

2.7 Deputy K.C. Lewis of St. Saviour of the Minister for Economic Development regarding measures to assist local businesses and retailers as a consequence of the introduction of G.S.T:

In view of the forthcoming introduction of G.S.T., and in light of the fact that the import of low value goods purchased via the internet shopping will not attract G.S.T., what measures, if any, will the Minister take to assist local businesses and retailers who have to pay very high rents?

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

The retail industry is an important part of Jersey's economy, representing approximately 7 per cent of G.V.A. (Gross Value Added) and 16 per cent of the total employment. It is therefore right and proper that we are aware of the challenges facing the industry and, where appropriate, work with that industry to help meet those challenges that it faces. The Deputy may not be aware of just how much work we are doing with the retail industry. There is specific provision in my department's 2007 business plan for the work on the retail industry, and this year, for the first time, we have a designated post within the department to work specifically on retail industry matters. The department is actively engaging with the industry so that we can learn more about the issues that it faces, and throughout 2007, we are going to be doing a great deal on this issue. As far as rents are concerned, this is a complex issue and is a function of supply and demand, and something that we are engaging with the Planning Department on. It is also a function of the capitalisation of high margins in some of the retail sectors.

2.7.1 Deputy K.C. Lewis:

I thank the Minister for his reply, Sir. Walking to the States this morning, in the Colomberie area alone, I counted 5 empty shops, with one shop, sadly, gone *en désastre*. This is something that would be unheard of 5 years ago. Is the Minister aware of the severe pressure that local businesses are under?

Senator P.F.C. Ozouf:

There will always be an ebb and flow of businesses in the Island, and I think that the current ebb and flow of businesses is no different from any in the last few years. I walked along King Street and saw a new retail shop engaging in the sale of electronics. There is going to be a constant ebb and flow. Our job is to create the right competitive, fair, environment for retailers to prosper, and that is why we have dedicated specific resources for the first time, to understand that. I am happy to work with the Economic Affairs Scrutiny Panel to explain exactly what we are doing, and the scale of work we are doing on the retail industry.

2.7.2 Deputy R.G. Le Hérisier:

Would the Minister not acknowledge, given the very reasons that have led to fulfilment booming on the Island, that in fact the internet is going to come over as a major player in retailing and that unless retailers can somehow make an accommodation with its role in retailing, all talk of empty shops will - unfortunately - amount to nothing.

Senator P.F.C. Ozouf:

There is a move from bricks to clicks, both in terms of the international environment, opportunities for Jersey to export and local businesses. That is a reality, and that is

why I have come this morning to the States after launching a whole range of endeavours - a whole range of new services to businesses - in order to help them work in the new competitive world. We have to help businesses work through the new competitive marketplace, which does, I am afraid, mean that in many cases there is a move literally from bricks to clicks.