

Opening Remarks

Hon. Anthony Hylton

Minister of Industry, Investment and Commerce

Event : 14th Annual Shirley Playfair Lecture

**Theme : Emerging Business Strategies and
Implications for Competition**

Date : Monday September 16, 2013

Time : 3.00 p.m.

Venue : Jamaica Pegasus Hotel

- Mr. David Miller - Executive Director of the Fair Trading Commission
- Professor Evan Duggan - Dean of the Faculty of Social Sciences, UWI
- Dr. Densil Williams - Commissioner of the Fair Trading Commission;
- Members of the legal fraternity
- Family and friends of Shirley Playfair
- Ladies and gentlemen ... Good Afternoon

Today we continue to honour the life and work of one of Jamaica's great legal luminaries, Shirley Playfair, – a stalwart whose wide ranging contribution to national life, is worthy of recognition. Today we gather for the 14th annual Shirley Playfair lecture, under the theme 'Emerging Business Strategies and Implications for Competition'. This theme is particularly relevant given the impact of globalization and the need for small economies to re-evaluate their business strategies, to guarantee economic viability.

Competition Key to Efficient Use of Resources

Competition is critical to driving innovation and achieving higher standards in the global marketplace. A competitive economy ensures the most optimal use of its resources and underpins improved cost efficiencies in industries. Removing impediments to competition is therefore essential to fostering sustained economic growth. This includes creating the environment to improve the ease with which businesses retool, access finance, and employ human resources to strengthen their operational capacities.

Competition and competition policy are strongly influenced by new production methods, as well as the structure of industries as reflected by increased consolidation of companies. Companies consolidate their operations and acquire other entities, resulting in these companies gaining increased market share thereby exerting a greater influence on the market. These developments pose new challenges to competition policy not only in Jamaica, but in most liberalized economies.

The new liberalized global business environment will present its own challenges for players seeking to impose monopolistic practices to extract benefits unfairly in the marketplace. The FTC's focus on industry practices and promoting commercial practices that are aligned to a liberalized global environment will ultimately be to the good of the consumer.

Ladies and gentlemen, business strategies are changing to reflect the need for adaptation to the ever-changing competitive conditions of the global marketplace. As the era of protectionism wanes, Jamaican businesses no longer have the cushion of protectionist barriers to successfully bring products to markets. To compete effectively in the current liberalized global economy, our businesses are compelled to reorganize and reposition themselves, to meet the many challenges that this new order presents.

Globalization and Logistics

In this age of globalization and unrelenting competition, the options for trade and development are clear: it is either isolation, or integration into the

global economy. We have no choice but to make ourselves relevant to the global economy by overcoming the barriers to competitiveness. No longer can we rely on outmoded trade and commercial arrangements to compete in today's global markets. The legacy of trade arrangements that were handed down from the colonial period are clearly out of step with the modern liberalized business environment that has been fashioned by globalization.

The Government's initiative to position Jamaica as a global logistics hub, the fourth node in the global logistics and supply-chain, has significant implications for the competitiveness of the domestic economy. Improving logistics in the context of developing economies such as ours is a critical element of building a competitive platform for production and exports. This will be the basis for the integration of the MSME sector into the global value-chain and supply-chain, through partnering with the large transnational companies within Special Economic Zones.

FTC Challenges and Focus

The FTC faces a number of challenges in monitoring the Jamaican marketplace, and enforcing the Fair Competition Act (FCA); and it is clear that some of the main provisions of the statute are less than effective. I laud the work done by the FTC in protecting fair play, competition and consumers, while policing infringements of the Act in the absence of the most effective tools. We must begin to look at the needed reforms to the

Act, in fundamental areas such as structure, fines, penalties, and various aspects of its competition and consumer provisions.

Now that we have a strengthened Consumer Affairs Commission (CAC) with a Consumer Tribunal having been put in place, the work of the FTC now requires a greater focus on industry and competitiveness. There will be the need for a more joined-up approach to allow the FTC to divest some of its consumer protection activities to the CAC, enabling the Commission to focus on industry and competition.

The World trade Organization sub group 'The Friends of Logistics' represents the WTO members which shape the agenda for negotiations, and I believe there is room for synergy between this group and the FTC as it relates to guiding 'fair' trade negotiations.

The work of the FTC is also complementary to that of the National Competitiveness Council, a public/private partnership which I chair, which seeks to advance policy advocacy, research and public awareness of those initiatives that create an enabling environment for the development of Jamaican businesses.

In this connection, let me point out that the most recent Global Competitive Index ranking by the World Economic Forum reported that Jamaica improved its current ranking by three positions, moving up from 97 to 94 compared with last year's global rankings. This is good news and is reflective of Government's commitment to strengthen the country's business competitiveness platform.

CONCLUSION

Ladies and gentlemen, let me again underscore the point that in the context of a globally integrated commercial environment, the role of the FTC must focus on barriers to competitiveness. It must adopt measures to ensure fair trading must be extended to the 'policing' of goods entering the domestic marketplace. In this matter, it is important that attention be paid to standards and consumers' interest. New regulatory and competition rules must be established to monitor the marketplace to ensure that fair competition prevails. Ultimately, we must strive for the strengthening of the FTC as it serves in its role as watchdog for what is a more complex environment, compared to when it was established 20 years ago.

So ladies and gentlemen, Shirley would have been proud to be here as we seek to make progress in the critical area of improving policies to ensure fair completion, in a new and complex global environment. Here, competitiveness occupies a central role in the outcomes for both businesses and consumers.

I thank you.