

3.5 Deputy A. Breckon of St. Saviour of the Minister for Economic Development regarding the cost and appropriateness of involvement in recent visit to the Middle East:

Would the Minister inform members of the total cost of his part in the recent visit to the Middle East and explain the reasons why he considered it appropriate to attend?

Senator P.F.C. Ozouf (The Minister for Economic Development):

I am grateful for the opportunity to answer this question. I think it is important that Ministers are held to account for their overseas travel and I checked with Standing Orders and I do not actually have to make a declaration within Standing Orders when travel is paid for out of my own departmental budget, but the costs for my travel and arrangements in the Middle East was £4,900. In addition, I am advised that Jersey Finance, which is also part of our budget, their total budget cost was approximately £50,000 for their part of that trip. This was my first official trip to the Middle East. We estimate currently that there are between £15 billion and £20 billion worth of deposits from the Middle East in Jersey. The Middle East has a number of developing economies: there is the high oil price, there is a huge amount of revenue flowing into the region and we already have some presence in the Middle East, but we need to do more. Certainly, if we are to meet our economic growth targets, then the Middle East is an absolutely vital part of that economic growth. During the trip we had meetings with senior officials, Central Bank Governors, the Chief Minister met with the Prime Minister of Bahrain and many other Assistant Ministers. Not only am I persuaded of the importance of these trips in the past, but I am absolutely persuaded of the importance of them in the future, not only with the existing countries, but other countries too, if we are to meet our economic growth targets. I probably was a sceptic when hearing about these trips in the past, but having been part of them and seeing the enormous trade delegations that are associated with them - 250 private business meetings - they are absolutely vital.

3.5.1 Deputy A. Breckon:

I wonder, Sir, if the Minister could tell the House if there is anything in what he said that is measurable?

Senator P.F.C. Ozouf:

I think that that is a very important question and that is a debate that I have to have with Jersey Finance, about how we actually measure results from the amount of money that we are giving to them, and I am having that debate with Jersey Finance. We can measure results of total deposits; we can measure results from total business activity; we can measure the number of business partners that come on these trips, that pay for them by themselves; we can measure, for example, the fact that there were about 250 other meetings that happened as a result of this trade delegation going just to the United Arab Emirates. In addition to that, I would measure the success in future about whether or not we get any banking licences from banks that fulfil the top 500 requirements in the future. Yes, we can measure them: I am determined to do so. I want to measure the success of growing Jersey's economy in the Middle East.

3.5.2 Deputy J.A. Martin:

I think the Minister just gave us a very good reason why Jersey Finance were in Dubai. I really do not understand when the Minister says that he does not have to check his own budget when spending money for official trips abroad. When, actually,

himself and the Chief Minister were excused, *absent de l'Isle*, I questioned that they actually were not on official States business. As I say, the answer to the question is Jersey Finance do a job - they go out looking for work. The Jersey Financial Service Commission, which we had to distance ourselves from... Does the Minister really think it is the job of our top politician, i.e. the Chief Minister, and himself to be going out on fishing trips to get more money into our coffers, Sir?

Senator P.F.C. Ozouf:

It is a very good question and I am pleased it is being asked [**Laughter**] because I think that we are almost sometimes sceptical when Ministers... and there are a few Ministers who have been engaged in doing trips overseas and it is important that we are accountable for that. Can I say that it is absolutely vital in this particular region to actually have politicians and Ministers going in order to open doors with other Ministers, Governors of the Central Bank, meetings with Director Generals of the Financial Services Commissions of those areas. It is absolutely vital and if there was not a Minister going - and it could have been either Senator Walker or myself... I think we could have both achieved that, although having the Chief Minister there meant that I do not think we would have met with people such as the Prime Minister of Bahrain. If you do not have Ministers, effectively the trade delegation does not have the importance; it is almost as though it is not important enough for Ministers to go. And our competitors are doing it. It is vital for us to understand what the Isle of Man, what Guernsey and other places, and Switzerland and all the rest of it are... It is vital that we do as much in developing markets as these other places, so yes, the Chief Minister did open doors: open doors for trade partners, open doors for Jersey, and as I said on Radio Jersey when the interviewer asked me if I was mixing business with pleasure, if pleasure is winning business for Jersey, I was having pleasure.

3.5.3 Deputy G.P. Southern:

Will the Minister explain to the Members why he asked a Member of this Assembly to ask this particular question of him? Was it to attain the opportunity to make a nice little speech and does he believe he has succeeded in his aim?

Senator P.F.C. Ozouf:

I did, and I think it is important that Ministers, when spending public money, are grilled and held to account for that expenditure. I did check in Standing Orders to see. I was expecting to have to put the costs of my trip down in Standing Orders under the declarations of interest, but I read the provisions carefully and they are that when it is out of your own department, you do not have to; it is only when a third party pays. My department paid for me, the Chief Minister's department paid for him. We should stand accountable and, yes, this sort of thing should be discussed in this Assembly.

3.5.4 Deputy P.V.F. Le Claire:

Whilst many Members, including myself, support the trips away to support our finance industry in Jersey, could I ask a serious question? It is all well and good and we support you in going out and getting business: what did the Minister learn? You have learned about the money: what did the Minister learn about the regulation? How does the regulation in those places differ from here and where are the opportunities in regards to those?

Senator P.F.C. Ozouf:

It is a fair question that actually 2 senior Ministers went to the Middle East. I have been told - and the Chief Minister has told me - that in future we will not be going together on these trips. We will effectively divide our time and in future I am expected to go and lead the delegations in the Middle East, and frankly, I needed the learning experience of understanding how the culture is, how you are supposed to behave, who you are supposed to speak to and learning something of the culture, and I did that. I was absolutely amazed at the business prospects that exist for Jersey in places such as Bahrain - I did not visit Bahrain, but Qatar and the United Arab Emirates. There is, I think, approximately \$150 billion of excess revenue coming, at current oil prices, from that region, which will be invested in other places, as all jurisdictions invest in multi jurisdictions. Jersey must secure a small part of that revenue and we do that by encouraging our Trust companies, our lawyers, our banks, to go out to the Middle East and win business. We do that by effectively asking the Financial Services Commission to sign Memorandums of Understanding so that we have reciprocal arrangements with them and we encourage business and we go out and say: "Jersey is a great place, Jersey is a well regulated place, and come and see and come and think about investing in Jersey and using Jersey as your preferred offshore location". So I learned a great deal about that, about how to achieve that, and I will be holding Jersey Finance to account to now evolve their business plan, not only in the U.A.E. (United Arab Emirates), but in other places such as Kuwait, Oman, and other wealthy areas in the region. There are huge opportunities for Jersey and it makes Jersey no longer offshore the City of London, but offshore the world.