From:

Chris Vautier

Sent:

10 February 2007 10:58

To:

Scrutiny

Cc:

Geoffrey Southern

Subject: New supermarket

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STATES GREFFE REGISTERED 12 FEB 2007 Scmtin

Sir

I feel compelled to write to display my utter disbelief that anyone with any real commercial experience would suggest that an Island with a population of 85-90k people requires the presence of one of the four biggest UK multiples.

If I may, I will give you an insight into my background. I must stress that I have no direct or indirect link to Island retail.

I currently jointly own and run a "hybrid" Jersey fulfillment company, which has, despite political uncertainty. reached an annual turnover of 3.5 million pounds within the 2 years that we have operated. In previous businesses I have dealt with, and indeed supplied most of the large UK supermarkets.

Put simply, any of the potential stores that may come into the Island could operate at a substantial loss for any given period (as long as it takes) to give the perception that the political aim has been achieved. IE.. Prices will drop with competition, to the point where local competitors will be forced out of business (a la Emmeraude). Local business will be impacted, possibly fatally.

I would like to take Tesco as a case in point. Their offering is fantastic if taken at face value. The quality is superior to most of the choices available locally. I have no doubt that many local shoppers wouldn't think twice about doing their weekly shopping at their store. I'm absolutely sure that my wife would! It would no doubt be hailed a great success in the battle against inflation. Would Tesco buy produce from local suppliers as the two major retailers do? I doubt it, unless they were sent to the UK first to be "cloned" That would be great for Jersey's carbon footprint.

But the cost to the true local economy would be immense. The "weave and fabric" of the local retail trade would be destroyed forever, and Jersey would indeed come one step closer to becoming a part of the UK. The numbers employed in the sector would remain static. Why would they do anything else? The population will be consuming the same quantity as before.

The biggest factor that has been missed in the Supermarket debate is our population figure. It is barely that of a small UK town. Why even run the risk of destroying the delicate balance of Island retail by meddling in something that should be market driven.

I'm afraid that my final point is aimed clearly at outside consultants, and indeed the politicians/Chief Officers that believe that they add value and credence to our political decisions. None of the above is beyond anyone of average commercial experience. The involvement of outside UK consultants, who in my opinion do not understand our local economy or indeed care if we mirror every UK town, is no more than a barricade that any politician/civil servant can shelter behind should their policy be seen to fail.

I hope this has been of some interest; I must apologize if it has evolved into a rant. We must protect local business, in the same way that our Economic Minister has clearly strived to do with the local fulfillment Industry.

Many thanks,