

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 4th APRIL 2006

Question

The recent Value Chain Survey produced by the Statistics Unit has attempted to improve our understanding and the contribution of different sectors to the economy.

- (a) What reasons explain the discrepancy in finance sector figures revealed by this survey (£775 million, 55% imported) and that produced by the Survey of Financial Institutions (£370 million, 42% imported), and what changes, if any, will be put in place to refine the methodology used?
- (b) Will the Minister further explain why the contribution to GVA (Gross Value Added) of the public sector is not included and whether this impacts on the independence of the report from political bias? and,
- (c) Will the Minister undertake to change the report to include the GVA of the public sector in future surveys?

Answer

The Value chain survey was undertaken in 2004 and published in February 2005 in order to gain a better understanding of intermediate purchases made by businesses in Jersey and thus the interaction of businesses in the Island. It was a one-off survey to inform the work on the Fiscal Strategy and there are currently no plans to repeat it.

- (a) The States of Jersey Statistics Unit made clear in the report that as this was the first time such a survey had been undertaken in Jersey the results were provisional and it openly asked for feedback on the results. Specifically the Statistics Unit highlighted the difference between the findings of this survey and the survey of financial institutions. The most likely cause of the difference is due to intra-company trading, which is not reported in the survey of financial institutions, and different accounting practices used by individual companies. The Statistics Unit works closely with the finance sector to ensure that surveys properly reflect the finance sector and if a value chain survey were to be run again the recoding of intra-company trades would be re-examined.
- (b) The contribution to GVA of the public sector was not included in the report, because it was not a report on value added and, therefore, the value added of no sector was published. The report looked at purchases. The Gross Value Added of the public sector (along with all other sectors) is published by the Statistics Unit on its website; in its annual report *Jersey Gross Value Added (GVA) and Gross National Income (GNI)*; in the *Jersey Economic Digest* and in *Jersey in Figures*.
- (c) The purpose of the value chain survey and report was to understand purchases. It is not a report that looks at value added. Gross Value Added is published by the Statistics Unit on its website and in the documents referred to in the answer to question (b).