

Ref: A952J

17 January 2013

Mr Andrew Riseley,
Chief Executive
Jersey Competition Regulatory Authority
2nd Floor Salisbury House
1-9 Union Street
St Helier
JE2 3RF

Dear Andrew,

Request by the Minister for Economic Development for the Jersey Competition Regulatory Authority (JCRA) to produce a report examining the market for the supply of cigarettes and hand-rolling tobacco in Jersey under the authority of Article 6(4) of the Competition Regulatory Authority (Jersey) Law 2001.

In light of the current public interest surrounding the cost and pricing of tobacco products locally, I have decided to request the JCRA to undertake a study into the market for the supply of cigarettes and hand-rolling tobacco in Jersey, in the terms detailed below. As this is a request under Article 6(4) of the Competition Regulatory Authority (Jersey) Law 2001, it provides the JCRA with powers under Article 26(2) of the Competition (Jersey) Law 2005 to require the provision of information, etc.

The aims of the review should be as follows:

1. To undertake an analysis of prices, costs and profits at the importation, wholesale and retail levels of the supply of cigarettes and hand-rolling tobacco in Jersey;
2. To produce a report on the level of competition in the supply of cigarettes and hand-rolling tobacco in Jersey, with specific reference to exclusive agreements, making any such recommendations for changes or improvements that might be considered.

The scope of the review should cover cigarettes and hand-rolling tobacco. In particular, it is requested that the report:

1. Compares the average wholesale and retail prices for cigarettes and hand-rolling tobacco sold in Jersey with prices charged in the United Kingdom and any other relevant jurisdictions based on available data;
2. Gives consideration to regulations in respect of the import and supply of cigarettes and hand-rolling tobacco in Jersey, as well as the States of Jersey Tobacco Strategy, and whether they impact on competition;
3. Considers and reports on any other relevant matters that may arise during the course of the JCRA's review.

The JCRA will endeavour to complete this project by May 2013. The JCRA has discretion in deciding whether to publish any findings, the level of detail of the same and in what form any such report or publication will be published, balancing issues of accountability, effectiveness and confidentiality. If possible, the JCRA will meet the

cost of the review from its own resources, although I will consider requests for assistance should any arise. Expenditure which the JCRA may hope to reclaim from the Department must be approved by me before any commitments are made.

Yours sincerely

Senator Alan Maclean
Minister for Economic Development