WRITTEN QUESTION TO THE MINISTER FOR SUSTAINABLE ECONOMIC DEVELOPMENT BY DEPUTY P.F.C. OZOUF OF ST. SAVIOUR

QUESTION SUBMITTED ON MONDAY 24th MARCH 2025 ANSWER TO BE TABLED ON MONDAY 31st MARCH 2025

Ouestion

"Will the Minister advise whether he has requested that the Jersey Competition Regulatory Authority (JCRA), the Economics Unit or any other body, investigates the pricing of groceries and food in Jersey, and if not, will he consider issuing direction under Article 6(4) of the Competition Regulatory Authority (Jersey) Law 2001 to request the JCRA, or to otherwise instruct the Economics Unit or any other expert body, to assess the extent to which supply chain issues are potentially distorting competition and inflating prices disproportionately in the Island?"

Answer

The Jersey Competition Regulatory Authority launched a market study into groceries in November 2022 and released their final report on 25 September 2023. The study (here) found no immediate competition issues for Jersey's grocery market and concluded that price differences between Jersey and the UK tend to reflect higher island specific operating costs (primarily freight and labour) and tax difference and not a lack of competition.

The JCRA study recommended that price transparency be improved via investment in the Jersey Consumer Council's price comparison service, to encourage greater price-based competition. Since then the Jersey Consumer Council has invested in an improved price comparison tool which is available on its website Prices.je. This tool gives consumers in Jersey a central place to compare prices of everyday products sold at the main supermarkets with prices regularly collected by volunteers and Council members.

The 2021 JCRA freight logistics market study noted that the high concentration of freight logistics in Jersey was unusual and that because freight logistics is not a natural monopoly, the JCRA concluded that "it is other factors not economic fundamentals" that have produced the market structure and in turn "policy drivers can help improve the performance of the market". Partly in response to this, the new ferry contract with DFDS includes a flat-rate charge for freight (£/metre lane), replacing the previous rate card that included volume-based discounts.

The Economics Unit and Cost of Living Group are already monitoring prices and will continue to do so.