

## The Jersey Chamber of Commerce

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Senator Ferguson  
Corporate Services Panel  
Scrutiny Office  
Morier House  
Halkett Place  
St Helier

27 February 2014

Dear Senator Ferguson

The Jersey Chamber of Commerce welcomes the review of the interim Population Policy and we are grateful for the opportunity to respond.

### **Background**

As the proposition presented to States by the Council of Ministers on 30<sup>th</sup> January outlines,

**“Over the next 20 years:**

- **Jersey’s over 65s population will nearly double**
- **Our over 85s population will nearly triple**
- **Our working age population will decline by 11% by 2035 if we have no net migration”**

It further continues that

**“We need a balance between economic, community and environmental goals”**

and it is perhaps this balance that is lacking in the document.

It is appreciated that this is a highly emotive issue but it is important to achieve this balance which is sought as the Island faces:

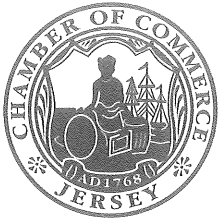
- An increasing aging population;
- A lack of a sufficiently economic active work force to support the services that this aging population not only requires but also expects;
- Additional calls on health provision and social housing requiring funding.

Against this future situation we believe the following points can clearly add to the debate:

1. Through the recent deep recession, average annual net migration to Jersey since 2009 has been 575 people.
2. If the ‘new’ interim population policy is applied effectively, it will reduce that figure by 44%.
3. So the policy is actually saying that we can restore growth to our economy whilst reducing the number of people coming to work here. Remember 325 is not the number of workers to be allowed to move to Jersey, it is a total number of people including partners and families.
4. In 2007, when Jersey’s GVA (which is the States preferred measure of economic health) grew by 5%, net inward migration was 1,400.

So, in essence the Council of Ministers is suggesting that maintaining the 325 individuals or 150 households will be able to provide the economic vibrancy that will be needed now to provide for the future.

The Council has also put an unrealistic expectation on the Population Office suggesting they will be able to identify the correct individuals from the, no doubt in excess of this number, businesses emerging from a recessionary period will be seeking.



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### Present Situation

The Chamber has been well placed in measuring the difficult economic conditions that the Island has faced, especially since 2009, and the level of unemployment that has resulted amongst large categories of locally resident and entitled people. As the Island shows signs of emerging from the recession, it is apparent that businesses are requiring skill levels which are not at present or no longer available on Island.

Whilst we are all supportive and hopeful that this skill gap can be plugged by education in the medium term this will not solve the immediate issues, and we understand that emerging industries requiring a specific skill base, such as the Digital sector, are facing difficulties in recruitment.

That is only one sector, but given the anticipated upturn in the construction industry, as another industry sector, it is expected that skills that have actually migrated from the Island will be required to be imported to satisfy this demand. Again it is hoped that this will only be for the short term but we are unable to predict with any degree of certainty that the local population, especially that cohort exiting full time education will be able to provide that expertise.

Furthermore we have the public sector requirement for professionals in health ( to support the aging population) and education, so that ignores the tourism, retail and agriculture sectors all requiring to put pressure on this policy limit of 325 .

The Jersey Chamber of Commerce recently surveyed its membership of 540 and with a response rate of 240, representing over 45% of the of the members, we believe this to be representative

One response was that 58% of all businesses thought that the policy was unachievable –and in one sector, Tourism, 77% thought the 325 was not going to be achieved.

In response to a question regarding the impact of this policy dampening economic activity –this was a 50/50 split, but this not a clear endorsement of the policy, far from it.

Interestingly we examined the results and not surprisingly found that different industry sectors recorded significantly differing results

The largest industry sectors were:

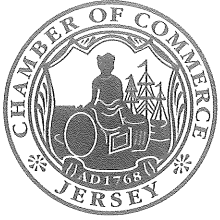
- Building and Development;
- Financial and related services;
- Retail and supply; and
- Tourism /hospitality.

It was these sectors that provided the highest number of respondents, and where most of the concern originated.

The one question that did register surprise was that 71% did not consider that this policy would cause them significant recruitment issues. That is either due to the pool of an available workforce, continuing lack of recruitment or alternatively a belief that licences may still be available for their particular business.

In summary it is difficult to envisage the policy working where a number of sectors are predicting growth coupled with a skill shortage.

The island has to import skills and it is also vital to source fresh skills, ideas and employment methods.



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This is the real conundrum – skills and how we manage in the short term but at the same time import those skills we require to grow the economy, in order to provide jobs and the tax income to support the issues identified by all.

The debate has to focus on the issues faced in managing an aging and growing population rather than adopting a number which may be achieved or not but perhaps says that Jersey is not open for business.

Yours sincerely

**IAN TAYLOR**  
**CHIEF EXECUTIVE OFFICER**