

FAIR TRADING COMMISSION

Promoting competitive markets



ESTABLISHING EFFECTIVE COMPETITION AUTHORITIES: THE JFTC EXPERIENCE

David Miller – Executive Director

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OUTLINE

- Jamaica Fair Trading Commission
- Benefits of Competition Law
- Main Pillars of Competition Policy
- Main Functions of Competition Agencies
- Institutional Design
- Overall Agency Effectiveness



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THE JAMAICA FAIR TRADING COMMISSION

- *Jamaica's Competition Authority – created by the Fair Competition Act (1993)*
- *Consumer Protection matters – 1993 to 2005*
- *Competition matters - robust enforcement*



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Brain
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"It used to be all about truth and justice.
Now, mostly I fight for market share."



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Benefits Of Competition Law



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BENEFITS OF COMPETITION LAW

- Competition provides the proper incentives for merchants to offer consumers quality products at the most affordable prices
- Under competitively organized markets
 - Prices are lower
 - Output is higher
 - Product choice is greater
 - Rate of technical innovation is higher, relative not competitively organized



3



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6

DEFINITION AND CHARACTERISTICS OF PURE COMPETITION

© *The price of products is determined solely by what consumers are willing to pay*



MAIN PILLARS OF COMPETITION POLICY

Abuse of Dominance

Collusive Agreements

Mergers & Acquisitions



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MAIN FUNCTIONS OF COMPETITION AGENCIES

Enforcement

Advocacy

Public Education



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INSTITUTIONAL DESIGN

- Operations
- Legal Framework
- Internal Processes & Procedures
- Investigative Process
- Decision Making
- Necessary Characteristics
- Cooperation
- Institutional Memory
- Sound Infrastructure



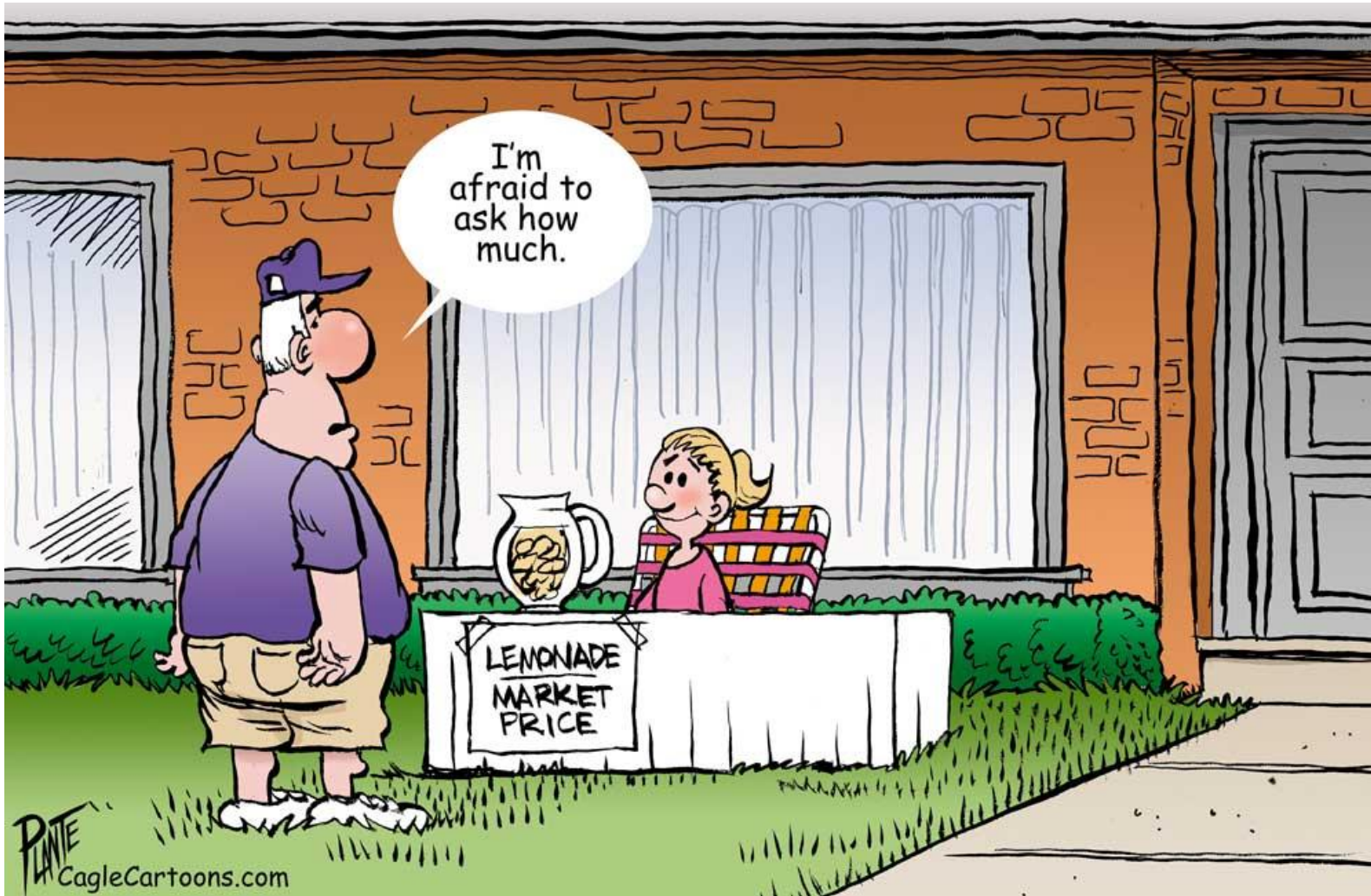
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TAGLINES

Country	Tagline
Australia	Be fair & competitive
Botswana	Fair markets, empowered consumers
Colombia & UNCTAD	Prosperity for all
Gambia	Leveling the field for development
India	Fair competition for greater good
Pakistan	Creating a level playing field
Poland	We are about consumers, entrepreneurs & free market
South Africa	A growing, deconcentrated & inclusive economy
UK	Making markets work
US FTC	Protecting America's consumers





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Agency Operations

- *Administrative, Legal & Economics Departments*
 - *Investigations*
 - *Conduct market studies*
 - *Competition advocacy*
 - *Public education*
 - *Staffing*
 - *ICT*
- *Budget & Financing*
- *Adherence to Procedures, Processes, Guidelines*



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Legal Framework

Legislation

- Provisions that properly define the scope & effect of the policy
- Institution with administrative and investigative responsibilities
- Oversight Board responsible for administration and policy direction – separate from Staff, to prevent regulatory capture.
- Tribunal or Hearing Structure



Treaty Obligations



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Internal Procedures, Processes & Guidelines

- Management
 - Accounting
 - Investigative
 - Research
- Clearly Defined

PROCEDURAL FAIRNESS



Investigative Process

- Case Selection – prioritizing cases
- Clearly Defined
- Thorough
- Separation of Investigative & Adjudicative Functions
 - in legislation
 - in procedures and processes



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Decision Making

- ✓ 1 person
- ✓ Commissioners or Tribunal: Collegial
 - ✓ Court

**Required Skills: Legal, Economics, Management,
Business operations**



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“Change of plan. The policymakers say they’re only willing to listen to the science if we can present our ideas in simple bullet-point format.”

Necessary Characteristics for Competition Agencies

- *Accessible*
- *Accountable*
- *Accessible*
- *Adequate Powers*
- *Confidentiality*
- *Consistent*
- *Communicate*
- *Credible*
- *Effective*
- *Fair*
- *Independent*
- *Information Exchange*
- *Integrity*
- *Objective*
- *Real*
- *Relevant*
- *Strategic Planning*
- *Team Work*
- *Timely*
- *Transparent*



Cooperation & Collaboration Mechanisms

- Other Competition Agencies
- Sector Regulators
- Other Ministries, Departments & Agencies
- Stakeholders
- Cooperation Agreements/MOUs





Decisions

- Quality
- Proper
- Monitored
- Adequate
- Deterrence effect
- Effective



OVERALL AGENCY EFFECTIVENESS

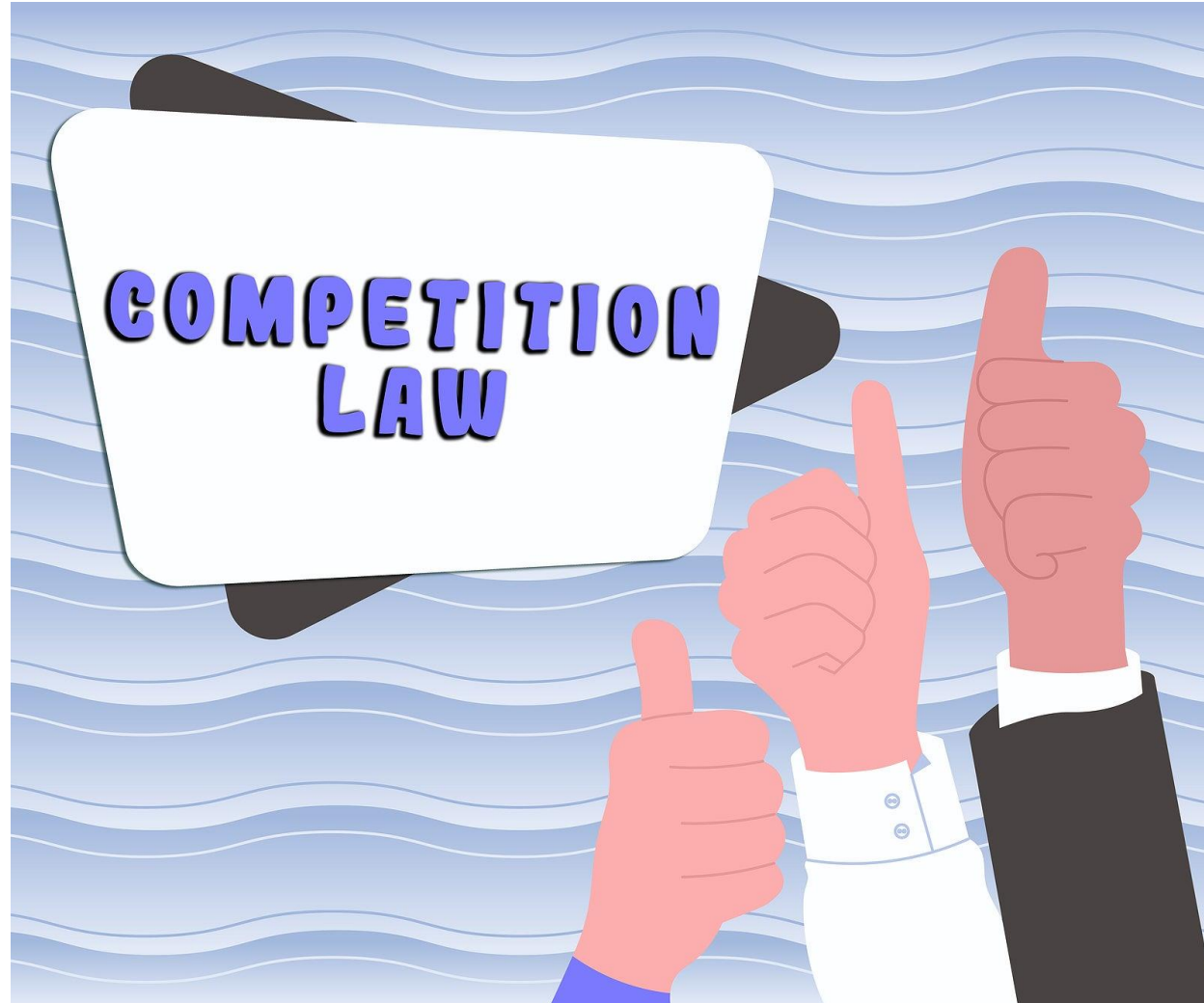
Key Features

- Institutional design
- Implementation of sound policies & strategies
- Capacity building
- Knowledge retention
- Technological advancements
- Culture of Periodic Assessment
- Collaboration with MDAs



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Thank you



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Fair Trading Commission
17-19 Connolley Avenue
Kingston 4, Jamaica
Email: ftc@cwjamaica.com
Website: jftc.gov.jm
www.facebook.com/ftc.jamaica

