

ADDRESS BY THE CHAIRMAN OF THE FAIR TRADING COMMISSION,

JUSTICE FRANK KING.

2 October 2003

Sherbourne Conference Centre

On the occasion of the FTC presentation: "The Fair Competition Act: Business Conduct in the New Environment"

As Chairman of the Fair Trading Commission, it is my pleasure to welcome you this morning. We have invited you here in order to begin our dialogue with you on the provisions of the Fair Competition Act, 2002-19 and to lay the ground work for a continuing process that will redound to the benefit of our economy. The introduction to the Fair Competition Act gives the purpose of the Act as:

- Promoting and maintaining and encouraging competition;
- Prohibiting the prevention, restriction or distortion of competition and the abuse of dominant positions in trade in Barbados and within the Caricom Single Market and Economy;

- Ensuring that all enterprises, irrespective of size, have the opportunity to participate equitably in the market place;

There can be no doubt that the Fair Competition Act is an important piece of legislation that will affect the way in which business is conducted. To be precise, it has placed, within the purview of the Fair Trading Commission, the responsibility for monitoring business conduct.

The notion of having to work with a competition agency, and the need to give attention to the requirements of these laws before making some important and strategic business decisions, brings with it significant change, and we anticipate that there will be a period of adjustment. It is important for you to give attention to understanding the benefits of having this type of legislation in place and to appreciate the social and economic good that are a part of being a responsible and successful business.

The FTC is already playing a key role in this new environment. Since the Act came into force, on January 03 of this year, the FTC, has worked to establish its administrative and investigative framework. The Australian Competition and Consumer Commission, an institution with vast expertise in the area of Fair Competition that is a model, mirrored in some respects by the FTC, was used as one of the benchmarks to ensure that the operations of the department would meet international best practice.

In preparation for the work to be undertaken, the Commission has;

- Developed guidelines and procedures;
- Undertaken extensive research in order to support the incorporation of high standards;
- Engaged in training to build the necessary technical capacity;
- Commenced its monitoring activities in the area of general business conduct:
- Started preliminary enquires pertaining to complaints of anti-competitive practices.

The business community is already using the services of the Commission in the area of Fair Competition. At present, enquires relating to abuse of dominant position, in the specific area of exclusive dealing and predatory pricing are received at a rate of eight per month. In addition, the Commission is reviewing twelve complaints of anti-competitive conduct.

We believe that as the provisions of the Act are more widely known, businesses will move to ensure that they are compliant, and that more instances of non-compliance will be brought to the attention of the Commission. The Commission is therefore taking steps to make sure that it can perform the role for which it has been established, by ensuring that it has the technical competence that includes a full appreciation of the needs of businesses and the ability to be responsive to your enquires. In addition, we will do our part, and today should be viewed as one such effort, to equip business owners and operators with the information that he or she now needs to make the right decisions.

We expect that the Act will have a positive impact on consumer welfare and efficiency in the market place. We expect that as we engage in the process of educating and in sharing of information, business owners and operators will discontinue harmful practices as they seek to comply with the law.

In conclusion, and in welcoming you here this morning, I simply wish to encourage you to work with us as we continue our efforts to build a better and more competitive market place for the benefit of all.