



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 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, 2019, to December 31, 2019.

FTC concludes assessment of the acquisition of Post to Post Betting Limited by Supreme Ventures Limited

The FTC has completed its investigation into Supreme Ventures Limited's (SVL) acquisition of Post to Post Betting Limited (PTP) and concludes that the acquisition agreements are unlikely to have the effect of a substantial lessening of competition in the bookmaking services market. Essentially, the agreements are not in breach of section 17 of the Fair Competition Act. Following media reports of the acquisition, the Staff opened the investigation under section 17 of the FCA that applies to agreements which have as their purpose, effect or likely effect the substantial lessening of competition in a market.

The effect of the agreements on competition was assessed in three markets: (i) betting services on sports events and virtual games; (ii) betting services on simulcast horseracing; and (iii) betting on services on local horseracing. While the FTC had no competition concerns regarding the first two markets, for the third market, the FTC had concerns about the potential for the discriminatory imposition of rights fee by SVL in favour of PTP and against competing players in the market. The FTC is however satisfied that the sector regulator, the Betting, Gaming and Lotteries Commission, has the power to avert any such discriminatory conduct.

FTC completes its assessment of acquisition in the ice industry

In December 2019, having completed its investigation of the acquisition of Pure National Ice Company Limited (PNICL) and Island Ice & Beverage Company Limited (IIBC), by Pure National Limited (PNL), the FTC concluded that the acquisition agreements were not in breach of section 17 of the Fair Competition Act (FCA).

Concerning the effect of the agreements on competition, the FTC's investigation revealed that the market for packaged ice is now significantly more concentrated as a result of the agreements.

This raised concern about PNL's ability to exercise market power, that is, its ability to increase prices to consumers and to adversely affect competition. However, such exercise of market power is unlikely as the conditions for market entry and expansion are sufficient to allow new players and existing competitors to constrain PNL.

FTC signs MOUs with statutory agencies

As part of its competition advocacy framework, the FTC has formalized relationships with three statutory agencies through Memoranda of Understanding (MOUs). The MOUs are designed to formalize inter-agency collaboration and cooperation for the sharing of information to facilitate regulatory oversight and policy development, within the context of the promotion of competitive markets.

The FTC signed in December 2019, MOUs with the Bureau of Standards Jamaica, Betting, Gaming & Lotteries Commission, and Cannabis Licensing Authority. To broaden its advocacy scope, the FTC is in discussion with several other government bodies, intending to sign MOUs.

FTC's involvement in CARICOM activities

During the period the FTC reviewed and made recommendations on the legislative and policy changes required to give the CARICOM Competition Commission (CCC) the authority to serve as the national competition authority for member states that do not have a functional competition agency.

The FTC submitted comments on the benefits to Jamaica and the region for establishing a Merger Policy for the CSME and participated in discussions on the review of CARICOM's Strategic Plan. The discussions focused on possible solutions to the challenges in meeting established targets set out in the Plan.

Complaints investigated during 2019

For the period January 1, 2019, to December 31, 2019, the FTC investigated 156 complaints about possible breaches of the FCA. This comprises 104 cases that remained unresolved at the end of 2018, and 52 cases that were received during 2019. The automobile and telecommunications sectors triggered the largest number of cases and accounted for 67 per cent of the total cases investigated. Between January 1, 2019, and December 31, 2019, 96 cases were resolved and closed.

In terms of breach-type classification, 78 per cent of the 156 cases were classified as misleading advertising, 15 per cent as offences against competition and 5 per cent as requests for opinion and sale above advertised price. Two per cent of complaints received were considered to fall outside the purview of the FCA, and accordingly, those were forwarded to other agencies.