STATES OF JERSEY

r

STATES STRATEGIC PLAN 2005 TO 2010 (P.81/2004): THIRD AMENDMENT (P.81/2004 Amd.(3)) – COMMENTS

**Presented to the States on 22nd June 2004
by the Finance and Economics Committee**

STATES GREFFE

COMMENTS

The Finance and Economics Committee believes that economic growth is a necessary component of the Strategic Plan and the Fiscal Strategy.

The Committee recognises that economic growth may give rise to some growth in the working population. However, it is of the view that the forthcoming and imminent demographic trend of an ageing population will place an ever-increasing burden on the existing working population.

The Committee supports limited growth in the working population where it adds real value, net of any related infrastructure or environmental cost, and is aware that the financial services industry, as well as being the Island's dominant industry, is recognised as one of the most profitable in terms of associated taxable revenue, whilst being one of the least resource-intensive.

It should be noted that economic growth does not relate only to increases in the Island's population as it is anticipated that –

- reductions in public sector manpower requirements will free up labour for the private sector;

- policies with respect to the age of retirement will be reviewed in the context of labour supply; and

- initiatives that encourage enterprise and entrepreneurship within the existing local population will be adopted.

It should also be noted that the aspiration of the Strategic plan is not a target growth rate but a cap, and that it is also set against a working population that has reduced by 950 over the last 5-year period. The Committee awaits the details of the 'Plan for Economic Growth' being produced by the Economic Development Committee, which will also underpin its own Fiscal Strategy.

_____

Note: This comment was originally printed in error as the second comment on the (first) amendment to P.81/2004, and was numbered P.81/2004 Amd.Com.(2).
That document may now be replaced by this one.