

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 20th JANUARY 2015**

Question

In P.55/2012 the previous Minister produced a table showing the “job opportunities” arising from the success of Locate Jersey in encouraging inward investment through the business licences granted to the 128 foreign-owned companies which set up in the 4-year period from 2008 to 2011. Can the Minister state how many of these opportunities have been converted into real jobs, and if not, why not?

Can the Minister further state whether he considers that the figures shown represent successful diversification of the economy when they reveal that 30% of both businesses and jobs are in the finance sector?

Can the Minister also inform members how many of these jobs were high-value jobs in line with strategic aims and how many were low-value jobs, and if not, in the light of his predecessor’s commitments to seek this data, why not?

Will the Minister liaise with the Minister for Treasury and Resources to establish what taxes and/or revenues have been paid by those 35 finance sector companies subject to the 10% rate and what income tax has been paid by the 937 employees of these companies either overall or by sector over the period to date, and if not, why not?

Answer

Businesses in Jersey are required to submit half yearly manpower returns to the Population Office. The most recent return is not due until the end of January and will be reported on by the Statistics Unit later this year. Using the most recent manpower statistics available (June 2014) from inward investment businesses assisted by the department between 2008 and 2011, these businesses have a total of 896 individuals working for them of which 83% were entitled posts. This is a total of 743 jobs created for people with entitled status.

The inward investment activity carried out by Locate Jersey is done irrespective of sector. 70% of businesses and job creation in ‘non-financial’ related services is an enormously positive step towards successful diversification of the economy. Trends in the last three years include Retail and Hospitality, Real Estate and Private Equity Funds, Hedge Funds, Fintech, Digital/IT, Family Offices, Natural Resources, Corporate Services and Payroll and Recruitment.

Diversification of the economy does not mean solely focussing on developing businesses outside of the finance industry. Jersey’s finance industry, which is already diverse in nature, continues to diversify itself to meet changing global demands. Jersey’s outstanding reputation as a centre of excellence for financial services and much-respected regulatory system means that the Island continues to attract both businesses operating in financial services and ancillary businesses related to that sector. More than 40% of GVA comes from financial service-related businesses. With increased productivity and services being a priority, Locate Jersey will continue to work closely with Jersey Finance Limited and other representative bodies in this sector.

As stated on previous occasions, my department is not privy to tax paid by individual businesses or persons. This is confidential information between the business and / or their employees and the Income Tax Office. These activities do generate new tax revenue for Jersey and we will continue to support them. I would be pleased to arrange for the Deputy to visit the Department so we can explain the nature of our work and the benefits to Jersey to him.