

2016.01.19

5.10 Deputy L.M.C. Doublet of St. Saviour of the Minister for Economic Development regarding the potential impact of the franchise partnership between Blue Islands and Flybe:

Following the announcement that Blue Islands is to become a franchise partner with Flybe, can the Minister advise what impact this is likely to have on customer choice and value for money for the average person booking and taking flights to and from Jersey and state whether he is satisfied with competition in this area?

Senator L.J. Farnham (The Minister for Economic Development):

Blue Islands have entered into a memorandum of understanding to become Flybe's third franchise partner effective from May of this year, and in a parallel announcement ended their co-chairing agreement with Aurigny on the Jersey/Guernsey route. Public statements made by Blue Island indicate that there will be no changes in the inter-Island and other services currently operated by the company. That being said, it is important that the travelling public are not disadvantaged in any way by these proposed changes. I have spoken to Deputy Stewart, Guernsey's Minister for Commerce and Employment, who has responsibility for these areas who shares my concern and I am confident that the 2 Governments will act together to ensure a comprehensive and value for money service is maintained and even improved if possible. In addition I have written to the chief executive of Flybe, Blue Islands and Aurigny to understand in detail their future plans for routes between the Channel Islands that is currently serviced by these 3 carriers. I will be working with the Ports of Jersey and C.I.C.R.A. (Channel Islands Competition and Regulatory Authorities) via Senator Ozouf in order to closely monitor prices and service levels on the routes impacted by the changes to ensure that prices remain competitive. We are extremely fortunate to have an extensive and comprehensive network of air routes. As a result of that network, residents in both Jersey and Guernsey wishing to travel to the U.K. and further afield, and tourists and business visitors who wish to visit the Island from the U.K. and elsewhere, can do so from a growing number of airports in a fiercely competitive market. This is clearly evidenced by the announcement recently by Jersey Airport that in 2015 arrivals had exceeded 1.5 million for the first time since 2008.

[12:00]

I look forward to working with all stakeholders in this to ensure our network continues and greater choices given to visitors in the weeks, months and years ahead.

5.10.1 Deputy L.M.C. Doublet:

I thank the Minister for his answer. Is the Minister aware that Flybe has somewhat of a toxic reputation with consumers? Indeed, many have labelled it: "Fly Maybe" and its record for poor customer service? Is the Minister concerned or does he foresee that there might be a decline in visitors flying to Jersey, given that many people boycott Flybe?

Senator L.J. Farnham:

I am aware of those concerns, but I am also aware that recently Flybe have put in place a new senior management team and are working very hard to build confidence in their airline. Being an optimistic person, I see there being opportunities for Blue Islands and Flybe because Blue Islands will now become part of a much larger network and open up all sorts of opportunities, not just to carry people between the Channel Islands, but pan-Island, the other Crown Dependencies and routes that Flybe currently service. It is a bit too early to speculate, but I am going to remain optimistic. I know both Islands need to improve their reputation and they cannot afford not to. The Deputy can rest assured that both Deputy Stewart in Guernsey and I intend to hold their airlines to account to ensure they deliver what they promised.

5.10.2 Deputy M.R. Higgins:

Will the Minister look particularly at the provision of luggage for passengers? Blue Islands have an excellent reputation for allowing generous luggage to be taken on their aeroplanes, whereas Flybe are well-known for the charges that they make for luggage. Their prices may be cheap but by the time you add the cost of luggage on they are very, very expensive. Can the Minister assure us that the generous provision that has been provided by Blue Islands in the past will be delivered by Flybe?

Senator L.J. Farnham:

I cannot assure the Deputy of that at this stage, but it is my understanding that as this is a franchise agreement and Blue Islands will remain as an independent airline, I understand that their baggage provisions will remain the same. That is only my understanding at the moment, but I will try and seek assurance for the Deputy.

5.10.3 Deputy L.M.C. Doublet:

I am pleased that the Minister has agreed to monitor the situation and he has said that he would speak to other Ministers in Guernsey, for example. Are there any other ways that he will be monitoring the situation, as it seems to some people, I think, that there is this gradual closing-off of decent routes into the Island? How will he monitor this as well as speaking to people in Guernsey? Will he be monitoring consumer views on whether there is enough choice in travelling to the Island?

Senator L.J. Farnham:

That is a very good question. I will work closely with the Ports of Jersey. Ports of Jersey have developed an excellent reputation and produced results in their route development, and I met with the chief executive of the Ports of Jersey yesterday and discussed this. But I just want to explain very briefly why I am optimistic that the new arrangement could perhaps be better, because the codeshare agreement between Aurigny and Blue Islands clearly, in my opinion - I have anecdotal evidence to support that - has not worked. First of all, just to be clear, Aurigny are, and have been since the introduction of the codeshare agreement 2 years ago, effectively booking agents and have not flown people in and out of the Islands on their aircraft, they have just booked with Blue Islands and C.I.C.R.A. have allowed them a 50:50 share of the aircraft. That clearly has not worked, because both the number of flights and the number of passengers since this codeshare came into place has declined significantly. That is why I am optimistic. Prior to the codeshare agreement the number of flights and the passengers were higher. But yes, we are going to monitor it. Ports of Jersey, which I have

great confidence in, will be doing that and I will of course jump on any situation that we see developing which leads to a decline in service or an increase in prices.