

JCRA Media Release

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Study Estimates over £20 million in Savings in Jersey Arising from Competition Law and Policy

The Jersey Competition Regulatory Authority (“JCRA”) has published a study entitled *Impacts of Competition Policy in Jersey: Update Report*, 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. This report updates prior research done by the JCRA, originally published in September 2008 (see JCRA, *Impacts of Competition Policy in the Bailiwick 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 beneficial but generally seen as 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 aggregate consumer savings of approximately **£2 million** per year, or approximately **£8.75 million** in total savings since the start of 2006.
- Jersey consumers now have unprecedented choice in mobile telephony, with three network competitors and mobile number portability. For the period covered in this Study (July 2008 to present) the JCRA estimates that increased competition in mobile telephony has resulted in aggregate consumer savings in Jersey of approximately £3.5 million. Combined with the £2 million in savings identified in the JCRA’s September 2008 Study, this equates to total consumer savings of over **£5.5 million** arising from competition in mobile telephony since 2006.

- Finally, the JCRA estimates that increased competition in the provision of off-island private circuits has saved businesses in Jersey approximately **£1.6 million** over the past two years.

Combining these estimated savings numbers with the £5 million estimated savings in fixed-line calls to the UK identified in the JCRA's September 2008 Study (an estimate that remains valid), **results in estimated total savings in excess of £20 million**. 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 Jersey has benefitted substantially from increasing economic efficiency through the pursuit of competition policy. While Jersey will remain subject to global economic trends, competition policy has produced tangible positive effects for 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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