



Case M-002

Freight logistics market study

Findings and recommendations

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# 1 Overview

- 1.1 This document provides an overview of the Jersey Competition Regulatory Authority (**the Authority**)’s findings and recommendations for the freight logistics market study. It follows the consultation published in February 2021 which set out draft findings and options for recommendations.
- 1.2 A market study is the analysis of a market as a whole, or features of a market; in this particular case, factors that may affect competition and the resilience of supply. This allows for an assessment of how well the market is working and if any changes should be recommended to make it work better.
- 1.3 The Authority first carried out a market study into freight in 2017. This focused on the choices available to consumers when selecting a freight provider, with a particular focus on barriers to switching. This study considers the underlying structure and features of the market as well as the broader supply-side conditions, and effectively complements the previous study.
- 1.4 This study has developed analysis on the current market structure in order to understand whether this reflects economic fundamentals, or whether other non-economic barriers such as institutional, policy and other factors are determining market structure and the conditions of supply. This has been complemented by a high-level analysis of competition and supply in comparable - and international - freight logistics markets.
- 1.5 In the delivery of this market study the Authority has been supported by Fisher Associates.<sup>1</sup> Accompanying this document is a Fisher report “Freight logistics market study: final report” (**final report**). The final report sets out the detail behind the findings of the study summarised in this document and builds on consultation feedback on the Fisher Associates draft report.

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<sup>1</sup>Fisher Associates are international consultants, with extensive experience providing strategy, financial and economic, and management consultancy in the maritime, aviation and related multimodal industries.

## 2 Background

2.1 This section is split into four subsections, which cover in turn:

- The role of the Authority;
- Overview of market studies;
- Terms of reference for the freight logistics market study; and
- The market study process for freight logistics.

### The role of the Authority

2.2 The Authority is responsible for promoting competition in the supply of goods and services in Jersey, together with the economic regulation of the ports, postal and telecommunications sectors.

2.3 As an independent regulator, the Authority has ambitious aims to help shape and sustain the Island's economic future, for the benefit of Jersey consumers, citizens and businesses. These aims are captured in the Authority's Strategic Plan.<sup>2</sup> This plan is the guiding framework within which the Authority shapes, prioritises and delivers its annual Business Plan.

2.4 Competition law and economic regulation seek to achieve economic efficiency and sustainable competition. This allows consumers to have the benefits of fair prices, desirable goods and services and the opportunity to choose what they want to buy. This can be challenging at times in a small market, such as Jersey, given understandable economic constraints. But equally, can present opportunities to consider pragmatic approaches tailored to market needs.

### Overview of market studies

2.5 A market study is a flexible tool to explore whether a market, or a feature of a market, is working well for Jersey consumers. Broadly, it considers the relationship between consumer behaviour in a market, the behaviour of businesses in that market, the market's structure and other factors relevant to the performance and/or operation of a market. By looking at these issues, the Authority can determine whether action that can encourage change will help address any actual or potential constraints to competition.

2.6 While the Authority will seek to apply a consistent approach and 'template' to each market study, a market study is not a formal competition investigation, and the Authority has wide discretion in how it frames a market study and the analytical framework it chooses to apply to any market study.

2.7 The outcomes of a market study may be one or more of the following:

- A clean bill of health for the market;
- Consumer/business focused action; and/or
- Recommendations to Government/Authority.

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<sup>2</sup> See: <https://www.icra.je/strategic-plans/strategic-plan/strategic-plan/>

- 2.8 An important point to note is that the focus of a market study is not the actions of any specific business or firm, but rather the functioning of the market as a whole. It should be nevertheless noted that, if as part of a study, evidence emerged to suggest a more formal investigation were to be required under Competition Law, the appropriate tool would be competition enforcement, not a market study. In this scenario the market study would be stopped and instead a formal investigation launched.
- 2.9 Consistent with the Authority’s Strategic Plan, market studies are used to address issues with competition in those markets where change would most benefit Islanders.

Terms of reference for the freight logistics market study

- 2.10 The study was carried out against published terms of reference which are included in the box below. These were set by reference to previous studies and independent advice, and also the Authority’s understanding of the market from its role as competition authority and the previous work conducted in the market for freight logistics.

**Box: The published terms of reference<sup>3</sup>**

The Authority will carry out a study into factors that may affect competition and supply resilience in the freight logistics market supplying Jersey. The study will cover the following areas:

1. Whether the current structure of the freight logistics market reflects economic fundamentals (such as the cost of transport) or other barriers and market failures;
2. Comparable international experience of competition, efficiency and supply resilience in the freight logistics market; and
3. Any actions that could promote competition at different levels and across different market segments, ensure efficiency and supply resilience in the freight logistics market and constructively and sustainably reduce any barriers to entry found.

For the purposes of this terms of reference freight logistics is defined by the Authority as the facilities and services available for transporting goods between a point of specific despatch to the Island and arrival at a local distribution, forwarding or storage point and between a local point of despatch and arrival at a specific non-local distribution, forwarding or storage point.

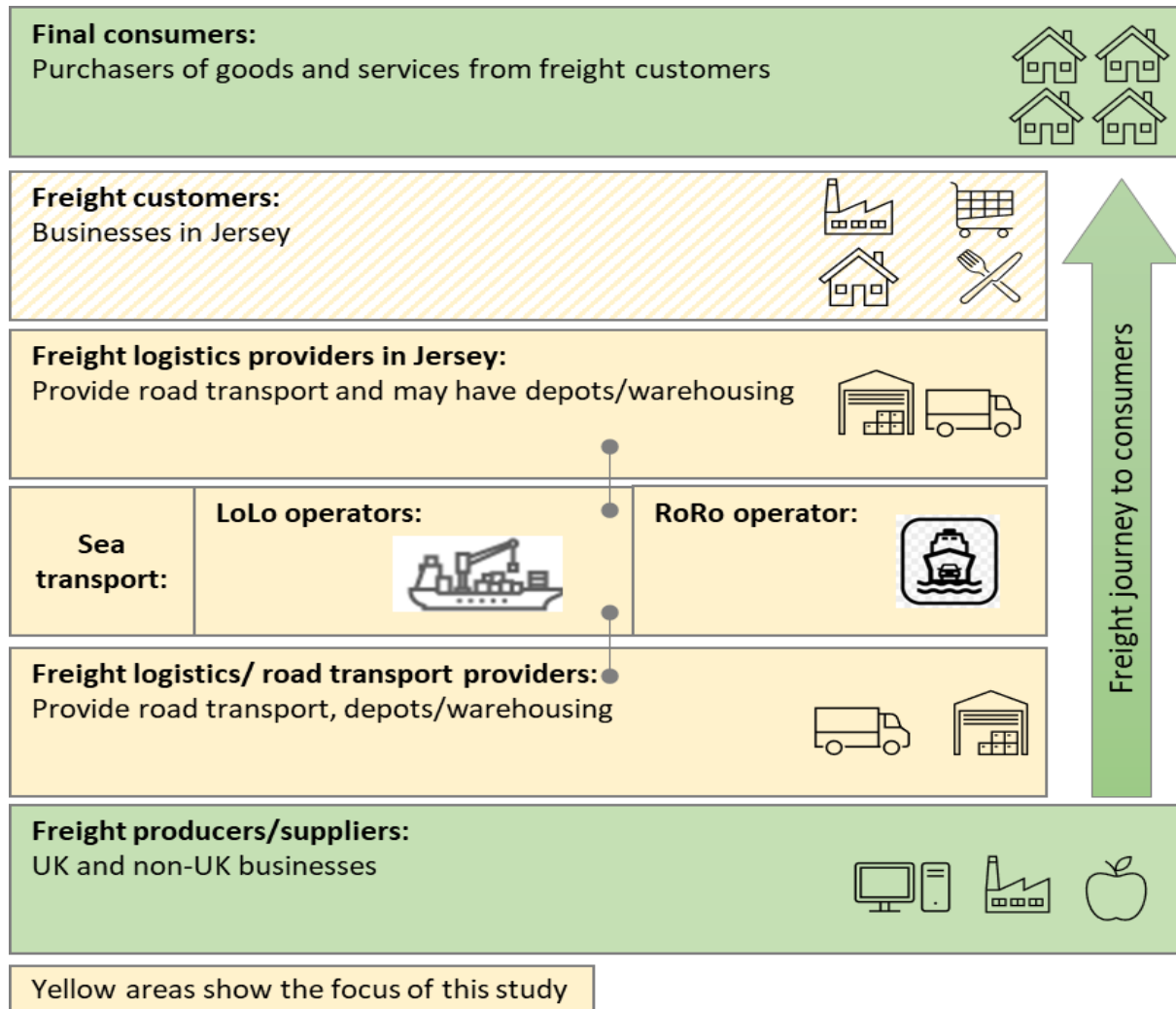
- 2.11 The specific areas within the scope of the study is shown in Figure 1 overleaf. It is important to note that the study excluded:
  - Air freight - This has limited volume when compared to freight delivered by sea. Further, freight conveyed by air tends to require rapid transport and therefore commands a comparatively premium price.
  - Bulk transport and storage of fuel – These require more specialist and narrowly focused facilities and services and are therefore subject to specific economic factors.
  - Analysis of the Condor shipping rate card – This is outside the scope of a market study, which is designed to review the structure of the market. Further, Condor’s services are subject to the terms and conditions of the Operating Agreement,<sup>4</sup> which is managed by

<sup>3</sup> See: <https://www.jcra.je/cases/2021/m-002-freight-logistics-market-study/freight-logistics-market-study-terms-of-reference/>

<sup>4</sup> See: <https://cdn.ports.je/web/ID%20Agreement%20Condor%20Operating%20Agreement%2020140715%20KW.pdf>

Ports of Jersey on behalf of the Government. This includes the performance criteria and the prices charged to freight users (reflected in the shipping rate card). This Agreement is currently being renegotiated and the Authority is available to provide support and advice to the Government on the competition aspects of the Operating Agreement.

Figure 1: Overview of the freight logistics market in Jersey and the areas of focus of the study



Source: Fisher Associates

## The market study process for freight logistics

2.12 The freight logistics market was selected for study following a structured approach. This involved the identification of a long list of potential candidate markets which were screened to determine those most relevant to Jersey. The subsequent short list was then assessed against a structured range of criteria to rank in order of desirability. This process resulted in the freight logistics market being selected as:

- Jersey is dependent on its freight logistics connections for the transportation of goods onto and off the Island. All Islanders benefit from regular and reliable services available at a fair price, or will feel the impact if this is not the case.

- The freight logistics market is subject to structural and economic constraints, and it is important to understand how this impacts the market and competition within it. As noted above, there have also been changes to the market since the last market study into freight logistics in 2017 , including the entry and exit of different firms. Further, recent external environmental factors may have also impacted on the market and businesses operating within it, chiefly Brexit and the Covid-19 pandemic.
- 2.13 After finalising the terms of reference, the Authority launched this market study publicly in July 2021. In September 2021, Fisher Associates were appointed to support the market study after a competitive procurement process based on criteria including proven expertise, strategic fit and value for money.
- 2.14 From October to December 2021, the following steps were taken to develop the draft report:
- Interviews (mostly via Microsoft Teams) with key stakeholders in Jersey and elsewhere covering ferry services, Ports of Jersey, freight transport companies, Government, and some customers in retail and wholesale sectors.
  - Analysis of data and fact gathering to provide evidence to support or refute issues raised in the interviews. Note, the approach and level of analysis was consistent with the requirements of a market study framework and also drew on a range of sources as set out below.
  - Structured comparisons with the markets in Shetland / other Scottish islands, Isle of Man, Isle of Wight, Bornholm in Denmark and Majorca. These locations were selected because they are island economies with similar populations to Jersey, and face similar challenges and present different solutions.
  - Commissioning two supplementary independent pieces of work by Jersey-based consultants to:
    - Canvas a wider number of stakeholders, in particular users of freight logistics services; and
    - Look at the practical issues with developing trade with France.
  - Site visit by three members of the Fisher Associates team to see the facilities first hand, have follow-up meetings and be shown the port masterplan proposals.
- 2.15 After reflecting on the information gathered and initial analysis, the Authority decided to introduce an additional step in the study process, which took the form of a consultation on the draft report, including the draft findings and options for recommendations. This was announced to stakeholders by the publication of an Information Note in January 2022.
- 2.16 The consultation period began on 17 February 2022 and closed on 1 April 2022. The Authority received six responses to the consultation in total, one respondent’s submission remains confidential, while the other five respondents agreed to publication of their responses to the consultation and these are listed below:
- Breakwells;
  - Condor Ferries;
  - Ferryspeed;

- Jersey Business; and
- Jersey Post.

2.17 The Authority welcomes all respondents' submissions on the draft report and consultation, and also the positive engagement throughout the consultation process with each of the key stakeholders. Public versions of the responses are available on the Authority website.

2.18 Following closure of the consultation, the Authority also held separate sessions with key stakeholders. These sessions were scheduled in May 2022, and provided stakeholders with an opportunity to outline their written submissions and to raise any other matters relating to the draft report (and the freight logistics market).<sup>5</sup> For example, any market developments, or additional contextual and commercial issues not already included in stakeholders' written submissions. Once again, the Authority thanks each of the stakeholders for participation in these sessions and their constructive engagement throughout.

2.19 Annex A to this document sets out a high-level summary of stakeholders' responses and some of the key issues raised in the consultation. Annex A also provides an outline summary of the Authority's comments on the main issues arising in stakeholder's responses.

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<sup>5</sup> Although Ports of Jersey did not provide a written response, a meeting was also held with them given their key role in the freight logistics market through the provision of port facilities.



### 3 Market study findings

- 3.1 The market study found that competition in the freight logistics market could be more effective. If there was more competition, freight logistics operators would face stronger pressure to deliver the right prices, quality and range to satisfy a diverse range of preferences.
- 3.2 In this context, the Authority has identified three key areas for the findings from the market study. The findings relate to:
- Competition issues;
  - Market resilience; and
  - Market observations.

#### Competition issues

- 3.3 A key issue in the market study relates to the lack of capacity at the Port of St Helier. The Port of St Helier is physically constrained, which causes operational challenges, and limits the scope for new entry and/or the expansion of existing operators (for lack of additional capacity and transit warehousing). The majority of the existing warehousing capacity is operated and managed by one freight logistics operator.
- 3.4 The temperature-controlled business is also currently managed and operated by a single entity. Significant investment in equipment would be required for another operator (Roll-on, Roll-off (**RoRo**) or Lift-on, lift-off (**LoLo**)) to support cold chain supply; it would also require (transit) warehousing capacity.
- 3.5 The Authority's findings in respect of the potential competition issues are listed and described in outline terms below:
- Lack of space in the port limits new entrants, constrains growth and introduces potential inefficiencies in operations;
  - Warehousing capacity at the port is a specific constraint, in particular in the context of temperature-controlled business; and
  - Competition in freight logistics is also affected by wider policy matters, for example road accessibility and vehicle restrictions, which reduce the scope for handling freight outside the port. Further, the Condor Operating Agreement makes it difficult to set up new RoRo freight services.

Further detail: final report, section 3

#### Market resilience

- 3.6 Market study analysis (and engagement with stakeholders) indicated that freight logistics showed itself to be resilient during the pandemic. However, this does not preclude risks to future market resilience, and going forward, most users remained concerned about choice. Indeed, a number of the stakeholders referenced the potential resilience risks were there to be a material change in market circumstances and/or structure, such as, key entities ceasing to trade.

3.7 The Authority's findings in respect of the above, and more generally on market resilience, are listed and described in outline terms below:

- Jersey is heavily dependent on one RoRo operator / one large freight logistics provider / trade with UK. This could be a potential market resilience risk;
- LoLo traffic in Jersey remains high relative to other locations and, for some goods, offers an alternative to RoRo; and
- Proximity to France creates an opportunity to diversify and increase supply resilience.

[Further detail: final report, section 4](#)

## Market observations

3.8 The Authority's market study also served to illustrate that there is considerably greater scope for an improved understanding of current operations and constraints, primarily capacity related, and therefore, also greater scope for efficiency. There are also future challenges that will effect the freight logistics market and operations.

3.9 The Authority's findings in respect of the above, are listed and described in outline terms below:

- There is scope to improve efficiency within the current port constraints, through a better understanding of how freight logistics is operating in Jersey; and
- A greater focus on the environment and carbon emissions offers both challenges and opportunities for freight logistics, for example the use of green fuels for both shipping and landside operations.

[Further detail: final report, section 5](#)

## 4 Market study recommendations

- 4.1 In developing the final set of recommendations, the Authority has taken full account of stakeholders' views and these have also been incorporated into the Authority's analysis. The Authority's refined approach builds on the comments received during consultation and the representations made during engagement with stakeholders, these are also reflected in the final Fisher Associates report. While the Authority's revised recommendations adopt a wider market perspective, they also ensure that key issues are addressed by relevant stakeholders.
- 4.2 The Authority's recommendations are effectively drawn from the findings of the study. For example, one of the Authority's main findings relates to port and warehousing capacity, which acts as a constraint on more effective competition. Therefore, recommendations 1 to 4 directly address the issue of capacity, from an immediate (recommendations 1-4) and medium-term (recommendation 5-7) perspective, and provide guidance on how each of the recommendations might be addressed and by whom.
- 4.3 The Authority, through its role as the regulator of port operations in Jersey, will support the implementation of these recommendations. More broadly, the Authority will closely follow further policy developments related to freight logistics and seek updates on implementation of the recommendations.
- 4.4 Figure 2 sets out the Authority's recommendations, which are intended to give effect to changes designed to make competition more effective and help improve the price, quality and range of freight logistics services available to Jersey businesses.

*Figure 2: Overview of recommendations*

Recommendations	Description and rationale
Recommendation 1: Ports of Jersey to review the use of facilities and leasing arrangements at the port of St Helier.	Investigate further opportunities to release space in the port and reassign usage for freight logistics operations, for example this could include enhancing temperature controlled facilities.  This is consistent with the finding that capacity constraints are a competition issue, potentially limiting entry and/or expansion and causing inefficiency.
Recommendation 2: Government/DVS to review traffic/accessibility issues on Jersey to create temporary and targeted 'freight corridors'.	A temporary and targeted relaxation of restrictions on vehicle size and operating times would help to create a 'freight corridor' to warehousing outside the port estate and thereby increase access to space.  In addition to the port-specific capacity constraints, competition in freight logistics is also affected by wider policy matters, such as road accessibility and vehicle restrictions which reduce the scope for handling freight outside the port.
Recommendation 3: Ports of Jersey to support initiatives to drive improvements in operational efficiency within current constraints at the Port of St Helier.	Supporting initiatives to drive improvements in operational efficiency through data collection, monitoring and coordination between different parties, this includes capturing the experiences of buyers of freight logistics.  This is aligned with the market observation that there is scope to improve efficiency within current constraints and a need to better understand how well the freight logistics market is working.

<p>Recommendation 4: The freight industry should establish a Freight Trade Association, to drive efficiency and support innovation in the sector.</p>	<p>The freight industry in Jersey should work together to help identify and drive further efficiencies for the sector. A Trade Association offers a forum to improve communication and collaboration between all players (in a manner compliant with competition law) and encourage innovation, particularly digitisation.</p> <p>This is aligned with the market observation that there is scope to improve efficiency and a Trade Association can help give more effect to monitoring and coordination, and improved communications.</p>
<p>Recommendation 5: Government should develop a policy framework to support effective competition in the freight logistics sector, including a Ports Policy.</p>	<p>A clear policy framework which ensures that the needs of freight logistics are met not only through port facilities being fit for purpose into the future, but addressing wider issues impacting on the sector, will support effective competition in freight logistics. A key enabler here is the development by Government of a Ports Policy.</p> <p>A clear policy framework will help ensure a common position between Government (as both policymaker and shareholder), regulator and industry that would enable the identification of a clear vision for the port of St Helier and freight logistics in Jersey.</p>
<p>Recommendation 6: The Ports of Jersey should ensure the Ports Masterplan will support effective competition in freight logistics sector.</p>	<p>The Ports Masterplan should take into account the current space constraints in respect of freight logistics, with a view to supporting effective competition in the market now and in the future (RoRo and LoLo). It should also be implemented in a holistic and integrated manner to enable flexible use of infrastructure to meet potential future requirements.</p> <p>This is consistent with the finding that capacity constraints are a competition issue, potentially limiting entry and/or expansion and causing inefficiency in port operations.</p>
<p>Recommendation 7: Government to support the development of existing and new freight routes to France.</p>	<p>To support this will likely require initiatives to support French trading links, for example providing Government stimulus support as appropriate, disseminating additional information on, for example, customs procedures and market information.</p> <p>This is consistent with the findings in respect of resilience, in particular the creation of additional supply resilience, through the consideration and development of French routes.</p>

[Further detail: final report, section 6](#)

## 5 Next steps

- 5.1 The recommendations from the study are for the consideration of the identified stakeholders, and the Authority will closely follow further policy developments in this area. A key linked project for the Authority is the Regulatory Framework Review for Ports of Jersey, due to commence later this year. Within this project the Authority will consider what steps it can take to support the recommendations. More broadly, the Authority will closely follow further policy developments related to freight logistics and seek updates on implementation of the recommendations.
- 5.2 As set out in the Authority's 2022 Business Plan the Authority's market studies regime aims to address issues with competition in those markets where change would most benefit Islanders. Already in 2022, alongside the work on freight logistics, the Authority has completed market studies into Alcohol Pricing and Promotions and Telecoms Retail Pricing. Further studies are planned and these will be announced in due course.

## Annex: Consultation response annex

The responses to the consultation presented a wide spectrum of analysis and views, and varied both in approach to the draft findings and options for recommendations and perspectives on different issues. In addition to the helpful contributions made by each of the respondents on each of the matters raised in the consultation, a number of other issues were also - helpfully - identified for further Authority consideration. The table below provides a high-level summary of responses grouped by area, or theme referenced in the consultation. The table also sets out the Authority's high-level response to the points raised.

Respondents should note that not all of the comments made by each stakeholder will be captured in the table below. However, the Authority has given careful consideration to every written submission, and where appropriate, taken full account of them in the Authority's recommendations.

*Figure 3: Consultation response summary table*

Area, or theme in the consultation	High-level overview of respondents' comments	Authority's response
Scope of the market study and issues not included in the terms of reference	A number of respondents referenced – indeed, some focussed on – the rate card, albeit with different observations as to the application, operation and potential effects of it. Respondents also referenced other potentially relevant matters, e.g., air, and queried their absence from the market study.	<p>The terms of reference for the Authority's Market study set out the scope of the review and that the focus of the study would be on freight delivered by sea.</p> <p>With respect to the rate card, it is out of scope of a market study, Condor's services are subject to the terms and conditions of the Operating Agreement, which is managed by Ports of Jersey on behalf of the Government. This Agreement is currently being renegotiated and the Authority is available to provide support and advice to the Government on the competition aspects of the Operating Agreement.</p> <p>With respect to air freight, the Authority recognises it competes with sea transported freight at the margins, for high value items that require rapid transport. Nevertheless, the vast majority of freight is delivered by sea and this is reflected in the focus of the study.</p>
Market study framework	While most respondents broadly agreed the Authority's general approach, one respondent stated that the market study lacked a systematic approach and failed to properly assess consumer outcomes. Another respondent argued that the Authority's study did not go far enough (or quickly enough) to encourage greater competition.	The market study is intended to give a view of the economic fundamentals and other key elements of the market. It is not a formal competition investigation (under Jersey Competition Law), and the Authority can apply its discretion on approach and the proposed analytical framework.

Area, or theme in the consultation	High-level overview of respondents' comments	Authority's response
Market assessment	<p>Respondents had different observations on the 'structure' of the market and the market dynamic. One respondent indicated a potential market failure, while another suggested the Authority had failed to identify any competition problems. Other comments referred to a possible separation of temperature-controlled markets (from general freight); and, how population growth and the move to online purchasing may affect the future direction of market.</p>	<p>Respondents' comments are broadly aligned with the Authority's analysis of the market, in terms of the structure and the potential for more effective competition. As noted, the market study is not a formal competition investigation, requiring either formal market definition and/or evidence-based findings of market failure.</p>
Approach to bilateral negotiations	<p>One respondent argued that the Authority should have applied the "bargaining framework" to the freight logistics market. This framework takes into account the interactions between buyers and sellers and alternative outside options available. Application of this framework would illustrate that it is possible to have positive outcomes even where is apparently limited competition between current providers in the market.</p>	<p>The Authority's view is that it is unlikely the bargaining framework would be applicable in the Jersey context and that the wider consideration of competition, captured in the Authority's findings, offers a richer perspective on the market.</p> <p>In the context of freight logistics in Jersey – with one RoRo operator on one side of the bargaining table and with one large freight logistics provider on the other side of the table – the Authority's view is it is that buyers of freight logistics services do not have a large set of outside options available to them.</p>
Space constraints (port and warehousing)	<p>Space constraints at port and on warehousing was agreed by the majority of respondents as being a key issue and of primary concern, albeit there were different views on the nature of the constraint and possible remedies. Respondents also held different views on how demand for warehousing space might be allocated, while others indicated access to additional space was now a pressing commercial issue. Most respondents referenced and recognised the importance of the Ports Masterplan in the medium-to-long term.</p>	<p>Respondents' comments are broadly aligned with the Authority's analysis of the market. This is reflected in the Authority's findings on competition issues and also set out in the Recommendations. These recognise the importance of addressing the issue of capacity, from an immediate (recommendations 1-4) and medium-term (recommendation 6) perspective.</p>
Facilities planning, leasing and otherwise	<p>Respondents were generally supportive of creating more space and flexibility. In the context of more immediate planning, one of the key issues emerging from respondents related to transport/conveyance constraints, e.g. for the creation of flexible freight corridors, and more light industrial space (on and off port). Other comments focussed on the potential for revised operational practices to increase usage and efficiency (of the existing estate). In addition to comments on re-</p>	<p>Respondents' comments are broadly aligned with the Authority's analysis of the market. This is reflected in the Authority's findings on competition issues and also set out in Recommendations 2 and 3. Recommendation 2 directly reflects feedback from stakeholders on the importance of alleviating, in the short term, capacity issues at the Port by also enabling greater movement of freight.</p>

Area, or theme in the consultation	High-level overview of respondents' comments	Authority's response
	<p>assigning current usage, through (re)leasing or re-assignment, respondents questioned the feasibility and expediency, while others referenced the need to ensure that short-term planning does not inadvertently preclude more long-term solutions.</p>	
Market resilience	<p>One respondent argued that the Authority had not properly assessed the issue of operator resilience and queried the Authority's analysis on certain points, for example, arguing that multiple operators would not guarantee market resilience, citing the example of the UK retail energy sector, which had multiple players but had not proved to be resilient. Another respondent viewed resilience from a slightly different context, e.g. from the perspective of ferry berths and port infrastructure (mixing of freight and passenger access etc.).</p>	<p>Market resilience is captured in the Authority's findings, and these findings take a wider market-based perspective. The Authority maintains that, in the context of life-line services and more generally, the structure and characteristics of the market may pose a risk to market resilience.</p> <p>With respect to the example of the UK energy sector, the Authority's view is that this is not an appropriate comparator to freight logistics in Jersey. For example, a potential driver of the issues in the UK energy sector are industry specific and relate to financial resilience rules.<sup>6</sup> Nevertheless, even with this context rules around supplier of last resort helped consumers, as other more resilient firms took over the customers of firms that failed.</p> <p>Each of the Authority's Recommendations will help to mitigate the potential risk to market resilience.</p>
Trade association (User Forum), innovation and data sharing	<p>Respondents had mixed views on the purpose and scope of a Freight Trade Association (user forum), although most respondents welcomed the idea (subject to effective governance and other matters). There was also general in principle support for the general proposal for more effective data gathering and sharing, and how this might facilitate greater productivity and inter-operability. Respondents also suggested that any such arrangement would require a structured and formal legal approach on confidentiality, data sharing and otherwise.</p>	<p>These issues are noted and addressed in the Authority's general observations on the market. Further, Recommendation 3 and 4 reference the creation of a Trade Association and initiatives to support greater operational efficiency through increased monitoring, data gathering and more effective collaboration. The Authority Guideline on Trade Associations gives examples of the considerations that should be taken in setting up a Trade Association.<sup>7</sup></p>

<sup>6</sup> An overview of some of this issues in the UK energy sector is provided at: <https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/market-meltdown-how-regulatory-failures-landed-us-with-a-multi-billion-pound-bill/>

<sup>7</sup> See: <https://www.jcra.je/media/598534/guideline-3-trade-associations.pdf>



Area, or theme in the consultation	High-level overview of respondents' comments	Authority's response
Development of LoLo	One respondent argued that demand for (additional) LoLo services was unproven, and that capacity should not be diverted without proven demand. While other respondents offered in principle support for the further development of LoLo, it was also suggested - in the context of temperature-controlled goods – that LoLo should not be considered a substitute; and, that this would also likely to be a customer/market led process.	Recommendation 6 sets out the Authority's views on some of the factors to be taken into consideration on the development of the Ports Masterplan. This includes reference to a holistic approach, mindful of the scope for existing future competition in both RoRo and LoLo services. The Authority recognises LoLo cannot replace RoRo for convenience and speed of handling, hence would not replace RoRo for temperature-controlled goods.
Multi-user facilities/ warehousing	Most respondents did not support the proposal for a multi-user facility, arguing that it would not be cost-effective and would likely add unnecessary complexity. Further, one respondent stated that such an approach may not reflect the economic characteristics of the Jersey market (and given the nature of existing operations and services, may also have to be replicated in Guernsey).	The Authority notes respondents' views on multi-user facilities and accepts that further analysis and consideration of this issue is required. Therefore, the Authority has not proposed any formal recommendation in this area, but proposes stakeholders consider further the potential for multi-user facilities. For example, the Authority would expect this to be considered in the context of the Ports Masterplan.
Development of French routes	Respondents generally supported the proposals for the further development of French routes, while also querying whether the Authority had considered the detailed economic case and the terms on which such routes might be sustainable. For example, while seen by respondents as a feasible option, to be sustainable it would require multiple weekly sailings and initial Government support, but that it would likely add robustness to current ferry/freight operations.	The Authority's market study was not intended to provide a comprehensive economic review of the potential for alternative (French) supply routes. Recommendation 7 notes the potential for alternatives and encourages further Government consideration of the matter, and welcomes initiatives to support (additional) French trading links.