



Deputy Helen Miles
Chair, Corporate Services Scrutiny Panel

14 October 2024

Dear Deputy Miles

Thank you for your letter on behalf of the Corporate Services Scrutiny Panel asking for the views of the Fiscal Policy Panel on the impact of the discontinuation of the Business Tendency Survey (as announced by Statistics Jersey).

The Public Finances Law (2019) requires the Fiscal Policy to comment on Jersey's fiscal position with reference to:

- a. the strength of the economy in Jersey;
- b. the outlook for the economy in Jersey;
- c. the outlook for world economies and financial markets;
- d. d. the economic cycle in Jersey;
- e. e. the medium-term and long-term sustainability of the States' finances and the States' financial assets and liabilities; and
- f. f. the advisability of transfers to or from the Strategic Reserve Fund and Stabilisation Fund

To fulfil its role the Panel needs to have high quality, timely economic data. For its work the Panel draws off the economic statistics produced by Statistics Jersey as well as the Office for National Statistics in the UK and other reputable international bodies.

In the Jersey context where GVA data is available on an annual basis only and with a significant lag, the Business Tendency Survey (BTS) is very valuable. The BTS provides timely information that is easy to understand and which gives direct information on business situation. It complements the annual GVA data with more up to date information and, very importantly, with forward looking information on the situation faced by Jersey businesses which the backward looking GVA numbers cannot do. Central banks and economic authorities in other jurisdictions depend heavily on similar surveys for these reasons.

The BTS is particularly important for our assessment of the cyclical position of Jersey's economy which is a key guide for the Stabilisation Fund (eg Recommendation 3 in our 2024 Annual Report) and for our assessment of Jersey's fiscal position. It is also particularly important in the Jersey

context because of the island economy's heavy dependence on the financial sector. Financial sector output can be difficult to measure in GVA; the BTS therefore gives the FPP another bearing on a sector that is crucial to the islands economic and fiscal prospects.

Our 2024 Annual Report ([link](#)), published in September when GVA data for 2022 (and previous years) was available, placed greater reliance on the Business Tendency Survey. It also recommended that improvements are made to the frequency at which GVA data is produced as this is essential to enable a full assessment and understanding of the performance of Jersey's economy.

The current plans mean a significant reduction in the frequency and adequacy of economic statistics. The Panel understands that the proposed reductions in the budget for Statistics Jersey will also affect the development of new statistics, such as quarterly GVA. These cuts will limit the assessment and understanding of Jersey's economy and will negatively affect the work of the Fiscal Policy Panel. The Panel notes that Statistics Jersey is already relatively small (relative to the size of Jersey's economy and the size of Government).

Best wishes,

Sir Jon Cunliffe, Chair Fiscal Policy Panel