

#### **4.14 Deputy M.R. Higgins of St. Helier of the Minister for Economic Development regarding the responsibility for taking forward the commitment for a genuinely diverse economy:**

I would like to ask the Minister who is responsible within the Economic Development Department for taking forward the commitment in priority 2 of the Strategic Plan for the laying of the foundations of a genuinely diverse economy and what work, if any, has been done so far?

#### **Senator A.J.H. Maclean (The Minister for Economic Development):**

As I am sure the Deputy is aware in his role as chairman of the Economic Affairs Scrutiny Panel, the Chief Officer and his team are responsible for delivering the Government's role in the diversification of the Island's economy. This they do. Contrary to popular belief, the vast majority of Economic Development budget in 2009 - approximately 80 per cent - is dedicated to economic diversification, diversification of products and markets for existing businesses and diversification into new sectors through business start-ups and inward investment.

#### **The Bailiff:**

I hope this is going to be a concise answer, Senator.

#### **Senator A.J.H. Maclean:**

Yes, Sir. All our core E.D.D. (Economic Development Department) activities Jersey Enterprise launched in 2008 marked the start of a new approach to supporting businesses outside of the financial services sector.

#### **4.14.1 Deputy M.R. Higgins:**

A supplementary, Sir? Could the Minister please advise the House, besides finance and the work on intellectual property, what other measures are they trying to encourage to encourage a diverse economy?

#### **Senator A.J.H. Maclean:**

One of the aims of setting up Jersey Enterprise was exactly that; to enable local businesses to be able to, first of all, set up start-up businesses and for local existing businesses to diversify into other areas. So far, Jersey Enterprise has supported nearly 1,200 new and established businesses. That included 45 start-ups, so I think that gives a good indication of the work the department is doing.

#### **Deputy M.R. Higgins:**

Could I ask the Minister to be a bit more specific? 1,200 businesses is nothing. I would like to hear the examples of types of business.

#### **Senator A.J.H. Maclean:**

A whole, wide range of businesses across the tourism sector and agriculture. The Deputy himself will be aware of the areas in which Economic Development is involved. He himself has mentioned I.P. We have had discussions on that and that is a clear one; E-Commerce and so on. There are opportunities across a wide section of the economic base that Jersey has for diversification and we continue to work to develop it.

#### **4.14.2 The Deputy of Grouville:**

With the aim of economic diversification, could the Minister explain the rationale of increasing Jersey Finance's limited budget and reducing tourism marketing and agricultural budgets?

**Senator A.J.H. Maclean:**

It is absolutely essential that Jersey Finance has appropriate funding. If we look at the budget that Economic Development has, in fact, I would suggest tourism has a higher percentage of our budget than any other function that we fulfil. It is right that diversification within Finance is delivered from additional budgets. We are looking at new products helping with Jersey Finance to market the Island in new geographical locations and new products and that is absolutely right. Our commitment, however, to agriculture, tourism and other sectors is undiminished. We are just more targeted with the money we have, we spend it more wisely and get a better return.

**The Deputy of Grouville:**

My question was not: "Why have they increased Jersey Finance?" It is what rationale has been used when Economic Development want diversification?

**Senator A.J.H. Maclean:**

It is to help businesses in the sectors that the Deputy is talking about to diversify their businesses. I mentioned a moment ago Jersey Enterprise. Jersey Enterprise helps businesses in agriculture and helps businesses in tourism to develop their business, to diversify their business and to grow their businesses for the benefit of themselves and obviously the local economy.

**4.14.3 The Deputy of St. Martin:**

Maybe the Minister could inform the House whether in fact part of the diversity of the economy will be to develop online betting and if that is the case, would it not come out of that fund rather than coming out of the existing industry's fund? I am talking about the betting shop industry.

**Senator A.J.H. Maclean:**

Diversification follows a wide remit and the Deputy is absolutely right. There is potential, should it be approved by this Assembly, for development of eGaming as many other jurisdictions, including Alderney close at hand, has very successfully done. I think it is right that if the House were to support the development of eGaming, as it has indicated in the past, that that should be funded quite appropriately by the industry itself but - and I hasten to emphasise this point - it is right that Economic Development's budget itself is used, and that is absolutely right. In promoting eGaming opportunities, Jersey Enterprise will be at the forefront.

**4.14.4 The Deputy of St. Mary:**

How can the Minister justify, in the interests of diversification, cutting the core tourism budget?

**Senator A.J.H. Maclean:**

The core tourism budget has not effectively been cut. It has been re-prioritised. **[Laughter]** I think I should, first of all, draw to Members' attention that we funded - partly with the industry, I have to accept, which was a welcome introduction - something in the tune of £750,000 of additional marketing and advertising for tourism this year. That is due to the fact that Economic Development has a discretionary

budget and we have to, at times, be able to respond to market conditions. That is an example where we did it to support tourism and we will do it for other sectors when and if appropriate.

**4.14.5 The Deputy of St. John:**

Could the Minister inform the Chamber whether the practice is still going on where Jersey Finance go around the world after new business and the senior staff fly club or first class and, if so, is that practice going to cease?

**Senator A.J.H. Maclean:**

Was the Deputy asking whether those Members are flying or ... I did not catch it?

**The Deputy of St. John:**

The question was whether the staff at Jersey Finance, when they are selling their goods around the world, fly to these destinations first class or club class and, if that is the case, if that going to stop happening?

**Senator A.J.H. Maclean:**

I am not aware of any staff members of Jersey Finance flying first class. If it is a short haul destination, then I would imagine that staff members would fly economy. If it a long haul flight and there is a business meeting at the end of it, then it may not be unreasonable to fly club class but I am absolutely convinced that Jersey Finance utilise their budget in the most effective way possible and we are satisfied to that effect.

**4.14.6 Deputy T.M. Pitman:**

I must congratulate the Minister on his terminology regarding privatisation. It reminds me of de-constructing the Taliban, but there we go. Following on from the Deputy of Grouville's question, is it not a fact that, in reality, E.D.'s commitment to genuine diversity outside of Finance is little more that spin? That is the impression people have.

**Senator A.J.H. Maclean:**

No.

**The Bailiff:**

A final question from Deputy Higgins, if you wish one?

**Deputy M.R. Higgins:**

I am fine, Sir, thank you.