

**WRITTEN QUESTION TO THE  
MINISTER FOR ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE  
BY THE CONNÉTABLE OF ST. MARTIN  
ANSWER TO BE TABLED ON TUESDAY 8th SEPTEMBER 2020**

**Question**

Will the Minister outline what financial and economic support mechanisms it is planned will be put in place should a second wave of COVID-19 lead to further lockdowns in the coming months?

**Answer**

We continue with our Respond, Recover and Renew approach to addressing the economic challenges we face now and in the future because of the pandemic. Government has intervened with a range of economy protecting measures and to address the Fiscal Policy Panel recommendations to: provide liquidity and cashflow measures through the introduction of the Business Disruption Loan Guarantee Scheme and deferrals for GST, Social Security, rent and utilities; to minimise the unnecessary contraction of employment through the Payroll Co-funding Scheme; to provide short-term support for individuals and households in hardship through the CRESS scheme and Income Support measures.

It is difficult to forecast how long this situation will last, what kind of recovery patterns we will see and therefore, where and how Government intervention will be required in the future. There are also some longer-term factors to consider in parallel in terms of the impact of a recession.

As such, and in addition to the initial response measure above, a fiscal stimulus package of £150m was announced in July with the aim boosting the economy and supporting key infrastructure in the aftermath of the pandemic, on the basis that Jersey, like other jurisdictions, is experiencing a sharp downturn in output, income and employment that requires significant Government spending to support and stimulate the economy into the future.

We have also begun to recover economic activity with a progressive, medically led Safe Exit Strategy, with substantial investment in 'test and trace' and to increase on-Island test capacity going forward. This is helping restore demand-led air and sea transport links, provide confidence to islanders and visitors that risks are being managed, encourage the normalisation of business activity, albeit at lower levels than desired due to health-driven restrictions.

Direct business advice, free at the point of delivery, is being provided through increased Government support to Jersey Business to provide an enhanced service including 1:1 professional support to businesses in crisis and to provide advice on how to horizon-scan and develop contingency plans in order to insulate SMEs against the possibility of a second wave and/or other resultant recessionary challenges and pressures.

We continue to work closely with industry leaders and sector representatives through the Economic Council and other groups, which provides external foresight and guidance of future recovery policy considerations.

Supplementing this work the Future Economy Programme is reviewing our existing economic evidence base in the light of the pandemic, filling gaps to provide better scope for data-driven policy development. Supply-Use Tables will be produced this year, which will be a powerful predictive tool for analysis of the Jersey economy in general and sector reports in hospitality and retail will allow for a more detailed forward planning against those sectors particularly impacted by the economic lockdown and how future risks can be mitigated.

There is significant work being undertaken on upskilling preparation, looking at what skills will be required post COVID by first understanding of the current skills landscape and mix in Jersey based on available data

and scoping the ambition and needs on upskilling for the future economy, with a clear focus on precipitating productivity improvements.

Much work has and is being done that provides critical support infrastructure designed to provide the foundations to weather future economic storms. Whatever the future holds, there is little doubt that if we are to protect our economy, livelihoods and standard of living, we will need to continue to direct substantial investment towards the economic renewal and recovery from the long-lasting effects of the pandemic through the Government Plan and other recovery funding. Current interventions have so far proved effective and provide an ongoing framework for supporting the economy, that can be expanded or contracted as the economy requires and whilst future policies are developed that may identify new approaches.

The Government continues to take advice from business leaders and health experts and monitor the situation on an ongoing basis. The current Covid Strategy is under constant review and will frame the different aspects of response across government, depending on the status of infections in the coming weeks and months.

The Scientific and Technical Advisory Cell (STAC) will continue to meet with the Chief Economist in attendance to provide balanced advice that factors in economic impacts.

The preparation that we are undertaking and the new internal Government and external organisational structure that we have right now in dealing with this current wave, provides a strong platform for Jersey to be able to deal with any second wave that might come, where we will be wiser, well organised and better prepared as a result of the successful, safe and pragmatic approach we have taken to date.