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Economic and International Affairs Scrutiny Panel

Quarterly Public Hearing

Witness: The Minister for Economic Development

Monday, 26th October 2026

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Panel:

Deputy S.J. Gleave of St. Helier South (Chair)

Deputy C.J. Rebindaine of St. Mary, St. Ouen and St. Peter (Vice-Chair)

Deputy G.A. Raimondo of St. Brelade

Connétable R.D. Johnson of St. Mary

Witnesses:

Deputy F.G. Voisin of St. Helier North - The Minister for Economic Development

Mr. T. Holvey - Acting Chief Executive Officer, Department for the Economy

[11:04]

Deputy S.J. Gleave of St. Helier South (Chair):

Welcome, everybody, to this Scrutiny Panel hearing for the Minister for Economic Development. If I just remind everybody to turn their phones off, if they have not already, so we do not get any interruptions. Just for those who are watching online, this will be available afterwards on demand and also the transcript will also be available. Let us do introductions so that ... for the benefit of those online. Now you will know who we all are. My name is Deputy Samantha Gleave and I am Chair of the panel for Economic and International Affairs.

Deputy C.J. Rebindaine of St. Mary, St. Ouen and St. Peter:

I am Deputy Chris Rebindaine. I am Vice-Chair of this Scrutiny Panel and represent St. Mary, St. Ouen and St. Peter.

Deputy G.A. Raimondo of St. Brelade:
I am Gabriel Raimondo. I am obviously part of this panel and I am Deputy for St. Brelade.

Connétable R.D. Johnson of St. Mary:
Constable David Johnson of St. Mary, panel member.

The Minister for Economic Development:
I am Deputy Gerald Voisin, Deputy for St. Helier North and Minister for Economic Development.

Acting Chief Executive Officer, Department for the Economy:
I am Tom Holvey. I am the Chief Economic Adviser from the Department of the Economy.

Deputy S.J. Gleave:
Fantastic. Thank you. Could I just also ask before we start does anyone have any declarations of interest to declare?

The Minister for Economic Development:
I am a retailer. I own a retail establishment in town, in St. Helier, yes.

Deputy S.J. Gleave:
Thank you.

Deputy C.J. Rebindaine:
I have a family member who has recently been working on the *Bergerac* screening, so just to put that out there.

Deputy S.J. Gleave:
Okay. Anything else?

The Connétable of St. Mary:
No.

Deputy S.J. Gleave:
Okay. Great. Okay. So at this scrutiny hearing we want to build on the very constructive dialogue we have been having, but if you could answer as openly and honestly as a public hearing will allow,

that would be great. So I just wanted to start off by asking, Minister, obviously the proposed common strategic priorities as laid out commits the Government to improving Jersey's competitiveness and encouraging growth and reducing the cost of doing business. So what do you consider to be the 3 most important changes you intend to deliver over the next 12 to 18 months?

The Minister for Economic Development:

I think the 3 most important are to encourage investment in our economy, to improve the skills of our workforce, and to remove regulatory burdens that get in the way of businesses growing and thriving.

Deputy S.J. Gleave:

Okay. In terms of the specific economic outcomes you expect those changes to deliver, over the last year the economy outside of finance, which has seen a dip but if we take finance out, has more or less flat-lined. So what do you feel that this would make ... what difference do you think this would make?

The Minister for Economic Development:

Well, actually, if you take out of the economy ... yes, you can take out the financial services sector, and that shrunk, but if you look at the rest of the economy and take out public administration, that also shrunk as well, only by 0.4 per cent but it is still a shrinking economy. So, it just goes to show we do have to do something if we are going to grow our economy. I think the thing is that I talked about encouraging investment. There are a lot of businesses in Jersey that have for one reason or another not had investment. I have learnt this from the Better Business Support Grant Scheme, that for every pound that the States of Jersey put into a business, private investors have put in £1.40. So I think it is key we have to unlock investment. Going forward, I hope to resurrect some of the Better Business support package because I do think actually it has worked quite well. It has worked well, so a lot of businesses have engaged with Jersey Business and they have been able to help them to refocus their businesses as a way of attracting investment and also making sure that the investment works as well by making sure that they have the skills in their organisation.

Deputy S.J. Gleave:

Okay. That is interesting you say that because from a budgetary point of view the budget has not been given to you alongside. You are talking about the return on investment, but it seems that your budget has been cut. It has not been grown. So if the Government has this focus on delivering a more competitive economy, how is that going to be achieved if one of those levers is taken away?

The Minister for Economic Development:

Well, I think next year it is all about looking at what sort of regulations we can remove or reduce. What can we do to encourage businesses to grow and also take on more people? We can do that without money, but going forward ... and the big issue is that when the Council of Ministers was appointed in July, they had to or we had to lodge the budget in September. There really just was not enough time to look at how we were going to make big changes to the way that we use the money. It was a question of, well, let us just try and bear down on growth and try and have a budget lodged which we can work with, but I knew that my department would have to make savings as every other department has had to. We will make those savings, that is not a problem, but it would have been nice to have more money. The trouble is that if we were going to have more money, then every other department would have wanted more money and I know that the Minister for Treasury and Resources was very keen, as indeed the whole Council of Ministers is very keen, to try and get back to a balanced budget where we eradicate the deficit. We had a big deficit last year. We are going to have a deficit this year and the budget itself still has a deficit. We have to work hard to get rid of that and it is not going to be easy.

Deputy S.J. Gleave:

Okay. Coming back to your point that the budget ... you did not have time or the Council of Ministers did not have time to look at the budget overall to tie that back into what money was available, so how confident are you that your priorities are, therefore, right? You do not know what budget you are going to have. You have set these priorities. How can you be confident that the 2 are ...?

The Minister for Economic Development:

Yes. The priorities that we have for 2027 we can fund, that is fine. We have already put more money into Visit Jersey. We have already made commitments elsewhere to ... well, we do not have the budget for Skills Jersey any more but we have the budget to deliver what we need to do for next year. It is going forward that if we are really going to stimulate the economy then I think we need more money to put into it. What I am also doing for next year is to try and organise an investment fund. This is for private individuals to invest in a fund which will be invested into the Island's economy. The investment will be through loans mainly, quite simply because if this is private money going in then the private individuals will want to see a return. But the expectation is that the return is not going to be a massive return. It is not going to be like investing in a bull market stock exchange. It is going to be similar to what you would receive if you put the money into a bank. The thing is that also the interest rates that we agree with businesses receiving this have to be at a fairly low rate because obviously if businesses are able to get investment from the private sector, then they will almost certainly do that. So we are looking at businesses that reflect probably a higher level of risk than the banks would be happy with.

Deputy S.J. Gleave:

Okay. When you talk about doing the investment fund and doing that next year, when next year do you think that that would come to fruition?

The Minister for Economic Development:

We are already talking to people about it. These things have been done in the past. I am afraid I am not ... I have personally never done this before but I am talking to people that have done it, and also we have an awful lot of high net worth residents that are very keen to help Jersey and I think we are pushing at an open door.

Deputy S.J. Gleave:

Okay. So this is essentially philanthropy?

The Minister for Economic Development:

Really, yes, because they could probably put the money elsewhere and get a higher return, yes.

Deputy S.J. Gleave:

Okay. I think we will come back to that ...

The Minister for Economic Development:

But I do not think it fits into the philanthropy definition in terms of making a donation to a charity, which is what high net worth individuals and high net worth residents are asked to do.

Deputy S.J. Gleave:

So it seems to be a hybrid? You are expecting them to make less money than they would do elsewhere because they are invested in Jersey?

Acting Chief Executive Officer, Department for the Economy:

We still have quite a bit of work to do in terms of how the scheme would look and who would be involved. I think the idea that the investment return ... it would still be an investment but the returns perhaps would not be quite as high as they might get elsewhere off the Island, for instance, because they want to do something to enable business on the Island, which would be good for them as well. So while they might not get the same financial return, they will have some social impacts and returns for just being on the Island at the same time. So it is not philanthropy but it is perhaps just trying to get people to think about things in a slightly different way and invest here. We need to just make sure that we get the right structures in place that allows that to happen.

Deputy S.J. Gleave:

Okay. I appreciate this is early days and you are looking at how to put the scheme together, but are there any guarantees that the Government are looking to offer people who invest in that fund alongside of it? What sort of underwriting would the Government have to do?

[11:15]

Acting Chief Executive Officer, Department for the Economy:
I think a lot of what we have heard is that the Government would enable this but not do much more than that, so not be putting in government money because that ties and restricts the ability to invest in certain things. I think we just need to work with likeminded people, of which there are many and the Minister has had quite a lot of conversations around that, and actually the previous Government had conversations around some of these things as well. So there is quite a lot of interest out there about this, but it is more about enabling them and seeing what they need to deliver this, with the Minister having those conversations with them.

The Minister for Economic Development:
I have had a meeting ... had a conversation with the Treasurer about merging public money and private money and he was very ... he felt it would create all sorts of complications. It is actually much cleaner and easier to just have private money in this thing. Everybody knows what the risks are and we can invest accordingly.

Deputy S.J. Gleave:
Okay. All right. I am going to come back ... yes.

The Connétable of St. Mary:
Without wishing to go off-piste, as it were, going back to the idea that 1(1)(e)s, et cetera, might contribute to the small businesses, is that possibly going to be translated into a condition of entry or is it going to come into the conditions and discussion when they apply to come here?

Acting Chief Executive Officer, Department for the Economy:
That is not something we are discussing at the moment. There are one or 2 legal conditions that they have to meet when they come over and then the rest is a test. There is an idea of making sure that we can optimise high net worths coming over and putting more barriers in place might not be able to do that as well. So while working with them would be something we would be very keen to do and that sits within the department anyway, I think putting more restrictions on them might not be the direction of travel, no.

The Connétable of St. Mary:

Okay. Thank you.

The Minister for Economic Development:

I did speak at a meeting of high net worth residents in the Island and floated the idea and they were very positive about it.

Deputy S.J. Gleave:

Okay. In terms of who would administer that fund and who would make the decisions about where the money was going to be spent, is this something that Jersey Business would look after? Is it something that the economy department itself would look after? Where do you feel ...?

The Minister for Economic Development:

No, when we set up the fund there will be an investment panel and they will make the final decision, but I do envisage them working closely with Jersey Business. Indeed, there are a number of high net worth individuals in Jersey that have worked with businesses already through Jersey Business. Again, the feedback from the 2 that I spoke to was very positive. So I think we are on to something and we need to just make sure that we implement it, but it has to be done on a professional basis. We cannot have politicians deciding whether to make investments or not. It has to be up to some investment committee.

Deputy S.J. Gleave:

Okay. Going back to you said regulation is one of the things that you are ... is one of the things that you think needs doing to revitalise the economy or cutting regulation. What changes do you consider most urgent?

The Minister for Economic Development:

Well, could I just give an example of the Alcohol Licensing Law, which we just had a new one introduced by the last Assembly so that is going to be implemented now. What that means is that it simplifies all the categories of ... we do not have all these various restaurant licences and pub licences. We have a much more simplified system. Licence holders will not have to apply for separate licences if they want to have entertainment in their pub, for example. So a lot of this will free up their time, so instead of constantly making applications to have a guitarist sitting in the corner, you will not need that any more. So I think that is a good example of how by changing the legislation you can actually free up people's time.

Deputy S.J. Gleave:

Okay. So that is looking backward a little bit, so the last Assembly have already done that. Do you have a list of legislation in mind at the moment, or regulations, that you are specifically looking to change?

The Minister for Economic Development:

We have a small list. The Policy Forum's report on regulation contains a list and we are working through that, yes. There are other things as well. For example, there is a new shops law that we want to introduce so that shops do not have to apply for a licence to open on a Sunday. It is much easier and again we are working with the Connétables to strike a balance between them being able to close down a business that is causing residents noise but enable other businesses to just get on and open.

Deputy S.J. Gleave:

Okay. I am going to hand to Chris because I think the next question is quite relevant in terms of ...

Deputy C.J. Rebindaine:

Well, it is number 2 so it is relevant to number 1, yes.

Deputy S.J. Gleave:

Yes, exactly.

Deputy C.J. Rebindaine:

Minister, many of the factors affecting Jersey's economic competitiveness sit outside your actual Ministerial portfolio, including planning, infrastructure, employment and regulation. So how will you ensure that these different areas of Government policy are co-ordinated to deliver on your economic priorities?

The Minister for Economic Development:

Okay. What we are actually doing is to restructure the department so that we do not second guess other organisations and second guess what is going on in particular industries. What we have is we are going to beef up the economic advisory section of the department so that we can provide better economic advice to, for example, the Minister for Planning and Regulation, the Minister for Social Security and other Ministers, and the Council of Ministers generally. I think we need to be much more informed about what is going on in the Island's economy and at the moment we rely on the annual G.D.P./G.V.A. (gross domestic product/gross value added) report that is produced in October every year. That is the only data that we have. So the economic adviser is currently working on an outline of a quarterly report that the Council of Ministers will receive, certainly the department will

receive, so that we have a better idea of how the economy is performing on a quarter by quarter basis.

Deputy C.J. Rebindaine:

Where you have topics that split across different ministries, who effectively will be the person responsible for delivery when it is not just one Minister involved?

The Minister for Economic Development:

Well, it will be the Minister who is responsible for that particular area. So planning and regulation would be for the Minister for Planning and Regulation, but the thing is that I need to develop a better or a good relationship with frankly all of the Ministers. The Minister for Housing is another one. The decisions that are made in housing do have a big impact on the economy. The cost of housing is a big economic ... it can either be a barrier or it can be an inhibitor. We need to ... well, I need to develop relationships with all of the Ministers so that we can discuss policies in a more open way and also use the information that the Economic Department is providing.

Deputy C.J. Rebindaine:

So do I interpret that as meaning that you are effectively a catalyst but you are actually beholden on others to deliver your economic agenda?

The Minister for Economic Development:

Yes, I am, yes. That has always been the case. We have discussed the minimum wage, for example. That is not something that is in my remit but it is in the remit of the Minister for Social Security and so I discuss these things with her.

Deputy C.J. Rebindaine:

Are you comfortable you have the levers you need in order to make these changes? It is really boiling down to just your relationship with particular individuals.

The Minister for Economic Development:

And the information and the data that we provide. I think we have to be focused much more on data than perhaps we have in the past. I say that hesitantly because it implies that previous decisions were not made on data, but I think it is really important that we get the data so that we can see what is going on. We can see what is happening in employment markets. We can see what is happening with G.S.T. (goods and services tax) receipts, I.T.I.S. (Income Tax Instalment Scheme) receipts, and social security. We get this information much more regularly than on an annual basis and we need to be looking at that.

Deputy S.J. Gleave:

Can I just ask: given that you have said that the future relationships you develop are so important in delivering your agenda, how often are you currently meeting with those Ministers? So if I said, looking at the Minister for Planning and Regulation, Senator Boleat, how often are you meeting with him?

The Minister for Economic Development:

Well, the Minister for Planning and Regulation is part of the ... and indeed all of the important Ministers ... I hesitate ... no, not important, all of the relevant Ministers that impact upon the economy are part of the Economic Growth Group and we meet monthly. So that is the Minister for Planning and Regulation, the Minister for Treasury and Resources, the Minister for External Relations, the Minister for Health because he is also the Deputy Chief Minister, and also the Minister for Social Security as well. But I think there are ... for example, I have not had a regular meeting with the Minister for Education and Lifelong Learning. The Minister for Education and Lifelong Learning is, of course, responsible for Skills Jersey, which is also important in providing the right skills for our Island economy.

Deputy S.J. Gleave:

Okay. We will come back to that. We do have a section that is covering skills in particular because it is important.

Deputy C.J. Rebindaine:

How do you envisage conflicts between Economic Development objectives and decisions made by other departments for different priorities being resolved?

The Minister for Economic Development:

I will let you know in 6 months' time. **[Laughter]** No, it is something that I am sure is going to rear its head because the number 1 strategic aim, Common Strategic Policy aim, is to grow the economy but the trouble is are actions always going to be placed at the very top of the priority list. There are going to be other demands, other people's objectives, that they will say no, this is more important. I cannot give you an example just yet but I am sure ... well, there is a proposition for the Council of Ministers to restart work on the whistleblower legislation, for example. Now, the question is: is that a higher priority than other actions to help grow the economy or not, and that is where the discussion is going to be.

Deputy C.J. Rebindaine:

Have the recent changes in Ministerial responsibilities affected your ability to deliver on these economic priorities?

The Minister for Economic Development:

When you say the recent Ministerial changes?

Deputy C.J. Rebindaine:

Well, I think particularly to do with farming moving out of the economic ministry's responsibilities and moving to the environment.

The Minister for Economic Development:

The economic activity revolving around the environment makes up a very small part of our overall economy. Having said that, it is an important part and I know that Jersey Business are still involved with businesses that see themselves as part of the rural economy. So although from a numbers perspective it is not as important as something like the finance sector, it is important. Also, there is a nice grant scheme available and the grant scheme is being run by Jersey Business on behalf of the Environment Department.

Acting Chief Executive Officer, Department for the Economy:

I think a move like that is in keeping with what the Minister said at the beginning in terms of refocusing the approach within the department. We are a very small department. Influencing out is what we have to be doing and working across other parts of government. There are very few, if not any at all, parts of government that are not delivering something that impacts on the economy, and we would be doing ourselves a disservice if we were narrowing ourselves just to delivery within the department rather than looking out at the entire area that government works in, whether that be procurement ... health is very important for the economy, and making sure that we can maximise what is going on across government to have economic impact is what we are really focusing ourselves on. So agriculture moving to another department does not impact on that approach. That is what we are aiming to do. It does not lessen our ability to try and go out there and deliver. Obviously, agriculture is ... we talked about the interconnectedness last week or the week before of the economy. Agriculture has a very vital role to play in that interconnectedness, the look of the Island, the feel, the product, the offer, which feeds directly through to digital economy which is very important for financial services. We cannot be in control of the whole economy. A department cannot do that and Government should not do that. The Minister and the Government are trying to get government out of the way of businesses and that is where we need to try and influence across other parts of government as well. So the new focus that we have, or a refocus, in terms of that very collaborative approach, it does not really matter that agriculture therefore sits within another ministry. It could even be helpful in some circumstances.

Deputy C.J. Rebindaine:

Thank you. How regularly will you be liaising with businesses and the Chamber of Commerce to establish what their wish list is, effectively?

The Minister for Economic Development:
I meet with the visitor subcommittee of the Chamber of Commerce regularly. I am in touch with the chief executive of the Chamber of Commerce on a regular basis and also the current president and also the I.o.D. (Institute of Directors). I had a meeting with the chair of the I.o.D. just last week.

[11:30]

I think it is important to meet these people and organisations to find out what is going on. How do they find things? How do their members see the economy going? How do they see the actions or inactions of Government and how it is affecting them? So I do think it is important.

Deputy C.J. Rebindaine:
Is the feedback from them currently that you are on the right track or are they looking for more?

The Minister for Economic Development:
I think that they are always probably looking for more, for us to get out of the way, but the trouble is that sometimes we cannot move as quickly as they would like, basically. In business, if you are running your own business, you can make decisions and get things started immediately, whereas if in government then you have to get, first of all, other Ministers on side very often and with the Council of Ministers you have to persuade the Council of Ministers that the course of action is the right thing to do to get their support and then you go ahead. But things do work a bit slower.

Deputy C.J. Rebindaine:
We are going to move on to the Future Economy programme. So, Minister, the programme's delivery framework runs from 2023 to the end of this year, so what measurable improvements in productivity, investment or the costs of doing business can be attributed to the programme so far?

The Minister for Economic Development:
Right. Well, I have not seen an analysis of this. I think the Future Economy programme was about setting the principles of making sure that we grow the economy. I am not aware that it actually set out specific objectives, did it?

Acting Chief Executive Officer, Department for the Economy:
Can I just give an example of how it works in practice? So the Future Economy programme was, to start off, very much about reshaping the debate on the Island that economic growth is necessary

and a good thing. I think it has done a very good job in doing that. One of the examples you might look at going backwards is when the minimum wage was increased towards the ... to the transition towards living wage there were calls to have some form of business support. Having the Future Economy programme that was focused around productivity in sectors enabled us to make sure that that focus ... because it aligned with what we were trying to achieve with the north star or whatever you wanted to call it. The Better Business support package was then very much aligned with what we were trying to achieve with the Future Economy programme, which was protect our competitiveness, so our exports, because that is a slightly different element, but also increase productivity. So having that competitiveness and productivity bit that was part of the Future Economy thinking enabled us to then design a programme that sat within the Future Economy programme. So we took the advantage of the opportunity that was there to try and drive productivity. I think a lot of what we do is making sure that we have the right structures and thinking in place to take advantage of opportunities when they come up, heading in a certain direction but not knowing exactly what is going to happen in any given year politically, and adapt.

Deputy S.J. Gleave:
Can I just ask probably the obvious question then? You are saying that it has been very effective at identifying that. However, right at the beginning of this hearing we heard that the economy has declined. So how do we ...

Acting Chief Executive Officer, Department for the Economy:
It is really hard. Absolutely, yes.

Deputy S.J. Gleave:
... balance those 2? We have a declining economy but you are saying this has been really effective. Would we be even in a worse state had we not had that? How are you defining that effectiveness?

Acting Chief Executive Officer, Department for the Economy:
I said we have been effective in changing the narrative on the Island, which I think is a very important element, and we are effective in terms of having a strategic thought of how we would then shape support for businesses if that then came about, for instance, and it did. Beyond that it is really difficult to then measure. You are right. Had we not been doing anything would the economy have been in a worse place? Are there other factors of Government that dampen down what we were doing elsewhere as well, other decisions that are made elsewhere, extra regulation that maybe has come in? So pointing to causation is really, really hard and what the counterfactual is is very difficult as well. We know the economy fell back for the last 2 years largely because financial services has fallen back and largely because of banking to some extent falling back. But that was off the back of 3 bumper years. So I show again the numbers over the last 5 years. If you smooth that 5-year

growth out, actually our growth figures are still pretty strong over that period. We have just hit a decline in the last 2 years, which we need to reverse. I am not understating the importance of that because obviously that is not where we want to be at all. But you also do need to put that in a wider context going back a little bit further through 3 years of bumper growth for the Island as well. What we need to ensure is that we can now help correct some of that decline, if that is the word we want to use, and move forward so that growth becomes something that we are aiming to achieve. The Minister said at the beginning about growth being the most important bit, but what we really need to do is make sure that our businesses and sectors are enabled to thrive themselves and that will add to growth. The actual growth element is very difficult to say we will grow the economy by X because external factors are such a huge part of that. We know what has been going on across Iran. We know what has been going on in terms of trade globally. We know about the strategic and structural issues that we talked about again 2 or 3 weeks ago, all of which have a dampening effect on our ability to grow, which is why we need to put much more concerted effort in doing that because growth is not easy. It does not just happen. Businesses do it but we need to enable them so that they are able to thrive.

Deputy S.J. Gleave:

So you have talked about external factors there. Is there anything internally and domestically that you think that we have done that has dampened control, putting aside the Time to Win programme there because that has been dealt with by the Time to Win programme? But is there anything else that you feel domestically has constrained us?

Acting Chief Executive Officer, Department for the Economy:

We have talked about it a lot. That regulatory burden is impactful. Again, I talk about the cumulative impact of the regulatory burden. So each one piece of the regulation on their own right actually makes sense; that is why they are debated and voted through the Assembly. But that cumulative impact of regulation on regulation on regulation means that businesses cannot continue to prosper. They have too much treacle to wade through, effectively.

The Minister for Economic Development:

That is going to be difficult to unwind.

Acting Chief Executive Officer, Department for the Economy:

It is.

The Minister for Economic Development:

But to give you a specific, I do not think that the 3 per cent increase in stamp duty on second homes or increase in the minimum size of units of accommodation has helped the construction sector. I

am not aware of any construction of homes or flats going on in St. Helier at the moment, and I attended the Construction Council awards ceremony a few weeks ago and there were no awards because there had not been enough building. So those are 2 things that have not helped the industry, and certainly people in the industry say that if you want to ... well, the 3 per cent additional stamp duty put off a lot of private investors that would certainly put deposits down on flats and that would kick start a development to get it going. Then the increased size made the build more expensive. So not only are you putting up prices but you are also scaring off a lot of investors that would have got these schemes going, so they have not gone ahead. So that is one example.

Deputy S.J. Gleave:

Okay. So I want to move back to the economic task force that you have briefed us on. I think there have been obviously various task force groups, et cetera, set up in the past. What will this deliver that is not already covered by the Future Economy programme? What is different about it?

The Minister for Economic Development:

Well, I certainly hope it is going to improve co-ordination. You were asking me, quite rightly, about how is the Minister going to influence decisions that other Ministers are taking and this is the forum where hopefully we will get that influence. I think that is quite important, really. The other thing is that if a course of action is proposed by one member of the growth group, then if the other members are aligned with that, then that person knows that they have a basis of support to go forward with. Also, it is a good way of discussing general ideas. A proposal was flagged at the last meeting where we merge several regulators, and after a few moments' discussing it, it was decided that it was not such a good idea after all. So that saved officers' time by taking it forward and we are now working on something else.

Deputy S.J. Gleave:

Okay. So I am a big believer in bringing brains together and brainstorming. I think it is a very good way of doing it. However, you have said that one of your issues is that you have to persuade other Ministers. So how on board ...

The Minister for Economic Development:

That is a democracy, is it not? **[Laughter]**

Deputy S.J. Gleave:

How on board are the other Ministers? So when you say that they are sitting on the economic task force, are you finding that everybody is going in the same direction? Is there still a lot of persuasion to do? I guess how do you move from it being talk to action? So it is one thing brainstorming and coming up with some lovely ideas. It is another thing making them tangible.

The Minister for Economic Development:
Yes.

Deputy S.J. Gleave:
Are you almost giving an action point list to those Ministers that sit in other departments of seeing change and getting things done?

The Minister for Economic Development:
I do not know that we are giving an action list to other Ministers, but we are certainly working through the point that we have already been discussing. I will give you an example. We have all supported the idea of having every States proposition be accompanied by a statement of the impact that that decision will have on the economy. So that has already gone to the Policy and Procedures Committee for them to consider and hopefully then we will be lodging that proposition. So that was discussed at the Economic Growth Group and everybody was aligned with that. I think with many things, though, it is all very well to agree a principle of, for example, let us grow the economy, but very often it is how you are going to achieve it. That is where people start to disagree. That is also why it is really important to have good economic advice so that we can have evidence of (a) what is going on; and (b) the likely outcome of taking decisions.

Acting Chief Executive Officer, Department for the Economy:
Just the other thing that the Minister has commissioned the department to do is to mirror the Time to Win report for financial services. So I think that has landed very well across the Island. I think there is action already been taken for it and I think it already is adding to our competitiveness agenda. That will hopefully drive economic growth across the Island. We need the rest of the economy to help enable that and take advantage of those gains that we make from that as well. So the Minister has commissioned the department to effectively write - we do not have a name for it - a Time to Win for the rest of the economy as well, so sector by sector what is required to enable them to deliver the growth and the balance that is required that comes from the growth it gets from the financial services. Again, it is a whole economy approach which is very, very central to what we are aiming to do, but that is something we need to work through in the next 2 or 3 months. At some point early next year hopefully we will have some strategic initiatives by sector that we will be looking to build on to take advantage of the financial services Time to Win as well.

Deputy S.J. Gleave:
Fantastic. Are you envisaging that report ... it is really good to hear that there will be a similar Time to Win report, although I hope that we will not have to spend a million pounds and use internal resource to achieve that. But are you envisaging a published document that will align people?

Acting Chief Executive Officer, Department for the Economy:
I do not think we have come out with the outcome just yet. I think the Minister will decide on that. Most important is we are taking action, not necessarily that we are publishing something. If part of the action is that a published document will be useful to align people, then that would be a good idea. But I do also think that sometimes these things land a bit negatively with the public - it is just another document - and I think we want to try and get away ... the focus is very much on what we are going to deliver rather than a published document. If it is a useful thing to do to publish, then of course we would do that. But I think we want to make sure that we design a good programme of work and action and then see what the output, as in a document or how we communicate that, is at a later date.

Deputy S.J. Gleave:
Is that something you would at least be able to share with the panel? Because I think one of the things that we are very keen to ... is that we see ... we need to turn from something that is not tangible to something that is tangible ...

Acting Chief Executive Officer, Department for the Economy:
Absolutely.

Deputy S.J. Gleave:
... and be able to ...

The Minister for Economic Development:
At the risk of upsetting my Acting Chief Officer, I think it should be published because I think people have to know what we are trying to do. It is really important, actually.

Acting Chief Executive Officer, Department for the Economy:
So it will be published. **[Laughter]**

The Connétable of St. Mary:
Before we leave the Future Economy programme, I have the 2025 update here and there is more than one reference to renewable energy and wind farm. Is that still on the agenda, dare I ask?

[11:45]

The Minister for Economic Development:

Well, I had a briefing about the wind farm. It is years. It is at least a decade away and there are so many imponderables that I really would not suggest that anybody would form a plan or a strategy around getting a wind farm built. One of the first things that we do have to decide as an Island is how we are going to ... what legal structure we are going to set up ...

The Connétable of St. Mary:
I appreciate there are problems with ...

The Minister for Economic Development:
... and that involves dealing with the U.K. (United Kingdom) Government, less so with the French Government, but of course the view is that because a wind farm would be right next to an existing French wind farm, then it would make sense to plug it into the French system. There are all sorts of complications.

The Connétable of St. Mary:
I have heard of those.

The Minister for Economic Development:
Am I spending hours of my day working on the wind farm? No.

The Connétable of St. Mary:
Okay. No. The reason I ... sorry to go ...

Acting Chief Executive Officer, Department for the Economy:
So I think it is ...

The Connétable of St. Mary:
It is the first item of growth enablers in the 2025 report so ...

Acting Chief Executive Officer, Department for the Economy:
I still think it is on the agenda but just because it is on the agenda does not mean we need to be working at it when it is probably not the right time to be pushing hard.

The Connétable of St. Mary:
Okay.

Acting Chief Executive Officer, Department for the Economy:

Access to markets is really important and because we have done the groundwork on that, if that access to markets issue resolves itself, which it might, we can then start pushing on it as an opportunity in the future. It comes back to having good groundwork, having done that groundwork, and then taking advantage of opportunities when they actually arise. So if that access to market issue is resolved through either the U.K. or the French market, it might be something we can start pushing and refocusing on again. But because that is not resolved at the minute, we do not then actively continue to prioritise that work.

The Connétable of St. Mary:

Got more important things to get on with, yes.

Deputy S.J. Gleave:

Okay. So I am just looking back at ... with Time to Win, we have the focus on that with External Relations. There is a concern with A.I. (artificial intelligence) that we may start seeing diminishing returns from staff in the finance sector and therefore it puts more of a focus on what is the next economic opportunity for Jersey. Now, the C.S.P. (Common Strategic Policy) has identified opportunities in medical technology, biotechnology and other high-value industries. So what new sectors do you think are most credible for growth going forward?

The Minister for Economic Development:

Well, the biopharmaceutical industry is possible. I have a Teams call with an organisation that is interested in doing something in Jersey later this week, so that is very interesting. The idea is that they would establish in Jersey and they would have to import expertise from outside the Island, but it would give us a unique proposition and also it would help ... if people were here benefiting from our health service then they would also make a contribution to that, which I think is useful.

Deputy S.J. Gleave:

As I understand it, while we want to look at regulation that is hindering, this does need regulation to really make sure we support that opportunity. So is that something you are working with the Minister for Health and Social Services and supporting that department with to see that fast tracked?

The Minister for Economic Development:

In this case, our legislation actually enables these people to do what it is that they want to do. At this stage it does not appear to be a regulatory hurdle for them, so that is positive. It is like our intellectual property legislation as well. There are opportunities there for businesses to establish themselves to base their intellectual property rights in Jersey.

Deputy S.J. Gleave:

Okay, but do you recognise that for the wider biopharma industry that regulation is required to make sure that if medicines are produced here that is done within a proper framework?

The Minister for Economic Development:

Yes, and you may also be thinking about cannabis manufacturing as well. I mean, there are issues there, and that area does have hurdles to jump through in terms of legislation.

Deputy S.J. Gleave:

Okay. So is that something that you will be supporting alongside not just cannabis but other opportunities in that industry as well?

The Minister for Economic Development:

Yes, very much so. It will be interesting to see how the meeting goes later this week.

Deputy S.J. Gleave:

Okay. What are you doing to try to identify other opportunities as well? Is it very much a watch and wait to see what comes to us?

The Minister for Economic Development:

It is a bit, yes. Interestingly enough, this is something that myself and my Assistant Ministers have been talking about recently. Because we think we need to get out there and tell people about what a great place Jersey is to come and do business. We have to get out there and say: "We are open for business. Come to Jersey and see how we can help you." There is a task to be done there because it is all very well sitting here and waiting for people to come to us, but really we should be going out there and waving the flag a bit more.

Deputy G.A. Raimondo:

So it is not a watch and wait approach then?

The Minister for Economic Development:

At the moment, it is watch and wait. It is seeing who knocks on the door next. But we need to change that so that we are more proactive. We need to go to forums to speak. We need to get out there. I understand the Chief Minister spoke a few years ago at an event in Canada. We need to be doing more of that. There is Jersey Finance that does exactly that for the finance sector, talking at conferences and events to promote the finance centre in Jersey. But we need to do that for our economy generally. We have a great tax structure for people. We have some tremendous skills in terms of trust and corporate governance, and we should be able to leverage that. I do not think that we are getting out there and spreading the message.

Deputy S.J. Gleave:

That was going to be my next question, in terms of if we are going to go out there and start shouting about ourselves and say: "Hey, come look at Jersey", what do we have that we can really leverage? Because we do have high cost of living. We do have homes. We have regulation. We are not as nimble as we should be at the moment. So how do we make ourselves attractive to businesses that would look at us and think: "Okay, yes, that does provide an opportunity for us"?

The Minister for Economic Development:

We are already streamlining the process of establishing a business and coming to Jersey. We have our team that is almost a concierge service where businesses that want to come to Jersey, they are helped through the process, it has been streamlined and it is a lot easier than it was.

Deputy S.J. Gleave:

When did that streamlining happen, do you think?

The Minister for Economic Development:

I think it happened when Dirk was doing this.

Acting Chief Executive Officer, Department for the Economy:

It is an ongoing piece of work.

The Minister for Economic Development:

I cannot take the credit for that one.

Deputy S.J. Gleave:

The reason I am asking is that we are still hearing that businesses are finding it too difficult to set up in Jersey. So if we are saying that work has been done, tick the box, we are not seeing that on the ground yet.

Acting Chief Executive Officer, Department for the Economy:

It will be an ongoing piece of work for ever. That is always something we should be doing is making sure it is as easy as possible for businesses to do work. We would accept at this moment in time that is not the case. That is for a number of issues and there is business that people who want to establish on the Island who are already here, compared to people who are coming in from outside. So there is 2 slightly different approaches as well. But what you said at the beginning of your last statement, setting the right environment is absolutely essential. Again, having that approach where we are working across the whole of government on the Island to ensure that environment is correct

for businesses to invest. People want to live here. People want to invest on the Island; it is really important. So there is no one issue that we can focus on. We have to look at housing, cost of living, investment opportunities, interactions with government, business legislation. Everything is what we need to work across. So it is about having that really clear but broad-based view on what needs to happen.

Deputy S.J. Gleave:

So one of the ideas of Time to Win is that regulatory sandbox. Is that something you see being a potential for the rest of the economy, that if there is something that is stopping a business from coming here, that can go into a fast-track scenario?

Acting Chief Executive Officer, Department for the Economy:

The person in my team who was heavily involved in Time to Win will be leading on this piece of work. So we will have all the lessons learned from the work that we have done previously. I would not want to just pick up and lift things from working for financial services, which has a very external, outward-looking focus, and say this is going to work for what we are trying to do for the rest of the economy. Every sector will have different asks. I am not saying we are not going to do that but I would not just assume, just because something is in one side and works well for financial and professional services, we want to ensure that that happens in the other parts of the sector, because there might be other priorities that are much more important that work better for tourism or retail or whatever happens.

Deputy G.A. Raimondo:

Can I just jump in for a second? If the goal then is to go out and go to these forums and be active in trying to get private business here in these different sectors, back to what you were asking before, Chair, what is attractive about Jersey? Because at the moment you touched on the fact that it is easy business set-up, but it is also not, we are not there. What is the attractive feature of Jersey?

The Minister for Economic Development:

Tax, mainly, because you can come here and operate in a tax neutral jurisdiction. It is more complicated now because if your business turns over £750 million a year, then you fall into the Pillar 3 regime. But we are looking at businesses that are probably going to be office bound. The problem is that when you are starting to set up physical premises for customers to come into, then, yes, we are not very friendly. We are not very helpful in that respect. But if it is an office-based system that is going to create an export, you probably have knowledge, based on knowledge, and probably exported through our telephone lines, then that is not so difficult to set up.

Deputy S.J. Gleave:

Okay. I want to move us on because we have got a fair bit still to cover. I am going to hand over to Chris for the next bit, because we want to focus on the visitor economy as well, in particular, because we feel it may be an area that has been overlooked slightly.

Deputy C.J. Rebindaine:

You will not be surprised that I have got the visitor economy, but I will try to slim down from the questions. So, Minister, can you outline your vision for Jersey's visitor economy? Given it is not named in the C.S.P., are you satisfied its importance is reflected among your fellow Ministers in terms of their priorities?

The Minister for Economic Development:

I think it is. The visitor economy is important. I know it is not separated out, but it is covered under C.S.P.3, which is to grow the economy that is not the finance sector. But it is, there is no doubt about it, if we want to help grow the economy, then if we get more people here in Jersey, then that is going to help us. The problem that we have is that a lot of our hotels, our hotels fit into 3 groups. There is the first group where the owners and the operators continue to invest in them. They are providing a good product, provides value for money. It is great. Then there is another group where, unfortunately, they have not been able to invest for one reason or another and the product is a bit tired. The feedback from our customers leaving the Island is that we do not provide value for money. So there is an issue there. Then there is the third section of hotels in Jersey where the owners are probably wanting to retire. They want to exit. They do not have the enthusiasm to go on, but they cannot sell. They have nobody to purchase their hotels to exit the market. So you have got those 3 areas. The question is how are we going to encourage investment in an area where I have been told that banks have limited appetite for lending to the hospitality sector, because, of course, their main asset is constantly devaluing every year. So that is not conducive. This is an area very much where, if this investment fund gets off the ground, then I will be looking at channelling money and resources into the hospitality sector, because we have to improve the product that we are able to offer visitors. You can see where hotels have invested. First of all, the productivity goes up because they are able to charge more for the rooms. But also the feedback from customers is very positive as well. We want to see that replicated right the way across the industry. We have already increased the grant of Visit Jersey. In 2026, they got an additional £2 million from the Better Business Support Package. Then my own department has increased the Visit Jersey grant by an additional £900,000; £400,000 of that was to reimburse them for money that they had spent on *Bergerac*, and another £500,000 was to secure marketing and advertising from the end of this year into next year as well.

[12:00]

So that is an extra £900,000 that has gone to Visit Jersey. I certainly hope that we will be able to do more next year as we find savings from within the department. The other thing that we have done is we are using funds from other sources to invest in retaining routes. So we have got the British Airways and the EasyJet contracts that are going to be renegotiated next year. So we are making sure that we have appropriate funds to make sure that we can renew those. I would rather not go into numbers because of course that is a commercial ...

Deputy S.J. Gleave:

That is absolutely fine. It was one of my questions I was asking about routes. I will just jump in very quickly now. Obviously, the Minister for External Relations mentioned the importance of the Heathrow route in particular to the finance industry, and also that late slot. So I wanted to know how that was going. He mentioned that the Government would be prepared to subsidise that. Whose budget does that come from?

The Minister for Economic Development:

Seeing as the Minister for External Relations has mentioned it, it will have to come from his budget.

Deputy S.J. Gleave:

Okay, so that has not been agreed yet?

The Minister for Economic Development:

It has to happen. It has to happen. We have got to have these links. We have got to.

Deputy C.J. Rebindaine:

Can I just go back to the original part of my question, which is your vision for it? We can spend money bringing people here, but they have still got to have an enjoyable holiday and go back and tell people to come, follow it. So what is it we are going to hang our hat on?

The Minister for Economic Development:

My vision is that we have a bed stock which is satisfying the customer's requirements, both in terms of quality and value for money, that people can get here easily through the connections, mainly with the U.K., but also with Europe, and they have a good value for money proposition when they get here. Also, we want to rely on our natural good weather in the peak months. But we also want to drive improved visitor experience in the shoulder months. This is why we have also recently transferred responsibility for events in Jersey to Visit Jersey, along with the £400,000 budget, so that they can oversee the programme for events in Jersey. That is specifically because we need to drive the visitor experience in the shoulder months.

Deputy S.J. Gleave:

Okay, so again, sorry, just picking up on that. If you have said that you have increased the budget by £400,000, that is for something new that they need to do. It is not about increasing their marketing and getting us out there.

The Minister for Economic Development:

There is £900,000 that we have given them to use as they would normally use for marketing. Then there is an extra £400,000 that is going to them to organise the promotional events calendar. But I have not said that is additional, no, it is the £900,000 that is additional, not the £400,000. Because we used to spend that in the department.

Acting Chief Executive Officer, Department for the Economy:

Doing things differently and handing over to Visit Jersey, alongside Jersey Business as well, so it will be a dual action from them. It just enables them to think about an events calendar a bit more strategically. It enables them to try to tweak some of the events that were already funded, perhaps, around 3 key aims, so that we are trying to attract people at the right time of year, so we can extend that shoulder season out. But, more importantly, they are giving Islanders things to do in terms of events as well as tourists. They have one and the same thing. We want to ensure that people want to live here, therefore want to invest here and stay here as well, and that is the same kind of argument for the visitor economy and tourists as well. So making sure that we have events that are good for Islanders and for tourists to come in means that Visit Jersey can act in a way that perhaps we have not been able to do in the department in the past, and have that strategic events calendar through the year where they are aiming to do what they need to do from a tourism point of view, that aligns with what we want to do for the Islanders. Just tweaks it, doing small things that hopefully can have a bigger impact than they have had in the past.

Deputy S.J. Gleave:

Okay, Gabriel.

Deputy G.A. Raimondo:

Do you think that we know the market for our visitor economy here? Obviously, there is different demographics. Do you think we understand the demographic that we should be targeting and we are targeting it well?

The Minister for Economic Development:

I have every confidence that the Chief Executive of Visit Jersey does. She knows the customer and the market inside out, yes.

Acting Chief Executive Officer, Department for the Economy:

The businesses should as well. We get asked that question a lot about what we know as Government. One of the things that we keep saying is it is our job to try to get out of the way for businesses to know what their customers are. There is not going to be one demographic that we will be targeting, because each business will have their own niche and their own marketing approach to where they want to pitch themselves to U.K., Germany, France, wherever it happens to be.

Deputy G.A. Raimondo:

If we are giving £1.3 million from Government to Visit Jersey, surely we should know if they are targeting the right audience. I know we can have confidence in them, but we should know that our money is going to a place that is targeting the right area.

The Minister for Economic Development:

They spend a lot of time understanding the customer, researching what the customer's experience is. That is why I know that the feedback that we get is that the accommodation falls below the standard that people are expecting. There is a 5 star hotel in Jersey that does not have Wi-Fi connection in every bedroom. It is not what you would expect, I do not think, is it?

Deputy S.J. Gleave:

Just picking up in terms of how we measure. So are you looking at modern technology in terms of how we do that? So looking at mechanisms that properly measure, it is very difficult when you get to the airport, you are doing exit surveys and you are asking visitors: “How did you spend your money”, et cetera, giving a breakdown when they are rushing for a plane. It is not the ideal. There are ways that we could measure that more effectively at the moment, and I know that there are things that have been suggested. So, are you doing anything to improve the data we are looking at, or looking at apps, things that can record the visitor experience properly?

The Minister for Economic Development:

We are not looking at apps, although the Jersey Hospitality Association have been looking at an app. But that is more to market what is available in Jersey rather than to record their spending. But I could be wrong in that respect.

Deputy S.J. Gleave:

I believe that is both. It is about recording what they do. But that or something else. It is just recording that data so we know what visitors are particularly enjoying.

Acting Chief Executive Officer, Department for the Economy:

Yes, it is not easy to do. We are continuously working with Stats Jersey, Visit Jersey and Digital Jersey as well, to bring the expertise that covers the right areas of how we might do that. There are different approaches, different datasets that we could get access to. Probably not one of them gives you exactly what you really would want, but they can all fill in part of the story, whether it is spend data, plane data, reports data. So we are always working with the other partner organisations to see how we can improve on that. Again, trying to take advantage of any opportunities that might come up in the future as well. I do not think there is a single one answer out there at the moment. But we also do have those discussions with other organisations of what might be available.

Deputy S.J. Gleave:

Okay, so that is probably something that I will return to in future hearings.

Deputy C.J. Rebindaine:

You mentioned the hotels and how you are looking at them, which seems to indicate Government has taken a look at the hotel offering. So, is there any action that you want to see happen subsequent to your analysis of it in terms of planning or access to finance, development costs, staff accommodation for hotels, other actions you want to see flowing from that?

The Minister for Economic Development:

The big action is we have to set up this investment fund and then channel that money to the hoteliers, make it available to them to use, and also it would be interesting if perhaps that fund could be used to purchase hotels where the owner wants to exit. If the hotel is in a strategically good location, then maybe we should be buying it and putting together a package so that it can be sold on as a going concern, as a hotel.

Deputy S.J. Gleave:

You are talking about the Government buying it?

The Minister for Economic Development:

I was talking about the investment fund buying it. A lot of people come to Jersey and spend £10 million on a house. They may have some money to put into this fund and they may indeed be hoteliers. There is one high net worth individual that has been trying to build a very nice hotel for some years, and they have had terrible problems with regulation, with planning, as I understand it. So, again, these people are here. They are motivated. If we can just get rid of some of the red tape and make it possible for them, then I think that they will certainly be willing to invest and participate.

Deputy C.J. Rebindaine:

Minister, you are probably aware that next year is the thousandth anniversary of William the Conqueror's birth. So there is going to be a lot of attention on Normandy, probably from now and for decades to come. There has been a lot of debate about Jersey's heritage and how we take advantage of that and how we exhibit it to the outside world. So do we have plans to capitalise on these celebrations and have you considered Jersey as being part of a wider Channel Islands offering to get to the French coast with the Channel Islands involved in holidays?

The Minister for Economic Development:

Yes, we are already working on that with the French Regional Government. Our office in Caen is very much involved in this and they are going to be working I think with Visit Jersey.

Acting Chief Executive Officer, Department for the Economy:

Yes, and members of the team in the department as well have been very active in what the plans are on the Island, but how we link up with our French counterparts as well. Because taking advantage of it is about that as much as it is what we do on the Island.

The Minister for Economic Development:

Yes, so we do see it as an opportunity.

Deputy C.J. Rebindaine:

The other way around, I checked before we came, 6.6 million people visited the Normandy Landing beaches per annum, and the top 3 nationalities are Brits, Germans and Americans. So if we could just have 1 per cent of that market, given we have got an amazing history from the 1940s, Guernsey too, is there a way we can package that as an offering with the connectivity, too, so that people can visit from Normandy to here?

The Minister for Economic Development:

Yes, and there is the Manche Iles Express that we help to fund, along with Guernsey and the La Manche region. So we are going to be looking into that as well. Next year is the last year of the current contract. So they have the existing vessel, which is okay, but it is a bit small. One of the problems is the tide. As you know, the tide in that area is very strong, very high, so it does create problems with running the larger boats into those ports.

Acting Chief Executive Officer, Department for the Economy:

That is where something like the Year of the Norman really helps because it builds the working relationships. We have got a common understanding around a set of events for a year, that we can then take advantage of in future years and build those relationships out further, to maybe have a different offering in 2 or 3 years that is, as you suggested, around the U.S. (United States) and

German visitors to Normandy. So taking advantage of what we are building now, and have built over the last 4 years with the previous Minister as well, to then, on strong foundations, take that forward over the next 2 or 3 years, is exactly what we need to be doing. So what is then needed to enable people to come here around the transport links, but also around some of the marketing that we need to do around that as well, is where we need to go forward. But the Year of the Norman is the focus now, because we have got other priorities. How we build on that becomes part of the future direction.

Deputy C.J. Rebindaine:
We have had conversations about things that sit across different departments, and the visitor economy is part of that. You have even got the arm's-length organisation. So who is accountable for delivering an integrated visitor economy growth programme, given we have Visit Jersey, we have Ports of Jersey, we have Economic Development?

The Minister for Economic Development:
Well, me.

Deputy C.J. Rebindaine:
How do you make that happen?

The Minister for Economic Development:
By working with these organisations. Visit Jersey do a good job. They could do a better job if they had more funding, and that is what we are trying to do. We have also got *Bergerac* that we have funded, and we are committed to continuing to fund. It is interesting that a number of visitors, and more and more visitors each year, talk about *Bergerac* being a motivation for visiting Jersey. Interestingly enough, we had some feedback that there was a group that came over to the Island based on the first series of *Bergerac*. So it has certainly got some legs. That is also why giving the events organisation to Visit Jersey is useful.

[12:15]

Because, for example, one of the things that they really see an opportunity in promoting is the farmers markets that we have in the summer. That is something that can be promoted. It is not a particular event, but it is something of interest for our visitors to go and see. Not only will it help our visitor economy, but it will also help our rural economy as well.

Deputy C.J. Rebindaine:

I was intrigued that Ports of Jersey were putting out they wanted cruise ships to come here. I get it. It is a good idea. But I was a bit surprised it was them who was driving that, given you have Visit Jersey, you have an Economy Department, but it was Port of Jersey who were saying this is our initiative. So is there cohesion around ...

Acting Chief Executive Officer, Department for the Economy:

I would not say that is a Ports initiative. They absolutely talked to us about it. They talked to Visit Jersey about it. It is making sure that the right partner delivers on the right project as well. That will be much more about logistics than it is anything else, and solving those logistics to enable that to happen. Which means sitting with Ports, in the first instance, is the right place for it to do. That does not mean we are not aware of it and it does not mean that we are not working together with Visit Jersey as well, because we absolutely are. But, again, something that we are very keen to do and the message the Minister has given out to the arm's-length organisation is high levels of trust in them to go away and deliver in their areas of expertise, but working back into us and across the other organisations. It is right that they will take the lead on certain areas and Visit Jersey will on others, and sometimes we will take the lead as a department as well. But making sure the right organisation delivers in their area of expertise is part of that high level of trust and delivery that we need to enable, so that we are not in any conflict at all, we are absolutely joined up on what we are trying to achieve.

The Minister for Economic Development:

Also, Ports are working with Guernsey in this respect, to organise cruises and to receive and respond to inquiries, because I understand that cruise operations, they do not like to have too many tender ports. So that is where the vessel cannot sit alongside a pier. You have to get customers or passengers ashore by a tender and of course both Jersey and Guernsey are tender ports. So it is a question of saying to Guernsey: “Well, you have that one and we will have this one”; it is sharing the cruise tours.

Deputy C.J. Rebindaine:

Okay. You were talking about connectivity. In a States question, you said there are currently no planned revisions to the concession agreement with DFDS, but the agreement is kept under review. So are you telling Islanders, hoteliers, tourists, and those reliant on freight movements that this is as good as it gets?

The Minister for Economic Development:

There is nothing in the agreement that gives me the right to set the agreement aside, unless it has been breached, and it has not been breached. So the constant review, there is the review committee and they regularly look to make sure that DFDS are doing what they are contractually required to

do. So there is that part of it. Then I receive an awful lot of emails from customers about DFDS, about the freight links, but there is nothing that I can do to tell DFDS that they have got to do something in particular. I mean, the biggest one at the moment is our inter-Island links. If we want DFDS to run a service to Guernsey and back, then they will do it, but they will charge us, and it is £9,500 for a round route. So we can do that. Of course, if we ask DFDS to sail to Guernsey instead of Saint-Malo, then we lose the Saint-Malo opportunity. So while we might get praise from people wanting to go to Guernsey and back, we will get a lot of criticism from people that wanted to go to Saint-Malo on that particular day. So there is the part of the agreement that I do not have the right to suddenly change it. I can ask DFDS to do a particular route with a fast ferry or a slow ferry, and they will probably charge us for that if it is not economically viable. But we are in discussions with Guernsey and I am setting up a meeting with a DFDS senior director just to talk through the situation. The bottom line for me is that we currently have 7 vessels running around the Channel Islands, serving the Channel Islands, providing service for a similar number of passengers, a similar level of freight that used to be transported with 4 ferries. So it is that inefficiency that I believe the people of Jersey and the people of Guernsey are paying for. I would like to reopen the conversation in terms of how we can provide a more efficient service for the benefit of not only the 2 companies involved, but also all of the Islanders that I believe are paying for this inefficiency.

Deputy S.J. Gleave:

When you say you would like to open up that discussion, are you going to open it up?

The Minister for Economic Development:

As I say, I have already had conversations with my opposite number in Guernsey. We are planning another meeting with her, probably online, and I have reached out to senior board members of DFDS to start this conversation. The only party I have not been in touch with is Condor/Brittany Ferries, because I have no contractual relationship with them.

The Connétable of St. Mary:

Sorry, following on that, so Guernsey would open that dialogue with Condor, would they?

The Minister for Economic Development:

If they are minded to, but of course, if they are not minded to, then they will not. There used to be 8 ferries running these services, where there used to be 4, and what has happened is that Brittany Ferries have sold - you probably read about it - one of their vessels. So now they have got 3 vessels serving Guernsey and soon, to come back from Guernsey to Portsmouth, you will have to go via Cherbourg, which is another 5 hours on the journey. I can only imagine that people in Guernsey are not probably very happy with that. I have not asked them, I am afraid.

Deputy C.J. Rebindaine:

You are a man of business. Often when you can sit down with someone, look them in the eye and have a conversation, it goes better. Is there not a justification for you getting on a plane to Copenhagen and sitting down with DFDS and going: "It is not exactly working for you; it is not really working for us. How do we make this cake bigger or how do we divvy it up?" Go to Cherbourg with your boat instead of Saint-Malo, whatever it may be, but is there a conversation that should be had?

The Minister for Economic Development:

Yes. Hence, I am reaching out to the board directors. We have now got a name. I used another contact to get the name of a senior board director. But DFDS locally have now provided a name as well.

Acting Chief Executive Officer, Department for the Economy:

So DFDS have gone through a period of change themselves as well. I do not think we would say that things cannot always improve, because they can. But we have to work in partnership with DFDS to do that, within the constraints of what the arrangements are. It is also important that they have certainty about what they are aiming to do along with us, and that will mean that they want to invest, they want to improve services, and they are continually talking to us about how those improvements can be made, what changes need to occur, how they can do better. While also recognising that they make decisions for operational reasons, like the weekend that has just gone, there are difficult decisions that were made. But the decisions they made helped with the resilience of the Island for the last 2 or 3 days and will have been seen to be the right decision. So they are dealing with difficult circumstances some of the time and they try to make the best decision for the Island at each point.

Deputy S.J. Gleave:

I am conscious of time.

The Minister for Economic Development:

I will just cover one last issue on that, and that is that when DFDS engaged initially with this process, they were tendering for the Channel Islands to serve Jersey and Guernsey. At a very late point, they found that in fact it was just Jersey that they were serving. I wonder whether they thought about the implications of just having the Jersey route and omitting the Guernsey route. I just wonder whether that was fully considered by them, and that is another reason why a meeting with them is useful.

Deputy S.J. Gleave:

Yes, I agree. So I want to move us on, to move to David. There are some questions on the visitor economy we did not get to. So, if you are okay, I am going to follow that up because it is a really

important section. So we will follow up with some written questions for you. Are you okay for time? Are you okay if we run over slightly?

The Minister for Economic Development:
I do need to be back relatively soon. I did say that I would be seeing somebody at 12.30, but how much longer do you want?

Deputy S.J. Gleave:
You arrived slightly late, so if we could maybe have an extra 10 to 15 minutes.

The Minister for Economic Development:
That is fine, yes.

Deputy S.J. Gleave:
Thank you. David.

The Connétable of St. Mary:
I appreciate the time, but before we leave the internal communication with the Channel Islands, what you said about sea travel applies equally to air. What is going on there?

The Minister for Economic Development:
The last meeting I had with my opposite number, we discussed, as far as we are concerned, we have an open skies policy. If anybody wants to operate a route, then we are very happy to accept them and accommodate them. The problem is that Guernsey like to license their routes and so this is why the Logan Air route was curtailed, because Guernsey said: "You do not have a licence so you cannot run it."

The Connétable of St. Mary:
Okay, and of course they have an interest with the Aurigny. So, is there any chance of them relaxing their stance so far?

The Minister for Economic Development:
Not at the moment, no. But what was interesting is that they asked us how we were getting on with Logan Air and we said that we found them very good, very reliable, very good to work with. The other thing that Guernsey should be focusing on is that Aurigny are losing £9 million a year.

The Connétable of St. Mary:
That is disappointing. That is why they will not want their own airline to have a riot, will they?

The Minister for Economic Development:
Do they want their own airline? That is for them, is it not?

The Connétable of St. Mary:
Okay. Sorry, I extended. Yes. Improving the business environment. We touched on this report of 2023. Rather than go into detail, what do you consider at the moment to be the principal barriers facing Jersey businesses today?

The Minister for Economic Development:
The principal barriers? Getting staff and skilled staff, or staff with the right skills, is still a challenge. I know that Skills Jersey do quite a lot of work to understand what skills are missing in the economy. It is important that we continue to do that. They also run the apprenticeship schemes as well. The other thing is that local businesses do struggle to get access to funding. The banks in Jersey, they have to pay more for their deposits, and that is reflected in higher lending costs to businesses. Then you have got issues, as I mentioned earlier on, where key assets are going down, not up. So the bank's appetite for lending into retail and hospitality has diminished. That is also why this fund is quite important that I have talked about. So those are the 2 big issues. Of course, if you are in the finance sector, there are still issues around regulation with the Financial Services Commission. But I understand that they are certainly focused on being more customer-centric towards the people that they are regulating. Of course, with the financial services sector, they have got artificial intelligence, which for some businesses is a great opportunity, but for other businesses it seems to be a risk.

The Connétable of St. Mary:
In general terms of assessment, how do you go about that?

The Minister for Economic Development:
I am afraid it is all anecdotal. When I speak to businesses and bank managers, I talk to them about A.I. and how they are embracing it, and so it is very anecdotal. The Council of Ministers have just asked for a piece of work to be done to get under the skin of this to understand really what is going on. That is going to be a very important piece of work. So we will find out, hopefully, we will get certainly a better understanding of what businesses are planning to cut staff because of A.I. and which businesses are wanting to increase their business because they can be more efficient, and so people can increase productivity to grow their business, basically.

The Connétable of St. Mary:
When a bit of work has been carried out, that will come out to public in some form of a report?

The Minister for Economic Development:

I hope so. It is the Council of Ministers that are initiating it.

The Connétable of St. Mary:

Because how it is updated, that is really what I am getting at.

The Minister for Economic Development:

Sorry, how is it updated?

The Connétable of St. Mary:

How do we know how it is updated?

The Minister for Economic Development:

When it is discussed at the Council of Ministers, I do think it is very important for the economy generally to understand what is going on. So I will certainly suggest that it is made publicly available.

[12:30]

The Connétable of St. Mary:

As I say, there are 38 recommendations here. I do have a question about which you have considered the easiest to get rid of. One particular one I do ask is to introduce new legislation, we have to remove 2. That is the reverse of the usual 2 to one offer you get at some retail outlets.

The Minister for Economic Development:

So, when we introduce one regulation?

The Connétable of St. Mary:

Is that practical?

The Minister for Economic Development:

It is a good discipline to look at what we have. We are about to remove the control of borrowing.

The Connétable of St. Mary:

I was keeping away from financial services because we have dealt with that.

The Minister for Economic Development:

So that is a good one where we are removing that to free things up.

The Connétable of St. Mary:

Moving on quickly to the construction sector in particular. The recently released statistics show the sector declined by 6 per cent with certain high profile failures. Is the Government looking at the reason for the bankruptcies of these organisations? Is there any particular work being done as to the viability of these companies?

Acting Chief Executive Officer, Department for the Economy:

We did do some work on the occurrences that happened about 2 years ago. We just refreshed some of the thinking on that. We would like to just look at that again and just make sure that that work is still up to date and still reflects the current sector. So that happened, I think it was 2 years ago we did that piece of work initially. We would just like to just refresh that and update it, just to make sure that it holds true in terms of what is going on in the market.

The Connétable of St. Mary:

Following on from that, I have a question about the estate development in the Island generally. There is a big emphasis that this is done through corporate bodies owned by the States. Is the danger of the States' influence crowding out the private sector in some way?

The Minister for Economic Development:

Are you thinking about Andium and Jersey Development Company?

The Connétable of St. Mary:

Well, the States Development Company, Ports of Jersey, they all have their own property portfolios to pursue.

The Minister for Economic Development:

There is a danger there, certainly with Andium. They are now selling homes, and they are selling homes for about £100,000 less than the market value, I understand. So that is material. So, yes, there is a danger. What we have got to do is to make sure that the construction sector focuses on construction. A lot of the bankruptcies that we saw in the past, you will correct me if I am wrong, Chief Economist, is because they started going to property development. The trouble is, as the house prices went down and building costs continued to go up, then their margin just disappeared.

The Connétable of St. Mary:

It is not on my list, but do you consider the employer legislation, the family-friendly legislation has a bearing on the vibrancy of these smaller companies in the construction industry?

The Minister for Economic Development:

Interestingly enough, that is an area that needs to be reviewed. I am going to be raising this with the Minister for Social Security, because there are, in the construction sector alone, something like 80 per cent of businesses are one-man bands. We really need them to employ more people and grow. It is a very inefficient industry if you have got a proliferation of tiny companies.

The Connétable of St. Mary:
Straight on to the Chair's question.

Deputy S.J. Gleave:
Thank you. I am conscious again of time, so I want to get to Gabriel's point. But just picking up on your point and your answer, I had a whole load of questions here to ask about small business again. Again, I will follow up. But we are hearing that there are a lot of businesses that feel that they cannot employ anyone, that it is easier for them to just to work independently than it is to recruit anyone. I guess you are going to come back and say this comes back to regulation. But is there anything that you can do specifically for small businesses? Is there an argument for saying we need to look at how we treat small businesses slightly differently than the larger businesses, while making sure we have the basics of health and safety and employee well-being at its heart?

The Minister for Economic Development:
I think that is a very good question. It is something we have discussed. Where we come back to is we need to be able to talk to these businesses. It is quite difficult. I do not believe that there is a small business association in Jersey, as there is elsewhere in other jurisdictions. But we need to speak to these people to find out what is going on in their businesses and why they not taking on more people. Sometimes it is a lifestyle choice. If you do not want to work, you do not have to, because you are your own boss. But we do need to understand why there is this very high number of one-man bands in the construction sector.

Deputy S.J. Gleave:
That is certainly not what I am hearing. There will always be somebody who just wants to work on their own and be their own boss. But also there is a strong case there and I would urge you, Minister, to look at ways that you can collect that data and talk to small businesses in the absence of having a small business association.

The Minister for Economic Development:
Good, I will take that on board.

Deputy S.J. Gleave:
Gabriel.

Deputy G.A. Raimondo:

Minister, do you believe that the current minimum wage is preventing and inhibiting skill development, especially among young people?

The Minister for Economic Development:

I have received some information just recently that the number of apprentices in the Island is consistent at about 430, and so it does not seem to have gone down in the last few years as the minimum wage has gone up. That is all I can say. We need to try to look at what is happening, look at the data.

Deputy G.A. Raimondo:

There is obviously a lot of places that still would benefit from having more apprenticeships. Do you believe that then there is the requirements and the process to access the apprenticeship wages and the apprenticeship scheme, do you think that is prohibitive for businesses as well?

The Minister for Economic Development:

I know that some businesses have spoken to me about the high cost that they have to pay apprentices and that they cannot pass that cost on to the customer. But, as I say, the number of apprentices has not gone down at all. It is absolutely the same. We are expecting the same number by the end of 2026 as well.

Deputy G.A. Raimondo:

But then, in 2025, the Better Business Support Package identified the lower than expected uptake of the funding for skills and apprenticeships. They had £315,000 that was carried forward. Do you have any idea behind the reason that employers did not take it up?

Acting Chief Executive Officer, Department for the Economy:

We did separate the Better Business Support Package from the other apprenticeship schemes as well. The Better Business Support Package and the apprenticeship elements of it was to ensure that businesses are not worse off from the increase of minimum wage on apprenticeships themselves. So it was a specific amount that basically compensated those companies for having an apprentice that meant it did not cost them more with the minimum wage going up. For whatever reason, not every company that had an apprentice applied for the amount of money that was in there. So that was effectively money for them to continue appointing apprentices. One of the things that we did do, though, is around about halfway through the programme, realised that there was some negative impacts on apprenticeships. We took that report to the then Minister for Social Security who re-instigated the trainee rate. So it could be that the trainee rate being put back into

effect meant that some companies no longer felt they needed the Government money to subsidise that amount as well. Again, that is maybe why we did not see the apprenticeships fall away, because that trainee rate did come back in this time last year, maybe slightly before, maybe 18 months ago. So the reason companies did not access the funding that was available to them remains a bit of a mystery. Part of it will be that they maybe did not feel they needed it in the second year in particular. But part of it is perhaps also because the apprenticeships numbers did not fall away, they were just prepared to meet those costs in their own right. The apprenticeship numbers have not gone down and the skills team are working to try to make sure that they do reflect the economy as well. It was a strange anomaly from the Better Business Support Package that we did not get companies applying for what was effectively free money to help them out through a certain period of time. It was a strange one, I must admit, but we were quite surprised that companies were not coming forward.

Deputy S.J. Gleave:

We are often very good at maybe talking to the larger businesses, but larger businesses will be aware of it. Coming back again to what support we can give to the small businesses; we are talking to a lot of smaller businesses who find the apprenticeship scheme very difficult to access and therefore they are not taking on those apprenticeships that they should be. Maybe they were not aware of the funding that was available to them. Do you think you have done a good enough job of advertising that to small businesses?

Acting Chief Executive Officer, Department for the Economy:

I think we could always do better. You also have to take a proportional response. You do not want to spend a lot of money that was meant to be going to businesses on advertising and bureaucracy. Jersey Business did do a very good job in getting the message out there. We were oversubscribed on every other package. They are the same businesses still, as well, who are either applying for the apprenticeships or for productivity schemes or whatever it happens to be. Why they chose not to take forward the apprenticeship element, we were never fully sure why they were not doing it. Perhaps they already received some money through the productivity grant scheme as well, so therefore they felt they were being able to invest in the right way through that scheme. So you can always do better and there will be always businesses who say they did not know about something as well. But the fact that all our schemes were oversubscribed, the fact that Jersey Business has increased its numbers of businesses going through them over the last 2 years is a real success of the programme as well. Jersey Business did a very good job of getting the message out there in a proportionate manner.

Deputy S.J. Gleave:

Just talking about the fact that the apprenticeship schemes are steady, which is good to hear, but in an ideal world, particularly with the emergence of A.I., would we not be wanting to grow those, particularly in the more manual industries and making sure that we are training up a youth that has the skillset to survive A.I.?

Acting Chief Executive Officer, Department for the Economy:
Yes, absolutely. That might not be through apprenticeships, that might be through a different approach to the education system, through lifelong learning in a different way as well. We need to make sure that we offer the right skill solutions for the next stage of the economy's development.

Deputy G.A. Raimondo:
It goes back to the question of which skills in Jersey do you think we have a shortage of that are affecting Jersey's economy as a whole?

Acting Chief Executive Officer, Department for the Economy:
I was told welders the other day.

The Minister for Economic Development:
I do not know if we can provide a few more welders, but I do not know that they have a massive impact on our economic activity, economic growth. But obviously they are important for construction.

Acting Chief Executive Officer, Department for the Economy:
I think there are 2 aspects. One is what skillsets do we need for the growth of the economy, and what skillsets do we need to provide services that are required on the Island as well? So the amount of welders we require, or the other one was joiners and carpenters as well, they are services that need to be provided on the Island. So you need a certain amount of them. Whether or not they are going to provide significant economic growth is a different element. So that skillset needs to be aligned to both growth needs, which is going to be around A.I. and digital skills an awful lot of the time, but also what we need on the Island to be able to deliver that. We are not therefore having to go to the U.K. or France or wherever it happens to be to get labour to come over and do those jobs for us.

Deputy S.J. Gleave:
Can I also just go back? Minister, you said right at the very beginning, skills was one of the key areas that you named at the beginning. You just said welding is a potential area you have heard. Are you saying that you do not have a full overview of where our skillset is weak at the moment? If you do not, what are you going to be doing to fix that gap of knowledge and are you working with the Minister for Education and Lifelong Learning to look at how you fill that gap?

The Minister for Economic Development:

The people that run the Jersey Skills, because Jersey Skills has transferred to the Minister for Education and Lifelong Learning along with the budget, so, as you are saying, I do not have direct responsibility for it, but I am keen to know what goes on. So, I will ask them for a list of the top 10 skills needed. The other thing that we have just got to remember, though, is that there are skills that we need in Jersey because they have to be delivered in Jersey, and then there are skills that are not making something, they are perhaps using knowledge. Those skills can be provided in Jersey through remote access. A lot of businesses in Jersey do that now. They will have, for example, marketing managers that live in the U.K. or live in another jurisdiction and dial in. It is the same with accountants and all sorts of things. But when you need something built, made, you have physically got to do that in Jersey.

[12:45]

Deputy G.A. Raimondo:

Would it not be ideal to have those knowledgeable skills here though, train young people to do that, then ideally we can have all the money staying as much as possible in Jersey?

The Minister for Economic Development:

That would be great. That is why the education system support people through the education system and to university as well. We need to get them back after they have done their university time; we need to get them back to Jersey.

Acting Chief Executive Officer, Department for the Economy:

There is an annual skills gap analysis that is done. It is led by the skills team, but we input to that very heavily through both the economic section and the wider economy section, in terms of what we think business needs are. So we have got that and I am sure they would be happy to share that across to you and other scrutiny colleagues as well.

Deputy S.J. Gleave:

Okay, thank you for your time, both of you. Is there anything else that you would like to bring to the panel's attention before we close?

The Minister for Economic Development:

No, only that I am very conscious that the ferry contract is not great. I do not know what level of thought was given to inter-Island connectivity when it was struck. But the level of inter-Island connectivity is just not good enough at all. It worries me that, to introduce something, it could cost

Jersey and Guernsey a lot of money because it is going to have to be subsidised. The one thing that everybody is agreed on is that there is not sufficient traffic between the Islands to provide a financially sustainable business.

Deputy S.J. Gleave:

Okay. Thank you very much for your time.

[12:47]