



CICRA media release

13 September 2012

CICRA welcomes approval of petrol price display rule in Jersey

CICRA (the Channel Islands Competition and Regulatory Authorities) has welcomed news that all petrol retailers in Jersey will be legally required to display signs at the roadside showing their selling price for fuel.

The competition regulator completed a study into the retail and wholesale road fuel markets in Jersey in August 2011 and recommended to the States of Jersey that the law should be changed to require all petrol stations to visibly display fuel prices at the roadside.

On 2 November 2011, the States of Jersey adopted a proposition brought by Senator Alan Breckon, to accept and act upon CICRA's recommendation. The draft regulation was passed by the States of Jersey yesterday.

CICRA's study found that, of the 34 retail forecourts in Jersey, only nine displayed the price of road fuel so that it could be seen easily from the road and that of those nine, only five displayed the price so that a passing motorist would notice it without specifically looking for it.

In addition, the study found that, taxes aside, Jersey consumers were paying on average 14 pence per litre more than UK consumers for undiscounted unleaded petrol. Prices from retailer-to-retailer in Jersey varied significantly, with an undiscounted difference of about 13 pence per litre between the most expensive and cheapest prices of the major retailers.

CICRA Chief Executive, Andrew Riseley, said: "We hope that by requiring petrol retailers to publish the price of fuel more clearly on their forecourts, it may help improve the level of

competition in this market. Roadside price displays will enable consumers to compare prices more easily and to make a more informed decision on where to buy their fuel. It should also increase general price awareness from motorists noticing the price of fuel as they go about their daily business. This is likely to accelerate the shift in market share to those retailers with cheaper prices, encouraging greater price competition.

“Since the publication of last year’s report, we have noticed that some forecourts have already voluntarily put up new displays. While some forecourts have responded by displaying prices more clearly, a law appears to be the only way to achieve that more widely.

“Our principal aim is to ensure that consumers in Jersey and Guernsey receive the best value, choice and access to high quality services. The market studies undertaken by CICRA provide useful insights in enabling us to highlight areas where more could be done to enhance competition in markets. We believe that this roadside price display law is a proportionate and pragmatic measure, which will increase competition in the road fuel market at modest cost,” said Mr Riseley.

CICRA is currently completing a market review into electricity prices in Jersey and will soon be conducting a pan-island market study into retail grocery prices. The regulator also plans to undertake a review of the road fuels market in Guernsey in the first quarter of 2013, drawing on the results of the market study in Jersey and the recently-announced review by the UK Office of Fair Trading.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority (formerly the Office of Utility Regulation), Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@cicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, as amended by The Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity

sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it has come into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.