



Media Release

TRADE MINISTER REITERATES CALL FOR BUSINESSES TO BE REASONABLE IN THEIR PRICING AS GLOBAL FOOD PRICES CONTINUE TO FALL

February 7, 2023:- The MTI has been monitoring the recent movements of global food prices as recorded by the Food and Agricultural Organisation (FAO) Food Price Index and in particular, the fact that global food prices declined for the tenth consecutive month in January 2023. This development is encouraging news but must however be translated into relief for consumers.

During the debate on the Fiscal 2023 Budget Presentation in October 2022, the Minister of Trade and Industry pointed to the FAO Food Price Index in September 2022, which indicated that global food prices had begun to decline. At that time, the Minister called on supermarkets, distributors and other retailers to be fair and make appropriate adjustments to the prices charged to consumers if market conditions continued to improve. In addition, on 18th January 2023 and as recorded in the Daily Express, Minister Gopee-Scoon expressed disappointment with the blanket statement made by the Supermarket Association that food prices were not likely to drop anytime soon. As a net food importer, prices locally must reflect international market conditions. The FAO has noted that over the last nine (9) months global food prices have declined by 18% with meat showing a decrease of 6.81%; Dairy decreasing by 7.15%; Cereals decreasing by 13.14 %; and Sugar declining by 4.69%. The largest decrease over the period was in Oils by 40.89%. In addition, from October 2021 to January 2023, there has been a steady decline in the Freightos Baltic Index (as a result of an easing of the supply-side bottlenecks), which is the benchmark used to measure the spot rates for 40-foot containers. In January 2023, the rate declined to the pre-pandemic level and therefore it is expected that reduced shipping costs should result in lower food prices to consumers in Trinidad and Tobago.

Several supermarkets, distributors and retailers have demonstrated good business sense by being fair to consumers and engaging in healthy competition. However, there continue to be examples which suggest that the prices being paid by consumers are not reasonable. For example, the Saturday Express of 04 February 2023, reported the intention by the Trinidad and Tobago Table Egg producers to raise the price of eggs by TT\$3 dollars. The article indicated that wholesale eggs are currently being sold to retailers at between TT\$19-21 per dozen and retailing at TT\$25-26 per dozen which is an approximate 25% mark-up being borne by consumers. This differential is substantial and there are several other instances of overly high mark-ups.

Trinidad and Tobago prides itself as being an open and liberalised economy and one which there are no price controls. The exhortation of the Trinidad and Tobago Fair Trade Commission in its media release of 03 January 2023, that it is expected that competitive prices must remain the order of the day, must be taken seriously. In this regard, it is expected that the TTFTC will continue to do its work and where necessary investigate any examples of anticompetitive behaviour.

The TTFTC with the assistance of the Consumer Affairs Division of the MTI will continue to collaborate with relevant stakeholders and monitor the price of food in Trinidad and Tobago to ensure that any increases are not the result of anti-competitive business practices. The public and the business community are encouraged to report any anti-competitive behaviour to the Commission. The Consumer Affairs Division (CAD) scans the market by conducting surveys and monitoring prices. The results of these surveys are published on the MTI's website to enable consumers to make informed purchasing decisions and also prevent price gouging.

The MTI once more reiterates its call to businesses to be reasonable in their pricing and understand the effect on consumers and households.

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