

### **3.19 Deputy S. Power of the Minister for Economic Development regarding the contractual agreement with Condor:**

Returning to one of my interested subjects. Can the Minister confirm that if he signs, what I think is now a 10-year agreement with Condor, he will ensure with his Guernsey colleagues that this does not restrict any new operator from providing a roll-on, roll-off freight or passenger service from any other port in the U.K. or France and can he confirm whether there is any financial grant, subsidy or loan involved in any acquisition of a new Condor vessel?

[11:30]

#### **Senator A.J.H. Maclean (The Minister for Economic Development):**

The current agreement in place with Condor Ferries is not an exclusive one and I do not expect any new agreement to deviate from this position. This non-exclusive agreement allows an approach by another operator to compete, provided of course it is committed to provide similar levels of service and capacities required by both Jersey and Guernsey. As Members will appreciate, we wish to avoid cherry-picking our services as this is not commercially sustainable in the long term. To prevent this we have defined a market scope to include a northern route car, passenger and R.O./R.O. (roll-on/roll-off) freight service with a car, passenger provided on the southern route. Should potential operators wish to compete on these services, they must agree to deploy suitable year round capacity to cater for the demands across all of these sectors. I can also confirm to Members that no financial grants or subsidies have been offered to Condor Ferries in relation to the acquisition of any new vessel. I can also confirm that although negotiations are continuing constructively there is no intention to offer Condor an agreement as long as 15 years, as originally suggested in the Deputy's question.

#### **3.19.1 Deputy S. Power:**

I had done a little research on this and my next question is based on that. Is it normal for a Port Authority, such as the Port of Jersey, to involve itself to such an extent in ship acquisition or ship charter and have its timescale dictated to by the operator?

#### **Senator A.J.H. Maclean:**

I am not entirely sure of the thrust of the question because the Ports of Jersey are certainly not involved in any potential acquisition by Condor, simply of a new vessel, that is the 102 that has been well-publicised. Quite simply, Condor have said if they are going to make investments in our sea routes, including the 102, but for the length of a much longer agreement, they would need to get a return on a significant investment, they would need to have a long-term agreement with regard to that. So our focus has purely been the Ports of Jersey on negotiating a deal, together with Guernsey, that is in the best interest of the Island.

#### **Deputy R.G. Le Hérisier:**

Notwithstanding the excellent work the Minister's department has done in trying to promote the reinstatement of Guernsey day trips and restarting inter-Island sports trips, which have suffered, could he acknowledge that any company who comes up with a package similar to that currently offered by Condor will be given equal treatment by the department?

#### **Senator A.J.H. Maclean:**

Yes, I hope I made that clear in my opening remarks. It is about a level playing field. If there were an operator to come forward that could offer the same level of service, rotations and such like that is required and specified in the agreement, then of course that will be treated in a similar way and assessed on its own individual merits. I would point out to the

Deputy as well, I know he made a comment about the work that has been done with sports groups. I can say that although it sits outside the agreement, a range of measures dealing with not just the economy but also the community, including sports groups, is under consideration by Condor and is an important part of their commitment to the community.

**3.19.2 Senator L.J. Farnham:**

Given the fact that Condor do not have exclusive rights to sea transport to and from the Island, does the Minister acknowledge that the proposed large investment by the company in shipping represents some really good opportunities for tourism?

**Senator A.J.H. Maclean:**

The vessel itself potentially is one element of a commercial negotiation for a network of routes, which is what we are dealing with from the U.K. to the Channel Islands and onwards to France. Clearly having the vessels with the right capacity and capability is going to add significantly to what tourism can benefit from. The new vessel, for example, we are told is far more reliable, has far greater capacity and comfort. I understand that 90 per cent of the weather cancellations in the last year would have been avoided had the 102 been on the route. Indeed it would have been a much more convenient ride as well, something like 70 per cent less sick bags have been estimated due to the comfort on the new vessel. These are all considerations but clearly it is about the commercial detail that matters as far as the Islands are concerned. But I am sure tourism will be a beneficiary and are an important consideration in discussions.

**3.19.3 Deputy S. Power:**

I thank the Minister for the information so far and the useful information that Condor has provided with regard to the comfort that this proposed vessel will provide. Can he confirm to me that our neighbours in Guernsey are happy that this will be a non-exclusive agreement and that both Ministers agree on this? Would he also confirm that the Port of Jersey - and I suppose the Port of St. Peter Port - are open ports for freight for all types of other shipping activities in the future, including possibly new R.O. pack services (RoPax services).

**Senator A.J.H. Maclean:**

Yes, to the open port and yes, to co-operation with Guernsey, and yes, it is a happy Guernsey Minister or Ministers with regard to the negotiations and discussions that have been undertaken to date. They are completely and utterly at one with us with regard to the negotiations. If anything the Jersey element of the negotiating team has been driving a much harder bargain with regard to Condor than perhaps our colleagues in Condor would have required. Nevertheless, I think it is important that we get the right deal for the Island and that is why these negotiations have taken as long as they have, to ensure that the very best deal possible is delivered not just for the Island economy but also for the community.