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JCRA Media Release

19 October 2010

Further Competition in the Postal Market Allowed

The JCRA has announced that it is to licence both Citipost and Hub Europe to provide postal service in Jersey. The licences will allow both companies to provide postal services to the fulfilment sector, starting with the packet market later this year and large letters from 1st January 2012. The decision follows a lengthy review of the postal market.

“This decision will ensure that postal customers will continue to receive a high quality postal service but it also ensures an important part of Jersey’s economy – the fulfilment industry - can remain competitive by having access to the most competitive postal charges,” said John Curran, Executive Director at the JCRA. *“By phasing the market opening, Jersey Post now has a very real incentive to make the type of changes to its business that is needed given the changes in the postal market.”*

The decision to grant the licences follows a consultation on the proposals earlier this year and a review of Jersey Post’s efficiency. Jersey Post has announced plans to make in excess of £4m in efficiency savings.

“With falling mail volumes in the traditional postal market, the need to look at how postal services are provided is paramount. In our work with Jersey Post we have been impressed with the degree to which the company, in partnership with its unions, is facing up to this challenge. However it is critically important that Jersey Post continues to focus on cost control to ensure it actually achieves its planned savings,” said John Curran. *“Consumers are using the postal service in very different ways now and the challenge*

from alternative communications means, such as email and social networking sites, means Jersey Post needs to be proactive in tailoring the postal service to meet the needs of customers.”

Both Citipost and Hub Europe will from 18th November 2010 be able to convey Packets and from 1st January 2012 Large Letters. Both licences are subject to a Minimum Volume Requirement restriction, which for Large Letters is a minimum of 50 items in any one mailing, and for Packets is 25 items in any one mailing.

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Information for Editors

All enquiries concerning this Media Release should be directed to the JCRA’s Executive Director, John Curran 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.