



**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 competition agencies from around the world. The aim is to provide insights into some of the matters that are prosecuted in other jurisdictions; and to assist persons 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 matters undertaken by the FTC during the period July 1- September 30, 2014.*

## **FTC measures benefits of regulatory intervention**

The FTC completed its assessment of the benefits accruing to subscribers of telecommunications services as a result of a recent regulatory intervention. The regulator reduced the mobile termination rate (MTR) to \$5.00 per minute in July 2012 and then again to \$1.10 per minute in July 2013. MTR refers to the price one operator pays to complete (i.e., terminate) calls on a mobile network belonging to another operator. All other things constant, lower MTRs stimulate competition between smaller and bigger networks.

While the FTC anticipated that the lower MTR would improve consumer welfare, the extent of such benefits was uncertain. The FTC sought to quantify such benefits by identifying changes in the quantity of talk time ('mobile call volume') attributable to lower MTRs. The FTC concluded that up to March 2014, subscribers would have talked for approximately 10,021 million minutes if the MTR was not reduced. The actual talk time recorded during the period when the MTR was reduced, however, amounted to as much as 11,302 million minutes. Accordingly, the intervention benefitted consumers by 1,281 million minutes over a 21 month period. To the extent that mobile call rates for standard calling plans ranges between the United States Dollars (USD) equivalent of 1.77 cents and 15.75 cents per minute, the market value of these benefits ranges between 22.7 million USD and 201.7 million USD.

## **FTC investigating supermarkets**

Despite sensitizing supermarket operators regarding the possible illegality of the pricing practice whereby the price charged for some products at check-out counters is higher than the shelf price of these goods, the FTC continues to receive complaints of the practice. Consumers complain to the FTC that in some instances, merchants refused to complete the sale at the lower price, as is required under Section 41 of the Fair Competition Act (FCA) that deals with *Sale Above Advertised Price*.

The complaints raise issues that could also constitute the offence of *Misleading Advertising* in breach of 37 of the FCA. Given the apparent widespread practice and the likelihood that many consumers, who purchase a large number of products, could be affected without their knowing, the FTC has now intensified its monitoring of supermarkets and will be applying the full force of the law where evidence of the practice is found.

## **OTHER NEWS**

### **FTC hosts another Competition Law and Policy Course**

The fourth staging of the FTC two day Intermediate Level Course in Competition Law and Policy will be held on October 27-28, 2014, at the offices of the Ministry of Industry, Investment & Commerce, 4 St. Lucia Avenue, Kingston 5.

To complement the cadre of presenters from the FTC and to bring to the program the commercial aspects of a current economic issue, Dr. Fritz Pinnock of the Caribbean Maritime Institute will be presenting on the commercial activities of Jamaica's Global Logistics Hub. This will add to the main presentations on the economic and legal aspects of Jamaica's competition law.

The Course is accredited by the General Legal Council for the purposes of its Continuing Legal Professional Development program. Attorneys-at-Law participating in the Course will be awarded ten credits towards the program during 2014.

Registration form and Course information are available on the FTC website at [www.jftc.gov.jm](http://www.jftc.gov.jm). As space is limited, registrants are encouraged to register early. Registration closes on October 21, 2014. 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.

### **15<sup>th</sup> Annual Shirley Playfair Lecture**

The 15th lecture in the Annual Shirley Playfair Lecture Series, under the theme "Competing in the Hub", will be aired on Cable News and Sports (CNS) TV Jamaica on October 14, 2014 at 10:00 am; October 16 at 6:30 pm; and October 17 at 10:00 pm.

The lecture was held on September 9, 2014 at the Jamaica Pegasus Hotel, in Kingston, Jamaica; and was delivered by Dr. Fritz Pinnock, Executive Director of the Caribbean Maritime Institute. Dr. Eric Deans, Chairman of the Logistics Hub Taskforce in the Ministry of Industry, Investment and Commerce delivered the opening remarks, and the discussion segment was moderated by Kevin Harriott, Competition Bureau Chief of the FTC. Dr. Pinnock's presentation is available at [www.jftc.gov.jm](http://www.jftc.gov.jm).