

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

ANSWER TO BE TABLED ON TUESDAY 5th JUNE 2007

Question

- (a) Would the Minister advise members which sectors of the economy have so far applied for, or been granted funds from the Enterprise and Business Development fund?
- (b) Are the reductions outlined within the draft 2007 States Business Plan in dairy industry funding planned for 2007-2010 over and above those included in the Rural Economy Strategy plan to reduce Quality Milk Payment and the Dairy Support Services Grant?
- (c) In reference to the 2007 Economic Development Department business plan, would the Minister advise members how -
 - (i) the £2,240,162 allocated to Tourism and Marketing funds to 'develop and implement a brand marketing strategy to promote Jersey for year-round tourism' will be used?
 - (ii) the £505,000 allocated to Rural Economy 'Rural Initiative Scheme – grant based scheme' will be used?
 - (iii) the £25,000 allocated to the Rural Economy to 'promote relocation and development of high-value / low-weight land based produce' will be used?
- (d) Will the Minister advise the Assembly of the amounts allocated in 2006 to the respective areas outlined above in question (c), and detail how these sums were used ?

Answer

- (a) To date the retail, construction, manufacturing, tourism, hospitality, ICT, marine leisure and rural economy sectors have applied for, or been granted, funds from the Enterprise and Business Development budget.
- (b) There has been hardly any reduction in the dairy budget in the published 2007 budget. The small reduction (approx. £3,000) in 2007 is from a 1% reduction in support to service provision for the industry which was less of a reduction than outlined in the Rural Economy Strategy. The Quality Milk Payment remains the same in 2007 as it was in 2006 as laid out in the Rural Economy Strategy. The Department is working on budgets for 2008 and beyond and any reduction will be based on the Rural Economy Strategy and any changes in the industry since its adoption.
- (c) (i) Each year the marketing campaigns are shaped to meet market conditions. For 2007 the lead medium in the UK was Television with a new commercial costing in excess of £400,000 (this commercial can be used again in 2008). This has been supported by national press, radio, direct mail and ambient media. The total UK consumer campaign cost £1.6m with some £300,000 of that attracting equal investment from the industry.

In the European markets much of our marketing is undertaken in partnership with carriers, tour operators and other tourism organisations who contribute to the total spend.

- (ii) The budget is used to award grants under the Rural Initiative Scheme which is designed to promote efficiencies, diversification and entrepreneurship in the Rural Economy. Its simple aim is to help businesses in the rural economy become more productive and efficient. The explanatory documents,

which set out the types and conditions of grants, and the application forms are available on the www.gov.je website in the Rural Economy section.

- (iii) This is a project to investigate the feasibility of attracting companies that produce high value crops to Jersey. These included pharmaceutical, nutraceutical, essential oil and other types of new high value novel crops. The work initially involves a desktop study of cross matching Jersey's climate, growing conditions and other requirements to the range of novel crops coming onto the market. This will pinpoint key suitable crops and ranges of crops. It is expected that under half the £25k will be spent this year as most of the initial work is now being performed in-house.
- (d)
- (i) A restructure of the business planning and budget process for 2007 makes a direct comparison with 2006 unsound. However the total Tourism Marketing spend was reduced by £380,000 for 2007. Full details of the breakdown of the 2006 campaign and spend are published in the Jersey Tourism Annual Report – 2006 in Focus.
 - (ii) In 2006, £460,000 was allocated to the Rural Initiative Scheme. This supported approximately 25 business projects from 44 applications. £360,000 was granted towards projects with a combined cost of over £2.5 million. £100,000 was additionally given towards the costs of the abattoir upgrade.
 - (iii) This is a new scheme that was launched in 2007 hence there has been no corresponding spend in previous years.