

3.14 Deputy P.F.C. Ozouf of St. Saviour of the Minister for Sustainable Economic Development regarding initiatives to reduce grocery prices in the Island (OQ.93/2025):

Will the Minister advise what initiatives, if any, are being supported to enhance competition and reduce grocery prices in the Island, given Jersey's ongoing cost-of-living pressures and the U.K. flat inflation rate of 2.5 per cent in February 2025?

Deputy K.F. Morel (The Minister for Sustainable Economic Development):

It is important, first of all, to point out that Jersey's inflation rate is not vastly dissimilar to the U.K.'s inflation rate, as is suggested or implied by the question. But I am pleased to say that further to my answer to Oral Question 46/2025, the new ferry concession agreement includes price caps on the cost of freight. It also includes a flat-rate card, which is aimed at removing an artificial barrier to competition; price caps limit the cost of freight importation to the Island in the long-term future. The sale by Sandpiper to Morrisons of Morrisons Daily, Iceland and Checkers Xpress stores will also mean that there are now 4 large grocery retailers on-Island. While that has not come about through Government action, it should have the effect of reducing market concentration and enhancing competition. The Jersey Consumer Council, which I am pleased to support, has also invested in a new and improved price comparison website. This tool makes it easier for Islanders to compare across grocery and fuel retailers. It improves price transparency and encourages greater price-based competition, meeting one of the J.C.R.A.'s recommendations from its Groceries Market Study in 2023.

Deputy P.F.C. Ozouf:

Given the time, if you want to finish Questions, no, Sir.

The Bailiff:

No, in fact, we have caught up, so ... The last 2 questions were models of brevity, Deputy. Do you have a supplemental?

Deputy P.F.C. Ozouf:

Only if the last question can be ... if there is time for last questions.

The Bailiff:

Well, there are other Members who wish to ask questions.

3.14.1 Deputy P.F.C. Ozouf:

I am grateful for the Deputy's answer, both his written answer and the issue there. Is he planning to do anything going forward? Because the repeated refrain on doorsteps and among chattering people that Members speak to is across all types of household - pensioner households, families, all the rest of it - it is the issues of food and grocery prices are the Islanders' seemingly number one concerns. He says that the inflation rate in Jersey is not the same. Whatever the statistics are - which are not actually comparable anyway - would he understand that the real lived experience of people in Jersey is that there are grocery prices which are going up and up, and is he going to do anything to either assuage their concern or do something about it?

[11:30]

Deputy K.F. Morel:

The comparison I make with U.K. pricing is entirely because the Deputy himself made that comparison in the question, and then he says they are dissimilar. It is a reality that 80 per cent, if not more, of food in Jersey is imported, compared to around 45 per cent in the U.K. We saw a recent food resilience report that I received in November 2024 and it provides several recommendations to help improve food resilience on the Island; these are going to be incorporated in the updated Rural Economy Framework due later this year. We saw in 2023 that the J.C.R.A. identified a number of Island-specific factors which influenced the higher cost

of groceries in Jersey when compared to the U.K. or mainland Europe. I will continue to work with the J.C.R.A. to see where we can make a difference, because I do agree with the Deputy that the cost of groceries in Jersey is always of importance to all Islanders. As the Deputy does know, Jersey does sadly have limited levers with which to tackle inflation directly. Monetary policy, which is considered by most economists as the best tool to manage inflation, is not set by us; it is set by the Bank of England. That said, I will continue to use all the levers that I possibly can. That does include the importance of competition in the Island, and that is why it is important that we have seen the introduction recently of a new supermarket chain to the Island. I will continue to work to see if we can attract European supermarkets, and new supply chains are likely to bring about ...

The Bailiff:

I have to ask you to stop your answer.

3.14.2 Deputy I. Gardiner:

Would the Minister advise what his action could be when it was reported that the new Morrisons introduced to the Island, their price is 45 per cent on average higher than in the U.K., which obviously does not drive any reduction in the cost of living?

Deputy K.F. Morel:

I think that is slightly specific to 2 supermarket chains and I therefore cannot really answer it because I do not have an action plan for this specific supermarket.

3.14.3 Deputy I. Gardiner:

What work is the Minister going to do to engage with the chains on the Island to ensure that Jersey prices are not 45 per cent higher than the U.K. prices in some cases?

Deputy K.F. Morel:

I will continue to work with the J.C.R.A. and also the Consumer Council to try to understand why those price differences are there. That is the most important thing. First of all, understand why the difference is there and then you can seek to act.

3.14.4 Deputy M. Tadier:

The Minister mentioned a flat-rate card and a price cap for freight for DFDS. What evidence does the Minister have to suggest that a flat-rate card would necessarily bring prices down and indeed not allow economies of scale for those bigger companies who want to bulk purchase and therefore keep prices down?

Deputy K.F. Morel:

A J.C.R.A. report into the freight industry said that greater transparency of freight prices would likely have an impact ... will allow us at the very least to understand what proportion of the price on the shelf is created by freight. We now have freight prices capped for the next 20 years. That is going to have an impact on the pricing of freight in the Island and that should feed into ultimately a lower freight proportion of the cost of the goods on the shelves.

3.14.5 Deputy M. Tadier:

I would suggest that does not answer the question. The greater transparency does not necessarily mean the introduction of a flat-rate card; it could just mean that discounts are published. Does the Minister accept that while he might have control in terms of a cap on price increases, he does not have any control over the initial pricing that the company can charge and therefore it is completely at their liberty to increase prices now so that they ... because they can only limit their increases accordingly? Is that not potentially an unintended consequence?

Deputy K.F. Morel:

Absolutely not.

3.14.6 Deputy S.M. Ahier:

The Minister mentioned before trying to attract a European supermarket, but specifically what engagement has he had with French supermarkets? I know that this has been something that the Minister has tried to promote previously, to try to get a French supermarket into Jersey to reduce grocery prices.

Deputy K.F. Morel:

I have had plenty of interaction with French supermarkets; one in particular.

3.14.7 Connétable K.C. Lewis of St. Saviour:

Again, it is something that has been brought to me by constituents; the cost of food is just going up by the week. Does the Minister not believe that we should have a negotiated agreement with some of the major supermarkets? A major supermarket in, say, Huddersfield would charge a different rate than, say, West End of London. I know rents and freight are something to be considered, but does the Minister think this is something that should be looked at? I feel very disturbed by the fact that some of our major supermarkets in Jersey are now employing security guards on a weekend. Does that worry the Minister?

Deputy K.F. Morel:

I do not understand what security guards have to do with the original question, Sir.

The Bailiff:

Well, if I were inferring it, then I would say people are inclined to thief - so the suggestion appears to be - because of the cost of food. But the real question was to do with the ...

Deputy K.F. Morel:

If the Connétable was concerned about shoplifting, I just wish he had said that more clearly in the question; I would have better understood. I do not know anything about the Huddersfield situation that he is talking about, so I cannot respond.

The Bailiff:

Do you want to add a supplemental question, Connétable?

3.14.8 The Connétable of St. Saviour:

May I clarify, Sir? It was just the fact that major supermarkets price to the area, so that ... not necessarily Huddersfield, but prices vary to the area. If they perceive to have a wealthier area, they will increase the prices.

The Bailiff:

What was the question?

The Connétable of St. Saviour:

Will the Minister agree to look into this problem?

Deputy K.F. Morel:

I have no doubt that all shops in Jersey, supermarkets or otherwise, price to Jersey.

3.14.9 Deputy R.S. Kovacs of St. Saviour:

I follow up a bit on the question from the Connétable of St. Saviour. Would the Minister support implementing regulations that would require supermarkets to apply standardised pricing for similar products or brands across different stores? Or would he consider setting a cap or maximum price for essential items to help control rising grocery costs?

Deputy K.F. Morel:

In short, I think I could say that such market intervention is a long way from my thinking.

3.14.10 Deputy R.S. Kovacs:

What role, if any, do local producers and suppliers play in reducing grocery prices, and are there any incentives being offered to support them in doing so?

Deputy K.F. Morel:

The Better Business Productivity Support Scheme is entirely intended to enable businesses to cut their overheads and reduce the cost of sales. That in itself will help supermarkets or grocery producers or farmers to reduce their overheads and therefore in theory reduce their prices.

3.14.11 Deputy P.F.C. Ozouf:

I am grateful for the Deputy to acknowledge that the issue of grocery prices is indeed one of the issues that the public want us to talk about because they are concerned about it. I only heard in his answers questions relating to what the J.C.R.A. is doing and what he is getting advice. Is he getting advice from anybody else than apart from the J.C.R.A. and the Consumer Council, who are telling him there is a problem?

Specifically, is he doing anything to bring in a low-cost supermarket such as Aldi or Lidl, whether they be from France or Germany or the United Kingdom?

Deputy K.F. Morel:

I am pleased to say that we recently saw Alliance take over the Iceland franchise as well, which is a low-cost retailer; it is important to maintain that choice in the Island. I also take advice from lots of people all the time. Genuinely, when I am walking down the street, people are often offering me advice. I speak to organisations and institutions offering me advice. I am always listening and always heeding advice.

Deputy P.F.C. Ozouf:

I think I meant professional civil service advice.

The Bailiff:

Well, there we are.