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# **Alleged Anti-Competitive Practices Meeting Fair Trading Commission & Seychelles Chamber Of Commerce And Industry**

**CASE NUMBER: FCA62**

**Date: July 2015**

**Complaint:** On 13<sup>th</sup> July, 2015, the Fair Trading Commission received an enquiry via email from Ministry of Finance. Within the email, the Ministry requested that the Fair Trading Commission assess the impact of Destination Management Companies has on the economy of Praslin and whether large cargo vessels designed for the construction industry are unfairly competing with smaller cargo operators.

Destination Management Company (DMCs) or inbound tour operators, helps you book hotels, transportation to and from hotels and various points to visit, plans tours & excursions, offers restaurants, books experiences such as honeymoons & weddings, diving, big game fishing, sailing. DMCs help negotiate hotel rates as well as rates for domestic flights, helicopter services and inter-island ferry services as well as yachts and sailing catamarans.

Based on the above, the Fair Trading Commission conducted an investigation in an effort to identify the type of offences being committed and by whom.

**Commission's Assessment:** With the aim to verify the enquiry made by the Ministry of Finance, the Fair Trading Commission held a meeting with the members of the Seychelles Chamber of Commerce and Industry on Praslin on 16<sup>th</sup> July 2015.

Through the investigation, the Fair Trading Commission found that Inter-Island Boats had the capacity to monopolize the ferry services connecting Mahe to Praslin. The Fair Trading Commission was also made aware that several large hotels on Praslin had undue advantage in the accommodation market as they can undertake other small hotels.

There were concerns expressed that large Non-Seychellois owned retail shops were buying products directly from Mahe rather than outsourcing on Praslin where in some circumstances Praslin is self-sufficient on the products brought in from Mahe.

Additionally, there is a possible market dominance in boat operators on Praslin by two main enterprises although Praslin having 126 licensed boat operators. Moreover, it was discovered that large cargo operators are competing with smaller operators for the carriage of goods and commodities. As per their license, large operators are only allowed to carry cargo for their respective companies or the carriage of heavy/bulky materials such as construction materials.

**Conclusion:** In conclusion, the concern raised by the investigation cannot be addressed by a single institution but rather by a number of ministries and key agencies working together. The Fair Trading proposed a round table meeting with the Seychelles Chamber of Commerce and Industry along with key agencies and ministries to address these concerns more effectively. The Ministry of Finance was made aware of the findings of the investigation.