

WRITTEN QUESTION TO THE CHIEF MINISTER

**BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 2nd JUNE 2009**

Question

“Does the Chief Minister agree that the target for net inward migration of 150 heads of household (320 total) means lower economic growth than that reflected by the current long term plan/50-year cycle which has seen net population growth of around 600 (280 heads of household) per annum?”

Answer

Between 1951 and 2001 total population growth did average 600 a year, but this increase was due to both natural growth (births exceeding deaths) and net inward migration. Natural growth has averaged about 240 per year since 1990.

Reliable data do not exist that would allow a robust estimate of the rate of economic growth achieved over that 50-year period. However, it is fair to say that in that time the structure of the economy changed dramatically – from one where the focus was agriculture and tourism to one where the finance industry directly makes up just over half of the economy – and that this would have raised the average rate of economic growth. Given that such radical change in the constitution of our economy is unlikely in the future, and certainly over the life of the proposed Strategic Plan, an average rate of economic growth going forward that is similar to that achieved in the past is unrealistic, regardless of the level of net inward migration.

However, with estimates of the underlying long-term rate of productivity growth in the economy at 1-1.5% per annum and a proposed inward migration target in the Strategic Plan of 150 heads of households, the Council of Ministers believe that it will be possible to achieve a rate of economic growth that is consistent with both Islanders’ desire for an improved standard of living and their preferences in terms of social and environmental policy.