

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY K.F. MOREL OF ST. LAWRENCE
QUESTION SUBMITTED ON MONDAY 22nd FEBRUARY 2021
ANSWER TO BE TABLED ON MONDAY 1st MARCH 2021**

Question

Will the Minister, as Shareholder Representative, provide an annual breakdown of the increases in telecom charges levied by JT for each year since 2015, providing also a comparison with R.P.I. Low Income for each year?

Answer

The majority of JT's customers purchase landline, broadband and mobile from JT and the most popular tariff is the JT One Unlimited and JT One Lite plan. In real terms over the 5 year period, the price of these services has fallen as is demonstrated in the table below:-

	2015	JT %	2016	JT %	2017	JT %	2018	JT %	2019	JT %	2020
Low Income RPI	1.1%		1.8%		3.3%		3.4%		2.5%		1.9%
JT One (landline, broadband, mobile) bundle	£59.00	0%	£59.00	0%	£59.00	0%	£59.00	0%	£59.00	5%	£61.90
JT One Lite (landline, broadband, mobile) bundle	N/A		N/A		£39.00	0%	£39.00	13%	£44.00*	7%	£47.14

* broadband made unlimited. Previously unlimited broadband was charged separately at £5 per month in addition to standard subscription fee

All prices exclude GST

In addition, JT has migrated all customers from a copper provided service (up to 20Mb) to a fibre service during the period and has increased the speed of its entry level broadband product to the 1Gb that is provided today which was upgraded in April 2020 due to COVID work from home restrictions.

	2015	2016	2017	2018	2019	2020
Broadband Speed (Mb)	20	50	100	100	250	500 *
Broadband Only Price	£17.99	£22.99	£24.99	£26.25	£27.50	£29.52
Cost per Mb	£0.90	£0.46	£0.25	£0.26	£0.11	£0.06

* Speed upgraded to 1Gb during COVID

Further thoughts on the impact of telecoms deflation on national productivity can be found in the following articles: -

<https://blog.ons.gov.uk/2018/01/19/measuring-the-digital-economy-is-history-about-to-be-rewritten/>

<https://www.escoe.ac.uk/publications/a-comparison-of-approaches-to-deflating-telecoms-services-output/>

<https://www.ft.com/content/108a35e5-2aa0-4b82-9410-bee0e86d54b9>

<https://www.ft.com/content/abc14c66-fb78-11e7-a492-2c9be7f3120a>