

13 December 2013

Deputy Steve Luce
Chairman, EA Scrutiny Panel
By email

Dear Deputy Luce,

Re. Retail Policy Review.

Although I have not been directly involved in the sector as a retailer for some years, it is not unduly difficult to recognize the range and complexity of challenges faced today.

In no particular order, the challenges facing the retail sector include: -

- The internet and on-line sales
- In line with the challenge presented by on-line sales, the absolute need to develop the service side of retailing
- Recruitment in a low-pay sector
- Minimum wage
- Adequate training and development
- Price deflation vs. inflating costs
- Rents that are still high despite some minor easing in the market (by and large the higher margin 'luxury goods' businesses are better able to cope than the highly competitive low margin/high turnover businesses)
- The ever increasing demands of regulation, the costs associated with regulation and being required to collect taxes for government
- GST

- Increased Income Tax (despite an absence of corporate tax, most local retail businesses distribute earnings in some way and those distributions are taxable) this is a serious disincentive to investment
- Spiralling impôt tax on alcohol and tobacco
- Dated technology and the cost of updating
- Fewer shoppers (visitors to Jersey do not buy on-line while here and shopping is a significant element of most visits, so the decline in visiting shoppers, i.e. tourists, represents a major challenge)
- The lack of ability to open and close when the retailer wants to, including late night and on Sunday (this is a significant issue as on-line retailers are always open for business)
- Parking in St Helier
- Government's inability or unwillingness to recognize that increasing taxation is severely damaging to all local business and particularly retailing, which faces more challenges than many other sectors.

Faced by such a complexity of challenges, any help that can easily and quickly be provided should be given. As a first step all retail businesses, regardless of size or sector should be allowed to open and close when they choose to do and not when the authorities say they can.

Yours sincerely,

John Henwood.