

**STATEMENT TO BE MADE BY THE MINISTER FOR ECONOMIC  
DEVELOPMENT, TOURISM, SPORT AND CULTURE  
ON TUESDAY 17TH OCTOBER 2023**

**FUTURE ECONOMY PROGRAMME**

Sir,

I'm very pleased to be speaking to the Assembly today as we set out two key pieces of work within the Future Economy Programme.

The Future Economy Programme is a long-term piece of work which is much bigger than any single strategy, any specific project or even any particular government. So I hope that Members will see today's announcements as significant steps in a programme that will last for years beyond this Government.

Much of the Western world faces the long-term challenges that come from changing demographics and the subsequent greater demand that they put on public services. The Future Economy Programme is Jersey's way of addressing those challenges.

Sir, the reality is that our population is ageing.

Life expectancy has steadily increased and by 2040 more islanders will be enjoying their retirement for longer.

This is something to celebrate - but it also raises questions about how future governments will meet the higher costs imposed on public services.

We also know that as our population ages, the percentage of those in work, paying taxes, and supporting our public services will decrease as a percentage of the total population.

Today, we have just over 1.9 working people for every single non-working person. By 2040, that will have fallen to 1.4 working people to every non-working person. Those proportionally fewer workers will be providing the private and public services, including education and healthcare, that everyone in the island needs and enjoys.

The Future Economy Programme identifies the sustainable economic growth we will need to deliver in order to meet the increased demand.

To pay for a larger public service bill we will need a bigger economy.

The good news is that Jersey's economy is strong – it is one of the world's strongest. The not so good news is that growing an economy from an already high base is a difficult task.

Over the last 20 years, Jersey's economy has grown by an average of just 0.4% a year. The reason why we've struggled to grow is because even as our population has increased, our productivity has declined and is now 30% lower than it was twenty years ago.

Meanwhile, over the same period, the European Union has seen an average productivity growth of 2.1% per year. Had Jersey's productivity grown at this same pace, our economy would now be £200m larger.

We are actively working towards solving this challenge and have been for some time.

Building on the work of the Economic Council and its New Perspectives report, my predecessor, Deputy Farnham, then Senator Farnham, continued this process with the publication of the outline economic strategy during the last term and I'm pleased to take forward that vision which guides the Future Economy Programme:

The vision is that Jersey should become a consistently high-performing, environmentally sustainable and technologically advanced small island economy by 2040.

By doing this work now, we can maximise the options available to future governments and to future generations and avoid them being left with hard choices in 2040 and beyond.

It's also an exciting time to be championing economic growth with fresh opportunities, emerging sectors and whole new industries arising, we have a real opportunity to create new and exciting careers for islanders.

As I've already said Sir, the Future Economy Programme is bigger than any one government and it will be up to future Ministers to work to realise our full economic potential, they may well do so by seizing opportunities and championing industries which don't yet exist.

Members will have seen that yesterday, the Chief Minister gave notice of her intention to update my Ministerial title from Economic Development, Tourism, Sport and Culture to simply Minister for Sustainable Economic Development.

This change is symbolic of what the FEP is trying to achieve.

Future Ministers will need to maintain the focus on securing economic development in a sustainable way. That is to say an economy that is resilient precisely because it grows in step with our Island's ability to support it, to staff it and to scale it.

Sir, the two documents we have presented today are just the beginning of this process.

The Strategy for Sustainable Economic Development sets out the first direction any government has provided for the island's economy in a long time. It also describes how this programme is about more than just economic growth and how we will measure the success of our efforts across five key themes to build an economy that is:

- Resilient;
- Innovative;
- Skilled;
- Fair; and
- International

This is a long-term strategy.

We need businesses, islanders and this Assembly to work towards delivery of the growth our island needs and it will also be up to future Governments to identify their own priorities as new opportunities emerge in the years ahead.

But I hope that whatever their priorities, future Governments will use these themes to measure their progress towards the shared vision.

That is the first document.

To begin delivering the change that is needed, we have today also published the Delivery Framework that sets out some of the practical steps that are being taken in the short to medium term over the next few years to deliver economic growth.

We have identified three key ways that we can begin to deliver the economic change needed.

Firstly, through the provision of growth enablers.

These are designed to unlock entrepreneurial talent and create the right conditions for businesses to thrive to facilitate further growth.

We can do this by improving the physical infrastructure used by businesses such as via securing our energy needs and international connectivity.

The Minister for Environment will be speaking shortly about one of the key aspects of this – the harnessing of the significant potential for wind power in our territorial waters.

And we can help by ensuring our regulatory environment is fit for purpose and allows businesses to be sufficiently agile to make the most of first mover advantage in emerging sectors.

Secondly, we want to increase productivity in existing sectors.

Recognising that any future economic success will be very largely driven by our existing industries, we want to help these sectors thrive.

Earlier this year, I commissioned Jersey Business to work with companies and individuals in finding out the hurdles and barriers they currently face. This Barriers to Business report will be published later this year and departments will be working with businesses to ensure that government processes enable rather than frustrate, innovation and growth.

We will also be bringing forward new strategies for our Visitor Economy, Digital Economy and in 2024, a Retail Strategy to identify the key opportunities and challenges businesses in these industries face.

The third pillar to the delivery framework is our work to support effective public services.

This means ensuring Government leads by example, spending public money effectively and ensuring islanders have access to the training and skills they need to succeed.

It will involve setting public policy to support a healthy and skilled population enhanced by a sustainable approach to inward migration.

Sir, this is an ambitious programme, and it is one which will need to be taken forward by future Councils of Ministers and future governments.

The documents we've published today are just the beginning and we will continue to evolve and adapt the programme and work with islanders, businesses and the Assembly to deliver our collective vision.

Thank you Sir and I look forward to taking Members questions.