

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 30th NOVEMBER 2010**

Question

Will the Minister advise members what the trend rate of economic growth for the Jersey economy has been over the last ten years and detail how he expects the Jersey economy to perform over the next three years against this trend rate?

Answer

The average rate of growth in real terms GVA between 1999 and 2009 (growth in each year is shown in the table below as published by the Statistics Unit) was -0.5%. This is, however, an arbitrary figure which tells us very little, for a number of reasons:-

1. The period selected does not conform to an economic cycle and takes no account of the relative positions in the economic cycle of the start and end date.
2. GVA data in Jersey needs careful interpretation alongside other economic data because of the large swings that can come about due to one-off factors given the small scale of the economy and our role as an offshore centre.
3. The figure gives little indication of what might be achievable in future years, especially in the post-financial crisis world.

As pointed out in written answer 5827 by the Chief Minister, the “Council of Ministers’ assessment of the current state of the economy and estimates for economic growth between 2010 and 2012 are published in the Draft Budget Statement 2011 in Chapter 3: *Economic Outlook*.” They are: a further decline in GVA of about -2% in 2010, weak growth next year of 1% and further moderate growth in 2012 of 2%.

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
% change in real GVA	5%	4%	-3%	-3%	-4%	-1%	1%	5%	5%	-3%	-6%