

CONCRETE & AGGREGATES MARKET STUDY

A summarised one-page report for Islanders

This market study focuses exclusively on Concrete and Aggregates - it is not a market study of the building industry or any other products or materials.

Concrete and aggregate products are essential inputs for homes, schools, hospitals and public infrastructure. Because prices are felt at the start of the construction chain, the GCRA was asked to examine whether prices in Guernsey were too high, what might explain them, and whether there were grounds to act under competition law.

WHAT THE GCRA COULD AND COULD NOT DO

Some islanders may have expected a simple conclusion: high prices should mean price reductions. The GCRA's role in this study was narrower. It is not an economic regulator for this market and it cannot set or cap Ronez' prices. It can only intervene where the evidence shows that competition law has been breached, including the demanding legal test for unlawful excessive pricing.

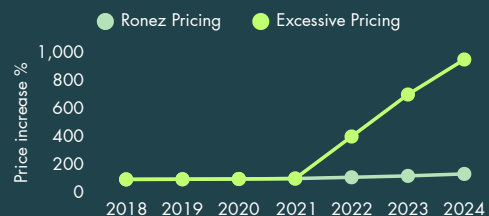
WHAT THE EVIDENCE SHOWED

The study found that Ronez does not face on-island competition for ready-mix concrete and therefore has substantial market power. Guernsey prices were high compared with the UK, and profitability was above the estimated cost of capital. Those facts matter, but they are not enough on their own. The report also identified relevant cost and structural factors, including transport, labour, scale, logistics and the limited local supply base.

WHY THE EXCESSIVE-PRICING THRESHOLD WAS NOT MET

Excessive-pricing cases usually involve very large, often sudden increases that are not explained by rising input or operating costs, with returns materially above benchmarks. The report did not find that pattern: Ronez's increases were not sudden or extreme enough and were at least partly linked to rising costs, so the legal threshold was not met. An example of excessive pricing against Ronez' pricing is alongside.

WHAT EXCESSIVE PRICING LOOKS LIKE



The example above is illustrating the gap between Ronez and what typical excessive pricing would look like to Competition Law

HIGH PRICES

FOUND

PRICE CONTROLS

NOT AVAILABLE

LEGAL THRESHOLD

NOT MET

Conclusion: Higher prices or profits alone do not mean rules have been broken, there must be clear proof that pricing is unjustified. The GCRA emphasises that competition law requires strong evidence before action can be taken. Our review did not find that evidence. The report points instead to practical pathways such as transparency, access where feasible, supply resilience and procurement practices.