



TELECOMMUNICATIONS : COMPETITION

*A Guide to Fair Practice and
Compliance in Guyana*

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DID YOU KNOW?

The Public Utilities Commission has oversight and regulatory authority over competition and antitrust matters within the telecommunications industry through the Telecommunications (Competition) Regulations 2020. The regulations were designed to promote competition and protect consumers interests in the telecommunications industry.

The two main areas of anti-competitive behavior prohibited under the Regulations are:

01

Abuse of Dominance

When a dominant firm uses its market power to harm competitors and consumers.

02

Anti-Competitive Agreements

When competitors collude to fix prices, divide markets, or limit investments.

ABUSE OF DOMINANCE

A telecommunications operator is considered dominant if it controls 40% or more of the relevant market share for a period exceeding six months. Regulation of dominant firms is necessary because their market power enables them to influence the market in ways that may be detrimental to smaller competitors and consumers.

40% market share for 6+ months = Dominant Position

03

EXAMPLES OF ABUSE OF A DOMINANT POSITION

Predatory Pricing

This occurs when prices for telecommunications services are deliberately set below relevant costs with the intention of undercutting competitors and forcing them out of the market. While consumers may initially benefit from lower prices, once competitors are driven out, the dominant firm may significantly increase prices to recover losses and charge consumers a premium.

Exclusive Dealing Arrangements

This occurs when a service provider requires distributors, retailers, or handset suppliers to deal exclusively with it, thereby limiting competitors' access to customers and markets.

Denial of Essential Facilities

This involves refusing competitors access to infrastructure or facilities that are necessary for them to provide services. In the telecommunications sector, refusing to interconnect calls from smaller service providers may constitute as abuse of market power by a dominant firm.

KEY POINT

Certain behaviors and actions may be prohibited for dominant firms even though they may be permissible for non-dominant firms.

ANTI-COMPETITIVE AGREEMENTS

Price Fixing

This occurs when competitors agree on prices instead of competing independently. Price fixing deprives consumers of competitive pricing and can stifle innovation within the industry.

Market Division

This occurs when telecommunications operators agree among themselves which geographic areas or services they will supply, thereby limiting consumer choice. For example, one provider may exclusively serve a commercially viable area while competitors intentionally avoid entering that market.

Limiting Network Investments

This occurs when competitors collude to delay or slow infrastructure upgrades, such as postponing the rollout of 5G networks, in order to avoid the costs associated with competing aggressively in the market.

KEY POINT

An anti-competitive agreement does not need to be written or formally verbalized. A "meeting of the minds" or a mutual understanding between competitors, including a gentlemen's agreement not to compete, may be sufficient to establish anti-competitive behavior under the Regulations.

PENALTIES FOR ANTI-COMPETITIVE BEHAVIOR

Fines

Service providers that engage in illegal anti-competitive practices or abuse their market position face fines between **\$5 million and \$50 million**.

What Determines the Fine?

The exact penalty depends on:

the level of harm caused to consumers,

how severely market competition was affected,

the specific circumstances of the violation, and

whether the provider has past violations.

COMPENSATION

Who Qualifies: Any consumer or business that suffers measurable financial loss due to a provider's anti-competitive behavior has the right to request compensation from the Commission.

How Payouts Work: Compensations are funded directly from the monetary fines collected from the offending provider.

KEY POINT

Timeframe to Claim: Affected parties must file their claim within 1 year of the Commission issuing its order against the provider.

REPORT ANTI-COMPETITIVE CONDUCT

If you believe, or have evidence that your telecoms operator has engaged in any of the behaviors or conducts described, you may contact the Public Utilities Commission to report the matter using any of the listed telephone numbers or email below.

CONTACT US



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