

2025.07.08

4.13 Deputy K.M. Wilson of the Minister for Sustainable Economic Development regarding lower than anticipated visitor numbers in 2025 (OQ.178/2025):

Further to the “top up” funding that was provided to Visit Jersey in 2024, will the Minister provide his assessment of why there have been lower than anticipated visitor numbers so far this year and will he state what measures, if any, he is considering to address this and its impact on the local hospitality and retail industries?

Deputy K.F. Morel (The Minister for Sustainable Economic Development):

As I just mentioned in previous answers, it is of concern to me that we have not seen growth in the tourism sector this year. Some of the reasons I think are understandable and will be because of the change and the late tender process for the ferry services, but others are less understandable and beyond the control of anyone in Jersey. It is important to put such figures into context. Between January and April, the Island saw a 7 per cent reduction in figures compared to 2024. We know that over two-thirds of our business comes from the U.K. and low levels of U.K. consumer confidence are affecting lots of jurisdictions dependent on this market. Take one example: Ireland. Ireland has reported a 14 per cent decline in visitors from the U.K. between January and April this year. Another significant decline has been seen in Iceland which also has large amounts of U.K. visitors. These things are beyond the control of this Island but that does not mean we do not try to work to ensure that the tourism industry can enjoy today and enjoy a prosperous future. With that, we are investing heavily in the hospitality sector. We have included £6.6 million in productivity support between 2025 and 2026, of which £2 million is ring-fenced for the visitor economy alone. I have also provided an extra £2 million to Visit Jersey this year and will provide another £2 million next year on top of their core grant funding. This has led to a 12 per cent increase in web traffic and visibility of the Island and a 23 per cent increase on onward referrals to local hotels. It is not just about marketing, we are also investing £2 million in new air routes over the next 2 years. That is to be aimed principally at Europe but also includes the U.K. As such, we are seeing an expansion of Jet2’s connections in 2026 which will drive a 50 per cent increase in available seats. Having seats available is one thing, we also need to make sure that those seats are filled, and that is where the conversation with the industry comes in. I have sat down on 3 occasions now with hoteliers and the industry and just sat in front of them and said: “Tell me the problems. Let us talk about solutions.” I will continue to do this but it is a dialogue. While the Government can invest in marketing the Island, we also need to make sure that the product is appropriate at this end. At the moment there is no question, we have a high-priced industry and the product is not always necessarily of the value that those prices determine. I am sitting with hoteliers and with hospitality providers to help them through that. That is where things such as the visitor economy part of the Better Business support scheme and the productivity elements are aimed to help them make the investments in their products that will help us attract people to make the bookings because the marketing is being seen but we need people to book on to those planes.

4.13.1 Deputy K.M. Wilson:

Thank you to the Minister for his comprehensive response there. As he has alluded to, there are structural vulnerabilities in the visitor economy. Does the Minister believe that the current strategy for improving tourism in the Island is perhaps maybe the wrong strategy, given the disappointing outcome? Even though he has talked to the industry, what sort of things does he think could change to improve the situation?

Deputy K.F. Morel:

I do not think we have the wrong strategy, I think politics and anything to do with politics has always got the issue of a short-term change and a short-term issue versus the longer-term outcome. It is the longer-term outcome which is the strategic outcome that we are seeking. That is absolutely where we need to go, which is greater visitor numbers. At the end of the day, we are a high-priced Island so we

need to be able to attract people who can afford those prices. I sat down just yesterday with a business person who is investing, not just in the hotel in the Island, but is investing in an attraction in the Island as well. We talked about the possibility of attracting American tourists to Jersey from France. We talked about the fact that they are already seeing more people coming in from countries in central and northern Europe. We talked about the fact that this person is happy to invest in the industry in Jersey because they do see opportunity. They do understand the strategy that we are working with the industry is one that shows them a future for Jersey. We do need, as I said, to work with the industry that is already here to ensure that product and prices are where they need to be and also to help them understand marketing. There is a greater need for packaging, so packaging hotel rooms with attraction discounts or packaging hotel rooms with discounts in the hotel, free meals, things like this. These are things that many hoteliers are not used to doing but that is how we have cut through. It was interesting that February has seen the greatest increase. We had an increase in visitors in February. That is ...

The Deputy Bailiff:

Minister, your answer has reached 90 seconds and your previous answer was longer than that.

Deputy K.F. Morel:

So we can and that was done by packaging.

4.13.2 Deputy J. Renouf:

The Minister's original answer spoke about the decline in visitor numbers as being part of a wider trend in decline of U.K. visitors. Will the Minister provide an assessment of whether he thinks that is entirely the reason for the fall in numbers or are there some home-grown reasons for the decline?

Deputy K.F. Morel:

If the Deputy had been listening to my answer fully to Deputy Wilson's first question, I said that there were also home-grown reasons. I said the lateness of the decision on the ferry tender absolutely has had an impact on sailings because it meant that tour groups were not able to book on ferries that had not been decided upon, so there was an impact there. To Deputy Tadier's previous assertion that I do not hold my hands up when something is not quite working, I do, and I say that was because of the lateness of the ferry tender process. There has been an impact on southern route sailings, in particular, but that is something we are working with both DFDS and Visit Jersey to overcome. They are directly marketing into France and other places in Europe, as we speak, and investing their own money in that.

4.13.3 Deputy J. Renouf:

I apologise for not being clearer with my question. I wonder whether the Minister would state to what extent he feels that the home-grown product, if you like, is a factor in that decline as opposed to the other factors he has mentioned.

Deputy K.F. Morel:

I believe hoteliers in Jersey work incredibly hard and they work hard to deliver the best product that they can. When you look at the product and the price, I think that is what is really important. Jersey is now a higher-priced jurisdiction because of elements such as ... particularly the cost of wages, but other matters as well, the cost of goods to buy into your hotel to sell on. We have to accept that we are a higher-priced jurisdiction and therefore we need to attract visitors who can pay those higher prices. I do believe that there is in some areas a difference between the standard of product being offered in this Island and the standard being expected. It is called "value" at the end of the day and I do not believe that we always hit that value point. That is where the Better Business support scheme and the Tourism Development Fund, the visitor economy part of that Better Business support scheme, are designed entirely to help businesses, and in terms of the visitor economy part, hoteliers and restaurateurs and retailers to invest in their product. Government is helping them in stimulating that. In the coming hours I think we will see some really interesting statistics coming out about the stimulation of investment in Jersey as a result of the Better Business support scheme.

4.13.4 Deputy K.M. Wilson:

It is pleasing to hear that there seems to be quite a lot going on to stimulate the tourism sector. One of the things that would be helpful, if the Minister could give some further detail about what ideas or what progress he is making with a view to attracting the high-value visitors he talks about.

[12:00]

Is he focused on just volume or is he also encouraging the longer stay in the duration of visits to sustain the industry going forward?

Deputy K.F. Morel:

Adapting to changing markets is a really important part. We see that we have, I think it is 4.3 days is the average stay of visitors nowadays. That is a global trend. That is changing, that is not something that Jersey can change on its own. What we need to do is adapt to that changing trend. We are pushing into the ... not just the shoulder months, but the winter months. Jersey's tourism industry is hamstrung by the fact that we have a 4-month season. We need to break out of that. To that extent we are, through the arts strategy and also the sports events strategy, bringing events that we hope will encourage people to visit here during the non-seasonal months. On top of that, we are seeing investment in hotels; I am really pleased that we are seeing at least 3 or 4. I signed, I believe, a business licence for one hotel recently; I know that there has been publicity about another prospective hotel development. I was speaking to one business person yesterday about their - not prospective - it is a hotel development that is going on. There is absolute desire to invest in Jersey's tourism industry. That is where the Assembly should be seeking and saying: "We know we have got something to offer but we need to market things properly." I have been asking Visit Jersey to have a more tactical approach to marketing as well as the bigger strategic Visit Jersey approach, but also market the marathon, market the super triathlon, market Jersey's heritage, market our foody offering. These are things which go really well to attracting those higher-value tourists that we are looking for.