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**FTCNewsLine** is a 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](http://www.jftc.gov.jm).

*In this Issue we feature issues related to the period April 1, 2019 to June 30, 2019.*

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## **FTC examines acquisition of Epping Oil Company Limited By Total Jamaica Limited**

Subsequent to media reports in May 2019 of the intention of Total Jamaica Limited to acquire Epping Oil Company Limited, the FTC launched an investigation to determine the likely effect on competition in the market for petroleum products. The investigation is being conducted pursuant to Section 17 of the Fair Competition Act (FCA) which addresses agreements which lessen competition. The FTC has requested that both parties submit information under the FTC's investigation procedures.

Prior to the acquisition both Epping and Total participate at the wholesale and retail level of the petroleum products industry. Other participants at the wholesale level includes Petrojam, Gulfstream Petroleum SRL (Texaco), RUBiS Energy Jamaica Ltd, MZ Holdings Ltd (Cool Oasis), Future Energy Source Company Ltd (FESCO), Johnson's Petroleum Company Ltd and Jampet. It must be noted that each wholesale supplier sells only to its respective retailers; for example, Texaco sells only to Texaco service stations. There are approximately 250 retail outlets where each retailer is supplied by only one wholesale or marketing company. Additionally, some retail outlets are owned by or are franchises of a marketing company.

While there are 250 outlets, they do not all compete with each other by virtue of their location. The shorter the distance between two service stations the more likely they are to compete with each other. Accordingly, the investigation aims to identify also those regions that are likely to be adversely affected by the merger; specifically, regions in which competition will likely be eliminated between the two parties.

## **FTC assesses acquisition of Post to Post Betting Limited by Supreme Ventures Limited**

In May 2019, by way of the media, it was brought to the attention of the FTC that Supreme Ventures Limited proposed to acquire Post to Post Betting Limited t/a Any Bet. Should this

proposal materialize it would represent a substantial change in market structure of the bookmaking services industry, as two of the island's largest bookmakers would become one. Bookmaking services can be described as any business that accepts bets on the outcome of sports contests and pays winners based on the mutually agreed odds. Sales in the bookmaking services market, as reported by the sector regulator Betting Gaming and Lotteries Commission (BGLC), in 2016/2017 was over J\$4.9 billion.

The FTC initiated an investigation under Section 17 of the FCA to determine if the acquisition is likely to adversely affect competition in the bookmaking services market. Finalisation of the agreement between the parties is awaiting the decision of the FTC. Stakeholders being approached by the FTC to weigh in on the acquisition included market participants – Capital Betting and Wagering Limited, Ideal Betting Company Limited, Island Bet and Jamozzie/BetCris and the sector regulator BGLC which maintains records on the market's sales, payout and gross profit.

### **FTC participates in Corporate Governance Consultation**

The Executive Director of the FTC participated in a consultation session aimed at developing a Corporate Social Responsibility Framework (CSRf) which is an aspect of the Corporate Governance Framework for Public Bodies. The objective of the CSRf is to facilitate public bodies operating in a socially, economically and environmentally sustainable manner that will benefit Jamaica. The session was hosted by the Ministry of Finance & the Public Service.

### **FTC participates in 2019 International Competition Network Conference**

Miss Ann-Marie Grant, General Manager at the Fair Trading Commission (FTC) participated in the 2019 Annual Conference of the International Competition Network (ICN), held during May 15 – 17, 2019 in Cartagena, Colombia. The Conference, hosted by Colombian Superintendence of Industry and Commerce, featured discussions on investigative processes and competition issues and strategies related to the digital economy, innovation and market definitions. Accordingly, areas such as the assessment of dominance and optimal design of advocacy strategies in digital and high-tech sectors were discussed. Other highlights of the Conference include the application of competition law to issues arising in the creative and cultural economy.

A key aim of the ICN is to strengthen the technical capacity of competition agencies and the promotion of best practices in various areas of competition law enforcement and advocacy. This is evidenced from the vast number of comprehensive work products that have been produced by competition agencies and their partners over the year. In the session on ICN Implementation, Miss Grant presented on the FTC's use of ICN's products to advance effective competition law enforcement in Jamaica. She emphasized the use of the ICN Recommended Practices for Merger Notification and Review Procedures in informing the FTC's merger investigative process while Jamaica awaits the formal implementation of a modern pre-merger notification regime.

### **FTC tours the Hunts Bay Power Plant**

Mr. Paul Cooper, Research Officer participated in a tour of the Jamaica Public Service Company's (JPS) Hunts Bay Power Plant in May 2019. The JPS invited the FTC along with other entities including the Bureau of Standards Jamaica, National Consumers League and the

Master Builders Association to tour the Plant as part of the activities undertaken by the JPS Customer Advocacy Group. The FTC participates in the Customer Advocacy Group Initiative on the invitation of the JPS; the purpose of which is to familiarize and sensitize entities to the challenges, work and accomplishments of the utility company. The consultations also give opportunity to the JPS to learn of the issues being experienced by customers as filtered through the relevant stakeholder agencies as well as the concerns of the regulatory bodies.