

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 25th SEPTEMBER 2012**

**Question**

Will the Minister include the Office for Budget Responsibility's figures for growth in the UK economy for 2010-2015 missing from Table 1 in his answer to written question 7053 on 11th September 2012 and state why he did not include these figures in the answer?

If the Fiscal Policy Panel advise that his forecasts for real growth in GDP/GVA are optimistic will the Minister reduce spending in the Medium Term Financial Plan or maintain spending through borrowing?

**Answer**

The figures requested were not included in Table 1 simply because that summarised the data used in Chart 1 which covered IMF forecasts for a number of key regions of the world and the equivalent assumptions used in the MTFP for Jersey. The Office for Budget Responsibility forecasts and the assumptions used in the MTFP were summarised and described in the next section of the answer and the supporting chart. It was explained that although Jersey is forecast to grow at a slightly higher rate in 2012, the UK is forecast to grow more quickly in 2014 and 2015, meaning that by 2015 there is little difference in the rate of growth over the period as a whole. The data requested is provided in the table below.

**MTFP Jersey assumptions v OBR UK forecasts**

<b>Real economic growth % change</b>	Outturn	Forecasts				
	2010	2011	2012	2013	2014	2015
Jersey	-5.0*	1.2	1.4	2.0	2.5	2.5
UK	2.1	0.8	0.8	2.0	2.7	3.0

If the Fiscal Policy Panel revise down their existing forecasts for Jersey real economic growth then the Minister will listen to their advice on what it means for the balance of fiscal policy over the life of the MTFP and in particular whether a different course of action is recommended. This will be given full consideration by the Minister and the Council of Ministers and if necessary amendments will be brought to the MTFP to reflect that advice. The Minister does not want to second guess possible revisions or recommendations from the FPP. He will await their report, which is due to be published on October 1 2012.

\* The falls in total GVA (3% in 2008, 6% in 2009 and 5% in 2010) were driven by the performance of the Finance sector. These should be put in the context of strong growth in 2006 and 2007 (5% in each of those years), and growth in years subsequent to 2010. The drivers for the period of negative growth were the worldwide financial services crisis and interest rates.