



## **FTC's Comments Regarding Entry Condition of the Conch Industry**

Submitted to the Ministry of Agriculture, Fisheries Division

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The FTC's comments were based solely on the Ministry of Agriculture's document entitled "*Suggestions for a different method of allocating the conch quota*," specifically, to the three categories of the formula relating to "Historical Involvement and Performance."

The FTC believes that the categories – (i) *number of years in fisheries*; (ii) *catch history*; and (iii) *performance (utilization of quota)* – can serve as a barrier to entry to potential entrants into the industry. Those conditions, collectively, prevent persons from entering and therefore close the industry to the nine incumbents. Markets that are closed to potential entrants may not benefit from the requisite innovation, other developments, and cost advantages that generally stem from the competitive pressure of new players.

Another competition implication is that the market could be susceptible to collusive activities among the incumbents. For example, they could enter into market sharing or price-fixing arrangements or create artificial barriers to entry.

Recommendation: That the conch allocation criteria do not unnecessarily hinder competition through any of the means described above.