

23.07.17

**1 Deputy M.B. Andrews of St. Helier North of the Minister for Economic Development, Tourism, Sport and Culture regarding sectors affected by increasing costs (OQ.144/2023)**

Will the Minister advise which sectors have been most affected by increasing costs during his time in office and detail what support, if any, he or his department have provided to these sectors?

**Deputy A. Curtis of St. Clement (Assistant Minister for Economic Development, Tourism, Sport and Culture - rapporteur):**

As the Minister is not in the Assembly I will answer this. Over the last 12 months the cost of several key inputs to businesses, including labour and materials, have increased rapidly. The effect this has had on business profitability has varied both within sectors and across them. The most recent Business Tendency Survey published in April this year reveals that in terms of profitability the outlook on hotels, restaurants and bars, and on hotel and restaurant sectors, was largely negative. The outlook among construction and other business sectors are slightly less negative and the finance sector was moderately positive, likely reflecting higher interest rates. Businesses in all sectors are able to access support and advice through Jersey Business, which is funded by Government and which provides services such as resilience planning and expert one-to-one support and advice. The Department of the Economy has provided support to various sectors of the economy. It has increased the amount of financial funding to rural and marine sectors and it is currently working on a visitor economy strategy to address the challenges facing that sector.

**4.1.1 Deputy M.B. Andrews:**

Could the Minister confirm how much financial support has been granted to Jersey businesses across all sectors.

**Deputy A. Curtis:**

Yes, the core grant for Jersey Business in 2023 was increased £1.56 million.

**4.1.2 Connétable A.S. Crowcroft of St. Helier:**

Could the Assistant Minister explain how closing the customer facing arm of Visit Jersey would possibly have improved the ability of hospitality and tourism to cope with the current conditions? Would it not be better for the department to be considering reopening a tourism office so that we can provide a service to those tourists we do have and encourage them to get more out of their stay in Jersey?

**Deputy A. Curtis:**

It is my understanding that the tourism arm in the bus station was provided by Visit Jersey which, as an arm's length organisation, is empowered to make its own decisions. That being said, the Government is working on a new visitor economy strategy and looking at the future ways to engage with tourists and Islanders both in person and through other social means is being explored.

**4.1.3 The Connétable of St. Helier:**

Could the Minister explain what happened to the previous tourism strategy that was, I understand, prepared previously; where that has gone? Are we going to see it and when are we going to see the new version?

**Deputy A. Curtis:**

I am afraid I do not have the specifics as to when the former tourism strategy came out. This is a visitor economy strategy and I believe we are expecting to see progress throughout 2023, as aligned in the Ministerial delivery plan.

#### **4.1.4 Connétable K.C. Lewis of St. Saviour:**

The Assistant Minister is no doubt aware of rising costs across the board in the Island. People can indeed cut back on luxuries. One luxury people cannot cut back on is food. Is the Assistant Minister's department working on a plan where they can keep costs as low as possible and prevent as many people having to go to foodbanks.

#### **Deputy A. Curtis:**

It has not been, as far as I am aware, a policy to look at over-regulation and control within the food supply chain. That said, the department in the work of the rural economy team is incredibly focused on thinking about food security and how we can better provide food for ourselves and, as such, the rural initiative scheme has had an increasing focus on funding small holders who we hope to see will become a greater part of the food supply chain in Jersey.

#### **4.1.5 Deputy R.J. Ward of St. Helier Central:**

In the sectors he referred to as being a negative or slightly negative outlook, has the availability of staff been a factor in the increased costs, i.e. having to pay more for the staff that are available and simply not run full-time provision in some of the industries. Hospitality springs to mind obviously.

#### **Deputy A. Curtis:**

Yes, I believe we are hearing from many areas across the economy that the availability of staff is creating inflationary pressures on providing the core service of offerings.

#### **4.1.6 Deputy S.G. Luce:**

In his answer the Minister quoted a figure that has been given to Jersey Business but it does not answer the actual question, which is to state how much money his department has provided to the sectors that have suffered the most. Could the Minister answer that question please?

#### **Deputy A. Curtis:**

As I mentioned in my initial answer, the pressures to industry are faced with vary both within industry and across industry. We provide financial support within the rural economy and the marine economy and, as I mentioned, in my original answer, support for industry is supported through our arm's length organisations and largely non-financial.

#### **4.1.7 Deputy S.G. Luce:**

Does that mean that the Assistant Minister has not provided any financial aid to these sectors?

#### **Deputy A. Curtis:**

As far as I am aware, we provide the services of Jersey Business and Digital Jersey, for example. We are not actively funding sectors that the Deputy might be thinking about, such as construction. But we are, as an economics unit, currently looking into that to work out how we can better be prepared to support the larger economy.

#### **4.1.8 Connétable M.K. Jackson of St. Brelade:**

Following on from the question of the Connétable of St. Helier, would the Assistant Minister agree that a tourism office is absolutely essential given the age demographic of the sort of visitors that we are dealing with at this point? It is all very well suggesting as part of the next policy but would he agree that a temporary solution would be utilising a pop-up shop, shall we say, in the middle of St. Helier?

**Deputy A. Curtis:**

I think the challenge around the tourism office provided was not one just of the location but it was prioritisation of staffing. Personally, I do agree that having a presence within town for our visitor economy is important and I do believe things are underway to look at how we can better provide a cohesive and joined-up experience to visitors on Island where they can understand the offering from a tourism function. So I do support the principle.

**4.1.9 The Connétable of St. Brelade:**

Would the Assistant Minister agree that not all visitors are online and need to be able to talk to someone visiting?

**Deputy A. Curtis:**

I would agree with that statement.

**4.1.10 Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter:**

While the Assistant Minister will know that high inflation is often due to external factors and therefore not totally under our control but there are some ways we can impact upon it. The previous anti-inflation strategy group produced a report with 6 action points on it. Does he know if any of those action points, which were aimed at local ways that we could locally reduce inflation, have been implemented?

**Deputy A. Curtis:**

I would apologise but no, I would not be able to answer that specific question. But I am sure we would be happy to circulate that when we have the nearest availability.

**4.1.11 Deputy A. Howell of St. John, St. Lawrence and Trinity:**

I think Deputy Tadier and I have previously suggested that perhaps the tourist office could be amalgamated with the Jersey Museum. I just wondered if the Deputy Minister would be kind enough to convey that feeling to whoever he needs to.

**Deputy A. Curtis:**

Yes, I will absolutely do that. I think there are many innovative ways of getting on the ground in person contact for tourists and locals looking to understand the offering on Jersey alike, and I will convey that.

**4.1.12 Deputy M.B. Andrews:**

Can the Minister confirm whether the Department for the Economy have granted funds to certain businesses who are no longer operating?

**Deputy A. Curtis:**

I cannot confirm it, at this point in time, to that statement.