

JCRA Media Release

10 March 2009

JCRA Closes Investigation into Airside Retail Services at Jersey Airport

The JCRA has closed its investigation into an exclusive agreement between Jersey Airport to the Alpha Airport Group (Jersey) Limited ('Alpha') (since acquired by Autogrill S.p.A.) concerning the provision of retail services in the area behind security in the departures terminal of Jersey Airport ('airside'). The JCRA closed the investigation because of recent and planned increases in competition in the provision of airside retail services, which effectively should end Alpha's long-standing monopoly to provide such services.

The JCRA commenced its investigation in August 2006. From the start, Jersey Airport has fully cooperated with the JCRA. This investigation focused on a long-standing exclusive agreement between Jersey Airport and Alpha to provide retail services at the airside of Jersey Airport. An exclusive contract airside effectively creates a monopoly because once a person passes through security at the departures terminal, the selection of retail services available to that person is limited to those located airside.

The most recent renewal of this agreement in 2005 extended its term until 2017. The JCRA was concerned this arrangement effectively extended the monopoly for too long a period without the contract being subject to competition, which may infringe Article 8 of the Competition (Jersey) Law 2005.

Since the start of the JCRA's investigation, there have been a number of developments that have helped to address our concerns:

- In 2008, and pursuant to JCRA Decision M237/08, WH Smith acquired World News, located at the airside of the Airport, from Alpha. In this Decision, the JCRA observed that this acquisition had the potential to increase competition against Alpha.

- During January and February 2009, Jersey Airport advertised for expressions of interest for three new retail units at the airside of the Airport. It is expected that these new outlets will open in 2009. They will be independent of both Alpha and WH Smith, and therefore should expand competition and consumer choice airside at Jersey Airport.
- Finally, Jersey Airport has committed to a full open market tender process before the expiry of the current contract with Alpha in 2017.

These developments provide the JCRA with sufficient grounds to close this investigation. Concerning the matter, the JCRA's Executive Director, Chuck Webb, states:

“From the start, the JCRA’s investigation of this matter was done on a cooperative basis with Jersey Airport. In the end, we are pleased that the market has developed whereby consumers at the Airport should benefit from greater choice and increased competition.”

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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