



**Randalls Limited**

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Senator S C Ferguson,  
Chairman,  
Corporate Services Scrutiny Panel,  
States Greffe,  
Morier House,  
St Helier,  
JE11DD.



**Reference Review of Draft 2014 Budget Statement.**

14 October 2013.

Dear Senator Ferguson,

Thank you for allowing us the opportunity to comment on the recently published draft 2014 Budget.

Our interests are naturally focussed on the once again above inflation rises proposed for alcohol and to a degree tobacco.

We have seen our business decline over the past number of years, due in part to a fall in tourism, the poor economic climate, unemployment, the smoking ban and the high cost of doing business here in Jersey.

Compounding the decline has been The States desire to increase Impot Duty at every opportunity, using the health issue as main reason.

Recently the Treasury Minister announced that he will “shine a torch” on our pricing structures and went on to produce various figures for alcohol prices both here in Jersey and in the UK.

We really are at a loss to find where the Minister obtained his information as prices quoted £3.79 for an average pint of lager in Jersey when it is actually £3.30.

The UK figures produced were again, we guess based upon the lowest they could find. It is also worthy to note that the UK, unlike Jersey, can promote the sale of alcohol, through a variety of offers including price reductions.

In addition many UK outlets have benefit of large income from gaming machines AWP, for which Jersey is still awaiting permission. Locally our reaction was for the Gambling Commission to decide that Thrift Clubs would need to apply and pay for licences.



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Notwithstanding the above, we as an industry are encouraged to promote responsible drinking. Some while ago we wrote to a number of States members outlining the brewers idea of introducing a low gravity lager.

Our proposal was to apply a sliding scale of duty as they have in the UK, as opposed to our two tier system whereby we tax from 1.2 degrees alcohol up to 4.8 at one rate and then it jumps by 50% for product above 4.9%.

Our suggestion was to have, as in the UK, a one tier system on a sliding scale, where low alcohol product could be promoted at a price point and customers were encouraged to drink a lower alcohol product.

Unfortunately only Senator Le Marquand responded saying he would look into the information provided, to date nothing more has been heard.

If the proposed duty increase is passed then we can foresee certain outlets closing, this will further add to unemployment, result in less choice for both locals and the few visitors we have.

Indeed the rise on spirits of £1.27 a Litre will bring Jersey to the third highest duty level in Europe with only Sweden and Finland ahead of us. This will doubtless encourage more drinking at home, pre-loading and personal importation via duty free.

I can recall the days when the Island was literally bursting at the seams with tourists. The Town was full of visitors with shops open throughout the season until 21.00 in the evenings.

Many of our shops were off licences, where visitors bought their "duty free" prior to the introduction of decimalisation I remember that a bottle of proprietary brand whisky sold for Twenty Five shillings and Sixpence...

So it is quite ironic that the proposed increase, albeit on a Litre of whisky is proposed at 25/6d or £1.27p

The rise proposed for beer is higher than inflation, once again no consultation, not even with the Ministers own Customs officers.

As is explained above, another hike that has not been thought through, which apart from the risk of pubs closing, will do nothing to increase Impot income as can be evidenced from the graph I enclose.

The graph shows the decline in Beer imports from 1998 at 480,000 litres down in 2012 to 370,000 litres. The graph also shows Jersey in the tourist heydays, 1978 importing 830,000 litres of Spirit down to 160,000 litres in 2012.



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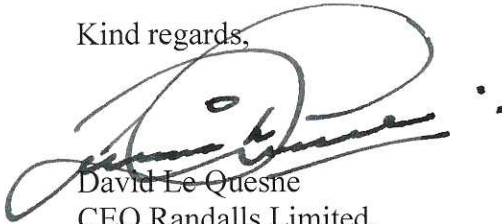
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Quite an achievement some may say, but it really demonstrates the Law of diminishing returns very appropriately.

Summing up, this proposed increase we feel will be the last straw for some outlets. It will further distance Jersey as a tourist destination, it will cause more people to drink at home, it will deny the majority who drink responsibly, those on low incomes, those on pensions, the opportunity of a social time or a pint at their local.

We would hope that on this occasion common sense may prevail and the increases as proposed will be voted out.

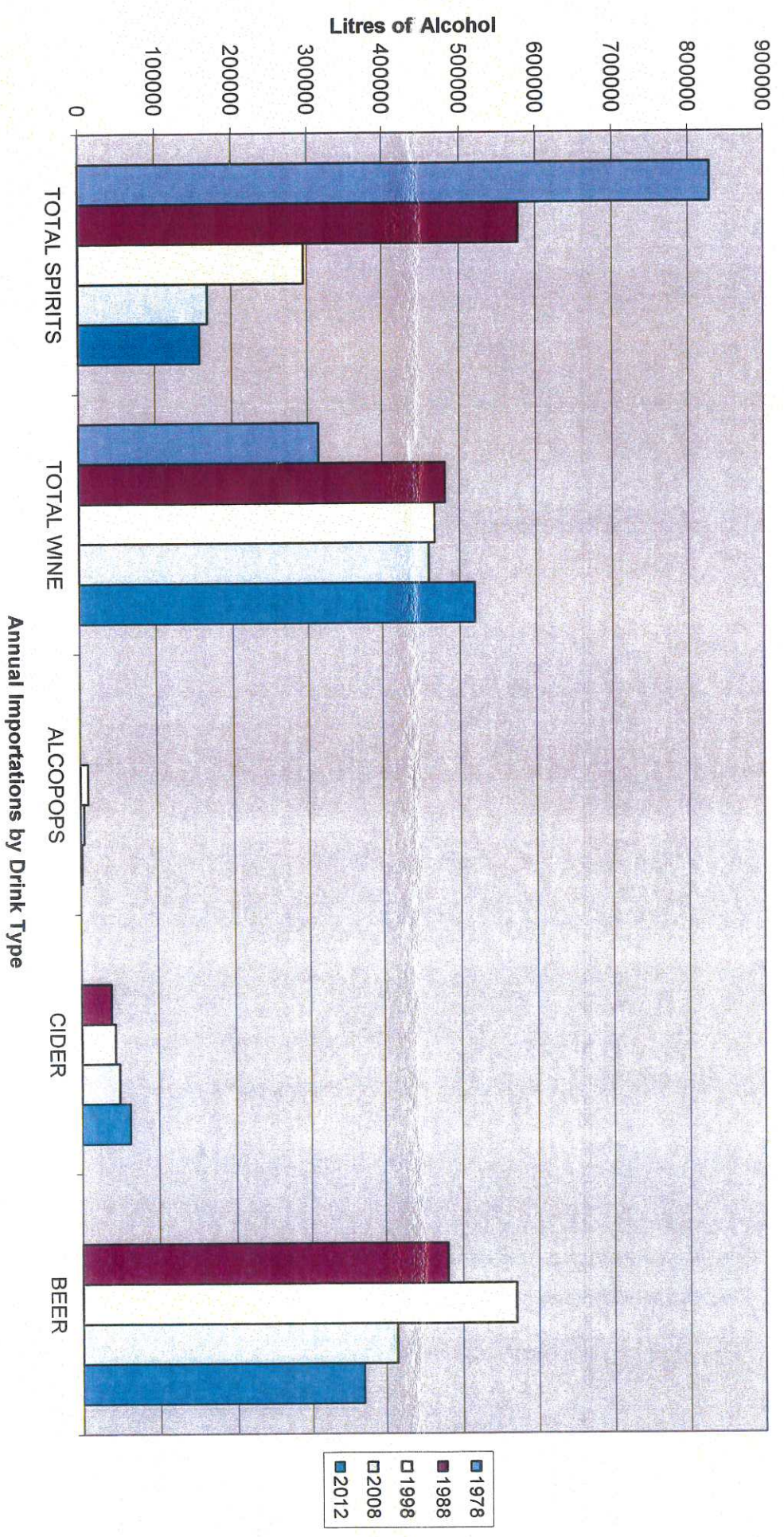
Kind regards,



David Le Quesne  
CEO Randalls Limited.



**Annual Jersey Importations in Litres of Alcohol by Category**  
**10 Year Intervals 1978 - 2008, extended to 2012**  
**(NB No Beer or Cider data available for 1978)**



Values in EUR at 01/10/2012

### Ethyl alcohol

Situation as at 1 July 2013

