

What are some of the benefits of Competition Policy?

1. Competition policy and laws prevent anti-competitive conduct and in the process facilitate market access by other firms
2. Increase competition gives consumers more choice and access to a greater range of products
3. Competition Policy should cause firms to become more competitive and deliver a better service to consumers
4. Enhance the prospect for investment and development of the infrastructure and human capital in the market

*Heraldine Rock Building
Waterfront, Castries
St Lucia
Tel: 468 4224
Fax: 453 7347
E-mail: consumeraffairs@candw.lc*

**Ministry of Commerce,
Business Development,
Investment and Consumer Affairs**

Competition Law and Policy

What is Competition Policy?

Competition policy is concerned with the design, effective implementation and enforcement of competition law.

What is the objective of Competition Law?

Competition law is intended to eliminate restrictive business practices which prevent firms from competing freely with one another in domestic markets.

What are some of the broad categories of Competition Law?

Competition law in most countries fall into three broad categories:

1. Agreement between a number of firms to limit competition among themselves or prevent other firms from entering the market;
2. The abuse of market power by firms which are dominant in the market;
3. Mergers, acquisitions or takeovers, which will substantially lessen competition or prevent access to a market.

What are some of the Objectives of Competition Policy in the CSME?

1. To ensure that the benefits expected from the establishment of the CSME are not frustrated by anti-competitive conduct
2. Promote and maintain competition and enhance economic efficiency in production, trade and commerce
3. Prohibit anti-competitive business conduct which

prevents, restricts or distorts competition which constitutes the abuse of a dominant position in the market

4. Promote consumer welfare and protect consumer interest

Some examples of anti-competitive conduct:

1. The direct or indirect fixing of purchase or selling prices
2. The limitation or control of production markets, investment or technical development
3. The artificial dividing up of markets or restriction of supply sources
4. Unauthorized denial or access to networks or essential infrastructure
5. Predatory pricing
6. Price discrimination
7. Loyalty discounts or concessions
8. Exclusionary vertical restrictions
9. Bid-rigging

How important is Competition Policy?

Markets generally work best for consumers when there is:

1. Unrestricted competition between existing suppliers
2. Unrestricted potential competition from new suppliers and from new forms of supply
3. The relevant agencies to investigate anti-competitive conduct in the market