

## Supply Chain Resilience Review

1. In our view the key elements of Jerseys supply chain rely on the ability of the logistics operator having the correct facility, ability, and resource to receive goods in the UK.

A frequent and reliable ferry service from the UK to Jersey.

Equally to the UK set up, the correct facilities, abilities, and resource in Jersey to handle and deliver the final mile.

The key operators in Jersey's supply chain are, but not limited to, Ferryspeed and associated companies, Portsmouth International Port, Portsmouth Handling Services, Condor Ferries, Solent Stevedores and Ports of Jersey.

2. The opportunity exists to cement the supply chain resilience with a sustainable and robust Harbour plan, we should be considering the necessity of a 3<sup>rd</sup> ramp, considering the impact of divesting so much of the harbour to passenger operations, giving priority to passenger vessels over and above freight vessels to the detriment of the freight operators.

3. In contradiction to the recent Freight Logistics report, we believe the opportunity for sustainability of the supply chain to Jersey is to avoid introducing further competition but to in fact fully support and nurture the current operators in consolidating their positions.

The idea of diluting the supply chain into several logistics companies is fraught with issues, and despite the common view would create a huge issue for the Island. There is already limited labour resource available, too much vehicle congestion on the roads, not enough vehicle parking or warehouse space. By introducing or encouraging dilution you lose the operational synergies and increase the cost as every operator will duplicate the resource across the various businesses and frankly Jersey's infrastructure does not support this.

Kirsten Morrel acknowledges this in a press article on the 8th of June 2023. (attached)

Having been in the industry for 40+ years and having seen multiple providers come and go it is very apparent that for resilience you need a strong company who fully understand the requirement, who continually re invest in people and resource to look after this on behalf of Jersey.

A report prepared by KPMG in the context of the JCRA Freight Logistics Market Study, which includes an assessment of competition and resilience in the market and is publicly available and free to reference. ([here](#)),

4. We do not see any barriers to entry regarding the Islands supply chain. Apart from the obvious requirement for facilities in both Channel Islands and the UK along with the required transport equipment, personnel, and financial substance it is more than

possible to enter the marketplace. This is not for the faint hearted it must be a long-term plan, every operator who is or has been in Jersey started with a handful of freight and a couple of vans. This is more to do with attitude, aptitude, and a good understanding of the market you are entering.

5. Without a doubt the main cause of disruption to the supply chain is because of severe weather, this cannot be avoided and must be accepted as part of Island life.  
The other issue we have locally is that the harbour is built on dry land so experiences huge tidal influences.  
The ferries have had their fair share of disruption with technical issues etc, and we are hopeful that with the introduction of the 3<sup>rd</sup> freight vessel this has been substantially mitigated.  
It is also relevant to reflect that the supermarkets unwillingness to invest in their own storage facilities and a general lack of appropriate warehousing space in the Island has driven a just in time mentality which in the face of adversity can prove fragile.  
The main thing is how you recover and how quickly you can do that. We have over the past 40 years dealt with this pretty much on a weekly basis , how we do this is no great secret , we have invested in a highly experienced management structure who live and breathe these issues , we have a loyal and dedicated workforce , whom we respect and reward and are therefore in tune with our values and the requirement to keep the Island supply chain at its optimum.  
The contingency for the Island is to embrace the operators and seek their judgment and experience as you have now done.  
Wednesday 2<sup>nd</sup> August is a prime example of this, the weather is extraordinary for August, and we have had no vessels in the harbour, there is a massive backlog of freight in Portsmouth waiting to come over. Using our experience, communication with the supply chain and some sensible management of the situation we will meet the first arrival in the morning and restock every shop on this Island by early afternoon, we will then repeat this in the evening when the next vessel arrives and continue to do so through the weekend until everything is delivered as it should be. We are resilient we have invested in the tools to enable us to do this, we are well versed and experienced and ultimately the supply chain from all the major shipper's respect this, understand the process and have full confidence in our ability to swiftly get things back to normality.  
This is far from an isolated incident and there is rarely a week that goes by without a disruptive challenge from somewhere.
6. Generally, we do not have difficulties, we have challenges, but this is our job. Every challenge can be resolved with communication within the supply chain in its entirety, so dealing with the shippers and the consignees equally to ensure they have managed expectation and the assurance that we will overcome.  
The biggest difficulties or challenges are from outside of the supply chain whereby we find ourselves having to fight for the right to be here or justify ourselves, even though we offer a solution unrivalled in Jersey and remain committed to it.
7. Warehousing in Jersey is a major cause for concern, as a business we lease from the POJ (Ports of Jersey), sufficient warehousing to run our day-to-day operations, we also lease land on which we have built and paid for additional purpose-built warehouse suitable for the operation.

There are strict rules concerning storage of goods on the harbour, where the majority of our facilities are, so do not promote this, however there are occasions when physically goods cannot be delivered for various reasons, there is a large amount detained by customs, or such as the airport scanning system the client (POJ in this instance) cannot accept their delivery requiring us to find space to accommodate loaded trailers for a period of time. Generally, goods being held are stored up on mezzanine floors that we have installed for such an eventuality, this is roof space unsuitable for crossdocking but with the investment becomes invaluable to accommodate the needs of the Islands businesses. We have a large fleet of vehicles necessary to fulfil our duty of care to the supply chain, of course at some point of the day or night these must be parked. In addition, each vessel arrival will bring with it c. 40 plus 13.6 metre trailers that need to be accommodated whilst waiting to be unloaded or re-presented for shipping north bound. Again, this is a huge challenge and something that cannot be underestimated.

8. Over the years we have not had the need to consult too much with Government or associated bodies, however we have over the last 2 years had yet another JCRA investigation and of course the many meetings and correspondence concerning the Port development plan.

The consultation process has been sadly lacking, both the JCRA and Ports of Jersey and, with respect the Government of Jersey have little understanding of the day-to-day logistics business and supply chain and are not prepared to listen to anything that opposes the preconceived ideas and plans, they already have.

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.

We have emailed the Ports of Jersey with requests for information and clarification of the Port plan and have really been met with arrogance and a refusal to consider our requests for information and indeed obstruction from some of the junior officers who have been instrumental in the formulation of the plan.

The many meetings and correspondence we have had have been quite insulting, and 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.

9. Despite the mis information and incorrect reports being published in the press it must be obvious to everyone that volume and economy of scale go hand in hand. It is quite simple to understand that a warehouse, workforce, and fleet of vehicles that can be operated 24/7 is going to be far more efficient and economically viable than a multitude of smaller operators. Having the volume and building a business around it allows us the opportunities otherwise unavailable to other operators however it must be respected that this position was not gifted to us, the business has worked tirelessly over 40 years and consistently reinvested to ensure that the Island and its businesses benefit from these economies of scale.

Any dilution of this will have a very detrimental effect on the Island economy.

10. Recommendation 1. requests that the Ports of Jersey release space in the port and reassign usage for freight logistics operations. We are in complete agreement with this statement. Ports of Jersey have not understood this and have adopted a completely opposite approach.

Recommendation 2. requests a temporary and targeted relaxation of restrictions on vehicle size and operating times to create a freight corridor to warehousing outside the Port estate.

This has been partially implemented and a corridor to Rue des Pres trading estate has been opened for large trailers, allowing Jersey Post/Woodside to operate more efficiently and we have also realised the benefit in this with one customer on the estate.

Recommendation 3. Supporting initiatives to drive improvements, we have not seen any evidence of this from Ports of Jersey who were tasked it. We have however been told by them that we need to be more efficient to fit with the Harbour master plan, easy words from the uninitiated. However, we are confident in our own abilities to drive improvements and operational efficiency and that is why we are still trading. We do not however require any input from external parties on this matter unless we have contracted them to do so.

Recommendation 4. Formation of trade association, this was completed and chaired by the Chamber of Commerce, as a body we tend to agree on most things but feel redundant as in reality no one outside is that interested. It is fair to say the the freight world has its own community and we tend to work with each other daily anyway to the benefit of Jersey.

Recommendation 5. suggests a clear policy framework ensuring that the needs of freight logistics are being met not only through port facilities being fit for purpose into the future but addressing the wider issues. We fail to understand why then the Ports of Jersey have completely ignored this and have produced a plan in complete contradiction.

There is most definitely not a common position between Government, regulator, and industry, but it seems acceptable to ignore this recommendation in favour of leisure and passenger facilities.

Recommendation 6. The Ports of Jersey should consider the current space constraints in respect of freight logistics, consistent with the finding that capacity constraints are a competition issue, potentially limiting entry and / or expansion and causing inefficiency.

It is evident that the Ports of Jersey have not understood the brief and are instead reducing the operating areas for freight logistics this of course will have the opposite of the desired result. We would question the likelihood of further entrants into such a small market, but the recommendation is clear on the ability to expand.

Recommendation 7. Government to support the development of existing and new freight routes to France. Jersey already enjoys good freight routes to France with the provision from Condor, the trade from Morvan Fils is sustainable but only by utilising the services of an established provider in the Island. The motivation is to buy more products directly from France, the logic is good however the reality is that most retailers in the Islands are supplied from the UK where established supply chains with the larger supermarkets dictate that economically this is the only sensible and practical route.

It is apparent that the recommendations of the JCRA have been completely ignored very few of the recommendations concerning capacity and space have been realised and the freight

logistics operating area is to be reduced if the plan goes through. The Ports of Jersey have made it quite clear that the needs of freight logistics and the personnel working in that industry are not their priority, passenger operations and tourism are.

11. Our opinions concerning the impact of the Harbour Master Plan are well documented but in summary we are under no illusion that should this be allowed to proceed the supply chain resilience of the Island will be severely compromised, not just in the event of severe weather or vessel disruption but daily. It is impossible to remove so much of the estate and expect everything to carry on. We have not been given any clear direction on port user parking, commercial vehicle parking and have recently been informed that the trailer parking space in the RZ has in fact been reduced.

We do not have an agenda other than to protect the wellbeing of the Island and the supply chain it is incomprehensible that the Ports of Jersey do not understand this, and I would suggest that it is they who have the agenda, and they should be very clear on what that is.