

Supply Chain Resilience Review

Economic and International
Affairs Scrutiny Panel

29th July 2024

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States of Jersey
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Chair's Foreword

Following its reconstitution the Economic and International Affairs Panel has considered the evidence gathered by the previous Panel as part of its Supply Chain Resilience Review and is please to present this report to the Assembly to summarise that evidence.

Although the Panel considered relaunching an evidence gathering phase of the Review, we decided that it was best to draw together the information gained. We are aware that the submissions made to the Review were gathered during 2023 and that relevant matters pertaining to the Island's supply chain have developed over the course of the year, namely progression of the ferry tender. We are aware that this is something that may continue to change over the coming months and years, and may require further scrutiny in the future.

Much of the information received will not be surprising, for example the impact of the weather, however there are a number of opportunities and threats that have been highlighted and we are grateful for those who took the time to make submissions to the Review.

The findings and recommendations we have made are based on the evidence received during the course of the work of the previous Panel. These may not be contentious, however will hopefully aid the Council of Ministers in their future work and in greater communication within the supply chain.

The Panel will indeed continue to question Ministers were relevant and it is looking forward to seeing further development in the resilience of Jersey's supply chain through development of the Elizabeth Harbour and the new Civil Contingency Law.

We would like to thank the previous Panel for the work they undertook, and this report is very much a culmination of their evidence gathering. We also wish to pass on our appreciation to those who have taken the time to participate in the Review.



A handwritten signature in black ink, appearing to read 'M. Tadier'.

Deputy Montfort Tadier
Chair of the Economic and International Affairs Scrutiny Panel

Executive Summary

The previous Economic and International Affairs Scrutiny Panel (hereafter “the previous Panel”), which served from 2022-2024, launched a Review of Jersey’s supply chain resilience in July 2023 (hereafter “the Review”). The Economic and International Affairs Scrutiny Panel (hereafter “the Panel”) presents this report to summarise the submissions made to that review and identify key points and themes.

The Review has ascertained that there are a number of ongoing workstreams impacting upon the Island’s supply chain including:

- Government work, with a [Policy Framework for the Ports Sector](#) and [Sea Transport Policy](#) published whilst the Review was underway, and an introduction of a new [Civil Contingency Law](#) anticipated.
- Implementation of the 2022 Jersey Competition and Regulatory Authority Market Study of Freight [recommendations](#).
- Development of the [St Helier harbours](#).
- [Ferry Operating Agreement](#).

It is apparent that, although the majority of goods imported to the Island are sourced through the United Kingdom, Jersey’s supply chain is complex with a number of key stakeholders and is heavily influenced by the nature of being an Island and its size.

A number of potential threats and opportunities have been highlighted in areas such as:

- Disruptions due to weather, mechanical or service failure, and geo-political factors.
- Infrastructure of the Island’s Ports and Roads
- Warehousing and stockpiling
- Onshoring
- Alternative routes and air freight
- Ways of working
- Suppliers of services, including ferry services
- Competition

The Panel has identified that many of these threats are well documented, however there are elements for improvement, particularly in contingency planning and for greater communication to enable timely operational planning.

The Panel has made 19 key findings and 9 recommendations. The recommendations include elements of ensuring clarity of the Policy Framework for the Ports Sector, increasing communication and interaction with stakeholders and representative bodies, and inclusion of consideration of replenishment of supplies for essential goods such as foods, medicines and fuels, are included within the New Civil Contingencies Law.

Noting the current tender for ferry services to the Island the Panel has also made recommendations for consideration of communication and operation of Roll-on Roll-off ramps under any new ferry Operating Agreement.

Key Findings

KEY FINDING 1: The Jersey Competition and Regulatory Authority have undertaken two Market Studies of the freight logistics market and made a number of recommendations that have been accepted by the Minister for Sustainable Economic Development.

KEY FINDING 2: The Minister for Sustainable Economic Development has produced a Policy Framework for the Ports Sector and updated Sea Transport Policy.

KEY FINDING 3: Although efforts are made to consult with stakeholders regarding policies relating to the Island's supply chain, some key operators feel as though their views are often ignored.

KEY FINDING 4: The Government of Jersey is producing a New Civil Contingencies Law which will reinforce emergency procedures, including those around the supply chain.

KEY FINDING 5: Inclement weather was identified by many as a key disruptive factor to the Island's supply chain, with there being calls for greater communication and investigation of operational decisions leading to cancellation of services in this regard.

KEY FINDING 6: Potential mechanical failure of ferries and harbour facilities, pose a notable risk to the supply chain's reliability and efficiency.

KEY FINDING 7: Although disruptions due to weather, and to a lesser extent mechanical failure, are accepted to a degree, early and open communication to stakeholders is required.

KEY FINDING 8: Port infrastructure is identified as a key enabler of the marine supply chain and a planning application for the redevelopment of the Elizabeth Harbour is underway.

KEY FINDING 9: "Freight corridors" allowing transport of goods on roads by larger vehicles have been implemented and are being assessed for success levels, however the Government indicates that loads that can be transhipped from larger to smaller vehicles at the dock area may not be granted a permit.

KEY FINDING 10: Warehousing and stockpiling in Jersey is limited, with supplies of most goods, bar fresh foods, ranging from 4 to 8 weeks.

KEY FINDING 11: Increased production of goods in Jersey, particularly in food, may help strengthen the Island's supply chain, however it is acknowledged that production potential within the Island is limited.

KEY FINDING 12: The Minister for Sustainable Economic Development, Ports of Jersey, Jersey Competition Regulatory Authority and other stakeholders identify that additional trade with France will benefit the Island's supply chain and consumers.

KEY FINDING 13: Air freight provides for additional resilience of time critical goods.

KEY FINDING 14: An updated Operating Agreement for passenger and freight ferry services, due to be finalised in March 2025, provides a key opportunity to strengthen the Island's supply chain resilience.

KEY FINDING 15: Business failure is a key threat to supply chains and has resulted in market consolidation within Jersey.

KEY FINDING 16: The current ferry Operating Agreement poses a specific barrier to operation of Roll-on Roll-off freight service due to those proposing to use the harbour ramps being

required to also provide passenger services. The Recently issued Sea Transport Policy would appear to maintain this position.

KEY FINDING 17: A volume discount-based structure is incorporated within the ferry service's rate card, although this is generally accepted as a standard practice there are calls for the rates to be open published.

KEY FINDING 18: No detailed numerical economic analysis of the ability for the Island's economy to support multiple operators within its supply chain has been undertaken.

KEY FINDING 19: The Government supports competition in the freight logistics market, or in the absence of effective competition, regulation of the market.

Recommendations

RECOMMENDATION 1: The Minister for Sustainable Economic Development should, in his Ministerial Response, clarify a timeframe for updating the Policy Framework for the Ports Sector to ensure it remains current.

RECOMMENDATION 2: The Minister for Sustainable Economic Development should ensure Government of Jersey consideration of the views of the Chamber of Commerce Logistics and Supply Chain Group, results of the consideration should be clearly communicated with the Panel by 31 December 2024.

RECOMMENDATION 3: Clauses requiring timely communication of any alteration, or cancellation, of services should be included within any updated ferry Operating Agreement.

RECOMMENDATION 4: Analysis of the success of freight corridors on Jersey's roads should be undertaken by the Council of Ministers by 31 December 2024 and should include consideration of the necessity for further implementation of corridors, as well as the potential for wider allowance of permits for freight vehicles.

RECOMMENDATION 5: Noting the limited warehousing and stockpiles on Island, the Council of Ministers should ensure that consideration of replenishment of supplies for essential goods such as foods, medicines and fuels, are included within the New Civil Contingencies Law.

RECOMMENDATION 6: The Minister for Sustainable Economic Development should outline in his Ministerial Response how air freight services will be supported to ensure maintenance of provision, and include further consideration of this within any updated Policy Framework for the Ports Sector.

RECOMMENDATION 7: Whilst mindful of any impact upon passenger services or the attractiveness of operating a ferry service to Jersey, the Minister for Sustainable Economic Development should consider, prior to renewing the current ferry Operating Agreement, allowing the use of Roll-on Roll-off ramps for provision of freight only services.

RECOMMENDATION 8: The Minister for Sustainable Economic Development should ensure, whilst renewing the current ferry Operating Agreement, that the rate card for shipping of freight be clearly and openly communicated with the industry, prospective operators and, if possible, the wider public.

RECOMMENDATION 9: To aid in clarity, the Minister for Sustainable Economic Development should, in his Ministerial Response, define the meaning of effective competition and provide an outline of potential methods of regulation of the freight logistics market.

1 Introduction

During July 2023 the previous Panel launched a [review](#) of supply chain resilience following general scrutiny of the work of the Minister for Economic Development, Tourism, Sport and Culture, now the Minister for Sustainable Economic Development (hereafter “the Minister”) and Ports of Jersey in regards to relevant topics.

Following the [vote of no confidence](#) in January 2024, the Panel has considered the evidence gathered and in presenting this report details key points relating to the review’s Terms of Reference, that can be found in the [Appendix](#). These include areas related to:

- Arrangement of the Island’s supply chain
- Policy setting, including consultation
- Opportunities and threats

Methodology

Following the launch of the Review, the previous Panel issued a general call for evidence and directly contacted a number of stakeholders, receiving responses from:

- [Condor Ferries](#)
- [Fin and Feather Ltd](#)
- [HubEurope](#)
- [Hypha](#)
- [Jersey Competition Regulatory Authority](#)
- [Jersey Business](#)
- [Jersey Farmers Union](#)
- [Jersey Post](#)
- [Ports of Jersey](#)
- [SandpiperCI](#)
- [Ferryspeed](#)
- [The Minister](#)

A number of confidential submissions were also made, which included provision of sensitive information and documents. Whilst the Panel is unable to directly release these, or publish the information contained, elements have been used to inform comments made within this report.

The previous Panel also held a public hearing with representatives of the Ports of Jersey on the 24th November 2024, a transcript of which is available [here](#).

2 Jersey's Supply Chain

A definition of a supply chain is the system of people and things that are involved in getting a product from the place where it is made to the person who buys it.¹ Jersey's supply chain is distinctively shaped by its geographical location, economic structure, and the specific needs of its population. This complexity is further compounded by the physical and geographical constraints of the Island.

It is clear that, whilst goods continue to be exported from the Island and relevant Governmental work in this regard is being carried out through the [Export Strategy 2023-2026](#), Jersey is reliant on imports for the majority of products. Therefore, although specific local supply chains do exist and are discussed within the onshoring section of this report ([page 25](#)), the Review has largely received information regarding the import and distribution of goods into the Island.

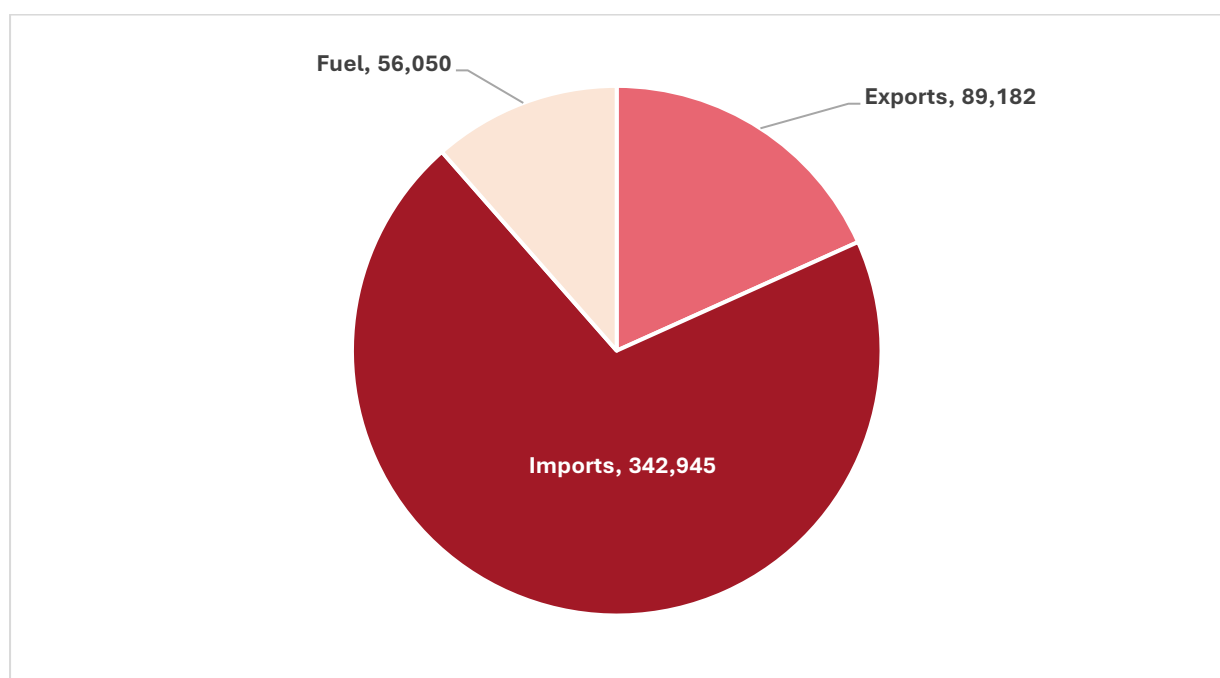


Fig 1. Freight Movements (tonnes) 2022, Ports of Jersey²

There are two forms of marine freight logistic services, both of which deliver to customers' premises:

- Roll-on, roll-off (Ro-Ro) operators: They transport freight in trailers using lorries that are then rolled on and off ferries; and
- Lift-on, lift-off (Lo-Lo) operators: They transport predominantly containerised freight, which is lifted on to ships using cranes and then transported to its end destination via lorries.

The types of goods imported vary greatly and the Review has been provided with confidential information indicating that containerised freight is the largest proportion of importation. The majority of freight received by the Island is received via the sea and via the United Kingdom

¹ [Cambridge Dictionary](#)

² [Ports of Jersey Annual Report 2022, page 13](#)

(UK). As such, it is clear consideration should be given to this noting the ongoing work undertaken by the UK Government concerning the country's own supply chain.³

It has been identified to the Review that the varying products being transported to the Island sometimes require a complex and versatile supply chain, involving systems such as temperature controls for perishables and certifications for pharmaceuticals.⁴

The supply chain serves a wide range of customers, from large supermarkets to individual Islanders, each with specific requirements that need to be met efficiently and effectively. HubEurope emphasises the reliance of both individuals and businesses on the supply chain for the timely delivery of goods, where the end users range from direct consumers to service providers who rely on these goods for their operations.⁵

The distinction between customer segments is crucial for understanding the supply chain's operational demands. Frontier Economics previously outlined that large customers, including supermarkets and agricultural producers, require daily, refrigerated freight services, whereas small or medium-sized customers have a variety of needs ranging from refrigeration to just-in-time delivery, and even ambient (non-refrigerated) services for those shipping less frequently.⁶ This diversity necessitates a supply chain that is not only flexible but also capable of addressing the specific logistics requirements of each customer segment.

The Minister for Sustainable Economic Development attests to the resilience of Jersey's supply chain through the trials of Brexit and the COVID-19 pandemic, highlighting successful collaboration between the Government, Ports of Jersey, Condor, and other supply chain members. This collaboration ensured the continuity of freight arrivals, demonstrating the supply chain's capacity to withstand significant external pressures and maintain operational integrity during critical periods.⁷

Sandpiper Supply Chain

The steps in the Jersey retail supply chain are broadly as follows:

1. Goods travel from supplier to a UK retailer consolidating warehouse.
2. Goods are picked by destination store and travel from UK retailers and other suppliers' warehouses to the freight logistics provider at the port.
3. Goods are decanted at UK port and marshalled into containers/units for sea travel.
4. Goods in sea travel containers/units travel by road to the ferry dock.
5. Goods travel across the sea.
6. Goods are decanted from sea containers and marshalled into trucks suitable for Jersey roads.
7. Goods travel to their final destination.

This is very much more complicated than a UK based retailer would experience and as a result very costly. However, most of this is unavoidable. The bigger issue is the lack of competition at each step in the process with only a single supplier providing temperature controlled and ambient freight logistics services and also a single ferry provider.⁸

³ [UK supply chain problems, House of Commons Library, 22 October 2021](#)

⁴ [Submission - Supply Chain Resilience Review - Jersey Business - 03 August 2023](#)

⁵ [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

⁶ [Frontier Economics, Review of Customer Choice in the Freight Logistics Sector Between the UK and the Channel Islands, A report for CICRA, 9 June 2017](#)

⁷ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

⁸ [Submission - Supply Chain Resilience Review - SandpiperCI - 01 August 2023](#)

In summary, Jersey's supply chain is a complex network that requires coordination across various modes of transportation and logistics services. From sea and air freight to the management of cargo and regulatory compliance, each component is crucial for maintaining the flow of goods. The collaboration between suppliers, manufacturers, distributors, and the overarching financial management ensures that the supply chain can meet the diverse needs of its customers, underpinning the Island's economic stability and growth.

Key operators

Submissions to the Review identified a number of stakeholders to the Island's supply chain. Although the Panel acknowledges that there are a selection of service providers, bar in Ro-Ro shipping and port provision, it is clear that there are single operators that provide the majority of movement of goods in the Islands supply chain.

Of these imports, the vast majority of goods come through the St Helier harbours, operated by the Ports of Jersey. These include provision for both Ro-Ro and Lo-Lo services, however submissions would suggest that the use of these varies for the types of goods imported, with it appearing that more perishable or time sensitive consumer goods are more likely to be transported via Ro-Ro services.

The Panel understands, due to clauses within the Ferry Service Operating Agreement discussed later in this Report ([page 28](#)), that there is only one provider of Ro-Ro ferry services, namely Condor Ferries Limited.

It would appear that the distribution of the majority of consumer goods are conducted through Ferryspeed Limited, who, the Panel has been informed, hold a majority market share of the freight sector. However, the Panel notes that additional freight service providers are available, with notable mention of Woodside Logistics owned by the Jersey Post Group.

In conclusion, the key operators identified across submissions to the Panel reveal the extensive network underpinning Jersey's supply chain. From freight logistics and critical infrastructure to regulatory oversight, the collaboration and coordination among these entities ensure the Island's economic vitality and the well-being of its residents. This network not only supports local economic activities but also facilitates Jersey's connectivity with the wider world, underscoring the strategic importance of these operators in maintaining supply chain resilience and efficiency.

Although not an exhaustive list, the Panel has identified the following operators through submissions to the Review:

Freight Service Providers

- Ferryspeed
- Breakwells
- DSV
- Sutton Transport Services
- Channel Seaways/ Alderney Shipping
- Woodside Logistics/Jersey Post
- HubEurope
- IRIS Freight
- Rozel Shipping Company

- OceanAir Handling
- DHL (chartered freight plane)
- numerous independent couriers (including UK road transport),
- courier services like Evri and Yodel.

Suppliers

- Amazon
- Local businesses and exporters
- Jersey Post and Royal Mail

Shipping

- Condor Ferries
- Normandy Trader freight services
- Rozel Shipping Company
- Channel Seaways

Infrastructure

- St Helier Harbour, including warehousing space
- Stevedores services
- Jersey Airport
- Rue des Pres Post Office and trading estate
- Ports of Jersey
- The Island's road network
- Portsmouth International Port
- Portsmouth Handling Services
- UK warehousing space and road network
- St Malo Port
- Port of Granville

Regulatory Authorities

- Customs services at both on-island and operating at off-island critical infrastructure
- Government of Jersey, in particular the Department for Economy, the Department for Justice and Home Affairs and Department for Infrastructure, Housing and Environment
- Government of the United Kingdom
- Government of the French Republic
- European Union

Users

- Individual consumers
- Businesses across varying sectors

Future demand

The previous Panel questioned the level of analysis undertaken to forecast future supply demand and was provided, confidentially, with data concerning freight volumes up to 2021. It has been indicated that future capacity is also being considered:

Deputy M.R. Scott:

So in order to future-proof, do you not have to have an idea of what the future is going to look like?

Chief Executive Officer, Ports of Jersey:

Absolutely, that is absolutely part ... and I think my career has been about developing infrastructure around the world and there are well-worn paths for how one goes about developing and trying to understand the needs of the future, whether that is volumes of future capacity that we are going to need to handle, but what are the emerging technologies? Take very much the key one for all of us as we live today is, you know, the decarbonisation of operations, both our own but also our partners, and what does that mean from an infrastructure perspective.⁹

The Minister has identified that to date, economic analysis of the freight logistics sector has not featured within the programme of work of the Economic Analysis team or [Future Economy Programme](#). It has, however, been indicated that the Economic Analysis team has conducted research on a sector by sector basis and in some cases, for example in the construction industry.¹⁰ Furthermore, the [Policy Framework for the Ports Sector](#) identifies that freight volumes are forecast to increase as our population grows and through additional factors such as the use of imported sand and aggregates.¹¹ Indeed it is understood that freight capacity requirement is expected to increase significantly with application documents for the Elizabeth Harbour redevelopment highlighting that the [Harbour Master Plan](#) indicates a ~33% increase in combined freight capacity for the Ro-Ro and Lo-Lo operations by 2042.¹²

⁹ [Transcript - Supply Chain Resilience Review - Ports of Jersey - 24.11.23, page 2](#)

¹⁰ [Letter – MEDTSC to EIA re Supply Chain Resilience – 25 September 2023](#)

¹¹ [R.4/2024 Policy Framework for the Ports Sector](#)

¹² [EH Planning Application Documents - Supporting Document Technical Note - Freight Capacity Uplift Assessment.pdf](#)

3 Decision Making

Decision making regarding the Island's supply chain takes place at a number of levels across Political, Government, Arm's Length Organisation, Regulatory and Private sectors.

The Review has also gathered information pertaining to policy setting within the supply chain, with the Minister for Sustainable Economic Development publishing the Policy Framework for the Ports Sector ([R.4/2024](#)) on 9th January 2024.

Consideration of the submissions received would suggest that there are a number of efforts carried out to consult with various stakeholders, however not all of these feel as though their views carry sufficient weight.

Relevant political and government groups

Ports Policy Ministerial Group (PPMG)

The PPMG was established in 2016 by a Memorandum of Understanding between the then Minister for Treasury and Resources and Ports of Jersey, however the Group did not meet during the term of the previous Council of Ministers.

In November 2022, the Minister for Sustainable Economic Development reconstituted the PPMG. The PPMG provides ministerial direction and support to enable the effective and efficient implementation of key strategic priorities in the Ports Sector.¹³

The PPMG membership is:

- Minister for Sustainable Economic Development (Chair)
- Chief Minister
- Minister for Treasury and Resources
- Minister for Infrastructure.

In addition, officers will be invited to support the Ministers, in particular, the Government's Chief Executive Officer, the Treasurer of the States, the Chief Officers of the departments for the Economy and Infrastructure, Housing and Environment. Ports of Jersey officers may also attend as needed to support Ministers or otherwise according to agenda items.

Economy Supply Chain Resilience Officer Group

Risks to the Island's supply chain are also monitored and evaluated within Government by the Economy Supply Chain Resilience Officer Group which meets regularly to assess emerging risks.¹⁴

Policies and direction setting

The Review aimed to examine policies regarding the Island's supply chain resilience, and the evidence received highlights key areas in which policy has been set. Primarily submissions

¹³ [MD-CM-2022-713 - Ports Policy Ministerial Group: Establishment - 30 November 2022](#)

¹⁴ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

discussed Market Studies of the freight sector undertaken by the Jersey Competition Regulatory Authority in 2017 and 2022, however more recently the Minister for Sustainable Economic Development has specifically published a [Policy Framework for the Ports Sector](#) which has identified some areas of relevant strategy. A number of submissions identified the need for policy setting, with Jersey Post indicating dispute between Ferryspeed and Ports of Jersey regarding the Port's plans to meet future needs needing direction within the Ports Policy.¹⁵

JCRA Market studies

Freight logistics is a key element of the Island's supply chain, this has led the Jersey Competition Regulatory Authority (JCRA) to undertake two market studies of this sector.

The first, conducted in 2017, concluded that:¹⁶

- For most freight customers, quality of service (defined in a variety of ways including reliability, professionalism and quality of infrastructure) is a more important consideration than price.
- There were mixed views on the adequacy of choice. Larger customers have a more limited choice of provider than smaller customers but, while some expressed a desire for more choice, others were content with the level of service they currently receive.
- The willingness of customers to switch between suppliers was also variable. For some this was because only one provider – Ferryspeed – was able to meet their requirements. For others, satisfaction with their current service provider meant that they would not consider switching.
- Regarding the shipping part of the service, although customers were broadly satisfied with the service from Condor, some suggested that both the management of Ro-Ro ferry services and the level of competition in the market for Ro-Ro ferry services could be improved. Some customers also thought that better management of the Ro-Ro shipping service would help them with inventory management.

A follow-up market study was undertaken by the JCRA in 2021/2022. The previous Panel questioned the reasons for a second study and was informed by the JCRA Chief Executive Officer as follows:¹⁷

The freight logistics market was selected for study following a structured approach. This involved the identification of potential candidate markets which were screened to determine those most relevant to Jersey. This process resulted in the freight logistics market being selected as:

- *Jersey is heavily 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. There had also been changes to the market since the last market study into freight logistics in 2017, including the entry and exit of different firms.*

¹⁵ [Submission - Supply Chain Resilience Review - Jersey Post - 30 August 2023.pdf](#)

¹⁶ [c1255gj-media-release-freight-market-review](#)

¹⁷ [Submission - Supply Chain Resilience Review - JCRA - 26 September 2023](#)

Further, external factors may have also impacted on the market and businesses operating within it, such as Brexit and the Covid-19 pandemic.

Moreover, notwithstanding the previous study findings, given the significance of freight logistics to the island's economy it is critical that consumers and users continue to benefit from competition, in the form of fair prices and reliable services. As noted, market conditions and business practices can change significantly over time, to the extent that historic market study findings may not hold indefinitely.

The JCRA made seven recommendations in its 2022 report:

- 1) Ports of Jersey to review the use of facilities and leasing arrangements at the port of St Helier.
- 2) Government/DVS to review traffic/accessibility issues on Jersey to create temporary and targeted 'freight corridors'.
- 3) Ports of Jersey to support initiatives to drive improvements in operational efficiency within current constraints at the Port of St Helier.
- 4) The freight industry should establish a Freight Trade Association, to drive efficiency and support innovation in the sector.
- 5) Government should develop a policy framework to support effective competition in the freight logistics sector, including a Ports Policy.
- 6) The Ports of Jersey should ensure the Ports Masterplan will support effective competition in freight logistics sector.
- 7) Government to support the development of existing and new freight routes to France.

The Minister has confirmed that he remains supportive of the JCRA's recommendations, and indicated that they would feature in the Ports Policy Framework, as identified below.

KEY FINDING 1: The Jersey Competition and Regulatory Authority have undertaken two Market Studies of the freight logistics market and made a number of recommendations that have been accepted by the Minister for Sustainable Economic Development.

Policy Framework for the Ports Sector

The Panel was informed that a draft Ports Policy Framework was in production in September 2023.¹⁸ This was published for consultation in October 2023 and concluded 10th November 2023.¹⁹ The Policy Framework for the Ports Sector was subsequently presented to the States Assembly in January 2024 [[R.4/2024](#)]. The framework contains eight key strategic priorities for the sector:

- safety and security
- sustainability
- strategic air connectivity
- strategic maritime connectivity and supply chain resilience
- investment in critical infrastructure
- development of the harbour and airport estates
- economic regulation and governance

¹⁸ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

¹⁹ <https://www.gov.je/Government/Consultations/Pages/PortsPolicyFramework.aspx>

- public service obligations

The vision of the Framework is identified as:²⁰

“To build a more resilient, efficient, smart and sustainable Ports Sector that creates economic, environmental and social value for the whole of Jersey, helping make our beautiful Island an even greater place to live, work and visit.”

Strategic Priority 4 of the Framework identifies that the government aims to develop the conditions to drive competition and efficiency across the maritime supply chain, and to ensure that significant investment and re-development of the Harbour and Airport is undertaken to ensure their resilience and allow them to meet the Island’s supply chain needs.

The Minister for Sustainable Economic Development has indicated that Ports Policy Framework provides direction to both Ports of Jersey and the JCRA by providing a clear policy framework for strategic maritime connectivity and supply chain resilience. The Minister has highlighted that this is in line with recommendation 5 of the recent JCRA Freight Logistics market study.²¹

Sea Transport Policy

The Sea Transport Policy [[R.90/2024](#)], published 3rd June 2024, provides direction on the procurement and management of an Operating Agreement for the Island’s ferry services to the Harbour Master, updating the existing version [[R.99/2014](#)].

The updated policy will retain Ro/Ro freight, car and passenger services operating between Jersey and the United Kingdom within the scope of services that require a permit and authorises a maximum 15-year duration for a permit, followed by a 5-year extension period if required. This is an increase in maximum duration of the 2014 version which established a maximum 7 year duration for a permit, followed by a 3 year widening-down period if required.

Additional changes include, amongst other points:

- Specifying that foot passenger **only** services to and from the Cotentin peninsular are excluded (as oppose to all services to that region).
- Specifying that the Harbourmaster may directly award an exclusive permit to a single applicant for the duration of that permit, following the outcome of a competitive tender process of applicants, coordinated by the Government of Jersey (and its partners).
- Establishing that applications should include satisfactory:
 - Fleet configuration and investment plan (including maintenance and people)
 - Service requirements plan
 - Draft timetable
 - Pricing plan (covering passenger fares and freight tariffs)
 - Risk analysis
 - Sustainability plan (which acknowledged Jersey’s environmental commitments)
 - Financial plan and disclosure

²⁰ [Policy Framework for the Ports Sector, page 7](#)

²¹ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

KEY FINDING 2: The Minister for Sustainable Economic Development has produced a Policy Framework for the Ports Sector and updated Sea Transport Policy.

RECOMMENDATION 1: The Minister for Sustainable Economic Development should, in his Ministerial Response, clarify a timeframe for updating the Policy Framework for the Ports Sector to ensure it remains current.

Export Strategy

Other Strategies also include relevant points in regard to supply chain policy and strategy, such as the [Export Strategy 2023-2026](#). These include:

- Assessing the economic impact of outcomes of any traffic corridor
- The optimised efficiency of the maritime freight supply chain
- The continued growth in connectivity, in particular into Europe
- The reduction in emissions from connectivity being delivered in accordance with the Decarbonisation Roadmap
- Any review of ferry services which will consider future export freight needs
- All future ferry service level agreements to include annual objectives relating to freight export sectors
- The continued optimisation of the Ports Masterplan for the future export freight needs of Jersey and that the redevelopment of Elizabeth Harbour is prioritised by Government to enable this
- A review of space and capacity options at La Collette in order to maximise the potential of local exporters
- Continue to support the establishment of a Border Inspection Post in Granville
- Conduct a feasibility study on increasing the Government's trade support presence in France
- Build relationships with trade groups such as the Trans Manche Development Group

Consultation

A key area for consideration of the Review was to determine the adequacy of consultation that takes place with industry regarding the Island's supply chain. Submissions made to the review indicate that there is ongoing stakeholder engagement by both the Government of Jersey and Ports of Jersey, however this is reported as having limited impact by some operators.

The Ports of Jersey identify that ongoing stakeholder engagement will be critical as they complete significant investments in critical infrastructure, whilst ensuring the continuity of supply chain operations,²² and indicate that they consult regularly with its major stakeholders, including:

- Regular dialogue with the Jersey Competition Regulatory Authority (the JCRA) on matters of competition. This relates both to the regulation of Ports of Jersey as well as calls for information and consultations in the sector conducted by the JCRA, such as, their recent Freight Logistics Market Study and the Government's Bridging Island Plan.
- Wide ranging consultation with all key stakeholders and the public in respect to Ports of Jersey's Harbour Master Plan.

²² [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

- Engagement with key stakeholders in respect to the Airport Master Plan, which will continue as proposals are developed further.
- Quarterly meetings with the Elizabeth Harbour User Group.
- Quarterly meetings with Condor and Guernsey on the Ferry Services Steering Group, the oversight forum for the Ferry Services Operating Agreement.
- Liaison with the Future Places Ministerial Group.
- Liaison and consultation with the Ports Policy Ministerial Group.
- Regular meetings with Government of Jersey colleagues, and Guernsey counterparts in respect to the future provision of ferry services, after the expiry of the current Condor Operating Agreement.
- Liaison with key user groups to develop and review Standard Operating Procedures at the harbour.
- Meetings with Emergency Planning Team throughout the pandemic, in advance of Brexit and from time to time as individual risks are identified and discussed.
- Membership of the Jersey Resilience Forum.
- Liaison with the Chamber of Commerce (and its sub-committees).

During a Public Hearing, held as part of the Review, the Ports of Jersey Chief of Staff alluded to inclusion of stake holder views during application for the development of the Elizabeth Harbour:

Chief of Staff, Ports of Jersey:

It is a massive planning application. It has been revised. The reason for the revisions were effectively ongoing conversations. It almost perfectly answers the question for us. Those revisions were because of improvements to the plan, not fundamental changes, but refinements and improvements because of the ongoing regular consultation and dialogue that we have with stakeholders. It is much more, it is much deeper than we send out a survey, we get responses back and we do or do not do something. You know, there is weekly dialogue with a range of stakeholders around Elizabeth.²³

Similarly, the Minister for Sustainable Economic Development identifies that they meet regularly with operators at all levels of the supply chain including Condor Ferries, freight distributors, Ports of Jersey, the JCRA, Jersey Post, the Chamber of Commerce, local retailers including supermarkets and local exporters. The Minister further outlines that any further review or amendments to strategy would involve extensive engagement with stakeholders.²⁴

Some submissions from those operating within the supply chain indeed shared that they had several opportunities to share views on Jersey's policies related to supply chain, contingency planning, and competition in this sector.²⁵

Following the JCRA 2022 Market Study a working group was established to meet the recommendation 4: “The freight industry should establish a Freight Trade Association, to drive efficiency and support innovation in the sector”.²⁶ The Chamber of Commerce Logistics and Supply Chain group has met with Government and Ports of Jersey representatives, and the

²³ [Transcript - Supply Chain Resilience Review - Ports of Jersey – 24 November 2023](#)

²⁴ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

²⁵ [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

²⁶ [JCRA Freight Market Study Infographics](#)

Minister for Sustainable Economic Development continues to hold regular engagement sessions with the Chair of the local Chamber of Commerce.²⁷

It has previously been highlighted by Addleshaw-Goddard, on behalf of Ferryspeed, that meetings of this group would also have to be attended by Government representatives and other stakeholders that have power to initiate legislative or other operational changes. They identify that this forum would simply become another trade association with no actual influence.²⁸

Indeed, Ferryspeed's submission to the Review indicate that they have found consultation processes to be lacking, and are of the opinion that although they attend a large amount of meetings and submit correspondence regularly, their views are not taken into account:²⁹

“the view is very much that they have a plan, and we must fit in with it, which if considered properly is impossible and will affect the supply chain resilience of the Island... We employed the services of well-respected competition lawyers to address the JCRA concerns and on the final meeting with the JCRA did not get any feedback or response”

Sandpiper's submission also identifies that they had not been involved in any formal supply chain reviews nor with the Elizabeth Harbour planning development, although they had had limited meetings with Ministers where the subject had been discussed. They opine that their input had largely been ignored, with a clear focus from the Minister for Sustainable Economic Development on trying to open up the 'southern supply route' and historically they had campaigned strongly against the decision to allow Ferryspeed to takeover Condors chilled distribution:³⁰

“We have continually highlighted the high cost of freight but government seems to be preoccupied with the food retail market rather than the logistics market. We also warned Ministers of the risks to the islands food self- sustainability if they allowed the commercial bakeries to close. All of our entreaties to date have been singularly ignored. Government consultations are generally seen as going through the motions with the decisions already taken behind closed doors.”

KEY FINDING 3: Although efforts are made to consult with stakeholders regarding policies relating to the Island's supply chain, some key operators feel as though their views are often ignored.

RECOMMENDATION 2: The Minister for Sustainable Economic Development should ensure Government of Jersey consideration of the views of the Chamber of Commerce Logistics and Supply Chain Group, results of the consideration should be clearly communicated with the Panel by 31 December 2024.

²⁷ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

²⁸ [Addleshaw-Goddard \(Ferryspeed\), Response to JCRA Freight Logistics Market Study Draft Report Consultation](#)

²⁹ [Submission - Supply Chain Resilience Review - Ferryspeed - 04 August 2023](#)

³⁰ [Submission - Supply Chain Resilience Review - SandpiperCI - 01 August 2023](#)

Emergency control

The Jersey Resilience Forum (JRF), the multi-agency organisation responsible for ensuring that the Island is prepared to respond to emergencies includes representation from the Ports of Jersey who indicate:

“Government may need to implement emergency measures to ensure the continued supply of goods to the Island in such an event, ranging from provision of financial support to seeking assistance from His Majesty’s Government or the acquisition of key businesses.”³¹

The Panel has been informed that the Government is producing a Contingency Law which will reinforce emergency procedures, including those around the supply chain. Although the Panel has not drawn conclusions directly relating to resilience of the Island’s supply chain within an emergency situation, elements highlighted within the opportunities and threats section of this report will have some bearing on the Island’s preparedness. Such points include maintaining stocks ([page 24](#)) of key items and the adoption of technologies and alternative air freight to allow quick supplementation of supplies in emergency situations.

The Panel notes that due to the distinctive nature of the Island’s supply chain and threat of disruptions, backups and preparations should be able to be readily utilised in the case of emergencies.

KEY FINDING 4: The Government of Jersey is producing a New Civil Contingencies Law which will reinforce emergency procedures, including those around the supply chain.

³¹ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

4 Opportunities and Threats

A number of opportunities for, and threats to, the Island's supply chain have been identified to the Review. The Panel has identified that many of these are well documented, however there are elements for improvement, particularly in contingency planning and for greater communication to enable timely operational planning.

Disruptions

One of the key objectives of the Review was to examine the occurrence of supply chain disruptions and the impact on the business community and consumers. The Panel understands that supply chain disruptions have significantly impacted businesses and individuals in Jersey, with various submissions highlighting key issues and their ramifications. These disruptions, while varied in nature, underscore the critical need for resilient supply chain mechanisms and robust contingency planning across the Island.

Jersey Business summarised within its submission:³²

“The absence of transport replacements or alternatives for short-life cold chain and ambient products exacerbates the challenges during disruptions. While long-life food and drink supplies, as well as non-food shipments, are better able to withstand delays, the specific constraints on food retailers and the anxiety caused by unavailable core products underline the broader implications of supply chain disruptions. Any delay that increases the time taken to bringing in stock for local business increases their costs, reduces their competitiveness, and has the potential to frustrate customers. This is most obvious when food shelves are empty, however it does apply to all retailers.”

The submissions to the Panel reveal the multifaceted impacts of supply chain disruptions on Jersey, affecting everything from healthcare and agriculture to retail and logistics services.

The Panel acknowledges the indication by the Minister for Sustainable Economic Development and others that the Islands response to disruption events, such as the COVID-19 pandemic, identify the successful continuation of the lifeline services. However, the issues highlighted to the Review call for enhanced communication, improved contingency planning, and the development of more resilient supply chain structures to mitigate future disruptions' impacts on stakeholders across the Island.

Weather

Adverse weather conditions significantly influence the efficiency and reliability of Jersey's supply chain, as detailed by various stakeholders. Some identify severe weather as a principal cause of supply chain disruption; however, many acknowledge that this is an unavoidable aspect of Island life that necessitates acceptance and adaptation.³³

Ports of Jersey identify weather-related disruptions such as difficulties in docking due to high seas or strong winds, and landing issues for planes in foggy or extreme conditions. They highlight that, while these disruptions are typically short-term and not severely consequential on an Island-wide scale, they do impact the harbour significantly due to the volume of goods

³² [Submission - Supply Chain Resilience Review - Jersey Business - 03 August 2023](#)

³³ [Submission - Supply Chain Resilience Review - Ferryspeed - 04 August 2023](#)

affected and are inconvenient for consumers. It is indicated that the inherent unpredictability of such disruptions poses challenges in developing effective contingencies.³⁴

Some stakeholders suggested that proactive engagement with key businesses could facilitate better planning for expected non-sailing days, highlighting the need for strategic foresight in managing weather-related challenges.³⁵ Despite advancements in weather forecasting, the Jersey Farmers Union observes that disruptions to ferry services remain a significant issue, with last-minute cancellations and rescheduling still occurring. This highlights the ongoing challenge of aligning operational decisions with predictive weather data to reduce the frequency and impact of such disruptions.³⁶

Some stakeholders highlighted to the Review that the number and severity of weather events have increased in recent years, leading to a larger amount of delayed or cancelled sailings. This is attributed by some, including the Ports of Jersey, to elements such as climate change which they highlight are likely to increase including throughout the summer months. Questions were also raised over the capability of vessels, insurance restrictions, and safe berthing in strong winds, pointing to a need for a deeper investigation into the reasons behind frequent cancellations due to weather.³⁷

KEY FINDING 5: Inclement weather was identified by many as a key disruptive factor to the Island's supply chain, with there being calls for greater communication and investigation of operational decisions leading to cancellation of services in this regard.

Mechanical failure

Mechanical failures within Jersey's infrastructure, particularly those affecting ferries and harbour facilities, pose a notable risk to the supply chain's reliability and efficiency. Ports of Jersey identify technical issues with ferries and harbour infrastructure failures, such as Ro-Ro ramp outages, as significant disruptions. They identify that these incidents have typically resulted in short-lived impacts, however, the risk of major failures necessitates a proactive approach through planned preventive maintenance and timely repairs. They highlight that limited scope for leasing large-scale harbour equipment at short notice underscores the importance of having contingencies, such as chartering alternative or standby vessels, a measure that Condor Ferries has already implemented.³⁸

Indeed, disruption caused by mechanical failure of vessels has also been highlighted with the Minister for Sustainable Economic Development indicating the availability of alternative equipment and vessels for charter, particularly arrangements maintained by Condor Ferries for short-notice chartering, is crucial for maintaining supply chain continuity in the face of mechanical failures.³⁹

KEY FINDING 6: Potential mechanical failure of ferries and harbour facilities, pose a notable risk to the supply chain's reliability and efficiency.

Service and scheduling failure

The Jersey Farmers Union identifies that significant risks to the supply chain primarily revolve around delays or cancellations of ferry services, emphasising the critical challenge posed by the lack of advance notice for these disruptions. Given that Jersey's harbour is subject to tidal influences, any delay or cancellation not only disrupts immediate shipments but can also have

³⁴ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

³⁵ [Submission - Supply Chain Resilience Review - Jersey Post - 30 August 2023.pdf](#)

³⁶ [Submission - Supply Chain Resilience Review - Jersey Farmers Union - 03 August 2023](#)

³⁷ [Submission - Supply Chain Resilience Review - Fin and Feather Ltd - 02 August 2023](#)

³⁸ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

³⁹ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

a cascading effect on subsequent routes and schedules, potentially affecting shipments for several days.⁴⁰ Although Condor Ferries maintains a standby vessel to mitigate disruptions should one of the main freight ferries encounter issues, the deployment of this backup can take days and, due to its slower speed, does not prevent delays from occurring.

The Jersey Farmers Union further indicate that this is particularly impactful during the peak weeks of the Jersey Royal potato season, where up to £600,000 worth of produce is shipped daily, highlighting how service disruptions can incur significant financial losses. They suggest that a more reliable backup ferry solution and, crucially, the provision of early notifications of disruptions to logistics and potato marketing companies would substantially mitigate these challenges.⁴¹

KEY FINDING 7: Although disruptions due to weather, and to a lesser extent mechanical failure, are accepted to a degree, early and open communication to stakeholders is required.

RECOMMENDATION 3: Clauses requiring timely communication of any alteration, or cancellation, of services should be included within any updated ferry Operating Agreement.

Geo-political disruptions

Ports of Jersey informed the Review that events like natural disasters, political unrest, or health crises (pandemics) can disrupt transportation and production, leading to delays and shortages.⁴²

They highlight that the COVID-19 pandemic had the potential to cause significant disruption to the Island's supply chains, however, through collaboration between Government, Ports of Jersey, Condor and other key supply chain participants, disruption was minimised, and life-line services maintained. It was added that Government should be prepared to implement similar supply chain resilience measures in the event of a future pandemic, learning from past experience.⁴³

Cybersecurity risks

The increasing reliance on digital technologies makes supply chains vulnerable to cyberattacks, data breaches, and ransomware according to Ports of Jersey.⁴⁴ This point was supported by HubEurope which described how supply chains becoming more digital created greater vulnerability to cyber threats and identifying that protecting against these threats is a significant challenge.⁴⁵ The Panel is aware of the production of a Cyber Security Law, which is anticipated to be brought to the Assembly for debate shortly; it is anticipated that sea transport, freight handling, road transport and freight distribution will be included within scope of this legislation.⁴⁶

Infrastructure

Ports

The Ports of Jersey have identified that the lack of capacity at the harbour, coupled with ageing port infrastructure are the greatest challenges to it performing its role in the supply chain and that the current harbour infrastructure is in urgent need of investment to ensure its resilience

⁴⁰ [Submission - Supply Chain Resilience Review - Jersey Farmers Union - 03 August 2023](#)

⁴¹ [Submission - Supply Chain Resilience Review - Jersey Farmers Union - 03 August 2023](#)

⁴² [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁴³ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁴⁴ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁴⁵ [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

⁴⁶ <https://www.gov.je/Government/Consultations/pages/cybersecurity.aspx>

and to provide capacity and flexibility to meet the islands requirements over the coming decades:⁴⁷

“It is imperative that these challenges are addressed through the delivery of the Harbour Master Plan and the Airport Master Plan, ensuring both the resilience of critical port infrastructure and the capacity to meet future freight and passenger volumes.”

Indeed, the [Fisher Associates, Freight Logistics Market Study Final Report](#) identifies that there would be significant disruption to Ro-Ro services should even one of the ramps at Elizabeth Harbour become unusable, and that it would not be inconceivable for both to be damaged should a vessel strike them. The Minister for Sustainable Economic Development highlights the ageing infrastructure of the harbours estate and the pressing need for modernisation to enhance freight handling capacity at Jersey’s principal harbour. This need aligns with broader strategic objectives to support the Island's supply chain resilience and efficiency.⁴⁸ The Panel also notes constraints of St Helier harbours, specifically the size and tidal influence.

Submissions to the Review highlight these as threats to the Island’s supply chain, with some, such as Ferryspeed, identifying the need for sufficient parking to allow storage between deliveries or prior to returning to the UK.⁴⁹ Previously, in a response to the JCRA 2022 market study made on behalf of Ferryspeed it was suggested that: ⁵⁰

“any optimisation of available space should be a direct consequence of new investments by existing and new operators, as well as the harbour. An attempt by the government to engineer the market by allocating space, either through its lease strategy that provided indirect state support to particular market players, or by other means, can only lead to poorer service and higher prices.”

A submission by the Jersey Farmers Union highlights a bottleneck at the harbour facility, where prioritisation of food distribution delays the delivery of machinery and spare parts critical for the agriculture industry.⁵¹

A further point for consideration of port infrastructure is raised by Ports of Jersey, which highlighted that infrastructure will be needed to support future fuel technologies, which to date remain uncertain.⁵²

The Panel understands that these views have been raised with Ports of Jersey as part of its planning application for redevelopment of the Elizabeth Harbour as part of the Harbour Master Plan.⁵³ At the time of writing the planning application is ongoing.⁵⁴

KEY FINDING 8: Port infrastructure is identified as a key enabler of the marine supply chain and a planning application for the redevelopment of the Elizabeth Harbour is underway.

Road Infrastructure

As identified by the JCRA and resulting in recommendation 2 of their 2022 market study, the road infrastructure is a factor upon the Island’s supply chain, specifically limiting the size of vehicle that can move goods once landed. The Minister for Sustainable Economic

⁴⁷ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁴⁸ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

⁴⁹ [Submission - Supply Chain Resilience Review - Ferryspeed - 04 August 2023](#)

⁵⁰ [Addleshaw-Goddard \(for Ferryspeed\), Response to JCRA Freight Logistics Market Study Draft Report Consultation](#)

⁵¹ [Submission - Supply Chain Resilience Review - Jersey Farmers Union - 03 August 2023](#)

⁵² [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁵³ <https://www.ports.je/about-us/elizabeth-harbour-and-nng/>

⁵⁴ <https://www.gov.je/citizen/planning/pages/PlanningApplicationDetail.aspx?s=1&r=P/2023/0062>

Development highlights that these road restrictions in Jersey necessitate the breaking down of freight into smaller vehicles for distribution, a factor that complicates the logistics landscape for new market entrants. This situation underscores the importance of having adequate transit space at the port to facilitate efficient freight transfer and highlights the limitations imposed by the current infrastructure on leveraging warehousing space elsewhere on the Island.⁵⁵

Freight corridors were highlighted within submissions as being implemented, with Jersey Business opining that additional routes should be established.⁵⁶ It is identified in the [Export Strategy](#) that assessment of the economic impact of any outcomes from the review of the P30 traffic corridor by the Infrastructure and Environment Department will be undertaken by 2024 which may consider options to increase capacity.⁵⁷ The Panel notes that the Government identifies that temporary permits are issued in compliance with Article 78 of the Road Traffic (Jersey) Law 1956 and Article 2(6) and 2(7) of the Motor Vehicles (Construction and Use) (Jersey) Order 1998 and will only be issued when there is no alternative method of transportation or if it is in the public interest to do so. The relevant Government of Jersey webpage also indicates that loads that can be transhipped from larger to smaller vehicles at the dock area may not be granted a permit.⁵⁸

KEY FINDING 9: “Freight corridors” allowing transport of goods on roads by larger vehicles have been implemented and are being assessed for success levels, however the Government indicates that loads that can be transhipped from larger to smaller vehicles at the dock area may not be granted a permit.

RECOMMENDATION 4: Analysis of the success of freight corridors on Jersey’s roads should be undertaken by the Council of Ministers by 31 December 2024 and should include consideration of the necessity for further implementation of corridors, as well as the potential for wider allowance of permits for freight vehicles.

Warehousing and stockpiling

A key question for the launch of the Review was the impact that warehousing had upon the Island’s supply chain. It is apparent from the evidence gathered during the Review that a move to “just in time” stocking of shelves has reduced facility for storing goods within warehouses on Island prior to distribution to stores and consumers.

The Panel notes that this is largely a commercial decision and submissions indicate that private investment for warehousing would likely be needed to alleviate issues seen when adverse conditions impact upon deliveries of goods to the Island. It has been expressed to the Review that decisions would be compounded by financial pressures such as levies and increased rental values, alongside competition for space.⁵⁹

⁵⁵ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

⁵⁶ [Submission - Supply Chain Resilience Review - Jersey Business - 03 August 2023](#)

⁵⁷ [Export Strategy - Government of Jersey 2023-2026](#)

⁵⁸ <https://www.gov.je/Travel/Motoring/OversizedVehicles/pages/exemptionform.aspx>

⁵⁹ [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

It is also noteworthy that different products would require specific storage facilities, for example refrigeration in the case of perishable goods which are inherently more visible when impacted by supply chain delays. SandPiper CI remark.⁶⁰

“Only certain types of foods would be feasible to warehouse (ambient and Frozen). These categories are less affected than fresh food from short term disruption and coupled with the additional costs associated from adding another (expensive) step to an already complicated supply chain this does not make commercial sense and if required would add to food inflation. There is no commercial argument to be made to stock other types of goods in the Island”

The Review did receive some comment in regard to the provision of fuel and medicines, however the Panel notes in the case of the latter it is identified that some critical medicines have a short shelf life and may not suite stockpiling.

It has previously been identified by the Chief Minister that the Island holds:⁶¹

- Fresh food of 1-3 days, 2-3 days for frozen food, and ambient food ranges from 3-7 days' supply. Food wholesalers have confirmed they hold 1-4 weeks of chilled product, 4-6 weeks of ambient product and 2-4 weeks of frozen product.
- One month's supply of fuel.
- 4-6 weeks on-Island stock of fast-moving medical supplies. In addition, a 30-days pandemic stock is maintained for public health purposes. The Health and Community Services Department pharmacy maintain a 4-8 weeks on-island stock of medicines and pharmaceutical supplies.

The Panel makes no specific comment on provision of warehousing for general goods on the Island noting that this is largely the concern of the private sector, however would highlight that the Government should enable that sector to increase facilities when able. The Panel would also expect that actions are taken to ensure sufficient stockpiling of necessities such as fuel and medicines, where possible, will be included within policy setting and the New Civil Contingencies Law.

KEY FINDING 10: Warehousing and stockpiling in Jersey is limited, with supplies of most goods, bar fresh foods, ranging from 4 to 8 weeks.

RECOMMENDATION 5: Noting the limited warehousing and stockpiles on Island, the Council of Ministers should ensure that consideration of replenishment of supplies for essential goods such as foods, medicines and fuels, are included within the New Civil Contingencies Law.

Onshoring

An area of consideration of the Review was that of onshoring, also known as inshoring. This is the practice of transferring elements of the supply chain to the Island, that is increasing manufacture or production on the Island rather than importing.

The Review received a number of submissions that highlighted the potential benefits of encouraging local production, identifying:

- Increase in the local economy
- A more sustainable supply chain

⁶⁰ [Submission - Supply Chain Resilience Review - SandpiperCI - 01 August 2023](#)

⁶¹ [WQ.207/2023](#)

- A more resilient supply chain

A submission by HYPHA, a strategic consultancy for sustainability practices, discussed the topic in detail advocating for a more circular economy particularly within the production of food goods. However, their submission also notes the pitfalls of integrating global market forces into isolated communities like Jersey, where such an approach could precipitate an economic race to the bottom. As such the submission supports "localization," a strategy that balances global and local supply chain relationships while emphasising the enhancement of social and environmental capacities.⁶²

Food security has been a topic of Government consideration in the past, notably through the [draft Food Security Strategy for the States of Jersey](#) which set out four objectives for food security on Jersey. This was updated in 2017 through a [brief review of Jersey's Food Security](#). The [Rural Economic Framework 2022](#) (REF) sets out policies for the management of the Jersey countryside, which includes the production and supply of food. A selection of relevant policies included in the REF are:⁶³

Food Production for the Local Market Policy (RD3)

Promotion and support of local food production, including:

- **Island Food Security Policy RD3a**
 - review the food security report for consideration by Ministers and establish a long-term plan for the Island.
- **Smallholder – Pathway Policy RD3b**
 - to encourage smallholders to contribute to the supply of local food.
- **Island Farming Foundation Policy RD3c**
 - investigate the opportunities an Island Farming Foundation could provide to enable new agricultural holdings to become established.

Although submissions were broadly supportive of increasing local production, it was noted that there is limited capacity to meet the Island-wide demand, and increased cost of producing on Island.

KEY FINDING 11: Increased production of goods in Jersey, particularly in food, may help strengthen the Island's supply chain, however it is acknowledged that production potential within the Island is limited.

Alternate routes and air freight

Southern route

As highlighted earlier in this report, the vast majority of goods imported into the Island are transported from the United Kingdom. Recommendation 7 of the JCRA Market study indicated that support should be given to the development of existing and new freight routes to France. It has been identified to the Review that the exploration of alternate supply routes, particularly through the southern supply chain, presents diverse opinions on its feasibility, economic impact, and potential benefits to Jersey's resilience and market diversity.

The Minister for Sustainable Economic Development and Ports of Jersey both advocate for the southern supply route as a means to open consumer and market choice, increase

⁶² [Submission - Supply Chain Resilience Review - Hypha - 17 August 2023](#)

⁶³ [Rural Economic Framework, pages 39 - 42](#)

resilience to market shocks, and reduce reliance on single operators like Portsmouth International Port. They suggest that this diversification could offer competitive pricing, a wider variety of goods, and reduced susceptibility to weather disruptions, potentially expanding Jersey's trade and mitigating risks associated with heavy reliance on the UK supply chain.⁶⁴

Conversely, a number of submissions highlight potential issues with a French supply route, notably due to elements of customs relations, whilst citing prohibitive costs and unfavourable currency exchange rates as significant barriers. This has also been highlighted previously by Addleshaw Goddard, on behalf of Ferryspeed during their response to the JCRA 2022 Market Study,⁶⁵ where they identified a number of issues in operating the southern route:

- Purchasing power of UK supermarkets
- Freight Cost
- Grocery prices
- Brexit

Trade barriers and changing regulations

Beyond a southern route, some submissions to the Review highlighted the impact of global relations.

Ports of Jersey consider that tariffs, sanctions, or trade disputes can lead to supply chain disruptions and increased costs. Similarly, evolving regulations or uncertainty over regulations and compliance requirements can impact supply chain operations and add complexity and costs.⁶⁶ Additionally, HubEurope believed that changes in regulations or trade agreements can affect supply chains, sharing that Brexit has significantly affected supply chains in and around the UK.⁶⁷

KEY FINDING 12: The Minister for Sustainable Economic Development, Ports of Jersey, Jersey Competition Regulatory Authority and other stakeholders identify that additional trade with France will benefit the Island's supply chain and consumers.

The JCRA 2022 Market Study identified that air freight in Jersey, while limited in volume compared to sea freight, plays a critical role for time-sensitive deliveries, commanding premium prices due to the rapid transport requirements.⁶⁸

During the course of the Review, provision of a mail plane by Royal Mail was ceased. This was commented upon by submissions which highlighted the fragility of services could be exposed if commercial links to Jersey fail to be attractive to commercial businesses.⁶⁹

HubEurope also highlighted the impact of delays in receiving products, supplies, or equipment, particularly for businesses specialising in urgent same-day and next-day deliveries. They indicate that such delays can render critical medical supplies unusable, severely affecting healthcare providers and patients dependent on timely deliveries.⁷⁰

⁶⁴ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁶⁵ [Addleshaw-Goddard \(for Ferryspeed\), Response to JCRA Freight Logistics Market Study Draft Report Consultation](#)

⁶⁶ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁶⁷ [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

⁶⁸ [JCRA Freight Market Study 2022, Findings and recommendations](#)

⁶⁹ [Submission – Supply Chain Resilience Review – Jersey Post – 30 August 2024](#)

⁷⁰ [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

The JCRA Freight Logistics Market Study acknowledges the limited current use of air freight but suggests its potential for future inclusion in the supply chain, especially for time-sensitive goods. It was highlighted that the COVID-19 pandemic exemplified air freight's utility when test samples were flown to the UK for analysis, indicating that despite its current limited role, air freight could be strategically important for Jersey's supply chain resilience.

KEY FINDING 13: Air freight provides for additional resilience of time critical goods.

RECOMMENDATION 6: The Minister for Sustainable Economic Development should outline in his Ministerial Response how air freight services will be supported to ensure maintenance of provision, and include further consideration of this within any updated Policy Framework for the Ports Sector.

Ways of working

Ports of Jersey outlined a number of opportunities around ways of working that would impact the supply chain:⁷¹

- **Efficiency improvements:** adopting integrated technologies and best practices to streamline processes and reduce lead times (“smart” ports).
- **Collaboration:** building strong, integrated partnerships and collaborations with suppliers, logistics providers, and other stakeholders to enhance the overall supply chain performance
- **Data analytics:** utilising data-driven insights to make informed decisions, optimise inventory levels, and anticipate demand fluctuations.
- **Technological Advancements:** technology can significantly enhance supply chain efficiency. For instance, advancements in data analytics can improve demand forecasting, while automation can speed up production and reduce errors. HubEurope also identified Blockchain technology can enhance transparency and traceability in the supply chain.⁷²
- **Sustainability:** embracing sustainable practices to meet growing consumer demands for ecofriendly products and reduce environmental impact, as well as the aspirations of Government’s “decarbonisation roadmap”. This could include choice of transport mode (Lo-Lo vs Ro-Ro).
- **Joint Channel Island approach:** Jersey is a comparatively small market that shares strong supply chain cross-over and cross-reliance with Guernsey. Together, the Islands have greater economies of scale and supply chain synergies. A loss of this cross-Island working and shared supply-chain is a threat to each Islands’ respective supply chain.

Labour issues were also identified as an issue by Jersey Post, with efficiency and productivity improvements signified as potential opportunities to mitigate the issue.⁷³ Stakeholders, such as Ferryspeed, highlighted continued efforts within their business to drive improvements and operational efficiency.⁷⁴

⁷¹ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁷² [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

⁷³ [Submission - Supply Chain Resilience Review - Jersey Post - 30 August 2023.pdf](#)

⁷⁴ [Submission - Supply Chain Resilience Review - Ferryspeed - 04 August 2023](#)

Suppliers of Services

Ferry Operating Agreement and its Impact

The ferry Operating Agreement stands as a pivotal element in shaping the future of Jersey's maritime connections and, by extension, the majority of its current supply chain. The current agreement establishes procedures for the ability for the ferry operator to operate, and is due to expire in March 2025.

The Panel has been informed that, although the Operating Agreement does not preclude multiple operators, in its current format a ferry providing Ro-Ro freight would also be required to meet provision for passenger services due to agreements concerning the use of ramps. However, the Operating Agreement regulates Condor's services by specifying service characteristics, performance criteria, and pricing for freight users.

The Minister for Sustainable Economic Development has indicated that the future of ferry services is currently under review, with any public elaboration on ongoing evaluations deemed inappropriate at this stage, identifying the critical dependency of Jersey on its sea links and the Government's commitment to securing an outcome that aligns with the Island's supply chain requirements under any new arrangements.⁷⁵ The Panel is aware that a formal tender process began in May 2024 for passenger and freight ferry services, and that interest from the incumbent and new operators has been reported.

The Ports of Jersey views the future ferry services Operating Agreement as an opportunity to enhance service provision and enable investment in future ferry vessels. This perspective underscores the importance of creating a framework that not only improves the current services but also anticipates the need for advancements in ferry operations.⁷⁶

The Sea Transport Policy [[R.90/2024](#)], published 3rd June 2024, provides direction on the procurement and management of an Operating Agreement for the Island's ferry services to the Harbour Master, updating the existing version [[R.99/2014](#)].

Although the Review has not specifically examined the Sea Transport Policy it is understood that this will allow the Harbourmaster to confer either:

- an exclusive permit to a single Ro-Ro ferry operator or:
- permits to all who apply for permits, where the applicant can operate to the same standard and provision of a principal operator

KEY FINDING 14: An updated Operating Agreement for passenger and freight ferry services, due to be finalised in March 2025, provides a key opportunity to strengthen the Island's supply chain resilience.

Business failures

Jersey has encountered several supply chain "business-failures" over recent decades, impacting both shipping companies and freight forwarders, as noted by the Ports of Jersey.

⁷⁵ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

⁷⁶ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

These failures have led to immediate short-term disruptions, causing inconvenience and loss for both businesses and Islanders.

Nevertheless, the resilience of the supply chain has been evident, with competitors quickly stepping in to absorb or replace the services of the failed entities. This adaptability has ensured the continuity of supply chain operations. However, there is a growing concern regarding the consolidation of the supply chain and the reduced competition. Should a dominant operator fail, it could pose significant challenges to the resilience and efficiency of Jersey's supply chain, indicating the need for robust contingency planning and diversification of supply chain partners to mitigate such risks.⁷⁷

HubEurope further elaborates on the broader pressures within competitive markets, where the constant drive for cost reduction and increased efficiency places additional strain on supply chains. This environment underscores the delicate balance required to maintain operational resilience while pursuing economic objectives, highlighting the importance of strategic planning and risk management in safeguarding against potential business failures and their cascading effects on the supply chain.⁷⁸

For its part, Ferryspeed has highlighted that it has developed a comprehensive succession plan to ensure business continuity beyond the retirement or untimely death of its leadership and identified that strategic planning reflects Ferryspeed's commitment to sustained operations and service delivery.⁷⁹

KEY FINDING 15: Business failure is a key threat to supply chains and has resulted in market consolidation within Jersey.

Competition

Competition within the Island's supply chain was identified as a key area of interest for the Review by the previous Panel, noting the majority or monopoly market share held by entities within various stages of importation of goods to the Island.

Stakeholders were asked to provide views on the threats and benefits of single market operators, barriers to entry and the practical implications of the Jersey Competition Regulatory Authority Freight Logistics Market Study recommendations.

Barriers to Entry

Barriers to entry within Jersey's logistics and freight market have been signalled to be significant, affecting new and existing companies' ability to compete effectively.

The JCRA Freight Market Study highlights several competition issues within Jersey's freight logistics market, including limited capacity at the Port of St Helier and the concentration of warehousing and temperature-controlled business operations under a single entity. These conditions, coupled with wider policy matters like road accessibility and vehicle restrictions, constrain the potential for new entrants in the Ro-Ro freight services due to the Condor Operating Agreement. The JCRA further identify that market resilience is further compromised by Jersey's heavy dependence on a singular Ro-Ro operator and its primary trade relationship

⁷⁷ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁷⁸ [Submission - Supply Chain Resilience Review - HubEurope - 04 August 2023](#)

⁷⁹ [Addleshaw-Goddard \(for Ferryspeed\), Response to JCRA Freight Logistics Market Study Draft Report Consultation](#)

with the UK, though the Lo-Lo traffic and proximity to France present opportunities for diversification and increased supply resilience.⁸⁰

Countering this, Ferryspeed, in its submission to the Review, indicate the view that they do not see any barriers to entry past the requirement for facilities in both Channel Islands and the UK along with the required transport equipment, personnel, and financial substance.⁸¹

Operator Agreement

As highlighted previously the current ferry Operating Agreement poses a specific barrier to operation of Roll-on Roll-off freight service due to those proposing to use the harbour ramps being required to also provide passenger services. This was previously discussed in the JCRA 2022 Market Study report:⁸²

“The potential for RoRo freight services by other operators is curtailed by conditions on the use of ramps and concerns about the impact on passenger services, further illustrating the complexities of introducing competition under the current framework.”

The Minister for Sustainable Economic Development notes that while the operating agreement with Condor doesn't explicitly restrict new operators from using the Ro-Ro ramp, the requirement to provide identical services creates a significant barrier.⁸³

The Minister for Sustainable Economic Development emphasises the importance of maintaining an Operating Agreement with any operator to ensure the adherence to a Service Level Agreement (SLA), suggesting that such regulatory mechanisms are crucial for preserving service standards in the absence of open market conditions.⁸⁴

As highlighted earlier in this report, the Sea Transport Policy [[R.90/2024](#)] established that the Harbourmaster will be able to issue either an exclusive permit to a single Ro-Ro ferry operator or permits to all who apply for permits, where the applicant can operate to the same standard and provision of a principal operator. This would appear to potentially continue the limitation of the use of the Ro-Ro ramps.

KEY FINDING 16: The current ferry Operating Agreement poses a specific barrier to operation of Roll-on Roll-off freight service due to those proposing to use the harbour ramps being required to also provide passenger services. The Recently issued Sea Transport Policy would appear to maintain this position.

RECOMMENDATION 7: Whilst mindful of any impact upon passenger services or the attractiveness of operating a ferry service to Jersey, the Minister for Sustainable Economic Development should consider, prior to renewing the current ferry Operating Agreement, allowing the use of Roll-on Roll-off ramps for provision of freight only services.

⁸⁰ [JCRA Freight Market Study 2022, Findings and recommendations](#)

⁸¹ [Submission - Supply Chain Resilience Review - Ferryspeed - 04 August 2023](#)

⁸² [Fisher Associates, Freight Logistics Market Study Final Report](#)

⁸³ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

⁸⁴ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

Cost and Rate Card

Stakeholders have expressed concerns about the inability to compete on price due to a volume discount-based structure incorporated within the ferry service's rate card.

Jersey Post points out that the current ferry freight rate card system, which favours volume-based discounts, inherently advantages the largest market shareholders, making it harder for smaller forwarders to access competitive shipping pricing or routes. They identify that this system impedes effective competition and challenges against established service providers.⁸⁵

Condor has previously defended the use of volume-based discounts as outlined in their Rate Card, arguing it aligns with global industry standards prevalent in various forms of purchasing and procurement.⁸⁶

Jersey Business advocates for the implementation of a published rate card, suggesting that transparency in pricing could lead to a fairer competitive landscape. While acknowledging the acceptability of preferential rates to a degree, they argue that the disparity should not significantly disadvantage smaller operators, calling for a more level playing field in the freight logistics market.⁸⁷

Addleshaw-Goddard, on behalf of Ferryspeed, has previously argued that assessing the competitive impact of the rate card necessitates a complex examination of the market and ferry operator costs, noting that discounts based on volume are accessible to any operator, which implies a nuanced approach to competition and pricing.⁸⁸

KEY FINDING 17: A volume discount-based structure is incorporated within the ferry service's rate card, although this is generally accepted as a standard practice there are calls for the rates to be open published.

RECOMMENDATION 8: The Minister for Sustainable Economic Development should ensure, whilst renewing the current ferry Operating Agreement, that the rate card for shipping of freight be clearly and openly communicated with the industry, prospective operators and, if possible, the wider public.

Market and infrastructure size

During consideration of competition within the Island's supply chain the Review received views that the market size provided little room for additional operators, with some questioning the viability of segregation of existing volumes. The Minister has indicated that no economic impact assessment has been directly conducted on the economic viability of competition within the supply chain, however, identifies that potential volume of imports/exports are not a zero-sum equation suggesting that there is room for further operators to develop as market size increases.⁸⁹

The Panel is also aware that there has been some conflict within the supply chain due to provision of space. It is highlighted by some that the incumbent operators are well established which causes challenges in building further infrastructure. However, it has also been

⁸⁵ [Submission - Supply Chain Resilience Review - Jersey Post - 30 August 2023.pdf](#)

⁸⁶ [Condor Ltd., Response to JCRA Freight Logistics Market Study Draft Report Consultation](#)

⁸⁷ [Jersey Business, Response to JCRA Freight Logistics Market Study Draft Report Consultation](#)

⁸⁸ [Addleshaw-Goddard \(Ferryspeed\), Response to JCRA Freight Logistics Market Study Draft Report Consultation](#)

⁸⁹ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

highlighted that existing operators have privately invested in the infrastructure that they use, and that any additional operators are able to make that investment should the wish.

KEY FINDING 18: No detailed numerical economic analysis of the ability for the Island's economy to support multiple operators within its supply chain has been undertaken.

Threats and benefits of single market operators, Competition vs Regulation

The Panel received mixed views on the impact of single market operators. Competition within the supply chain was, on the whole, purported to have a number of potential benefits. However, submissions to the Review did acknowledge that some benefits do exist in the operation of single operators.

Ports of Jersey outline several threats posed by the dominance of single market operators, including barriers to entry, potentially inflated fees, and a lack of incentive for service improvement. Conversely, they highlight the benefits of a single market operator might include economies of scale leading to cost savings for customers and greater investment in technology and infrastructure. This dichotomy reflects the complex balance between ensuring competition and leveraging the potential efficiencies of dominant market players.⁹⁰

Jersey Post highlights the existence of market dominant players across various sectors, including post, shipping, and cargo handling. They highlight that while these operators have served Jersey effectively, especially during the pandemic, the geographical monopolies stem from high barriers to entry and the natural monopolies protected by these barriers. The dialogue suggests that while monopolies can drive efficiencies and cost optimisation, regulatory oversight is essential to prevent discriminatory practices and ensure market resilience.⁹¹ Jersey Post acknowledges that Jersey's small and limited market may naturally lead to monopolistic conditions that could yield cost efficiencies. However, they stress the importance of ensuring that such efficiencies benefit the entire supply chain, particularly the end users. They advocate for regulatory oversight to prevent market power abuse and ensure that economic benefits derived from monopolistic positions are not disproportionately siphoned off the Island, suggesting a balance between recognising natural monopolies and safeguarding against their potential downsides.⁹²

Further submissions indicate scepticism regarding the viability of sustaining multiple operators in certain segments, such as ferry services, due to market size, noting that while monopoly operators may lead to higher costs for consumers, the key issue is whether the market can sustain more than one provider without compromising service quality.^{93 94} A further confidential submission also highlighted potential negative impacts of increased competition, including heavier traffic, congestion, pollution, and reduced driving standards among van drivers.

Fisher Associates previously acknowledged the challenge in determining how many market players Jersey could efficiently support, citing a lack of detailed data on cost structures and potential revenues. They suggest the freight logistics market in Jersey does not inherently require monopoly control but point out the lack of detailed analysis on margins and pricing that could help understand the minimum efficient scale. They note a 75% capacity utilisation for freight, indicating potential capacity issues, especially with uneven demand. The contract

⁹⁰ [Submission - Supply Chain Resilience Review - Ports of Jersey - 29 August 2023](#)

⁹¹ [Submission - Supply Chain Resilience Review - Jersey Post - 30 August 2023.pdf](#)

⁹² [Submission - Supply Chain Resilience Review - Jersey Post - 30 August 2023.pdf](#)

⁹³ [Submission - Supply Chain Resilience Review - Fin and Feather Ltd - 02 August 2023](#)

⁹⁴ [Submission - Supply Chain Resilience Review - SandpiperCI - 01 August 2023](#)

expiration for the MV Arrow in 2023 opened up opportunities for considering alternative vessels despite the practical challenges in finding suitable replacements.⁹⁵

The Minister for Sustainable Economic Development, who provides ministerial oversight of competition and regulatory matters in the Island, adds that single market operators can generate savings through economies of scale, potentially allowing for significant investments in infrastructure and savings passed onto customers. However, the Minister identifies that Jersey's dependence on single operators is identified as a market resilience risk, emphasising the need for competition to foster lower prices, innovation, and greater consumer choice. This perspective aligns with the understanding that while monopolies might offer certain efficiencies, fostering a competitive environment could bring about broader benefits for the Island's economy and its residents.⁹⁶

The Minister emphasises the JCRA's observation that heightened competition in the freight logistics market could lead to better prices, quality, and diversity of offerings for consumers. This stance highlights the intrinsic link between competitive markets and the downstream benefits for operators, businesses, and consumers, suggesting a push towards a more varied supply chain to meet a broad spectrum of preferences.⁹⁷

The Panel notes that the Policy Framework for the Ports Sector establishes that the Government supports competition in the freight logistics market, or in the absence of effective competition, regulation of the market. The Framework also identifies that the Government supports the recommendations of the JCRA's Freight Logistics Market Study (2022), should these measures fail to deliver effective competition, Government will consider regulation of the sector.⁹⁸

KEY FINDING 19: The Government supports competition in the freight logistics market, or in the absence of effective competition, regulation of the market.

RECOMMENDATION 9: To aid in clarity, the Minister for Sustainable Economic Development should, in his Ministerial Response, define the meaning of effective competition and provide an outline of potential methods of regulation of the freight logistics market.

⁹⁵ [Fisher Associates, Freight Logistics Market Study Final Report](#)

⁹⁶ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

⁹⁷ [Letter - Minister for Economic Development, Tourism, Sport and Culture to Economic and International Affairs Panel re Supply Chain Resilience - 25 September 2023](#)

⁹⁸ [R.4/2024 Policy Framework for the Ports Sector](#)

5 Conclusion

The Supply Chain Resilience Review has confirmed that Jersey's supply chain is relatively complex and heavily influenced by the nature of being an Island and the jurisdiction's size. A number of potential threats and opportunities have been highlighted in areas such as:

- Disruptions due to weather, mechanical or service failure, and geo-political factors.
- Infrastructure of the Island's Ports and Roads
- Warehousing and stockpiling
- Onshoring
- Alternative routes and air freight
- Ways of working
- Suppliers of services, including ferry services
- Competition

The Review has found that there are a number of ongoing workstreams impacting upon the Island's supply chain and that the Minister for Sustainable Economic Development's is supportive of the recommendations of the Jersey Competition and Regulatory Authority's 2022 Market Study of Freight Logistics. It is noted that the Policy Framework for the Ports Sector indicates that the Government supports competition in the freight logistics market, or in the absence of effective competition, regulation of the market. It is noted that the Sea Transport Policy, issued in June 2022, will allow for an exclusive permit to a single Ro/Ro ferry operator, however will allow for additional permits to be issued where the applicant can operate to the same standard and provision of a principal operator where the applicant can operate to the same standard and provision of a principal operator.

Remarking upon the limited warehousing and stockpiles on Island, the Panel has recommended that the Council of Ministers should ensure that consideration of replenishment of supplies for essential goods such as foods, medicines and fuels, are included within the New Civil Contingencies Law.

Submissions to the Review indicate that although consultation is undertaken by the Government and the Ports of Jersey, some stakeholders indicate that their views are not adequately taken into consideration. The Panel has recommended that the Minister should ensure Government representation to the Chamber of Commerce Logistics and Supply Chain Group in order to allow for greater communication with relevant operators. Noting the current tender for ferry services to the Island, the Panel has also made recommendations for consideration of communication and operation of Roll-on Roll-off ramps under any new ferry Operating Agreement.

Appendix

Panel Membership (February 2024 - present)



Deputy Montfort
Tadier (Chair)



Deputy Geoff
Southern (Vice-chair)



Deputy Karen Wilson
(Member)



Deputy Max Andrews
(Member)

Previous Panel Membership (2022 – February 2024)



Deputy Moz Scott
(Chair)



Connétable Richard
Honeycombe
(Member)



Connétable Marcus
Troy (Co-opted
Member)

Terms of Reference

1. To examine the Minister for Economic Development, Tourism Sport and Culture's policies in relation to Jersey's Supply Chain Resilience. In particular:
 - Competition and diversification in the supply chain;
 - warehousing and stockpiling; and
 - onshoring of the Island's supply chain.
2. To examine the occurrence of supply chain disruptions and the impact on the business community.
3. To determine the arrangement, barriers to entry and key opportunities and threats to, Jersey's supply chain.
4. To determine the adequacy of Government consultation that has taken place with industry regarding Jersey's supply chain which may inform future plans.

Evidence Considered

Public Hearings

- Public Hearing with representatives of the Ports of Jersey

The public hearing transcripts can be viewed on the States Assembly website [here](#).

The webcast of the hearings can also be viewed [here](#) up until six months after the hearing was held.

Written Submissions

A total of 11 written submissions were publicly received by the Panel and can be viewed [here](#).

Written Questions

The Panel wrote to the Minister for Sustainable Economic Development correspondence between the Panel and the Ministers can be found [here](#).

Other evidence considered

A number of relevant documents were considered during the course of the Review, these include:

- [Condor Operating Agreement](#)
- [R.099-2014 Sea Transport Policy- Direction to the Harbour Master concerning ferry services](#)
- [Draft Food Security Strategy for the States of Jersey \(2012\)](#)
- [A brief review of Jersey's Food Security \(2017\)](#)
- [Interim Retail Strategy \(R.68/2021\)](#)

- [Brexit Report: December 2019 update](#)
- [S.R.4/2021 Report on the Inclusion of the Bailiwick of Jersey in the UK-EU Trade and Co-operation Agreement \(Goods and Trade\)](#)
- [S.R.6/2019 Brexit Readiness](#)
- [Fisher-associates-freight-logistics-market-study-final-report.pdf](#)
- [THE FREIGHT LOGISTICS SECTOR IN THE CHANNEL ISLANDS \(2017\)](#)
- [JCRA Freight Logistics Market Study \(2022\)](#)
- [Letter - Ferryspeed to Economic and International Affairs Panel re Supply Chain Resilience - 17 May 2023](#)
- [Letter - JCRA to Economic and International Affairs Panel re Supply chain resilience - 10 May 2023](#)
- [Policy Framework for the Ports Sector - R.4/2024](#)
- [Export Strategy 2023-26 – R.119.2023](#)

Review costs

The costs of this review totalled £250 for advertising, engagement, and public hearing transcription costs.

What is Scrutiny?

Scrutiny panels and the Public Accounts Committee (PAC) work on behalf of the States Assembly (Jersey's parliament). Parliamentary Scrutiny examines and investigates the work of the Government, holding ministers to account for their decisions and actions. They do this by reviewing and publishing reports on a number of areas:

- Government policy;
- new laws and changes to existing laws;
- work and expenditure of the Government;
- issues of public importance.

This helps improve government policies, legislation and public services. If changes are suggested, Scrutiny helps to make sure that the changes are fit for purpose and justified.

The Economic and International Affairs Scrutiny Panel reviews policy and legislation related to the topics of financial services, external relations and economic and international development. It focuses mainly on the work of the Minister for Sustainable Economic Development, the Minister for External Relations, and the Minister for International Development. To learn more about the Panel's work – [CLICK HERE](#)

