

JCRA Media Release

2 December 2007

JCRA Stops Potential Price Fixing Agreement

Last week, the Jersey Competition Regulatory Authority (“JCRA”) was provided with information which showed that one competitor attempted to fix prices with another competitor in Jersey. Specifically, in response to one competitor offering reduced prices to a customer, the principal of the other competitor sent the following text messages, which were subsequently provided to the JCRA:

*“Move [Customer] price up. They need more then we can both supply.
Supply and demand price should go right up. Agree joint price.”*

And (in relevant part):

*“We need to put both agencies at the same rate to stop all the ***** about.”*

In response to receiving this information, the JCRA instructed the parties to not follow-up on this proposal, and to not engage in any subsequent discussions of this nature, thereby protecting competition. Had the competitors agreed to fix prices, this would have resulted in higher prices for the customer, and would have violated Article 8 of the Competition (Jersey) Law 2005. Such a violation would have potentially serious consequences, including fines of up to 10% of a party’s turnover for the period of the violation.

This matter serves as an example of conduct that is clearly inappropriate under Jersey’s Competition Law. The JCRA strongly urges anyone possessing evidence of price fixing among competitors to immediately bring the conduct to the JCRA’s attention. If a company currently is engaging in a price fixing agreement with its competitors, under the JCRA’s Leniency Policy it may receive full or partial immunity from financial penalties

if it brings the conduct to the JCRA's attention and agrees to comply with certain conditions, such as cooperating fully with the JCRA's investigation.

Further information about the Competition Law, the type of conduct it prohibits, and the JCRA's Leniency Policy may be obtained from the JCRA's website, www.jcra.je, or from the JCRA directly.

About the JCRA

The JCRA is an independent authority established by the States of Jersey to enforce Jersey's competition law and regulate its telecommunication and postal sectors. In each of these areas, the JCRA's primary mission is to promote consumer welfare through efforts that encourage lower prices and greater choice and innovation in the goods and services available in Jersey. The JCRA is recognized internationally as a leading voice in the application of competition law and policy in small economies.

ENDS.....

All enquiries to Chuck Webb on 01534 514990