

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY G.C.L. BAUDAINS OF ST. CLEMENT
ANSWER TO BE TABLED ON TUESDAY 5th MARCH 2013**

Question

Would the Minister advise:

- (a) whether he has studied the report on local fuel supplies by the Jersey Competition Regulatory Authority (JCRA) and, if so, whether he was satisfied with its conclusions;
- (b) what involvement, if any, he has had regarding the recent threat of Super Unleaded discontinuation and, if so, what he intends doing about it;
- (c) of the nature of the lease that the States have with the consortium, including what precisely the States own at the fuel farm; and,
- (d) whether there is an increasing lack of competition in Jersey's fuel supply and, if so, whether he is working with the JCRA to resolve it and what possible solutions are envisaged?

Answer

- a) I have studied the report on local fuel supplies conducted by the JCRA; and I am satisfied with its conclusions.
- b) EDD officers facilitated a meeting with the JCRA, the Transport and Technical Services Department and the fuel suppliers on 14th February 2013, the notes of which have been circulated to all Members. A meeting has been arranged for Friday 8th March at 3pm to allow the fuel suppliers to provide States Members with a detailed briefing.
- c) The Public entered into a 10-year ground lease on 22nd June 2007 with Shell (U.K.) Limited and Esso Petroleum Company Limited for the site known as 'LC03 Fuel Storage Site' at La Collette. On 26th July 2009, the Public agreed to an assignment of the lease from Shell (U.K.) Limited to La Collette Terminal Limited. Jersey Property Holdings, representing the Public, is in discussion to consider renewal of the current site lease that expires on 31st January 2016. The Public does not own any of the operational plant and equipment on the site.
- d) The JCRA is not aware of evidence that would suggest '*an increasing lack of competition in Jersey's fuel supply*'. In fact, there appears to have been a significant increase in price competition at the retail level following the introduction of regulations requiring forecourts to display prices at the roadside (the Draft Price Indicators (Amendment) (Jersey) Regulations 2012). The regulations were passed by the States Assembly in November 2011 and came into effect in September 2012, following recommendations from the JCRA. It is notable that the States Statistics Unit identified a material reduction in the price of motor fuel in the December round of the RPI: on a quarterly basis, petrol and diesel prices were

down by 10p and 6p per litre, respectively, in Jersey compared with down by 6p and 3p per litre, respectively, in the UK.

There has been no change in the number of importers or distributors of road fuel in Jersey in recent times. Rubis lodged an application with the JCRA in November 2012 for approval of its proposed acquisition of Esso's share in La Collette Terminal Limited, and it is understood that the JCRA has received a significant number of responses to the public consultation on that application.

The JCRA's investigation of that proposed acquisition is continuing, and currently it is waiting for further information from the parties. It may conduct further public consultation on this proposed acquisition.

I should clarify that the JCRA is an independent body, conducting its functions under the Competition (Jersey) Law 2005, and the Minister plays no direct role in its investigations.