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**FTCNewsLine** is an online quarterly newsletter of the **FAIR TRADING COMMISSION (FTC)** 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 assist businesses and consumers in better identifying issues that may pose competition concerns.

Competition legislation is specific to each jurisdiction and activities 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](http://www.jftc.gov.jm).

*In this Issue, we feature matters arising during the period October 1, 2024, to December 31, 2024.*

## FTC Completes Merger & Acquisition Assessment in the Food & Beverages Market



The Fair Trading Commission (FTC) has concluded an assessment of A.S. Bryden and Sons Holding Limited's (ASBH) recent acquisition of a significant stake in Caribbean Producers (Jamaica) Limited (CPJ), determining that the transaction is not likely to breach the Fair Competition Act (FCA).

ASBH, a company registered in Jamaica and a subsidiary of Seprod Limited, is a major distributor operating in Trinidad and Tobago, Guyana, and Barbados. Seprod Ltd, its parent company, is a leading manufacturer and distributor of food products, beverages, pharmaceuticals, and industrial supplies in Jamaica and the wider region. Meanwhile, CPJ is a Jamaican manufacturer, distributor and retailer specializing in food, non-food items, wines, spirits, and other beverages.

In July 2024, ASBH acquired a 44.98% stake in CPJ making it the largest shareholder in CPJ. The FTC reviewed the acquisition under Section 17 of the FCA, which prohibits agreements that could substantially reduce market competition. The assessment, part of the FTC's Phase 1 merger review process, was based on information from the involved parties, annual reports, and news articles.

While ASBH does not distribute products directly in Jamaica, Seprod Ltd and its subsidiaries supply food, non-food, and non-alcoholic beverages in the country. Given CPJ's role as a retailer and the overlap in product offerings—specifically dairy products, cereals, biscuits, seasonings, pasta, and non-

alcoholic beverages—the FTC identified multiple relevant markets at both the distribution and retail levels in its assessment.

Despite these overlaps, the FTC determined that ASBH and CPJ do not operate at the same level of the supply chain, and each would continue to face binding competitive constraint at the respective level of the supply chain in which they participate. Furthermore, ASBH and CPJ face significant competition from major industry players. At the distribution level, some competitors include Wisynco, GraceKennedy Foods, Lasco, T. Geddes Grant (Distributors) Limited, Select Brands Limited, and Celebration Brands Ltd. At the retail level, CPJ contends with established supermarket chains some of which include Hi-Lo (affiliated with GraceKennedy), Progressive Grocers Group, and General Food Supermarket.

Given these factors, the FTC concluded that the transaction is unlikely to breach the FCA.

### FTC completes assessment into the market for aggregates

In the market for aggregates (sand, stone, limestone processing, and related products), the FTC has granted a non-objection for a significant ownership restructuring at Jamaica Aggregates Limited (JAL).

The FTC’s review of the transaction, involved several key agreements, including the Stock Purchase Agreement, the Shareholders Agreement, and the Consulting Agreement, all examined under section 17 of the Fair Competition Act (FCA). The Commission concluded that the transaction represents a change in the ownership structure of JAL and does not pose significant competition concerns in the aggregates market or any adjacent markets. Accordingly, the FTC determined that the transaction is unlikely to breach the FCA.



### FTC examining concessionaires’ agreements for NMIA & SIA



The FTC is examining concessionaires’ agreements for the Norman Manley International Airport (NMIA) and the Sangster International Airport (SIA). The FTC’s concerns centres around key aspects of competition and consumer protection within the aviation sector. Specifically, (i) the strategies employed by the airport managers to attract new airlines and routes to keep Jamaica competitive as a premier tourism destination, (ii) clarity on the balance between providing incentives for new market entrants and the need to avoid preferential treatment or market distortions and (iii) whether mechanisms are in place to monitor concessionaire pricing to safeguard consumers from excessive charges while ensuring fair profit margins for service providers.

As part of gaining insights into the sector, representatives from the FTC attended PACKAL's Stakeholders Forum for the NMIA and the MBJ Airports Limited (MBJ) bi-annual airport forum for the Sangster International Airport (SIA). At both forums the respective airport managers updated stakeholders and the public on airport initiatives, achievements, and major projects that were recently completed, as well as projects being undertaken within the upcoming year.

It was noted at the NMIA Forum that the NMIA's passenger throughput has yet to return to pre-COVID-19 levels, and the number of flights passing through the NMIA has not increased recently. This level of demand and other insights from the forums will factor into the FTC's review of the concessionaires' agreements.



### FTC participates in the 9th Winter School on Economics of Competition Law

Three FTC Technical Staff members (two Legal Officers and a Competition Analyst) participated in the 9<sup>th</sup> Winter School on Economics of Competition Law, a 5-day online course focused on economic tools and analysis to equip them with a strategic understanding of the dynamics involved in competition law. Hosted by the CUTS

Institute for Regulation & Competition, areas covered included digital market regulation in Asia, algorithmic collusion in E-commerce, global mergers, economics of vertical restraints, and cross-border enforcement issues.

### FTC participates in WTO National Workshops on Negotiation skills and WTO agreement on agriculture



An FTC Legal Officer and a Research Officer participated in the WTO National Workshop on Negotiation Skills and WTO Agreement on Agriculture and the Negotiations, respectively. The workshops provided the participants with the theory and concepts of trade negotiations, as well as information on market access, domestic support, and export competition.

Given the interplay between domestic competition and international trade, these workshops provide useful information to the FTC Staff in the assessment of matters

relating to regional trade within CARICOM.

## The AAJ acknowledges the FTC's work in the airport sector

On November 20th, at its 50th-anniversary ceremony, the AAJ recognized the FTC's 'significant contributions' to the airport's industry, specifically the NMIA Concession Agreement Regulation. The FTC was applauded for its invaluable contribution as a stakeholder in the industry.



David Miller, Executive Director, receiving an award on behalf of the FTC from Ms. Donna-Marie Howe, Director at the Airports Authority of Jamaica (AAJ) at the AAJ's 50th Anniversary Stakeholders' Appreciation Reception



## INTERNATIONAL COMPETITION NEWS

### China Launches Anti-Monopoly Probe into Nvidia

China's State Administration for Market Regulation announced that it has initiated an investigation into U.S. chipmaker Nvidia over potential violations of its anti-monopoly laws. The probe suggests the company may have breached commitments made during its acquisition of Israeli chipmaker Mellanox Technologies. These commitments were outlined in the conditional approval granted by Chinese regulators in 2020.

Nvidia has faced increasing competition from domestic rivals, particularly Huawei, since U.S. sanctions in 2022 blocked the sale of its A100 and H100 AI chips to China. The company has since developed modified chip versions for the Chinese market, though these too have been limited by tighter U.S. controls.

Before these restrictions, Nvidia held a dominant position in the Chinese AI chip market, with over 90% market share. However, China's crackdown on semiconductor exports, including the recent ban on critical minerals like gallium and germanium, has affected the company's revenue from the region, which dropped from 26% two years ago to around 17% in the latest fiscal year.

In 2020, Nvidia received Chinese regulatory approval for its acquisition of Mellanox Technologies, easing investor concerns over the impact of U.S.-China trade friction. As part of the approval, Nvidia and Mellanox were required to adhere to several conditions, including supplying GPU accelerators and Mellanox networking equipment to China on "fair, reasonable, and non-discriminatory" terms. They were also prohibited from forced product bundling, imposing unreasonable terms, or discriminating against customers who purchased products separately.

China's investigation into Nvidia follows its previous actions, including a 2013 anti-monopoly investigation into Qualcomm's local subsidiary for overcharging and market abuse, which resulted in a \$975 million fine—the largest penalty imposed by China on a company at the time.

Source: <https://www.reuters.com/technology/china-investigates-nvidia-over-suspected-violation-antimonopoly-law-2024-12-09/>— December 10, 2024