

# Alcohol pricing and promotions market study: Key findings



## On-licence trade restrictions

Jersey's on-licence pricing restrictions are unique. Stakeholder feedback, economic theory and market outcomes all suggest they restrict competition.



There are relatively higher on-licence prices on Jersey. This suggests the removal of pricing restrictions and responsible use of promotions could encourage competition and benefit consumers.



Inconsistencies in the way the Guidance is applied could impact the level playing field in the on-licence market.



High prices in the on-licence sector are likely to lead to a shift away from on-licence to off-licence consumption. This is a trend identified by stakeholders and is consistent with economic theory, and the weight of econometric evidence from other countries.



There are other features of the on-licence trade that might also have an impact on competition. This includes tied relationships and exclusive wholesale supply deals.



## Off-licence trade restrictions

It appears few products were affected by the introduction of minimum unit pricing. However, it is too soon to reach definitive conclusions on its impact as its introduction coincided with COVID restrictions and the shift of demand to off-licences.

