

JCRA Media Release

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JCRA Releases Study on the Economic Benefits of Competition Policy

The Jersey Competition Regulatory Authority (“JCRA”) has published a study entitled *Impacts of Competition Policy in the Bailiwick of Jersey*, which attempts to measure some of the economic effects arising from competition policy in Jersey. Competition policy includes the enforcement of Jersey’s Competition Law and the opening up of markets such as telecommunications and postal services. The policy is implemented by the JCRA on the basis of laws enacted by the States of Jersey.

Based on available data, the Study estimates effects arising from specific JCRA interventions. The Study’s estimates are conservative, and do not extend to broader benefits arising from competition policy, such as increases in efficiency or the deterrence of anticompetitive conduct, which are generally seen as beneficial yet unquantifiable. The estimated effects detailed in the Study are:

- The JCRA action that resulted in the removal of the former 1% fixed fee for the provision of conveyancing services in Jersey has resulted in significant reductions in fees, as different lawyers and law firms now compete against each other. The Study estimates that these reductions have resulted in aggregate consumer savings of approximately **£2 million** per year, or approximately **£5.5 million** in total savings since the start of 2006.
- In fixed-line telecommunications, the Study estimates that the JCRA’s actions that have facilitated new entry and price reductions in calls to the UK have resulted in aggregate consumer savings of approximately **£5 million** since 2003.
- In mobile telecommunications, the Study estimates that the JCRA’s actions that have facilitated new entry and price reductions have resulted in aggregate consumer savings in Jersey of approximately **£2 million** since March 2006. Additional price reductions and consumer savings are expected with the introduction of mobile number portability later this year.

- In postal services, the JCRA's price control implemented on 1 January 2008 is expected to keep Jersey Post's price increases for core postal services (including local letters and letters to the UK or abroad) well below Jersey's rate of inflation over the next three years.

In summary, the Study estimates approximately **£12.5 million** in total consumer savings over all areas examined. Many of these savings are structural and the beneficial effects are therefore expected to continue.

The JCRA's publication of this Study is similar to studies in other jurisdictions, including the UK, which attempt to estimate market effects arising from competition policy.

Chuck Webb, the JCRA's Executive Director, states:

"The Study demonstrates that both consumers in Jersey, and Jersey's economy overall, have benefitted substantially from the introduction of Competition Law and the broader pursuit of competition policy. While Jersey will remain subject to global economic trends, competition policy does have tangible positive effects in Jersey's economy."

A copy of the Study is available on the JCRA's website, www.jcra.je.

All enquiries should be directed to the JCRA's Executive Director, Chuck Webb, on +44 (0)1534 514990.

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.

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