ICCC makes final decision on growers, buyers contractual agreement

THE Independent Consumer and Competition Commission (ICCC) has made a final decision on the second Hoskins Oil Palm Growers Association’s (HOPGA) application which basically allows the growers to enter into a contractual agreement with their two buyers: New Britain Palm Oil Limited and Hargy Oil Palm Limited regarding their fruit bunch prices.

The second application which is based on section 70(1) of the Independent Consumer and Competition Act was not included in the first application in which HOPGA were seeking authorization to negotiate prices with the two buyers.

“The decision means the three parties can now enter into any contractual agreement to negotiate prices for the fruit bunch prices and other terms and conditions,” ICC Commissioner and CEO Dr Billy Manoka said.

Nothing much has changed from the initial arrangements with stakeholders and submission on the application being mainly from the three parties involved.

Other parties in the industry have maintained their positions from the first application in which they spoke in support or against the arrangement.

The decision happened after a conference which ICCC called with the relevant stakeholders regarding the draft determination released in September.

Manoka maintained that the arrangement was a milestone for the palm oil industry in PNG which safe guarded the growers from exploitation by big powerful players in the industry.

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**Background**

Section 70(1) of the Independent Consumer Competition Commission Act states, that a person wishing to enter into a contractual agreement with another party in an arrangement that is deemed anti-competitive, has to seek authorisation from ICCC.

The Commission had already granted and given the power to HOPGA to negotiate prices with the buyer, a practice that is classified as anti—competitive. The ICCC is of the view that the benefits arising from this arrangement will outweigh the detriments and therefor had to give authorisation to it.

The second application if granted would give the growers and the buyers the green light to enter into a contractual agreement,