

2025.01.21

Deputy J. Renouf of the Minister for Sustainable Economic Development regarding the Route Development Grant allocated to Ports of Jersey (OQ.12/2025):

Will the Minister detail how the £2 million Route Development Grant allocated to Ports of Jersey from the Better Business Support Package to “increase connectivity” will be spent, or advise how he anticipates this being spent?

Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Sustainable Economic Development):

I thank the Deputy for his question. Route development is a common industry practice to support the market to identify new connectivity opportunities that, ultimately, underpin all parts of our economy. The support package will boost Ports of Jersey’s ability to attract new airlines and secure additional new routes. This will be delivered in close partnership with Visit Jersey, with their role being to market the Island to potential visitors on those routes. Any new routes will, ultimately, be a decision for the airlines in collaboration with Ports of Jersey. But I know Ports of Jersey share my ambition to boost the Island’s connectivity by increasing existing U.K. connectivity and exploring new European links to provide greater choice for Islanders and to support our visitor economy.

3.11.1 Deputy J. Renouf:

Could I press for information on what exactly the money will be spent on; £1 million a year is, presumably, not going to go on increasing staff at Ports of Jersey or at least only a portion of it would? What exactly will the money be spent on? Will it be handed over to Ports of Jersey to spend as they see fit? Might it be spent directly with airlines to incentivise them? Where will the money be spent?

Deputy K.F. Morel:

It is absolutely to incentivise airlines to create routes to Jersey; that is what it is for. It is not to be used by Ports of Jersey for their own operations. It is not to be used for Ministers to visit anywhere. It is entirely for Ports of Jersey to pass to the airlines to incentivise them to fly to Jersey.

3.11.2 Deputy M. Tadier of St. Brelade:

Yes, I would like to drill down further into the Minister’s welcome comments about trying to engage European airlines or rather routes to Europe is probably more accurate. Will the Minister confirm that he will be looking specifically to either bring back or get new lines perhaps to regional airports, such as Rennes, San-Brieuc or even to one of the Paris airports, to make sure that Islanders have the opportunity to fly to the mainland?

Deputy K.F. Morel:

The Deputy asks a very interesting question because the Better Business Support Package is there to improve productivity throughout the Island’s economy. From that perspective - purely from that perspective - it would be the larger routes that you would be seeking to achieve because that is where you will get the bigger impact on the Island economy. But there are still regional benefits to having regional routes but the payoff economically is less than ... quite simply, a route to Rennes is, potentially, less economically appreciable than a route to Paris or to Frankfurt, with larger aircraft, more visitors coming to the Island. But that in my mind does not close down the many other benefits that may come from a route, for example, Touraine. Yes, Ports of Jersey do speak with airlines, such as Blue Islands and also smaller airlines. We have had interest from a small French airline called Finist’air that is interested in flying routes from Brittany to Jersey. Potentially, I have also mentioned

to them that it might be useful from an ordinary perspective as well to create a Jersey all new route. But these are very small planes, just 90 to a plane. The economic impact is much less than a Boeing 737 to Frankfurt. That balance has to be taken into account, but it is something that is definitely being discussed.

3.11.3 Deputy M. Tadier:

I think we are allowed to name airlines but we know that, for example, there are existing low-budget airlines that operate to the U.K., which also they operate from the U.K. to France, to Rennes, to Toulouse, et cetera. Does the Minister accept that even if regional airports might be limited in terms of demand, there is a possibility then for connectivity once you get to the mainland?

Deputy K.F. Morel:

The Deputy is absolutely correct and one of my critiques of the way previous Rennes routes had been marked it was that the benefit in terms of Rennes as a hub for travelling to the rest of France by T.G.V. (Train à Grande Vitesse) was not something that Islanders were being told about. In my view, Rennes is not just a lovely city to visit, which it is, it is also a fantastic hub for Islanders to travel through the rest of France and indeed Europe. But I do not believe that messaging ever came across properly in previous marketing elements; that is something which would need to be looked at as well.

3.11.4 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

I think we have seen this before, for example, in the route to Amsterdam but then, unfortunately, it had to be abandoned. How does the Minister know that these new routes will be more successful and what went wrong with the Amsterdam route?

Deputy K.F. Morel:

I thank the Deputy for a very interesting question. Ninety seconds is almost certainly not enough time to explain elements around the Amsterdam route particularly, except that Schiphol Airport for number one has capped the amount of airline movements because of their own carbon targets, et cetera or carbon rules. As a result, experimental routes are less likely to be maintained. That, for instance, is one reason why that route did not continue beyond the first year. We must appreciate commercial airlines only operate where there is profit to be gained. They are talking about 14 per cent and 15 per cent returns that they expect on any routes. If Jersey is to succeed in having sustainable air routes over many years, they have to deliver that to the airlines and that is where the Better Business Support Package comes in. Because it provides that incentive for the airlines to try it. But if an airline sees that it is not getting the return it wants it will cut any link. Airlines, and I mean this in the most neutral way possible, have no loyalty to any route and I have no issue with that. That is where the smaller regional airlines, such as Blue Islands, come in because they can be asked to undertake routes which perhaps do not provide the return they need but would need to be subsidised. The commercial airlines, commerce wins.

3.11.5 Deputy H.L. Jeune:

To make sure that any of these new routes that Islanders see and then, hopefully, will be sustained rather than quickly folded, how will the Minister ensure that Visit Jersey makes the impact it needs to in those countries to ensure that visitors come here? It is not just about us going to those places but very much more is about those people coming here. Has the Minister put any emphasis on measurements for impact for Visit Jersey to make that successful?

Deputy K.F. Morel:

The Deputy is absolutely correct and I met recently with Ports of Jersey and Visit Jersey in the same meeting to highlight the fact that it is them working together that will make this succeed. There are

lessons to be learned from previous routes, et cetera, and we want to make sure that those lessons are learned. This is something which will happen over time as well. We are here at the beginning of 2024, the first routes that we would see being established in terms of large commercial airlines flying to Jersey will be 2027; it will not be 2025 because the cycle of these things takes longer. It can take up to 3 years to get certain routes in there. That also gives time to ensure those K.P.I.s (key performance indicators) are met or are designed and they are met. Such K.P.I.s would be around the number of visitors coming to Jersey, the sustainability of those routes, et cetera. But, yes, there will be performance indicators but there is time to design those properly, as along with the choice of routes. This is not a situation where Jersey gets to pick towns. The airlines lead on this. They tell us which routes they are willing to try. We do not get to pick a city and just say we want a route there, unless we want to pay for it in its entirety.

3.11.6 Deputy P.F.C. Ozouf of St. Saviour:

The tenacity of the Minister for Sustainable Economic Development is laudable in his earlier remarks about retailers and going out to get people. Is he prepared in this route development to be as bold as past Ministers for Sustainable Economic Development, recalling that a previous incumbent was also criticised and challenged about route networks? But they ended up getting easyJet to Jersey, which is now our largest airline by a country mile. Is he going to be bold and brassy and go and talk to Wizz Air and T.U.I. (Touristik Union International) Airlines? The little ones are important but it is the big airlines such as these big operators, the operators of the future that he needs to go. Will he give me encouragement that he is going to learn the lessons of the past and being bold can deliver big issues for Jersey?

Deputy K.F. Morel:

I will not be going anywhere, as the media have recently commented they do not want to see this money spent on me travelling anywhere. I will not be travelling anywhere into those negotiations. Apparently, that is not what Ministers are meant to do. But Ports of Jersey will be and Ports of Jersey will speak to all airlines. They are already primed for attending the appropriate conferences at which these deals are done and obviously the work in between. Yes, Ports of Jersey will be speaking to a range of airlines on these matters. But British Airways and easyJet remain the 2 biggest airlines serving these islands and they will also be people that Ports of Jersey engages with. This is something that Ports of Jersey are leading on, backed, as we are saying in response to Deputy Jeune's question, by Visit Jersey in terms of marketing to make sure that these routes work into the future.

3.11.7 Deputy P.F.C. Ozouf:

Very quickly, I would just invite the Minister to reconsider whether or not he should not go on these. I would not worry about what the media would say, if I were him. If the Minister turns up to a big organisation, such as easyJet or Wizz Air or T.U.I., then they know that Jersey means business and we want their business and we have to go for it. Could he please consider not listening to the media and the short-term headline-grabbers about Ministerial trips because they have worked in the past?

[12:30]

If he wants somebody to go with him, we have done it before and we can do it again and these airlines are not serving Jersey and they can in the future, does he not agree?

Deputy K.F. Morel:

Absolutely I do agree and I will travel wherever is necessary for Jersey on any element of the economy where it is important for a Minister to attend in order to get a deal over a line or to encourage any investment in the Island, no matter what form that takes.

3.11.8 Connétable M.K. Jackson of St. Brelade:

Would the Minister advise Members whether any of the Better Business Support Package will be allocated towards Visit Jersey - picking up from Deputy Jeune's question - given that the Schiphol route was abandoned through lack of passengers, I presume?

Deputy K.F. Morel:

I thank the Constable for his question. The Schiphol route, it was a load of factors but it only lasted one year. Normally a trial period would be 3 years and things such as, as I understand it, the carbon restrictions on Schiphol Airport were the sort of thing that were really forcing the airline to choose, should they carry on with a new experimental route or just focus on the routes that they know work today? From that perspective Visit Jersey are absolutely engaged. Visit Jersey, they are receiving £2 million a year from the Better Business Support Package over those 2 years to market Jersey from a visitor-destination perspective to do the destination marketing. They are working alongside Ports of Jersey as well on the specific routes that Ports of Jersey manage to get. They will be doing that marketing, so, yes.

3.11.9 The Connétable of St. Brelade:

Picking up on Deputy Ozouf's point with regard to Wizz Air. Wizz Air is a strong central Europe Hungarian-based airline; can we not do more with them? Central Europe is a vast visitor pool, which we should be attracting. Will the Minister commit to looking in that direction as well?

Deputy K.F. Morel:

I am not the expert and I hazard a guess that neither is the Constable in terms of getting airline investment in the Island in terms of routes. Ports of Jersey are leading on that but the information that they have given me just very, very recently was that France and Germany look like the most likely areas for routes. In that sense, central Europe is absolutely on there and it is possible that the Netherlands would fit too. But I think France and Germany are likely to be the areas that they look at most.

3.11.10 Deputy I. Gardiner of St. Helier North:

Looking into the annual reports and accounts for the Ports of Jersey, Ports of Jersey turnover in 2023 - because this is the latest - is £50.5 million, an increase of £5 million from 2022. Operating profit is £7.2 million in 2023, compared to £1.8 million in 2022. We know that 2024 was a much more successful year. Connectivity is one of their top priorities. Would the Minister consider the one importance within the Ports of Jersey business plan should be maintaining and increasing connectivity when we do have this healthy position in their accounts?

Deputy K.F. Morel:

Connectivity is absolutely one of the Ports of Jersey's key focuses and they use existing revenue to maintain that connectivity as well. This Better Business Support Package is to help them look elsewhere. I think it is really important to remember why Ports of Jersey was set up. Ports of Jersey was set up to enable it to be able to invest in the port and the airport, particularly those 2 areas, which is hundreds of millions of pounds worth of investment. The idea is that by setting up incorporating Ports of Jersey that investment could be undertaken from its own balance sheet and, therefore, take away the requirement for the Government and for the States of Jersey to find those hundreds of millions themselves through pure revenue taxation. Every time we ask Ports of Jersey to spend more money somewhere else they are not able to invest that in the infrastructure of our port and our airport. From my perspective, the port and the airport are absolutely vital for the long-term economic growth of this Island. We need to invest in them and we need to invest in them not for the next 10 years, we

need to invest in them for the next 50 years. Because we need to make sure that the next generation have a harbour that can do more than just freight and passenger deliveries. It needs to be an economic enabler for the whole Island. Ports cannot do that if every time they make a bit of money they are asked to spend it somewhere else. They need to use that money to invest in the port and airport for the future.

3.11.11 Deputy I. Gardiner:

Thank you for the answer. Would the Minister indicate how he can demonstrate or how Ports needs to demonstrate value for money for the £1 million that would be allocated? What is the specific outcome this £1 million would deliver to the public specific, not in general terms? What is the expectations?

Deputy K.F. Morel:

The expectation is new air routes from the U.K. and Europe; it is very simple.

3.11.12 Deputy J. Renouf:

Funding for better business is only in place for 2 years at £1 million a year. Is there a danger that the routes will survive only while there is an incentive in place? If so, is he considering at least the possibility that he might extend this support beyond the Better Business Package in order to maintain connectivity in the routes that may be generated or does he regard this as a one-off not to be repeated; it stops at 2 years?

Deputy K.F. Morel:

Again, a very interesting question. I do feel that we all, including myself, could probably learn a lot about understanding how the airline industry works. We already incentivise the London Heathrow route. We already incentivise routes to Jersey. Heathrow exists as a route to Jersey because the Government, through Ports of Jersey, help pay for that route to be implemented. It is really important that we understand that this incentivisation is standard industry practice. It is how we get Jersey connected to the rest of Europe. The Deputy is absolutely right to raise the idea that this may need to be ongoing support. It is quite possible that that is the case.