



FTCNewsLine is an on-line 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.

In this Issue we feature issues related to the period October 1, 2014 to December 31, 2014.

Reduction in fuel prices more pronounced in competitive zones

When it comes to Jamaica's energy options, the narrative is changing! In December 2014, Nestle Jamaica Limited announced that it would cease local production in January 2015, due to unfavourable energy costs; reducing the price of energy has been an unwavering demand of both residential and commercial consumers alike. There is a noticeable shift, however, in the nature of the discussion surrounding the way out of Jamaica's energy crisis as short-term policy proposals have now been introduced into the hitherto bag of long-term prescriptions. The central focus of the recent discussions is the pace at which changes in the global oil price is reflected domestically at the point of consumption by motorists, electricity producers, manufacturers, etc.

The FTC's empirical study of the issue highlights four important points. Firstly, it is more appropriate to use dollar-valued, rather than percentage, changes to measure the extent to which reduction in global oil prices are passed through to domestic consumers. Secondly, only a fraction of movements in ex-refinery price is reflected immediately in the pump price. Thirdly, gas station operators pass through increases in the ex-refinery price at a faster pace than they pass through reductions in the ex-refinery price. Finally, customers of gas stations in competitive geographical zones secure more benefits from movements in the ex-refinery price, relative to customers in geographical zones where there are fewer gas stations. This, as the disparity in the pace at which price increases and reductions are reflected in the pump price is less pronounced in the more competitive area. A more detailed report of the study is available at www.jftc.gov.jm.

Complaints investigated during 2014

Over the period January 1, 2014 to December 31, 2014 the FTC investigated a total of 381 complaints for breaches of the FCA. This comprises 239 cases that were unresolved at the end of 2013 and 142 cases which were received during 2014. The automobile and the

telecommunications sectors triggered the largest number of complaints, specifically complaints about discrepancy of model year and advertising of mobile phone services, respectively.

Of the 381 cases investigated, 325 were classified as matters concerning misleading advertising; 33 as offences against competition; seven as request for opinion; two as sale above advertised price; and one as tied selling. Thirteen complaints were considered as being outside the purview of the FCA; and, where appropriate, were forwarded to other agencies.

FTC participates in Mobile Business Clinic Initiative

As part of its participation in the Mobile Business Clinic Initiative (MBCI), in November 2014, the FTC delivered a presentation titled “Competing to Grow” to a group of small business operators and consumers. The MBCI was launched by the Ministry of Industry, Investment & Commerce in September 2014 to facilitate business formalization, market access and market entry; to increase awareness of business development services, provide training, capacity development and technical support; promote sound entrepreneurial practices through public education; and to sensitize MSMEs about the Government’s reform agenda.

The FTC’s presentation focused on educating Micro, Small and Medium-Sized Enterprises (MSMEs) on Competition Law and Policy and its impact on their operations. The presentation is available at www.jftc.gov.jm.

As a sponsor of the MBCI, the FTC will be having dialogue with small business operators in several parishes during the year 2015.

FTC to host another Competition Law and Policy Course

In March 2015, the FTC will be hosting its Intermediate Level Course in Competition Law and Policy, at the offices of the Ministry of Industry, Investment & Commerce, 4 St. Lucia Avenue, Kingston 5. Attorneys-at-Law who participate in the Course will be awarded ten credits towards the General Legal Council’s Continuing Legal Professional Development program.

Registration form and Course information are available on the FTC website at www.jftc.gov.jm. As space is limited, registrants are encouraged to register early. The course fee is \$45,000 per person; however a group rate of \$40,000 applies for a group of three or more persons from the same organization. This fee includes tuition, lunch, coffee breaks and course materials.

FTC Annual Magazine

The FTC will release the 19th edition of its annual magazine **Compete** in January 2015. The theme, “Competing in the Hub” highlights the implications of local competition law and policy on businesses operating within Jamaica’s Logistics Hub. The magazine will comprise several articles from the public and private sectors as well as special activities of the FTC.

The magazine will be distributed to Government Ministries and Agencies, academic institutions, business enterprises and professionals, both local and overseas. It will also be made available at our website www.jftc.gov.jm.