



Introduction

Science and Technology (S&T) is a catalyst for commercial activity as it facilitates the discovery of knowledge that allows entrepreneurs to develop, on a commercial scale, goods and services which cater to the needs and desires of the consuming public. The benefits of S&T to the economy manifest in at least one of two ways: (i) *product innovation* and (ii) *cost innovation*.

Production Innovation

Product innovation refers to the discovery of new goods and services. For example, in the pharmaceutical industry, new drugs are developed to treat and cure a variety of diseases.

Cost Innovation

Cost innovation refers to the discovery of cheaper means of producing existing goods and services. Cost innovation is most apparent in the market for personal computers (PCs) where prices have steadily declined throughout the years even though the quality of PCs continues to improve.

S&T and the FTC

The Fair Trading Commission (FTC) is the vanguard of the competitive process in Jamaica. The competition process results in, among other things, lower prices and higher levels of product and cost innovations, relative to what would have obtained in the absence of competition. We are empowered by the Fair Competition Act to prosecute conduct which has anticompetitive effects.

Notwithstanding the above, section 20(2) of the Act obliges the Commission to exempt conduct which would otherwise have been considered to be anticompetitive if, among other things, the conduct "...was exclusively directed...to promoting technical or economic progress."

It is therefore evident that the Act, and the Commission by extension, recognizes the singular importance of S&T to the economic performance of markets.

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