



CICRA media release

9 January 2012

Jersey Post to be allowed to increase stamp prices

The Jersey Competition Regulatory Authority (JCRA) has agreed that Jersey Post may increase stamp prices in 2012.

The existing price control on Jersey Post ended in December and the JCRA had proposed a one-year extension. The decision follows a 28 day consultation which has now closed.

The proposal to allow Jersey Post to raise prices follows the announcement by the UK Treasury that it is to remove Low Value Consignment Relief (LVCR) for imports to the UK from the Channel Islands from 1 April 2012.

The JCRA, which alongside the Office of Utility Regulation is part of the Channel Islands Competition and Regulatory Authorities (CICRA), is currently reviewing Jersey's postal sector for the Economic Development Department and will examine measures that the regulator can take to help support the fulfilment industry in Jersey and support Jersey Post in providing the universal service.

John Curran, executive director of the JCRA and head of CICRA, said: "The threat to the island's fulfilment industry is of great concern and while we have always believed that the ordinary postal service should be self-sustaining, we recognise that the short time frame within which the rules on LVCR will change presents a major challenge to Jersey Post.

"We need to ensure that Jersey Post can provide the universal service, which it is required to do under the Postal Services Law, and we believe this can be done through a combination of price changes and further efficiency savings from Jersey Post," added Mr Curran.

The ultimate decision as to whether stamp prices will increase (and if so, by what amount) will be taken by Jersey Post during the year.

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NOTES TO EDITORS:

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About the CICRA

The Channel Islands Competition and Regulatory Authorities (CICRA) is the name given to the two Channel Islands regulatory authorities, the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Office of Utility Regulation (OUR). A memorandum of understanding was signed in December 2010 to facilitate closer working between the two authorities. Both regulatory bodies were established in 2001. The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001 and the OUR was established under the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001. In Jersey the telecoms and postal sector are regulated by the JCRA, which is also responsible for administering and enforcing the Competition Law (Jersey) 2005. In Guernsey the telecoms, postal and electricity sector are regulated by the OUR. The aim of both authorities is to ensure that consumers receive the best value, choice and access to high quality services while Jersey has the added responsibility of promoting competition and consumer interests.