

**STATEMENT TO BE MADE BY THE
MINISTER FOR SUSTAINABLE ECONOMIC DEVELOPMENT
ON TUESDAY 13th MAY 2025**

Future Economy Programme Update

It is three years since then Senator Farnham published the Outline Economic Strategy.

Eighteen months ago, we published its successor, the Future Economy Programme.

And we have now published a report on the progress across government to advance this work in the last year and a half.

These three documents are milestones on a long-term journey, and I wanted to take this opportunity to remind members of exactly why the Future Economy Programme has been published and the challenges it seeks to address.

The challenges are significant and complex. Like most economically advanced countries our economic productivity has slowed, and our population is getting older. This means that if nothing changes then the Government and the States of Jersey will struggle to provide the services Islanders expect and so, to avoid this situation, we must strengthen our economy and significantly increase economic productivity.

We know that in the next fifteen years, our population of over-65s will have grown by 30% while the number of those of working age (16-64) will have decreased.

Members will know that this problem is not unique to Jersey, it's one shared across Europe and it's felt particularly acutely in our neighbouring islands.

The risks include having to raise taxes and cut essential public services.

I am sure that all members will agree, these are enormous and pressing challenges which must not be kicked down the road for future generations to deal with. Instead, Jersey needs to act now, to make those changes that will ensure the island is well placed to continue its success long into the future.

At its core, the FEP is about preparing our economy today so that it can meet the needs of future generations. That is, to develop the economy in a sustainable manner.

The wide range of initiatives which are set out in the FEP can be put into three groups:

- Some are aimed at ensuring that our public sector is right sized and as effective as possible.
- Others are aimed at enabling the private sector to improve its productivity, which in turn will strengthen profitability and resilience, whilst minimising the need for inward migration.
- The third group of initiatives are aimed at finding alternative sources of revenue, thereby creating new career paths that ensure Jersey remains attractive to young people and at the same time, ensuring that we are not forced to raise taxes that would make the island economically less attractive.

The Future Economy Programme has been instrumental in shaping the narrative, bringing these critical issues to the forefront of public attention. The upcoming Island Longevity conference next week is a clear indication that these topics are firmly on the public radar and being actively discussed.

Last year, there were significant steps taken in all three areas of the FEP, although – as I have said – this is a 15-year programme so there remains a lot of work still to do and future Governments will add their own actions to this list to bring us closer to our shared goal.

Sir, Members will be able to read the report for themselves, but I do want to highlight just a few of the 90 actions we set out in the original Delivery Framework.

In the public sector, work is underway to ensure that Arm's Length Organisations represent value for money and are aligned with FEP projects. Deputy Luce and I are ensuring a greater focus on economic factors in planning decisions, with an action plan to be released shortly and we've completed the long-planned move to a single Government HQ, delivering a better environment for public sector workers, a single port of call for Islanders who need to engage with Government and savings to the taxpayer.

For the private sector, Better Business Support Package grants totalling £20 million are now being used to stimulate investment in businesses to improve employer productivity and competitiveness. The first of these grants have already been issued and I urge companies large and small to take up this opportunity to re-invest in their businesses.

The BBSP is open to all private sector employing organisations in Jersey and will see:

- Almost £5 million delivered in productivity grants, open to all employers,
- £4 million pumped into apprenticeship schemes,
- An additional £2.2 million to support our rural and marine sectors,
- And £8 million pushed into the visitor economy, including for projects to improve productivity in the hospitality sector, new funding to Visit Jersey and the development of new air routes, including to Europe.

Connectivity is key to our island's success. The more accessible we are, the more able to succeed we will be. The award of the ferry contract to DFDS will see £300 million invested in new ferries within the next 6 years. I struggle to think of an equivalent level of inward investment ever being made in Jersey. Whilst there are teething problems with any change of this nature, the contract will see Jersey provided with a key part of its infrastructure, that being a reliable ferry service that serves the island's many needs.

Similarly, we've refinanced the Agricultural Loans Scheme which has also begun providing loans to our agricultural sector to make much needed capital investments. The rural and marine economies are vital parts of a diverse economic ecosystem, helping us protect Jersey's environment and playing a key role in improving the health of Islanders.

The Financial Services Competitiveness Programme which has been announced by the External Relations Minister this week will enable the financial and professional services sector to remain the engine at the heart of our economy.

Changes to reduce red tape are well underway across departments, one example in my department being the modernisation of the Licensing Law, which is now in law drafting and will be lodged for States Members to consider later this year.

Separately, through other partners within our Customer Service Training Programme, staff in hospitality and retail businesses have been receiving free training which will raise the level of customer service in Jersey – and invest in the skills of Islanders.

Hospitality and retail are also being supported by investment in the public realm, something which this government is prioritising and will, in the coming months, bring forward plans to accelerate this.

There has also been good progress on the necessary legislation to lease part of our maritime zone for an offshore windfarm.

Once it is operational, Jersey should be able to export energy into the European grid and so raise tens of millions in annual revenues. By 2040 I am sure those revenues will be supporting our public services and reducing the pressure to tax our working population.

Further diversification is being achieved as we see the medicinal cannabis sector move into revenues. This has also led to Jersey attracting businesses in the biotech sector and as a result, we are developing a cluster of firms that operate within this high-value, low-footprint area.

Overall Sir, we've completed 70% of the short-term actions we committed to in the FEP Delivery Plan and the remaining 10 are all well underway.

We've also begun work on forty-four out of the forty-five medium term actions and six have already been completed ahead of the December 2026 deadline.

We've also commenced three quarters of the long-term aspirational actions which will be carried forward by future Governments.

To conclude, we are addressing the challenges raised by our ageing population. But these are long-term challenges, and this report is just a milestone on a journey that will take the next decade and a half

Change is not easy but it is crucial. Jersey has many, many qualities and we need to build on these, viewing the economy as an entirely intertwined ecosystem, by remaining international, innovative, highly skilled and outward-looking.

We have made a positive start – but it will be for future Ministers and States Assemblies over the next 15 years to continue the progress. The FEP is about more than just economic growth. It is about creating an island that is attractive to live and work in, whilst remaining at the forefront of business thinking and being prepared to consider significant development, particularly in regard to infrastructure.

I am excited about working to deliver an economy in which all Islanders can see their future, where exciting careers in diverse sectors are possible and where our public services are well supported without needing to raise taxes. By achieving this, we will be able to continue Jersey's incredible success story, which has throughout time, been dependent on Jersey maintaining an entrepreneurial culture that adapts and flexes quickly to the needs of business, society and the international environment.