

2.12 Deputy R.G. Le Hérisssier of the Minister for Economic Development:

Would the Minister indicate whether the recent inquiry carried out by the JCRA (Jersey Competition Regulatory Authority) into alleged monopolistic practices in the potato marketing sector met the objectives set for the inquiry and would he indicate whether the Competition (Jersey) Law 2005 worked well in this instance?

Senator P.F.C. Ozouf (The Minister for Economic Development):

As Members will be aware, I am conflicted in some areas concerning the dairy industry. I do not have any direct pecuniary interest in potato issues and, therefore, I am also dealing with the answer of a generic issue concerning the JCRA, which is independent. Hence I am going to answer the question myself without any issues. I would say that I am acquainted with one of the directors of Jersey Royal and I have made that declaration and I have not had anything to do with the departmental side of this. I am going to deal with this from the general point of view. Contrary to the Deputy's question, the JCRA's recent inquiry did not concern any alleged monopolistic practice itself. The inquiry concerned whether or not one company had acquired or was in the process of acquiring certain businesses without the observation of the now mandatory notification and approval requirements under the mergers and acquisitions arrangements in the Competition (Jersey) Law. The Competition (Jersey) Law empowers the Jersey Competition Regulatory Authority to commence formal inquiries only if it has reasonable cause to suspect that a breach had occurred. They carried out their investigations and their conclusions were that there was a process of acquiring certain businesses but they had not been subject to the approval process within the JCRA. However, as set out in the Authority's press release, there was no infringement of the Competition (Jersey) Law merger and notification arrangements because the merger had not taken place. I think that the conclusion that can be reached from this is that the Competition (Jersey) Law is working as intended in this case. The JCRA conducted an inquiry based on a reasonable cause and collected information necessary to determine the breach had occurred. That is exactly, I think, what the States intended when it approved in large voting numbers the mergers and acquisition arrangements within the Competition (Jersey) Law.

2.12.1 Deputy R.G. Le Hérisssier:

I think the public were bemused by the fact that the inquiry was carried out in a sense in secret and apparently this is part of the procedure. Could the Minister indicate, Sir, whether he would push for a more open way of holding that inquiry? Could he also settle the confusion: was this or was this not an attempt to stave off alleged monopolism?

Senator P.F.C. Ozouf:

It is really important for this Assembly to understand and to accept the fact that we have an independent Competition Regulatory Authority. The powers that I have over this matter are, rightly, limited. They are the independent expert authority under the law who are able to initiate their own investigations, carry out reviews, et cetera, and make determinations. Of course, all of their proceedings are subject to appeal to the Royal Court and obviously subject to judicial review. I am engaged, of course, with both of the regulatory authorities, the Financial Services Commission and the JCRA, as a budget holder for them, to generally understand where their focus of attention is, but they are independent. I have to say that I have met with the Executive Director of the JCRA in the last few days to discuss general issues. I am satisfied (in fact I am

delighted) that the Competition (Jersey) Law generally is having the desired effect in dealing with competition issues. We are all seeing the front page of the JP of what is going on in markets. Markets are adjusting. The Competition (Jersey) Law is working. This issue was about a merger, not about monopolistic practices.