



NEWS RELEASE

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Competition regulator publishes draft findings on Jersey's construction sector

The Jersey Competition Regulatory Authority (the Authority) is carrying out a review of the Island's construction sector.

Construction is one of the Island's most important economic sectors, delivering Jersey's built environment and thousands of local jobs. It also makes a significant contribution to the economy - over 7% of Jersey's total economic output.

The review is wide-ranging, considering demand and the supply of construction services, fundamental economic and Island-specific factors, concluding with the outcomes of these elements and draft findings. The review shows that competition is significantly influenced and affected by fundamental economic and Island-specific factors, like scale and logistics.

However, the Authority's extensive engagement with consumers and businesses, also revealed a marked level of consumer dissatisfaction with the sector. Feedback from both business and consumers is clear: 75% of survey respondents believe there is "a lack of healthy competition", resulting in unreliable service, high and inconsistent pricing and poor outcomes.

In addition, analysis and stakeholder feedback indicates that the cost of materials and inputs is higher than in other jurisdictions, and the sector faces several market constraints impacting efficiency and competition. Further, Government plays a central role in the construction sector, as a driver of demand and as a participant on the supply-side. At this

point, the Authority is seeking any further views on its analysis and draft findings. The information gathered will form the foundation for further work in this area.

Following consultation, the Authority will assess whether it needs to use any of its powers to ensure that the Island receives the full benefit of competitive construction markets – lower prices, increased quality and innovation. Action taken may include further market studies, increased outreach to the sector, warning letters or, ultimately, enforcement action. Penalties for breaching competition law include financial penalties up to 10% turnover for a period of three years so its important construction companies are aware of their responsibilities within the competition law.

Introducing the draft findings, Authority CEO Tim Ringsdore said: “This review marks the start of our engagement in this important area. Consumer sentiment is broadly negative, and while Island constraints play a key role in sector outcomes, competition is not as effective as it could be.

“Through the review and future work, we will pinpoint areas affecting competition, and will continue to work with consumers, industry and government to help deliver improved competitive outcomes.”

The consultation on the draft findings is open until 16 May 2025, the Authority will consider the responses received and then issue an update on next steps. The consultation is available on the Authority website (jcra.je/#OpenConsultations).

Ends

Issued by ORCHID

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NOTES TO EDITORS:

About The Jersey Competition Regulatory Authority:

The Authority was established under the Competition Regulatory Authority (Jersey) Law 2001. It is responsible for administering and enforcing the Competition (Jersey) Law 2005 and also regulates the telecoms and postal sectors and the Ports of Jersey.

The Authority strives to ensure that the markets work well for the benefit of all stakeholders, including Government, business, citizens and consumers facilitating best value, choice and access to high quality services.