



JERSEY CHAMBER OF COMMERCE  
Official Response To The  
Medium Term Financial Plan Additions

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There is no doubt the Medium Term Financial Plan Additions (MTFP) released today will adversely affect the cost of doing business in Jersey. The introduction of a sewage waste charge and proposed review of commercial rates in 2018 will inevitably mean greater infrastructure expenditure costs, which all companies in Jersey will have to absorb.

The proposed link to waste charges, solids by weight and liquid by water usage, would appear to be a straightforward method of assigning tariffs. However, at a time when the island's government and Visit Jersey are doing all they can to support the tourism industry, businesses in this sector, such as hotels, restaurants and visitor attractions are likely to be some of the most affected by the tax.

The proposed addition of a 'user-pay' charge for health services, of up to 1% of income, is another tax islanders and businesses will also have to absorb, which in addition to the sewage waste charge further undermines Jersey's 20 means 20 tax promise.

There are some positives aspects of the MTFP for the business community. Confirmation that the island's GST rate of 5% is to remain static will be widely acknowledged as a positive move by the government. Especially by those in the retail sector, who continue to compete with online shopping in what is widely regarded by those in the sector, as an uneven playing field, while a GST de minimis threshold on imports exists.

Kristina Le Feuvre, President of the Chamber of Commerce said: "A streamlined and more efficient government and civil service is something the business community in Jersey has long called for. The States efficiency and savings target of £73 million by 2019 are bold, but these cutbacks, along with the introduction of new business charges, must not be to the detriment of commerce across the island.

Efficiencies must be targeted. The recent cutbacks to the States Statistic Unit and a reduction in their reporting capabilities is a setback, as businesses rely on their output as key performance indicators.

While Jersey's business community remains financially committed to paying its way, charges must be fair and at a level that does not stifle investment, which is key to the island's future economic stability and growth."

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