

STATEMENT ON A MATTER OF OFFICIAL RESPONSIBILITY

2. Senator P.F.C. Ozouf (The Minister for Economic Development):

I am delighted to inform Members that EasyJet plc have this morning announced plans from 31st March 2008 to commence year-round scheduled daily services from Jersey to Liverpool and from Monday 21st April 2008 daily scheduled services from London Luton. The airline will operate 737/700 aircraft from Liverpool and an Airbus 319 aircraft from Luton. Both services have the capability of delivering in excess of 95,000 passengers within the first 12 months of operation. I believe this announcement is one of the most significant for the visitor economy for a decade. The fact that easyJet has chosen to add Jersey to their extensive international route network is a mark of confidence in Jersey. With EasyJet's strong brand awareness, I expect to be able to report an increase in inbound visitors in the Island, especially from these 2 origins which are not currently served. Economic Development plans to work closely with EasyJet to develop a strong presence in the Island and develop a lasting partnership which will benefit our visitor economy. This is in addition to the ever-increasing close relationship we have with all of our valued airline partners. Sir, this is a tremendous boost for tourism, quite apart from being fantastic news for Islanders. These destinations complement the Island's unrivalled existing network of routes and the significant investment in our tourism and business economies. The announcement comes as a direct result of the collaborative efforts of Jersey Airport and Economic Development teams, working together to deliver new routes to the Island. I would like to thank both my teams for helping to secure these new services and in particular the Airport Director and Economic Development's Chief Officer, and, of course, my Assistant Minister Deputy Maclean. Seats will go on sale within a matter of days and I will keep Members informed of further developments.

The Greffier of the States (in the Chair):

Any questions for the Minister on the statement?

2.1 Senator B.E. Shenton:

Can I just ask the Minister whether any subsidies have been paid to secure this route?

Senator P.F.C. Ozouf:

The new collaborative way that Economic Development and Jersey Airport work means that there are a number of incentives that have been made to secure this route. But what I will say to Senator Shenton it that it is done within the existing budget of Economic Development. We are making Jersey's taxpayers' money work better and work better for Jersey's tourism economy and I would hope that he would agree with me that that is the right approach to take in relation to securing more passengers to the Islands.

2.2 Deputy P.V.F. Le Claire:

I am sure Members will join with me in congratulating the Minister and his Assistant Minister in securing a very positive future for Jersey's tourism and also for Islanders in this announcement today. I would like to ask if the cultural aspects of Liverpool coming forwards next year have been any influence on this decision and also maybe to touch upon Luton? What exactly from a hub perspective does Luton offer in relation to onwards journey, please?

Senator P.F.C. Ozouf:

The Deputy, I am obliged to him. He kindly sent me a pin with Liverpool's European Centre of Culture, which is next year. That is important. Liverpool is a growing economy with people with disposable income and Liverpool residents will be very welcome to join us in Jersey for a holiday. Indeed, the European Centre of Culture at Liverpool will be an exciting development for that community. As far as London Luton is concerned, Luton and Stansted represent key catchment areas for visitor and potential visitors for Jersey. Thomsonfly sadly announced that they would be withdrawing the Luton service and we saw additional passengers coming that

otherwise would not be the case. It is a key catchment area. It is a key catchment area that Jersey needs to be served from and I expect new passengers - passengers that otherwise would not be coming to Jersey - coming as a result of it. I thank him for his warm words.

2.3 Deputy G.P. Southern of St. Helier:

While the Minister is to be congratulated for keeping within his budget, can he say from which pot this money has come? Where will less money be being spent in order that we should subsidise an airline?

Senator P.F.C. Ozouf:

The chairman has full access to Economic Development's budgets and we are happy to disclose exactly the details of the transaction, which will remain, as all of our airline deals as far as Economic Development commercially, in confidence. That is rightly the situation because it allows us to negotiate much stronger with other airlines and I hope to be able to make further announcements in relation to new airlines and new marketing packages. All of our existing airlines are invited to come to Economic Development and Jersey Airport to see what we can do together. It is by working together that we are delivering new results. As I told the Deputy yesterday, our year to date figures, our totals arrivals are up by 4.5 per cent this year, the biggest rise since 1993 and bed nights up by 2 per cent. I think he will know that Economic Development invests significantly in tourism and this is about making Jersey tourism, taxpayers' money better spent and more tightly spent.

2.4 Deputy R.G. Le Hérissier:

Before we all sail away, notwithstanding that excellent news, could the Minister identify if an airline is ready to step into the Doncaster route?

Senator P.F.C. Ozouf:

We are in discussion with Thomsonfly about the future of those particular routes. The Deputy will be aware that those withdrawals of 2 services were not made, and some of them have not been confirmed. They were not as a result of the financial performance on the route, rather, the merger of First TUI Group and Thomsonfly. What I can say is that we are in discussion with Thomsonfly and I am hopeful that we can keep some of those routes. But we are also talking to other airlines and our existing, extremely valuable airline partners to see what they can do.

2.5 Deputy C.F. Labey of Grouville:

My question was on the same lines as Deputy Le Hérissier's about Doncaster and the Coventry route.

Senator P.F.C. Ozouf:

I can say that the Doncaster and Coventry routes year to date have delivered us an incredible number of passengers, which are welcome, and we want to retain them and we are doing everything that we can to secure those routes in future. But this is really a landmark decision. Securing one of the strongest brands in the low-cost market is why I am taking the opportunity of making a statement to Members of it. Its symbolism is important and a signal and vote of confidence in Jersey.

2.6 Deputy G.C.L. Baudains:

Can the Minister advise whether we have either a service level agreement with EasyJet or a similar mechanism whereby we can ensure that the service offered is, in fact, a good service? Because I am concerned there is at least one operator coming to Jersey that could possibly be doing significant damage because of the poor service to our reputation because of the poor service they provide. I would hate to think that a similar situation might arise in the future. Do we have a mechanism to defend ourselves against that?

Senator P.F.C. Ozouf:

I think I answered questions in the Assembly previously on the issue. What is important is the robustness of an airline such as EasyJet in being able to deliver back-up services when services and when inevitably aircraft go technical, et cetera. But the power of the EasyJet network... and there has been a great deal of discussions about their ability to be able to service this route and I am confident they will be able to serve them extremely well.

2.7 Deputy C.J. Scott Warren:

I congratulate the Minister and the Assistant Minister on this news. I was going to ask also about Doncaster but also about if there are any negotiations underway regarding getting Stansted back.

Senator P.F.C. Ozouf:

Just to say on the Doncaster situation: year to date Doncaster delivered 28,000 passengers and I put that into the context of the objective of 95,000 and London Luton delivered 17,000. So just to put those into particular context. I am afraid I have forgotten the question, I am sorry.

Deputy C.J. Scott Warren:

Stansted.

Senator P.F.C. Ozouf:

Stansted. What I would say is that Stansted and Luton are, I think, somewhat of a similar catchment area. If we have an airline operator that is willing to do Stansted, then they will approach us and they will talk to us and we will, I hope, agree terms. But I think Luton and Stansted are within a similar band catchment area and so Luton is good for that area of the country.

2.8 Connétable M.K. Jackson:

While being extremely supportive of this move I will just pick up on a whisper that came from Senator Le Main. Is the Customs and Immigration Service capable of dealing with this influx in terms of their previously alluded to budgetary strictures and would the Minister confirm that perhaps his department may be in a position to assist the Home Affairs Department in supporting that?

Senator P.F.C. Ozouf:

We enjoy, I think, and Jersey Airport enjoys an extremely good relationship with Customs and the important work that they do. All I will say is that I will continue to support Home Affairs and Customs on the important work that they do. Let us not cast aspersions on people from particular destinations. I am sure that Customs will be doing their normal assessment of risk on all areas and all other destinations to secure the Island.

2.9 Deputy P.N. Troy:

Eighteen months ago I was on a flight down to the South of France, an EasyJet flight, and Mr. Stelios was on the flight. I went over and introduced myself to him and had a short discussion on whether he would be interested in coming to Jersey. Remarkably, he still came. At that time, 18 months ago he said to me that he had no intention of coming to Jersey at that time. So I would like to congratulate the Economic Development Minister because a lot of work has obviously gone on in which EasyJet has changed its decision process that Jersey was not a viable operation, Sir.

The Greffier of the States (in the Chair):

Deputy, there are other Members waiting to ask questions. Will you please ask your question?

Deputy P.N. Troy:

What I wanted to ask the Minister, Sir, was whether EasyJet have indicated whether at a later date they will add additional routes from some of their other destinations, Sir?

Senator P.F.C. Ozouf:

Briefly, there is a new world of working between Economic Development and Jersey Airport with a new regime in place. That is what is changing and it is working. Is there further potential for growth for EasyJet? Absolutely. And other airlines? Absolutely. Jersey is open for business and we want to see an expanding rejuvenated tourism economy.

2.10 Deputy G.W.J. de Faye:

Congratulations to the Minister. To paraphrase the words of actress Lorraine Chase, I am delighted that people are wafting their way to this south-sea British paradise, albeit from Luton Airport. I believe the phrase of pleasure from Liverpool is that: "We are all really made up, like." I would like to ask the Minister though, important as these arrival figures are, is he satisfied that we have established a mechanism of determining the relationship between arrivals and what people contribute to the Island in terms of spending? I know that there are mechanisms in place. Is he satisfied they are giving us a clear picture?

Senator P.F.C. Ozouf:

Absolutely. Numbers and volume are important. He is absolutely right in saying that economic value and value-added is also important. What the striking thing about the world of low-cost operators is, is that people who get cheap flights spend more money when they are at their destinations, at our premium hotels and on our High Street.

2.11 Deputy D.W. Mezbourian of St. Lawrence:

I believe the Minister has just touched upon the response to my question, which was whether there is enough bed space within the Island to accommodate these new arrivals, particularly as they are coming in on EasyJet flights.

Senator P.F.C. Ozouf:

I am sure that is the case. I have been visiting our new facilities at the Radisson, at the Royal Yacht and the rejuvenated Grand: all of these operators are excited about filling their bed spaces and filling their rooms with new passengers on EasyJet and our other new airline partners