

# STATES OF JERSEY



## **DRAFT BUDGET STATEMENT 2018 (P.90/2017): EIGHTH AMENDMENT (P.90/2017 Amd.(8) – COMMENTS**

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**Presented to the States on 27th November 2017  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

The proposer of the amendment has asked for the Chief Minister to request CICRA to undertake a market study into the Island's liquor trade. In particular, the effect on retail margins and competitiveness of including liquor trade on licences in the retail tax extension.

The proposer is seeking to understand the reasons why the retail price of beer net of duty and tax is significantly more expensive than the UK, and whether there are measures that might improve consumer prices.

The Chief Minister's Department has consulted CICRA regarding this amendment. Given the timescale for comment, CICRA has provided feedback based on previous work and assumed that conditions have not altered materially in the meantime.

CICRA considers there is some evidence that the market may not be working as well as it might for consumers. It considers that the current licensing guidance on drinks promotions is likely to be playing a significant role in the level of prices and margins in the sector, thereby affecting the ability of the Authority to oversee competition. As such, CIRCA believes that the initial focus should be on the [guidance statement](#).

It may be helpful for the States to note that in January 2016, officers serving the Shadow Alcohol Licensing Policy Group ("Shadow ALPG") held a meeting with H.M. Solicitor General to discuss how the new Draft Liquor Licensing (Jersey) Law 201- might provide for the replacement of the existing guidance.

It was noted that the new draft Law would cause a new broad statement of licensing policy to be devised and published. A reasonable period of time would then need to elapse for the market to adjust to this material change. CICRA should then be in a viable position to analyse and understand the higher pre-tax and duty prices in this sector, and to address any perceived remaining concerns attributable to market behaviour.

The Council of Ministers notes that the Draft Liquor Licensing (Jersey) Law 201- is due for debate at the end of January 2018 ([P.103/2017](#) refers). If the draft Law is adopted, the Shadow ALPG will promptly begin devising and consulting on the draft statement of licensing policy. A finalised draft will be lodged for debate by the Assembly. The intention will be to do so as soon as possible following the May 2018 elections.

Accordingly, the Council of Ministers does not support this amendment for a market study, and instead considers that the shadow ALPG should endeavour to develop the draft statement of licensing policy as soon as possible, subject to the approval of P.103/2017, and in consultation with the JCRA and other stakeholders. The ALPG is the appropriate body to balance the competing objectives of the States around more effective alcohol industry competition, public health and public order.

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### **Statement under Standing Order 37A [Presentation of comment relating to a proposition]**

These comments were submitted to the States Greffe later than the noon deadline as set out in Standing Order 37A, on Thursday 23rd November, as final internal review processes had not been completed in the time available from the lodging of the amendment on 16th November.