

**WRITTEN QUESTION TO THE
MINISTER FOR ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 16th JULY 2019**

Question

Will the Minister outline what measures, if any, he proposes to take in respect of any retailers in the Island (either local or foreign-owned) charging local customers the same price for goods as those goods cost in the U.K. (i.e. where costs include 20% Value Added Tax) in order to reduce any potential inflationary effect of such pricing?

Answer

My department funds the Jersey Consumer Council, which encourages consumers to shop around to obtain best value. They monitor and publicise prices and make comparisons to assist consumers in making an informed choice. This helps drive down prices.

Amendments were made to the Price Indicators (Jersey) Regulations in 2014 to remove a barrier to allow retailers to more easily discount their 'UK VAT equivalent prices'. Some retailers are making full use of these provisions, with advertisements from retailers making price comparisons with UK VAT equivalent prices and / or their nearest competitors. Other retailers offer price promises agreeing to undercut or discount.

Many goods do not have a clearly identifiable UK VAT equivalent price. Food is a good example where prices vary from store to store depending on many factors including the size of the retail outlet, location and convenience. Some retail outlets in the UK operate regional pricing so they can adjust the price to be competitive in specific regions.

Like the UK, we operate a free market driven by consumer demand. Retailers need to set their own prices to recoup their individual overheads or businesses will fail. Government interference could therefore lead to reductions in the availability and range of consumer goods offered on our high street to the detriment of everyone.