

JCRA Media Release

12 November 2007

JCRA Consults on the Effects of the Potential Entry of a Third Supermarket in Jersey

The Jersey Competition Regulatory Authority ('JCRA') today launched a public consultation on the economic impact of new entry into Jersey's retail sector by a large supermarket competitor. This consultation is in furtherance of a request for advice the JCRA has received from Jersey's Minister for Economic Development ('Minister') concerning this issue.

Chuck Webb, the JCRA's Executive Director, states:

'The potential entry of a third supermarket in Jersey has proved to be an important and emotive issue for Jersey. While the ultimate course the Island may take with respect to its retail strategy is a decision for the Minister and the States, through providing this advice we hope to contribute in a positive and informed manner to this important debate. The JCRA's current public consultation will be an important part of this process.'

In providing its advice to the Minister, the JCRA is to take into account the likely impact of new entry on:

- consumer welfare (in terms of prices, quality, innovation and choice available to consumers);
- the productive efficiency of existing retailers (in terms of their costs and revenues); and
- Jersey's economy overall.

The Minister has also asked that the JCRA provides this advice on the basis of the most recent and relevant information available and should consider empirical evidence that

may be relevant to circumstances in Jersey, having particular regard to experience from other small economies.

With this in mind, as part of its advice the JCRA is planning to examine the conditions that currently exist in the Isle of Man. The JCRA believes this is worthwhile because the Isle of Man already has three supermarkets, one of which is a local Tesco. In its October 2005 report on food prices, the JCRA found evidence that a majority of food products surveyed were less expensive in the Isle of Man compared to Jersey, although prices in both islands for food products still tended to be more expensive than in the United Kingdom.

Mr. Webb states:

“We currently see building on our prior work concerning the Isle of Man to be an important part of this advice, given the findings of the JCRA’s 2005 report and the Minister’s request that experiences from other small economies are of particular relevance. The appropriateness of applying existing retail conditions in the Isle of Man to a Jersey context is one of the areas we are examining in this current consultation.”

A copy of the consultation paper will be available on the JCRA’s website (www.jcra.je). The consultation period closes on 14 December 2007. Responses should be submitted to the offices of the JCRA, to the attention of Kerrie-Anne Bradley, at 2nd Floor Salisbury House, 1-9 Union Street, St Helier JE2 3RF.

About the JCRA

The JCRA is an independent authority established by the States of Jersey to enforce Jersey’s competition law and regulate its telecommunication and postal sectors. In each of these areas, the JCRA’s primary mission is to promote consumer welfare through efforts that encourage lower prices and greater choice and innovation in the goods and

services available in Jersey. The JCRA is recognized internationally as a leading voice in the application of competition law and policy in small economies.

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All enquiries to Chuck Webb on 01534 514990