



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, 2015 to December 31, 2015.

FTC approves Petrojam's proposed rebate incentive scheme

The FTC did not object to the recently proposed implementation of a loyalty rebate incentive scheme for sales of Petrojam's petroleum products. Petrojam proposed to offer price discounts or extended credit terms only to PMCs which source all of their petroleum products requirements from Petrojam. The FTC's position was informed by extensive evidence in the literature which suggest that loyalty rebate schemes are unlikely to harm consumers or rival suppliers of refined petroleum products given the ease to which the larger PMCs are able to directly source and locally store petroleum products from the international markets.

FTC contributes to strengthening the petroleum industry

The FTC continues its effort to improve the oversight framework of the petroleum industry. Recently the FTC developed measures to improve the relationship between petroleum haulage contractors and petroleum marketing companies (PMCs). The overarching objective of the FTC's interventions is to create greater opportunities and incentives for lower prices and increased choices for final consumers. In 2015 the FTC revised the Code of Conduct, which it published in 2004, with the intention of engaging key stakeholders regarding the extent to which the proposed Code of Conduct can be incorporated in the licence issued to PMCs.

Further, the FTC has recognized that recent incidence of 'bad gas' casted a shadow on the integrity of the distribution chain. Accordingly, the FTC, along with other key stakeholders in the industry, is working with the Ministry of Science Technology Energy & Mining with a view to ensuring that issues pertaining to competition, standards, quality, safety and other factors which affect the market are addressed in a timely manner.

FTC collaborates with the Jamaica Tertiary Education Commission

Since 2014, the FTC has been working with the Jamaica Tertiary Education Commission (J-TEC) to develop standards to guide tertiary level education in Jamaica. In that year, J-TEC was mandated by the Ministry of Education to regulate the tertiary sector with the aim of creating a world-class system of higher education. The FTC was invited to collaborate on this effort.

During the last quarter of 2015, the FTC participated in a number of stakeholder meetings and commented on documents such as the J-TEC Draft Bill, J-TEC proposed registration form and tertiary education provider standards. The FTC's comments were informed by complaints regarding tertiary level education that were lodged with the Commission over several years.

The FTC is of the view that the implementation of standards for tertiary level education in Jamaica will play an important role in the sector.

Complaints investigated during 2015

During 2015, the FTC investigated 334 complaints of breaches of the FCA. This comprises 241 cases that were unresolved at the end of 2014 and 93 cases which were received during 2015. The automobile, telecommunications and education sectors triggered the largest number of complaints.

Of the 334 cases investigated, 278 were classified as matters concerning misleading advertising; 31 as offences against competition; five as request for opinion; three as sale above advertised price; and two as tied selling. Fifteen complaints were considered as being outside the purview of the FCA; and, where appropriate, were forwarded to other agencies.

FTC Annual Magazine

The FTC will release the 20th edition of its annual magazine **Compete** in January 2016. The theme, "Competition in the retail sector: Is the consumer still king?" highlights the role of consumers in promoting competition in retail sectors. The magazine will comprise several articles from the public and private sectors as well as highlight several activities of the FTC. It will be distributed both local and overseas to Government Ministries, Departments and Agencies, academic institutions, business enterprises and professionals; and will also be made available at the FTC's website www.jftc.gov.jm.