

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

ANSWER TO BE TABLED ON TUESDAY 26th FEBRUARY 2008

Question

Would the Chief Minister inform members whether he accepts the comments of OXERA on page 19 of the report entitled 'What is the impact of Jersey's ageing population' that growing the economy by increasing the proportion of workers in the financial services sector to its maximum of around 40% is inadvisable since "*the resulting economy would be very one-sided, and given the current reliance of the sector on temporary residents to satisfy its skill mix needs, it is likely that such an economy would not provide a good match for the labour skills and desires of the current and future permanent residents.*" and, if not, would he explain why?

Answer:

I do accept the comments that OXERA made. There is no doubt that increasing the proportion of workers in the financial services sector from 25% of the working population as it stands today, to the theoretical maximum of about 40% over time would result in our economy becoming very one-sided.

The report goes on to suggest, however, that there may be scope for some additional increase in the proportion of the working population employed in the financial services sector.

The Imagine Jersey 2035 consultation outlines the effects of a smaller 5% shift in the working population into the financial services industry as a part of the 'growing the economy option'. This option also includes consideration of making the economy more productive and encouraging more people of working age to join the workforce.

This approach is entirely consistent with the points that OXERA have made.