

## **2.8 Deputy G.P. Southern of the Minister for Economic Development regarding funding of the Economic Growth Plan:**

Table 1 of the Economic Growth Plan (P.38/2005) gives a total funding requirement of £2.7 million. Will the Minister inform Members whether the entire plan has his support, whether the total funding has been agreed by the Minister for Treasury and Resources, and if not, what elements have been agreed, and in particular whether funding has been allocated to the plan for finance and to Jersey Finance Limited?

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

I support the Economic Growth Plan in its entirety. All elements of the Economic Growth Plan have my full support and it is important to state that there, of course, needs to be much more work on the individual aspects within the Economic Growth Plan of P.38. There has been some funding allocated for 2006 sufficient to get on with the implementation of the early plan. Of course, further funding in the years 2007 and 2008 will be the subject of the business plan which is to be lodged by the Chief Minister on behalf of the Council of Ministers in the next few days. I hope I do not break any confidences here, but I can say that economic growth has figured high on the agenda of the Council of Ministers but I have not been successful in getting all of those issues funded. Therefore, if I am going to fund the Economic Growth Plan completely, I need to look to my other departments to see whether or not other issues have higher priority. In respect of the plan for finance and given the importance of this sector to the economy, the 2006 budget has a specific allocation of £850,000 for Jersey Finance. The 3-year budget includes further additional increases to Jersey Finance's budget, but that will be as a result of the outcome of the next strategic plan and the resource allocation this year. I would say in conclusion the Members of this Assembly all have their own desires for improving and increasing services to the public. I support that, but one has to make sure that economic growth provides enough taxation receipts to deliver that. If I am given money for economic growth, I will use that judiciously; I will use that in a targeted way to deliver it, but an investment is required and I support all of the measures that were there.

### **2.8.1 Deputy G.P. Southern:**

Does the Minister not consider that after - I believe it is - 5 years Jersey Finance Limited should be financing itself?

### **Senator P.F.C. Ozouf:**

No, I do not agree that Jersey Finance needs to be funded itself. In fact, Jersey Finance is one of the few trade promotion vehicles which is actually part-funded by the industry. The industry put in - I think - of the region of £300,000 per annum and, of course, I will continue to press the industry to put as much money as possible into Jersey Finance. But if we are to get the results of targeting specific sectors (for example, hedge funds and business in the Middle East) then we need to put in that investment in order to achieve that result. I am quite pleased with the way that Jersey Finance continues to operate. There are some changes in respect of the senior management and I am engaged in detailed discussions with them and my Assistant Minister - the Constable of St. Lawrence - is joining their board.

### **2.8.2 Deputy G.P. Southern:**

Was it not at the outset envisaged that after 5 years Jersey Finance Limited would, in fact, be self-financing?

**Senator P.F.C. Ozouf:**

That was never the case. I hear confirmation by the Chief Minister who was, of course, instrumental in setting up Jersey Finance. I think one has to be cognisant of the fact that Jersey Finance has achieved significant results. Members will have been aware last week that we had a presentation by Jersey Finance and we learnt of the arrival of a new hedge fund business in Jersey directly as a result of the work of Jersey Finance. In addition, the trip out to the Middle East - which is going to be the third one - we can link that directly to new business, good business; profitable business for Jersey industry. We must invest in Jersey Finance in order to achieve that. Of course I will hold Jersey Finance accountable for the appropriate spending of their budget.

**2.8.3 Deputy J.A. Martin:**

Talking about hedge funds, can Jersey Telecoms sustain any more hedge funds in Jersey?

**Senator P.F.C. Ozouf:**

An excellent question and going to the heart of the importance of a number of services within the Island. I think that there are issues and certainly I have been in communication with the Chairman of Jersey Telecoms and I have a meeting with them next week. I am determined to ensure that there is sufficient telecoms capability within the Island to serve the finance industry. I think we have learnt just how important it is that there are fast, efficient and cost beneficial services in the Island. It is the liberalisation of the telecommunications market which is designed to achieve just that.

**2.8.4 Deputy G.P. Southern:**

In the Minister's busy schedule, will he take the time to provide me with details of which parts of the Economic Growth Plan have been funded and which parts have not, and in particular a breakdown of what funding for what schemes has been applied to Jersey Finance Limited?

**Senator P.F.C. Ozouf:**

Of course I am very happy to do that. As the Chairman of the Scrutiny Panel, he will no doubt be scrutinising my budget in great detail and, of course, I am happy to confirm exactly what aspects are being funded this year. Of course, next year's funding requirements will be subject to States decisions later on in the year in terms of the strategic plan and resource allocation process.