTC completes its review of the NMIA divestment**

In October 2018, the Government of Jamaica announced that the Grupo Aeroportuario del Pacifico (GAP) was successful in its bid to acquire control over the operations of the Norman Manley International Airport (NMIA) located on Jamaica's south coast in Kingston. The only other International airport operating in Jamaica is the Sangster International Airport (SIA) located along Jamaica's north coast in Montego Bay. NMIA accounted for 27 percent of the approximately six million passengers who used the services of international airports during 2017. Prior to the announcement, the FTC reviewed the acquisition because GAP also holds majority shareholding in the consortium that acquired control over the operations of the SIA in 2015.

The FTC concluded that relevant market for assessing the competitive effects of the acquisition was the market for international airport services in Jamaica.

NMIA and SIA were found to be in the same relevant market as plans for the completion of the North to South Highway in Jamaica meant that it would be considerably easier (i.e., travel time less than 2 hours) in the foreseeable future for either inbound or outbound passengers to travel between the two international airports. To the extent that GAP's acquisition of the NMIA would result in a single supplier of airports services between Jamaica and the rest of the world, the FTC assessed the likelihood that passengers and other users of airport services would be harmed by (i) higher prices, (ii) lower service quality standards or (iii) slower pace of innovation, relative to the market conditions which would prevail if GAP did not acquire control of NMIA.

Owing to the tight regulations already in place at each international airport, as well as added reporting requirements which would enable the FTC to closely monitor GAP's conduct, the FTC found that sufficient safeguards are in place to mitigate, if not avert, the potential anticompetitive effects which otherwise would have resulted from having a single supplier in the market.

## **FTC participates in JIS Think Tank**

As part of its 25<sup>th</sup> anniversary celebrations, the FTC participated in a Think Tank session with the Jamaica Information Service on August 24, 2018. This medium was used to inform the business community, consumers and stakeholders about the history of the FTC, its achievements over the past 25 years, as well as aspects of the way forward for the development of competition law in Jamaica. Mr. David Miller, Executive Director; Dr. Delroy Beckford, Senior Legal Counsel; and Dr. Kevin Harriott, Competition Bureau Chief participated in the session.

## **FTC Staff to appear as guest presenters at UWI and UTECH**

In continuation of its 25<sup>th</sup> anniversary celebrations, the FTC will be appearing as guest presenters at the University of the West Indies (UWI) and the University of Technology (UTech) during the month of October. On October 25, 2018, Mr. Marc Jones, Legal Officer will deliver a presentation “Demystifying Misleading Advertising under the Fair Competition Act” at the Faculty of Law, UWI; and Dr. Kevin Harriott, Competition Bureau Chief will deliver a presentation on “The Economics of Competition Law” at the College of Business & Management, UTech on October 21, 2018 and the Department of Economics, UWI on October 30, 2018.

## **FTC to resume Competition Law Courses**

In March 2019, the FTC will be resuming its Intermediate Course in Competition Law and Policy. The course will be conducted by Dr. Kevin Harriott, Competition Bureau Chief and Dr. Delroy Beckford, Senior Legal Counsel. Content to be covered include: objectives and benefits of Competition Law and Policy, competition legislation in the Caribbean, economics of Competition Law, market power assessment and administration and enforcement of Competition Law. As usual, the FTC will apply to the General Legal Council for Accreditation.

More information will be posted on the FTC’s website regarding the date and the course information.