

3.12 Deputy T.A. Vallois of St. Saviour of the Minister for Treasury and Resources regarding possible job losses in the finance sector:

In order to inform the debate on the economic stimulation package and clarify the widely varying reports as to potential job losses, will the Minister release to the Assembly the Jersey Finance reports taken over the last 6 months regarding possible job losses in the finance sector that may result from the world financial crisis and economic recession?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

In the course of preparing our economic projections in general and our specific proposals for the economic stimulus package, extensive research was carried out inside and outside of the States. The Assembly will be, in particular, familiar with the work of the Fiscal Policy Panel. As Members would expect with responsibility for our leading industry finance, Jersey Finance carried out extensive research of their own with their members and prepared, as I understand it, their own possible scenarios. This highly sensitive and obviously commercially sensitive information has been reviewed. They were, in fact, made at the time in the run up of the G-20 Summit when there was a particular concern to stress test our financial services industry. We have taken on board a wide range of information and based the information on the best that we have to prepare a concrete set of forecasts and proposals. Not surprisingly, such conclusions will differ from some of the more extreme scenarios put in the public domain by some. We have taken a balanced view, but what I can say is that the one individual that made comments about extreme job losses in finance, I spoke to him over the weekend and he has confirmed that he is happy with our central forecasts.

3.12.1 Deputy M.R. Higgins:

Referring to the individual that the Minister has just spoken to, at the Corporate Services Panel he publicly stated that one report, and I accept that we have to have wide ranging and sort of worse case scenarios, was that 30 to 40 per cent of the finance industry jobs could be lost, and the one sector that was particularly vulnerable of finance was banking. Now, I know he has subsequently said in the *Jersey Evening Post* 10 per cent. Can I ask the Minister what the latest projections are from the department as to the possible job losses caused by restructuring of finance, not only the regulatory changes, but also the fact that mergers and acquisitions that are going to take place ...

The Bailiff:

Deputy, I think you have put your question.

Deputy M.R. Higgins:

I will leave it at that then.

Senator P.F.C. Ozouf:

Members would expect us to have done stress testing of our financial services industry to a great extent in the light of the global contagion. We are going on later this morning to discuss the economic stimulus package and I am in no illusion that there are going to be inevitably some restructurings in businesses across the Island and in financial services too. What is important is that we step up our activities in terms of promotion to ensure that if there are job losses in some areas, we have got

new businesses, new arrivals, new quality business, available to soak up and to take up those employment people that cannot find work or are seeking work. That is the most important thing. Doing nothing is not an action.