

Must Prices Increase?

That we can do nothing about price increases in Trinidad and Tobago is not true. By now no one is surprised that the price of food, pharmaceuticals and other goods and services are increasing. The Trinidad and Tobago Fair Trading Commission ("the Commission") is fully aware of these rising prices. These increases have been brought about by a mix of supply and demand-side conditions. In this mix are the debilitating effects of the global Covid-19 pandemic and more recently, the invasion of Ukraine by Russia which have created conditions that have negatively impacted global supply chains. However, simultaneously, some of these price increases, as many countries have discovered, have also been brought about by unscrupulous businesses taking advantage of extremely difficult situations. Of major concern is that the adverse effects of these factors weigh heaviest on those least able to afford.

The Commission wants to make it abundantly clear that the Fair Trading Act is fully operational and it enables the Commission to take offending businesses to Court for any anti-competitive behaviour such as price fixing, cartels, and abuses of monopoly position. Furthermore, any business found guilty by the Court of any anti-competitive behavior within Trinidad and Tobago can **face the maximum penalty of ten percent of its annual turnover.**

In this regard, businesses are cautioned to be fair in their pricing, especially given the many hardships and challenges being faced by the greater part of the population. The Commission believes that greater competition will assist in keeping prices down and is therefore committed to maintaining and promoting a fairer business environment pursuant to its mandate.

Nevertheless, other actors within the economy also have a duty to ensure that even where prices have to increase in the interest of business

survival, such increases are minimal. The Commission is keenly aware that costs and/or delays in finance, utilities, government licenses or approvals, access to foreign exchange, port and other infrastructure inefficiencies make the cost of doing business too high in Trinidad and Tobago. Higher costs, unfortunately directly or indirectly bite into the pockets of consumers. Business creativity, efficiency programs, reducing profit expectations and innovation are also known to help in keeping costs down and must be fostered by public and private entities in a more competitive business eco-system.

The Commission is well aware that other supply constraints including inadequate agricultural infrastructure are partly responsible for price increases such as in the critical area of food. Urgent attention must be paid to overcoming key constraints so as to improve domestic production, whether at subsistence levels or by more efficient mass farming.

Consumers are not themselves without power. This is reflected in the choices that they make. If price increases are to moderate, consumers can temper demand and have can be far more judicious in what they choose to buy. For example, they should consider switching to local products if possible. This action has positive effects on domestic incomes.

The Commission remains committed to doing its best to ensure that prices are competitive. However, it cannot do this alone. Accordingly, the Commission encourages businesses, other agencies and consumers as well to do their part during what will hopefully be a relatively short and once in a lifetime period of extreme challenges. The commission further reminds the public and the business community to report any perceived anti-competitive behavior to our contacts listed below.