



MEDIA RELEASE

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Economic Growth and Trinidad and Tobago's Fair Trading Act

From time-to-time commentators have questioned the growth of Trinidad and Tobago's businesses, whether these businesses are growing within Trinidad and Tobago, regionally or extra-regionally. In some instances, these criticisms are misconceived. Firstly, as firms become larger, they deliver benefits to the economy and society. They employ more people, earn more foreign exchange and pay more taxes. Indeed, to grow businesses takes capital investment and business growth is an important aspect of the growth of a country's output as measured by Gross Domestic Product (GDP).

It is accepted that all of these benefits materialize over a period of time and may be supported by subsidies or other incentives given by the government. We also expect that companies are mindful of limiting the impact of environmental degradation. Secondly, there is a myriad of local and international agencies that routinely seek to encourage small and medium-sized enterprises to become larger. This support is recognized as a proper strategy for socio-economic development. Thirdly, in the case of the CARICOM Single Market and Economy, the simple idea is to have and encourage more Caribbean companies to invest in each other's territory, thereby fostering growth and greater Caribbean integration.

In this context, the Fair Trading Commission ("FTC") is not opposed to the expansion of business in Trinidad and Tobago or elsewhere. What the FTC is concerned with and what the Fair Trading Act Chap. 81:13 ("the Act") charges us with, is the responsibility to ensure that as companies grow within our national boundaries, they do so fairly or through pro-competitive means. That is, firms are expected to grow through fair practices including innovation, fair marketing, new ideas and strategy. Anti-competitive conduct on the other hand includes such acts as tied selling, unfair price manipulation, collusion, illegal mergers, unfair suppression of would-be competitors etc.

In this regard, the FTC is focused on identifying anti-competitive mergers or acquisitions. These are actions that reduce competition, notably by unfairly creating or strengthening a dominant player and are likely to harm consumers through higher prices, reduced choice, less innovation or the restriction or distortion of competition in a market. These types of transactions are strictly prohibited under the Act.

The FTC is fully aware that mergers and acquisitions are common forms of business operations that can result in efficiency and innovation gains not only to the parties involved but also to consumers through favourable supply conditions and possibly lower prices for goods and services.

Accordingly, mergers and acquisitions of companies are examined by the FTC to ensure that the proposed merged firm will not unfairly dominate competition to the disadvantage of other firms or consumers. In fact, the FTC has considered more than 30 merger applications since the Act was fully proclaimed in 2020.

Where mergers or acquisitions occur at a regional or international level and have no effects on the local market, these transactions may very well fall under the remit of other Competition Agencies. Additionally, where enterprises established in Trinidad and Tobago acquire enterprises based in other jurisdictions and there are no effects on the local market, these acquisitions do not fall within the FTC's jurisdiction but may very well fall within the remit of other Competition Agencies.

It is important to note as well that there may be instances where the FTC will cooperate with regional and international agencies and regulators if and when requested as it pertains to complaints, investigations and/or merger transactions.

The FTC wishes to assure stakeholders that in fulfilling its statutory mandate, it will remain vigilant in monitoring, investigating and identifying unjustifiable price increases, abuses of dominance and monopolistic practices, which may have the effect of harming competition within Trinidad and Tobago.

The FTC encourages any person who is aware of or has reasonable grounds to suspect that any enterprise is engaged in anti-competitive behaviour to report such behavior to the FTC using the contact information provided below. Kindly note that information provided to the FTC will be regarded as confidential.



Contact Us

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