

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT BY DEPUTY G.P.
SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 13th MAY 2008

Question

1. Will the Minister inform members why he considers that it may be necessary to spend the £199,000 proposed in his draft 2009 Business Plan to directly market the Island's finance industry, when his department already funds Jersey Finance Ltd (JFL) £1million to market and promote the sector?
2. Will he also state whether this sum is proposed for the setting up of a permanent representative post in India or China?
3. Will he further inform members whether he or JFL has drawn up a detailed business plan to examine any such proposal and, if so, will he release it to members?

Answer

The Deputy should be well aware of the need to promote the finance industry as he has just been scrutinising JFL. He should also be well aware of the importance of a healthy and successful finance industry to the economic health of the Island.

Currently most onshore and offshore jurisdictions are spending increasing sums on promotion of their finance industries. In particular, whilst complete data is not available it is clear that substantial sums are being spent by Jersey's major competitors including Singapore, Hong Kong, Switzerland, Ireland, Luxembourg and Isle of Man. In particular, Singapore has the most comprehensive promotion of their jurisdiction particularly including substantial funding available for those seeking to obtain relevant qualifications to work in their finance industry. Middle East locations such as Dubai, Qatar and Bahrain are also putting very significant sums which dwarf the amount that Jersey spends as they seek to establish competing centres.

Also a significant proportion of Jersey's tax revenues are derived from business generated from the UK. Recent UK initiatives have had the potential to undermine some of those income streams and demonstrate a measure of vulnerability in the sectors affected. It is therefore an opportune moment to renew our efforts in terms of diversifying the sources of business and to target directly other geographical markets. Much of this activity will relate to the financial services industry but not exclusively so.

There is no doubt that the finance industry and therefore the Jersey economy is likely to face a period of sustained challenges from a wide range of world events. Therefore we are considering all the options in order to keep the economy on the best possible footing.

The sum stated in the draft business plan is not proposed specifically for the setting up of a permanent post in China or India but other marketing and promotional initiatives. However these options are actively being considered along with other activities which would promote the industry.

Jersey Finance have submitted business propositions which are being considered in detail in order to evaluate what proposals are most appropriate and to ensure that the Department gets the best value for money. These are weighted along with all proposals put forwards by the different areas of the Department to decide how money is allocated. However, it is currently too early to state what the final plan will be for next year as we are considering the implications of the London Business School's independent review of the finance industry - which has just been completed.

We hope that all States members will attend the special briefing laid on for them in order that they can make an

informed decision as to what we will need to do in order to preserve the tax revenues that we all rely on to enjoy the excellent services provided by the Jersey Government. We will of course keep States members informed of developments when it is appropriate to do so.