

Deputy Chief Minister |
Minister for Economic Development,
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By email

16th October 2023

Dear Chair,

Thank you for your letter of 4th October, in which you provide a number of questions in relation to the Export Strategy.

1. *When can the inward investment strategy be expected?*

The refresh of the inward investment strategy will be completed in Q4. Government's approach to inward investment must be aligned with the forthcoming Future Economy Strategy and the updated Common Population Policy as well as PSMG and Ministerial priorities. The finalisation of the strategy has been necessarily delayed whilst those key areas have been developed.

2. *Data provision is a key element of the Export Strategy. Will this also be the case in the Inward Investment Strategy? If so, how will the additional data needed be secured?*

Government's strategy for inward investment is not reliant on 'data' in the same way as the Export strategy. Inward investment is nuanced in Jersey due to our land and labour constraints and the necessary controls implemented through the Control of Housing and Work (Jersey) Law 2012. However, the strategy will outline both the business types which are attracted to Jersey due to its existing business environment, and currently need no additional focus, alongside those business types that Government will look to actively target, and which have been identified through existing policy and strategy development and industry insights. This includes, for example, targeting businesses in sectors where structural industry issues have emerged and been identified through cross-departmental work.

3. *Building evaluation metrics is identified as an ongoing action as part of the Export Strategy: what will this entail and how exactly will success be defined and measured?*

Evaluation metrics are key to measuring the impact of the strategy and its identified actions which are targeted to enable the environment for businesses who are exporting or wish to export. Key to developing these metrics (as outlined in the strategy) is data and establishing the baseline for the value and quantity of goods and services exports.

The first 'Data' action identified in the strategy has been completed, with questions on international trade in goods and services now included in the Annual Business Survey. The measures are described as 'experimental' as this is the first time they have been presented, and further changes may be made to the questionnaire in future. However these measures can reasonably provide an overall baseline starting point from which to measure any changes in overall value of exports, whilst recognising these figures come through a random sampling methodology. These figures will need to be given colour by results reported from businesses who are directly supported through the ESS as well as other data such as figures on freight levels and GST.

The headline vision of the strategy is to increase the variety and value of exports from Jersey so that a more sustainable, innovative, outward-facing and prosperous economy can be developed and help Jersey businesses to unlock greater economies of scale, improve productivity and grow the economy.

Success will be measured, as shown with the indicative KPIs, through an overall increase in value of export (whilst being mindful that external events, out of a business' control, may impact the figures), new export products and services being supported to enter the market and to a lesser extent an increase in the quantity of export – as this does not necessarily equate to an increase in variety and value but may support elements of the supply chain in a positive manner.

4. *How is the establishment of the Export Support Service and its associated oversight group progressing?*

The ESSOG has now met twice. It has an agreed Terms of Reference and has now begun work on developing the ESS programme and taking forward the actions and issues identified through the strategy consultation work.

a. *How will the work of the Export Support Service be sufficiently targeted?*

The ESS is intended as a wrap-around support service, triaged by Jersey Business. It builds on the general export advice already available through JB and calls on the necessary support from other members as required – for example jurisdiction/market insights and in-country contacts through External Relations. Separately the ESS programme, led by JB, is under development (with an initial focus on understanding the exporting landscape at an individual business level, understanding the type and level of support that is required and delivering targeted up-skilling, export education and experience-led knowledge from successful local exporters and entrepreneurs).

b. *Are additional costs or funding requirements anticipated for this service?*

Costs are likely to be limited to events being held as part of the ESS Programme.

5. *Elements of raising the profile actions include sponsorship and grant scheme. Who is expected to fund this and how would this be progressed by the Government of Jersey?*

One action of the 'Raising the Profile' section refers to a trial grant scheme to support entry into the Great Taste Awards. This constitutes a relatively small amount of money (entry fee is between £68 and £145 and support for transport (incl costs) of product submission) which would be found from within the Department, but which has the potential to provide excellent exposure for a business, and can support the development or increase of an export market which will more than justify the expense. Co-ordinating efforts to raise the profile of high-quality Jersey products including Government support and funding, provides the opportunity to instil confidence in a business in the potential of their products and export market and help to catalyse demand.

'Sponsorship' in this section refers to looking at the feasibility of both holding a 'Jersey Export Awards' and sourcing commercial sponsorship support for that event.

6. *Why does Government think it necessary for Island producers to be supported and enabled to supply to commercial concessions at both Elizabeth Harbour and the Airport?*

Foreign buyers of Jersey products are one of two audiences that can support Island businesses and products to raise their profile. Purchasers act as both marketers and ambassadors for the product and at no extra cost. Ensuring that local businesses have the ability and opportunity to sell their products to departing passengers supports the promotion and recognition of their product, a foundation stone in developing an export opportunity. The positive impression of Jersey left on departing visitors is also good for the visitor economy.

7. *Why is a grant scheme/support necessary?*

I would refer the Panel to my answer to question 5.

8. *Whilst we understand the need for support of farmers is necessary, is Government focusing too much on the intricacies in this area at the expense of potentially more economic areas?*

The Export Strategy does not include any specific focus on support for farmers. Mention is made of Jersey Royals and Jersey Dairy as examples of industries with current export importance, outside of Financial Services and Tourism, and underlined by the recent figures from Statistics Jersey. Support for Farmers is dealt with through the Rural Economy Strategy.

9. *What level of funding is expected to be given to Jersey Business to deliver this?*

No direct additional funding will be given to Jersey Business. The ESS is a co-ordinated group and pooling of specialist support. All other Export support will be delivered through Jersey Business Advisors and through the ESS programme work.

10. *The Export Strategy identifies potential Key Performance Indicators (KPI's). When will these be set and benchmarked?*

The KPIs require a number of data values to be established though the ongoing programme of work identified in the *Data* theme therefore it will be a period of time before those are finalised. In the first instance a number of the ESS KPIs will not be able to be measured until a full year of support has been provided.

- a. *How will these KPI's be connected to return on investment?*

The vision of the strategy is to increase the variety and value of exports from Jersey therefore the KPI targets will always be an 'increase' from the starting point. The very nature of these KPIs determines whether there has been a 'return on investment' or not.

- b. *How will they be published?*

As per output 2.9 of the Export Strategy, a Jersey Export Report is to be produced annually from 2024 onwards to track delivery.

11. *When is it anticipated the Export Strategy will next be updated?*

This will be a matter for future governments and will be informed by the annual Export Reports.

12. *Why is determining value and destination of exports by sector to depend on outputs under strategic themes/data given the importance of this knowledge?*

This information is not currently captured in a complete or meaningful way. Therefore the actions identified in the *Data* theme include working with colleagues across government to determine what can or can't be collected to allow for a more complete data set in future.

13. *What relevance has great taste stars to do with increasing productivity?*

There is no direct link made in the strategy between output 3.3 and *productivity* however, as per the answer to Q5, raising the profile of high-quality Jersey products provides opportunities to reach new export markets as well as help to catalyse demand. The development of a new line of business and associated income stream through export activity is likely to have a positive impact on the productivity levels of a business.

14. *Why is no benchmark being suggested/published regarding the Export Support Service? If these contain sensitive information, how are these statements of benchmarks to be checked and verified?*

The ESS is specific and tailored to the Jersey business environment and the 1:1 and 1:many support that is able to be provided is therefore unlikely to be similar to any other service that it could be benchmarked against. It is also by no means at the moment a Trade Promotion body in the same way as evidenced in other parts of the world, and it is for this reason a number of trials or feasibility work is suggested.

I hope the above provides clarity to the areas you have raised.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'K. Morel', written in a cursive style.

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