



PRESS RELEASE

EMBARGOED TO 0830 HOURS 18 MARCH

JCRA Publishes First Research Paper

The Jersey Competition Regulatory Authority (JCRA) has issued its first research paper written by JCRA Chairman, Dr Patrick McNutt and entitled ‘The Role of Competition in Deregulated Markets’. The Paper examines the salient theoretical issues that arise from market liberalisation and from the transition to regulated competitive markets. It sets out the background to deregulation and highlights some of the areas which may be of particular concern to the JCRA.

The Paper makes it clear that the Authority does not want to associate a specific market structure with competitive intensity. The Paper suggests that competition exists as long as free markets exist. By its very nature, the Paper argues, regulation has to benefit the end-user of all goods and services.

The Paper explains how competition policy in Jersey has been conceived in the spirit of regulating economic activities in both telecom and postal services. It advocates workable competition and a welfare-enhancing economic structure to be achieved by an appropriate policy. It recognises that it is through the competitive process that new ways of doing things are discovered, new markets are opened and new products developed.

“Competition policy itself will contribute to achieving social justice by providing for freedom of business activity, enhancing technical progress, assisting the growth of income per head and reducing the level of price inflation,” said Dr McNutt.

“The aim of the JCRA is to facilitate competition and to provide greater freedom of choice and better opportunities for putting pressure on costs and prices in the supply of goods and services. This Research Paper outlines that this is an ‘evolutionary’ gradual approach to competition in deregulated markets, that is based on the insight that competition is a dynamic process and is good for an economy.”

-(ends)-

For further information, please contact:
Charles Latham, Executive Director of the JCRA
Telephone: 514990

Note to Editors

The Executive Summary of this research paper is attached with this release. The full paper is available on the JCRA website at www.jcra.je.

Consultation on proposals for a competition law for Jersey ended on 1 March. This research paper continues the debate looking at economic theory behind the relevant issues.

The Telecommunications (Jersey) Law was passed by the States on 31st July 2001 and should come into force shortly.