

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 7th JUNE 2011**

Question

Does the Minister see any signs of recovery in the economy and in particular will he explain in which sectors he envisages there will be an increase in employment in the Island over the next 12 months?

Answer

There are a number of positive signs regarding the local economic outlook. Moderate growth is forecast by the Economics Unit for this year and next and there are some encouraging signs in the March 2011 Business Tendency Survey with activity in the finance sector increasing further and optimism continuing to improve. The global economy continues to recover, although clearly conditions are still fragile. The latest retail sales figures also show that retail volumes were up 5% in Q4 2010 compared with a year ago.

In terms of employment we should not forget that despite the severity of the global economic downturn employment remains close to the highest levels since at least the mid 1990s. Labour market conditions still remain weak as they do lag behind economic activity and of course unemployment measured by those actively seeking work has risen. However, conditions would have been much weaker without the timely intervention of fiscal stimulus to support local employment and businesses. In the Business Tendency Survey a net balance of +18% of finance firms expect to increase employment over the next three months.

The new economic growth strategy will set out how we can create conditions for growth across all the key sectors of the economy, laying the foundations for future employment growth.