



## **Freight review – terms of reference**

As both Jersey and Guernsey are island economies, both are heavily dependent on the transport of goods by sea.

In 2005 CICRA carried out an assessment of a merger transaction in the freight services markets. At that time, CICRA noted that there were a number of ways in which competition in this market might not be working as well as it could. It decided that it would look at those issues again in the future. Several concerns around how this sector of the economy is working have also been brought to CICRA's attention by market participants.

CICRA has carried out some initial scoping work and has consulted on the issues that should be considered in this market review.

Having considered all the material provided to it, CICRA considers that the appropriate focus of this market review should initially be on the choices available to consumers when selecting a freight transport provider, with a particular focus on barriers to switching (actual or perceived). It considers that relevant questions are likely to be:

- (a) What factors do customers take into account when selecting a freight transport provider (e.g. cost; resilience; reliability)?
- (b) Do consumers consider that they have an adequate choice of freight transport providers when bringing goods into the Channel Islands?
- (c) How frequently do consumers tend to switch between providers of freight transport services? What do they perceive as barriers to such switching (if any) and (if such barriers are identified), to what extent do they prevent switching in practice?

CICRA has engaged Frontier Economics to assist it in carrying out this review. A non-confidential version of Frontier's report will be published on CICRA's website when this work is completed, currently expected to be at the end of the second quarter of 2017.