

**STATEMENT TO BE MADE BY THE CHIEF MINISTER
ON TUESDAY 28th JUNE 2016**

Following the United Kingdom electorate's decision to vote to leave the European Union, stock and currency markets have, as many commentators predicted, been volatile in the UK the EU, and across the world. We are also witnessing some significant political changes in the UK.

Against this backdrop, Jersey remains in a strong position financially and economically, and we are well placed to weather the effects of current events. This is a result of long term strategic planning in respect of public finances, economic planning, and our targeted engagement in the lead up to the Referendum. The foresight this Assembly showed in supporting the establishment of an External Relations Ministry, in addition to setting up the Jersey London office, the Channel Islands Brussels Office, and the strengthening of our French office, have all proven their worth and will be of significant benefit in the months and years ahead.

Jersey has worked hard to ensure the global reach of our financial services sector. Jersey facilitates the flow of considerable funds from around the world and these are to a great extent upstreamed to the UK. However, the diversified nature of our finance and services industry means that we are not necessarily as affected by the UK's decision to leave the EU.

As Members will see when the Medium Term Financial Plan is published later this week, it is even more important than ever that we pursue our jobs and growth agenda, focussing on strengthening and diversifying finance and business services by continuing to increase links to markets in the Middle East, Africa, Asia, and across the world.

In the short term other export sectors, such as tourism and fisheries, may even benefit from a relatively weaker pound. Developing the Digital Sector, which has so many exciting opportunities, becomes even more important.

On Friday morning I spoke to Lord Faulks to emphasise the importance of fully engaging Jersey in the forthcoming negotiations, and the UK Prime Minister responded when he addressed the House of Commons yesterday making clear that Jersey and the other islands would be consulted. This comes about as a result of the close engagement between us and the UK Government in the months and years leading up to the Referendum. We have sought to ensure that the position and interests of the Island are understood, and we will seek to ensure they are protected.

The report published by the Minister for External Relations yesterday outlines what the UK's decision means for Jersey and how we will protect our interests. It sets out what the Government will seek to negotiate to replace Jersey's relationship with the EU. The conclusion is clear: Jersey's interests will be best served by replicating the current arrangements under Jersey's Protocol 3 relationship with the EU, in particular tariff-free trade in goods.

The UK remains our principal partner: free trade in goods and services, the free movement of capital and the free movement of people between the Crown Dependencies and the UK will continue.

The exact timing of any decision to trigger Article 50 is not yet known. The working assumption is that there is likely to be a period of at least two years before the UK leaves the EU. During that time there will be no change in the formal relationship between Jersey and the EU as set out in

Protocol 3. This means that during this period the rights of Islanders to travel, study and work in the EU, the rights of EU citizens to live and work in Jersey, and the rights of Jersey businesses to trade with the EU will be unaffected.

Jersey has always been a welcoming island and throughout the centuries has received people from the United Kingdom, and historically France. In recent decades a significant number of people from Portugal, especially Madeira, and Poland with whom in 2002 we signed an early agreement to allow Polish nationals to come to Jersey before they could work in the rest of the EU, and increasingly in recent years people from Romania. Jersey is a cosmopolitan community with many other nationalities too numerous to mention.

Those communities have helped build Jersey into the successful island it is today. All have played their part and are valued and recognised. But we realise that last Friday's vote could be a concern for some.

Sir, I would like to take this opportunity to send a strong message to these communities. To the long-standing French community, the Portuguese-Madeiran community, our Polish and Romanian residents, and other communities from around the world. You are as valued and recognised today as you always were. Please do not be concerned – we want you to stay.

Our message to the business community is that Government of Jersey will continue to act clearly and decisively in the interests of Jersey.

Sir, it is inevitable that the next few months will see significant change across the political landscape in the UK and maybe Europe too. We are prepared for that. The Island has always planned for the long term and with our unique history of prudent financial management, the island is today in a very strong position.

Jersey has a track record of adapting to an ever changing world. In times of uncertainty people want stability, and provided we remain confident in ourselves, there will also be new opportunities.

I would particularly like to thank my colleagues Senator Bailhache and Senator Ozouf, who together with our staff have undertaken a huge amount of work on behalf of our Island, which means we find ourselves in the strong position we are today.

Sir, we believe in times of turmoil we should unify, work hard and work together for all the people of Jersey. We are elected to serve. I am confident the Island can come through at least as strong in the future as it is in the present.