



REPORT

ON THE JOINT VENTURE AGREEMENT BETWEEN JAMAICA OBSERVER LIMITED AND THE GLEANER COMPANY (MEDIA) LIMITED

March 2026

Case Number: 0029-25

FAIR TRADING COMMISSION

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BACKGROUND

1. By letter dated August 8, 2025, the Jamaica Observer Limited (JOL) sought the Fair Trading Commission's (FTC) non-objection regarding a proposed joint venture between the JOL and the Gleaner Company (Media) Limited (GCML). The letter indicated that JOL and the GCML are desirous of establishing a company, now named North Beech Limited (NBL), in relation to the printing, circulating, and distribution of print newspapers in Jamaica. The establishment of NBL was stated to be to enhance efficiency, reduce costs, achieve savings, and promote corporate sustainability, for the mutual benefit of JOL, GCML, their shareholders, and the public.
2. Both the JOL and the GCML have been forthcoming in providing the FTC with documents, as well as facilitating meetings with the FTC to clarify any questions.

THE PARTIES

Jamaica Observer Limited

3. The JOL is a company duly incorporated under the laws of Jamaica with its primary place of business at Kingston, Jamaica.
4. JOL is a publisher of a daily newspaper and a provider of multimedia content, operating under the flagship title, the *Jamaica Observer*.
5. JOL's business includes the production and distribution of news, business, sports, and entertainment coverage across its print and digital platforms.

The Gleaner Company (Media) Limited

6. The GCML is a company duly incorporated under the laws of Jamaica and having its registered office at Kingston, Jamaica.
7. GCML, a subsidiary of the RJRGLEANER Communications Group, is a publisher of the daily broadsheet *The Gleaner*, the evening tabloid *The Star*, and several overseas weekly editions.
8. GCML's operations extend beyond print media to include radio broadcasting through subsidiaries and a long-established digital news presence.

THEORY OF HARM

9. The question to be determined is whether the joint venture is likely to restrict competition in the distribution of newspapers in Jamaica, whether on price, quantity, quality, or innovation.

ISSUE

10. Whether the NBL Shareholders' Agreement¹ between the JOL and GCML and NBL and/ or any of the other Agreements that flowed therefrom has the purpose, effect, or likely effect of substantially lessening competition in contravention of section 17 of the Fair Competition Act (FCA).

MARKET DEFINITION

11. A relevant market for competition assessment comprises the smallest group of products that compete within a geographic area. Participants in a relevant market offer the most immediate and direct competition to those being investigated.
12. Two components of the relevant market are the product market and the geographic market. In essence, a relevant market for assessing competition effects is defined as a product (or group of products) and a geographic region in which the product is produced or sold such that a hypothetical profit-maximising supplier, not subject to price regulation, could profitably raise prices above the competitive level.

Relevant Product Market

13. A relevant product market defines the product boundaries within which competition meaningfully exists and includes only those products that consumers consider reasonably interchangeable. A product market is therefore taken to comprise only goods and services which consumers regard as reasonable substitutes by reason of the product's characteristics, their prices, and intended use. For transactions involving mergers and acquisitions, the definition of the relevant product market necessarily begins with products related in demand and offered by at least two parties to the transaction.
14. The parties to the Agreement are both engaged in the business of producing and distributing daily newspapers. The proposed joint venture, NBL, is established specifically to handle the printing, circulation, and distribution of these newspapers.
15. From the perspective of the parties, printing and distribution services are inputs into the final product (newspapers). While the JOL and GCML could theoretically handle these inputs in-house (as they historically have), the decision to outsource them to a jointly controlled entity suggests that these services constitute distinct economic activities.
16. From the perspective of consumers (readers) and advertisers, the relevant product is the newspaper itself. Readers generally do not distinguish between who prints a newspaper, only

¹ The FTC reviewed the North Beach Limited Shareholders' Agreement dated December 4, 2025. The FTC's assessment is based on this document.

the content and price of the final product. Therefore, while the joint venture operates in an upstream market (printing services), its effects are felt downstream in the markets for newspaper sales.

17. Accordingly, the relevant product market for assessing the challenged conduct is the market for commercial printing services (specifically, newspaper printing).

Relevant Geographic Market

18. Having identified the relevant product market, the next step is to identify at least one relevant geographic market, which comprises an area in which at least two parties (or affiliates) are involved in the supply of any relevant product and in which the conditions of competition are sufficiently similar. This area is a geographical territory that can be distinguished from neighbouring areas, in which competition conditions in a relevant market of a product are sufficiently the same for all participants in such a market. For each relevant product market identified, a geographic market is defined.
19. For the market for commercial printing services (newspaper printing), the relevant geographic market is national. While there may be small-scale printing operations in various parishes, the scale required to print daily national newspapers means that only entities with significant industrial capacity in Jamaica can compete for these contracts. The parties to the transaction are the two largest operators of such presses.
20. The FTC concludes that the relevant market comprises the entire boundaries of Jamaica.

THE LAW

21. Section 17 of the FCA provides that agreements with provisions that have the purpose, effect, or likely effect of substantially lessening competition in a market, without satisfying an exemption under section 17(4), render the said provision(s) in such agreements unenforceable.

ANALYSIS

22. The following documents were reviewed to ensure compliance with section 17 of the FCA:
 - a. The Shareholders' Agreement between the JOL, GCML, and NBL;
 - b. Service Agreement between JOL and NBL;
 - c. Service Agreement between the GCML and NBL;
 - d. Sub-Lease Agreement between JOL and NBL; and
 - e. Equipment Lease Agreement between JOL and NBL.
23. The Attorneys for the GCML indicated that NBL was intended to be a separate, standalone entity with no subsidiary. It was also indicated that there was no intention to expand into any other business transaction and that the sole transaction contemplated was the establishment of the

Joint Venture company (NBL) for the purpose of printing, circulating, and distributing newspapers.

24. The initial Shareholders' Agreement sent by the parties left the restraint-of-trade period blank in clause 18, which deals with restrictive covenants. However, in the final executed Shareholders' Agreement, a one-year period has been inserted, which applies to a shareholder ceasing to be a shareholder and prevents them from taking part in certain activities for one year.
25. With the transfer of a business, typically a restraint must be no longer than two years when it includes only goodwill and no longer than three years when the transfer of the undertaking includes both goodwill and know-how.² In cases concerning full-functioning joint ventures, the European Commission has accepted non-compete clauses for the life of the joint venture.³ Therefore, the FTC has no competition concerns with the one-year period imposed in the Shareholders Agreement. Additionally, the Shareholders Agreement did not reveal any other competition concerns.
26. The other documents mentioned at numbers b-e above did not reveal any competition concerns. Based on the foregoing, the FTC has no reason to oppose the present transaction and recommends issuing its non-objection.

Assessment of Effect or Likely Effect on Competition (Competitive Effects)

27. In this section, the FTC examines the Agreement to determine whether it has, or is likely to have, the effect of substantially lessening competition in any relevant market.
28. Prior to the transaction, both JOL and GCML operated their own printing presses. They were actual competitors in the market for commercial printing services, occasionally printing materials for third parties. The proposed joint venture consolidates these two previously independent printing operations into a single entity (NBL).
29. This consolidation eliminates competition between JOL and GCML in the provision of printing services. For third-party publishers or commercial entities seeking printing services, NBL will be the only large-scale provider where previously there were two. This represents a horizontal merger of two significant competitors in a market with high barriers to entry (due to the high cost of industrial printing presses).
30. However, the parties have submitted that the primary purpose of the JV is not to capture third-party business, but to achieve internal efficiencies, cost savings, and corporate sustainability for their core publishing operations. By sharing the fixed costs of printing and distribution, the

² Butterworths Competition Law Series/ Division VII Merger Control/ Chapter 11 The Commission's Investigation and Decision-Making Powers.../ 9 Ancillary Restraints para 274

³ Ibid, Commission Notice regarding restrictions ancillary to concentrations, para 36.

parties argue they can stem financial losses and ensure the continued viability of both newspaper titles.

31. While the transaction results in a monopoly in the upstream supply of the parties' own printing needs, the effect on the wider commercial printing market must be considered. If NBL operates efficiently, it may have the capacity to offer competitive rates to third parties. Conversely, if NBL is used to foreclose competitors (i.e., refusing to print for a potential new entrant newspaper), this would raise significant competition concerns. Notably, no such foreclosure clauses were found in the agreements.
32. Crucially, the joint venture does not consolidate the editorial, news-gathering, or advertising sales operations of the JOL and the GCML. The two newspapers will continue to operate as distinct brands, competing on content quality, journalistic integrity, and editorial perspective. They will also continue to compete for advertising revenue.
33. Because the parties remain separate entities in the eyes of consumers, the transaction does not increase concentration in the downstream markets for newspaper readership or advertising. The market shares of the JO and the GCML will remain unchanged post-transaction, and they will continue to exert competitive pressure on one another.

CONCLUSION

34. Neither the Shareholder's Agreement, which contained a one-year restraint of trade clause, nor any of the supporting documents, contains any competition concerns.
35. As the cooperation described in the Shareholders Agreement is limited to the input market, the transaction is unlikely to have the effect of substantially lessening competition in any relevant market.

RECOMMENDATION

36. The FTC should issue its non-objection to the parties regarding this joint venture transaction.