
CLOSING REMARKS

11th ANNUAL SHIRLEY PLAYFAIR LECTURE

September 9, 2010

David Miller, Executive Director
FAIR TRADING COMMISSION



Ladies and Gentlemen, I first of all thank everyone for attending and participating in the 11th lecture in the Shirley Playfair Lecture Series.

Thank you, Minister Stern for your participation; and for the sterling support of your Ministry, as we work together to foster a culture of competition. I must mention that our parent Ministry, considers the FTC and other Agencies within that Ministry as a part of a team, a family, and that we work closely together, sharing ideas, assisting each other, and executing our responsibilities. I see here today Miss Harris and Mrs. Williams: – a special thanks to you and your Staff.

Thank you Chief Justice McCalla, Justices Mangatal, McDonald and Sykes, for coming. Past Chairpersons, Mrs. Assamba and Dr. Gordon, past Commissioner Mrs.

Parchment-Brown, and past Executive Directors Ambassador Stephenson and Mrs. Lee, thank you so much for coming.

Next a very special thank you to our presenters, the Honorable Audley Shaw and Mr. Bruce Bowen, both of whom saw this Lecture as an appropriate forum for sharing their views and took time out of what must be extremely busy schedules. Gentlemen thank you.

To the audience, on behalf of the Commissioners and Staff of the Fair Trading Commission I express my sincere gratitude to you for taking the time from your busy schedules to be here today; for your attention; for the rich discussion; and for the constructive remarks.

I thank also the Jamaica Pegasus Hotel for providing the facilities, the media, specifically Power 106 for bringing this event to the wider public.

To our hardworking, diligent and dedicated Commissioners and Staff, a special thank you for your efforts in making this event a success. I must say that successive Commissioners over the years, which includes our current set Dr. McKoy, Mrs.

Carter-Bradford, and Messrs. Burnett, Tavares-Finson and Collie, are committed to continuing the Shirley Playfair Lecture Series.

Over the past two years consumers and businesses have expressed growing concerns about the competitiveness of the banking industry based on the perception of widespread excessive fees and the seemingly coordinated introduction of new charges. We recognize that these changes are not in and of themselves evidence of anti-competitive conduct but given our mandate to ensure that markets work competitively, it was necessary for us to undertake a market study of the sector. This study is near completion and will be released to the public shortly.

The structure of an industry is an important determinant of the intensity of competition. Industries in which any individual business has less power to control prices are generally more competitive than those in which businesses command such control.

Consumer ignorance will impede competition among suppliers of retail banking services. If banks are to have the proper incentives to offer their services under

reasonable terms, then it is necessary for consumers to be adequately informed about the services and the terms under which they are being offered.

The banking sector allows us some amount of choice and movement between banks. Many persons say that “I started my account with Bank X when I was in school, and I remain loyal to Bank X; even though from time to time I receive poor service and pay high fees. The reality is – you can switch Banks. And in response, some persons will say “But the switching cost is too high – the headache of starting over with a different Bank, all that paper work. I can’t be bothered, I will stay with Bank X”.

Consider also another situation - We are all consumers; and I ask for just a brief moment that the bankers that are present, take off their banking hats. Here is the situation – I am a customer of Bank X, and I need a service which ONLY my Bank can provide, like a statement to take to the Embassy verifying my account balance – the question being asked by consumers is - why does the price have to be so high - as much as \$500.00? ‘too high’ they say, the direct inputs into creating that statement cannot be anywhere close to the final price to the consumer. And remember I cannot go anywhere else to get that statement. I am captured by Bank X.

I leave you with an excerpt from an ICN document: “When markets work well, firms thrive by meeting consumers’ needs better and more effectively than their competitors. Competition provides strong incentives for firms to be more efficient than their rivals, reduce their costs and innovate, thereby helping to raise productivity and growth across the economy. Effective competition provides significant benefits for consumers through greater choice, lower prices, and quality goods and services.”

Consumers, it’s in your hands. You do have some control over the operation of the market. And for you to benefit from competition, you must look closely at your options before making your selection; and do not be afraid to change.

As Plato once said “We can easily forgive a child who is afraid of the dark. The real tragedy of life is when men are afraid of the light.”

Ladies & Gentlemen, I look forward to seeing you at about the same time next year when we will host our next lecture. Thank you and have a pleasant evening. You may join us for refreshments.

“A bank is a place where they lend you an umbrella in fair weather and ask for it back when it begins to rain.” – Robert Frost (American poet)

“Bank failures are caused by depositors who don't deposit enough money to cover losses due to mismanagement” – Dan Quayle

“I hate banks. They do nothing positive for anybody except take care of themselves. They're first in with their fees and first out when there's trouble.” – Earl Warren (American Politician)

They usually have two tellers in my local bank, except when it's very busy, when they have one.
Rita Rudner