

Day 2 – Dominance II

Case Study

The Com-Com Sugar Factory is the only manufacturer of sugar cane in the island of Barbados. They have been manufacturing sugar cane into both brown crystal and granulated sugars for over 20 years. For many years, wholesalers of sugar would go to the factory to collect their orders of sugar. However as years passed and they were more wholesalers, Com-Com noticed a back-up of traffic in their factory yard due to the number of trucks coming for sugar and as such, they decided to stop the wholesalers delivery trucks from coming on the compound and to deliver the sugar to the wholesalers themselves. On March 1st 2011 they issued a statement outlining this new directive and expressly stating that *“all Com-Com’s authorised wholesalers/distributors utilise Com-Com exclusively for their wholesale sugar distribution services. This will involve delivery from the Com-Com manufacturing facility to the distributors’ places of business.”* The FTC received a complaint from the wholesalers about this directive which they believed to be unfair. They highlighted that some of the delivery companies were being foreclosed by this conduct as to some of them, delivery of cement to wholesalers constituted approximately 75-80% of their work.

Is Com-Com guilty of any type of anti-competitive conduct and if so what is it and how was that determined?

Other facts to consider:

Years	Local Sugar Sales for Com-Com Factory (in\$)			Total Sugar Imports	Total Sugar Consumed locally
	Brown Crystal	Granulated	Total Sales of Sugar		
2005	15,710,000	4,600,000	20,310,000	1,700,000	22,010,000
2006	26,405,000	7,345,000	33,750,000	1,610,000	35,360,000
2007	30,100,000	8,700,000	38,800,000	2,400,000	41,200,000
2008	31,520,000	9,980,000	41,500,000	3,950,000	45,450,000

- Government has instituted heavy import duties on all imported sugars