States of Jersey Statistics Unit

Jersey Economic Trends 2010

Foreword

This publication brings together a wide range of statistics relating to the Island's economy which have been published by the States of Jersey Statistics Unit during 2010. This edition presents annual data up to 2009 and quarterly series up to the third quarter of 2010.

Section 1 looks at economic indicators: Gross National Income (GNI), Gross Value Added (GVA), Gross Value Added per employee and Business Activity Indicators are presented, providing measures of Jersey's economy as a whole and also at a sectoral level. Since the Finance sector accounts for more than two-fifths of all economic activity in Jersey, this sector is considered separately in further detail. In addition, the value and volume of Retail sales are presented; analysis of this sector provides a complementary measure of economic activity in Jersey.

Section 2 provides information on employment in Jersey, including employment by sector and unemployment. Again, the Finance sector is analysed in detail as this sector accounts for around a quarter of Jersey's workforce.

Section 3 covers prices and earnings. Trends in the Retail Prices Index, House Price Index and the Index of Average Earnings are reported, as well as the cross-analysis of all three indices.

Whilst this publication provides a summary of the data produced by the Statistics Unit in 2010, more information on each of the topics covered can be found in individual, detailed reports. These publications can be viewed and downloaded from the Statistics Unit website www.gov.je/statistics.

2010 Statistics Unit reports relevant to this edition of Jersey Economic Trends.

Date of publication		Report
January	13	Business Tendency Survey - December 2009
	22	RPI - December 2009
February	18	House Price Index - Q4 2009
March	10	Retail Sales Index - Q4 2009
	31	Labour Market - December 2009
April	14	Business Tendency Survey - March 2010
	23	RPI - March 2010
May	13	House Price Index - Q1 2010
June	9	Retail Sales Index - Q1 2010
	30	Survey of Financial Institutions - 2009
July	14	Business Tendency Survey - June 2010
	23	RPI - June 2010
August	12	House Price Index - Q2 2010
	25	Index of Average Earnings - June 2010
September	22	Retail Sales Index - Q2 2010
	29	GVA and GNI - 2009
October	6	Labour Market - June 2010
	13	Business Tendency Survey - September 2010
	22	RPI - September 2010
November	18	House Price Index - Q3 2010
December	8	Retail Sales Index - Q3 2010

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Section 1: Economic Indicators

GVA and GNI

The Statistics Unit estimates the size and growth of Jersey's economy on an annual basis, measured according to the internationally agreed framework specified by the United Nations[1] and European Union[2]. Two measures are calculated, namely Gross Value Added (GVA) and Gross National Income (GNI).

In essence, GVA is the sum of profits of businesses and earnings of employees. It shows the value of economic activity taking place within Jersey and can be broken down by each sector of the economy. GNI is the measure recommended by the International Monetary Fund (IMF) for enabling comparisons between jurisdictions and looks at economic activity in terms of the total income of resident businesses and individuals. GNI is derived from total GVA by subtracting income earned in Jersey by non-Jersey owned businesses and adding income earned overseas by Jersey businesses and resident individuals.

Both of the above measures can be presented in current year values of income (specific to each calendar year) and also in constant year values whereby the figures are adjusted for inflation (referred to as "real terms"). The constant value measures of GVA and GNI are expressed in 2003 values[3].

Revisions to GVA in 2009

The previously published measures of GVA for the Finance sector, and hence of total GVA for Jersey, have been revised and are presented in this edition of Jersey Economic Trends.

The revisions are based on the guidelines of the System of National Accounts (SNA) framework, whereby income transferred to resident parent companies in Jersey from non-resident units (branch-offices, subsidiaries, etc.) operating outside of the Island are not to be included in the gross operating surplus (profits) element of GVA. In the 2009 round of the Survey of Financial Institutions, from which the profits element of GVA for the Finance sector is derived, more information as to the nature of the generation of profits was gathered, which indicated that a small number of such transfers of income had been included in all previously published estimates of GVA for Jersey, from 1998 to 2008.

The 2009 measure of GVA does not include such transfers of income. The resulting revised time series for GVA (levels and annual percentage changes) are presented in this report.

Furthermore, the SNA framework specifies that the income transfers described above are to be included as an in-flow component of GNI. Hence, previous estimates of GNI for Jersey are not affected by the revised treatment. Previously published estimates of GNI are, therefore, unchanged[4].

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[1] System of National Accounts 1993 (SNA93): United Nations.

[2] European System of Accounts (ESA 1995): Eurostat.

[3] 2003 is chosen as the baseline since this year represented the first occasion that the size of Jersey's economy was measured according to the internationally agreed framework.

[4] Further details regarding the revisions to GVA are available in Appendix 2 of the GVA and GNI 2009 report.

Current year values of income

Table 1.1: Total GVA (basic) in current year values 1998-2009; *£ million*

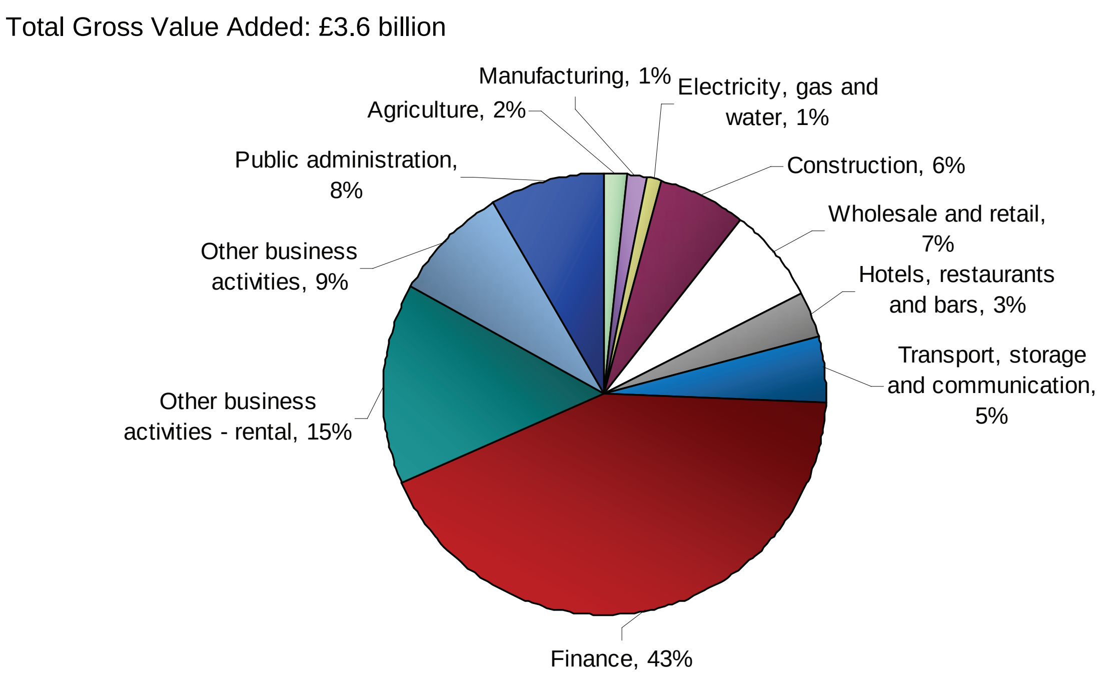
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (p)
GVA	2,489	2,691	2,952	2,970	3,001	3,018	3,080	3,183	3,430	3,708	3,725	3,621

GVA figures are shown rounded to the nearest million (p) provisional.

Table 1.1 shows that in nominal terms, the total GVA for Jersey was £3,621 million in 2009, a fall of -3% and representing the first nominal decline on an annual basis for at least a decade.

Figure 1.1 shows the contribution of each sector to total GVA in 2009, from which it is clear that the Finance sector accounted for more than two-fifths (43%) of total economic activity in the Island. Other large sectors in 2009 were Other business activities (excluding rental income[5]) and Public administration, each accounting for more than 8%.

Figure 1.1: Gross Value Added by sector 2009



As noted above, the Finance sector accounted for 43% of total GVA in 2009, and for half (50%) of all economic activity excluding the rental income of private households. On either basis, these proportions are the lowest accounted by the Finance sector in Jersey for at least a decade.

Table 1.2 shows total GNI in current year values for the period 1998 to 2009. Total GNI was £3,680 million in 2009, corresponding to a nominal annual decrease of -8%. The GNI per capita for Jersey in 2009 was almost £40,000.

[5] The “Other business activities” sector is made up of a range of services and activities (e.g. architects, cleaning services, advertising etc.) and includes rental income and imputed rent for owner occupiers. In 2009 the business activities accounted for 9% of Jersey’s total GVA and rental income for 15%. Throughout this report the value of the whole sector is included in total GVA; however, when comparing the performance of individual sectors, the rental element is either shown separately or else is excluded.

Table 1.2: Total GNI in current year values 1998-2009; *£ million*

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (r)	2009 (p)
GNI	2,550	2,660	2,840	2,900	2,930	2,970	3,030	3,180	3,420	3,730	3,990	3,680

GNI figures are shown rounded to the nearest £10 million. (r) revised; (p) provisional.

Constant year values of income

A more tangible sense of economic performance is provided by considering these economic measures in constant year values (i.e. excluding the effect of inflation, also known as "real terms"). For Jersey this can be achieved by putting the aggregate estimates onto a constant value basis using the underlying rate of inflation as the deflator[6].

Table 1.3 shows total GVA and GNI in constant 2003 year values for the period 1998 to 2009. The sectoral breakdown of GVA for this period is presented in Table A1b of the Annex.

Table 1.3: Total GVA (basic) and GNI in constant (2003) values 1998-2009; *£ million*

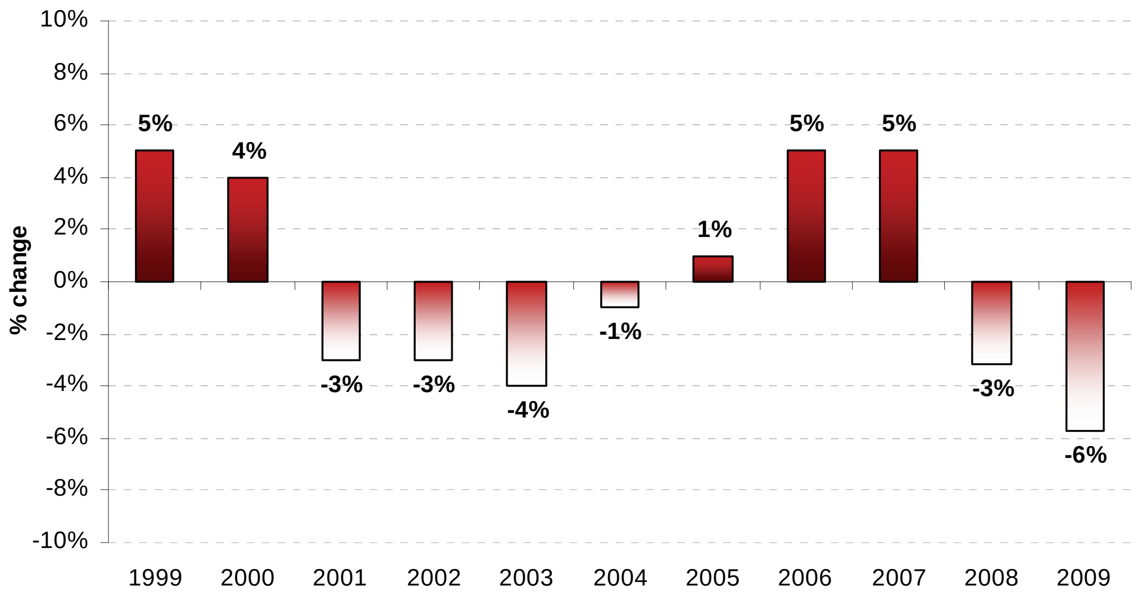
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (r)	2009 (p)
GVA	3,061	3,205	3,344	3,237	3,136	3,018	2,980	3,010	3,157	3,325	3,220	3,036
GNI	3,138	3,136	3,212	3,159	3,064	2,968	2,927	3,009	3,147	3,340	3,447	3,087

(r) revised; (p) provisional.

As Figure 1.2 shows, Jersey's total GVA saw strong real term growth up to 2000, followed by four years of real term decline from 2001-2004. In 2005 GVA grew slightly and then saw stronger growth in both 2006 and 2007. The last two-year period, 2008-2009, has seen GVA decline; the decline in total GVA of -3% in 2008 was driven by some relatively large falls in profit recorded by a small number of institutions in the Finance sector as a result of the global downturn experienced by this sector in late 2008, whilst 2009 recorded the largest annual fall for at least a decade (down by -6%).

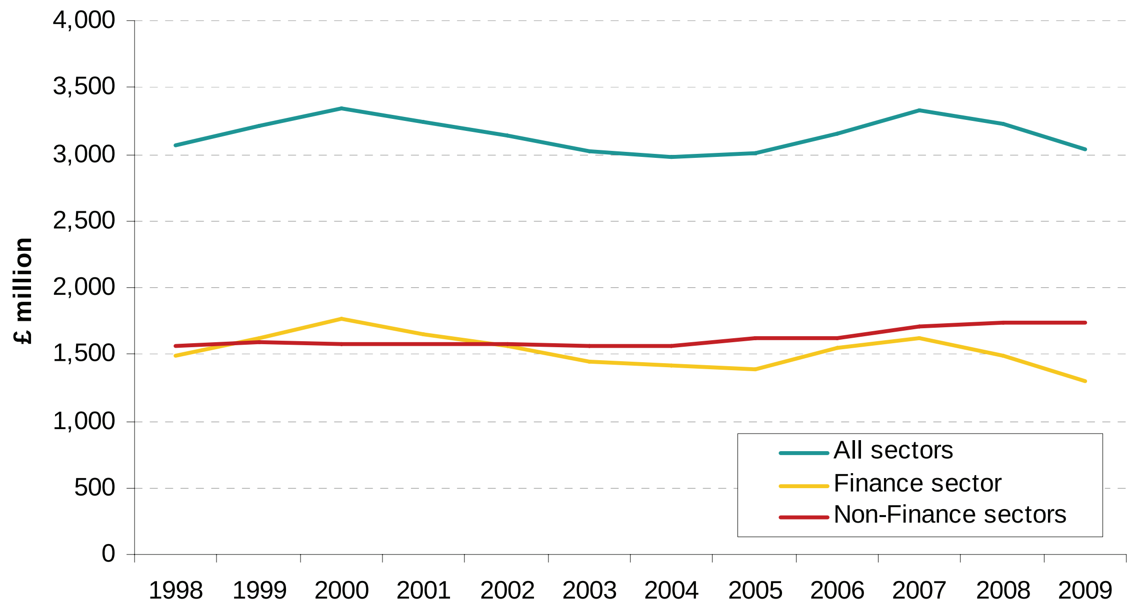
[6] A GDP deflator is normally used to deflate national accounting aggregates as it is a measure of the inflation in the whole economy. In the absence of this measure for Jersey, RPI(X) provides an appropriate proxy deflator, and specifically RPI(Y) during periods which include the introduction of new consumption taxes, as in Jersey in 2008 (a Goods and Services Tax, GST, was introduced in May 2008).

Figure 1.2: Annual percentage change in Gross Value Added (real terms)



Historically, there has been a strong relationship between the finance industry and the overall Jersey economy, as illustrated in Figure 1.3. Between 1998 and 2000 the GVA of the finance industry grew by 18% in real terms and this was reflected in the overall GVA for Jersey, which increased by 9% over the same period. When the GVA of the finance sector fell by -20% between 2000 and 2004, total GVA correspondingly fell by -11%. In contrast, over the same period, 2000 to 2004, the non-finance half of the economy remained relatively constant in real terms.

Figure 1.3: Gross Value Added in real terms: constant (2003) prices



As is apparent from Figure 1.3, the key driver behind the decline of Jersey's economy since 2008 has been the performance of the Finance sector.

GVA analysis by sector

Over the entire period from 1998 to 2009, one of the most notable changes in real-term GVA has been the growth in “Other business activities”. The business activities component of this sector has grown by about a third (30%) in real terms, from around £200 million in 1998 to about £260 million in 2009. Public administration also experienced real-term growth of about a third (32%) over the same period.

Other significant longer term changes include the general decline in the Hotels, restaurants and bars sector which saw a real-term fall of -22% over the eleven year period. Manufacturing has also seen year-on-year falls, although restructuring and reclassification of activities have been important factors for this sector, which in 2009 was two-fifths (40%) smaller, in real terms, than in 1998.

Electricity, gas and water and the Finance sector also experienced real-term falls from 1998 to 2009, of -22% and -13%, respectively. Agriculture and Wholesale and retail recorded smaller real-term falls of -7% and -4%, respectively, over the same period.

Table 1.4 shows the annual percentage change in GVA for each sector, from 1999 to 2009.

Table 1.4: Real-term annual change in GVA (basic) by sector; *percentages*

Sector	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Agriculture	-1%	-5%	-10%	2%	-3%	-10%	3%	4%	3%	5%	5%
Manufacturing	0%	-1%	-3%	-5%	-7%	-9%	-7%	-6%	-6%	1%	-7%
Electricity, gas and water	3%	-3%	-6%	-1%	-9%	-4%	8%	-6%	-3%	8%	-11%
Construction	3%	1%	3%	4%	-8%	-3%	8%	5%	7%	0%	0%
Wholesale and retail	0%	-1%	-3%	-2%	0%	0%	3%	2%	4%	-6%	0%
Hotels, restaurants and bars	1%	-8%	-4%	-3%	1%	-4%	-3%	1%	3%	-2%	-7%
Transport, storage and communication	3%	-4%	3%	-2%	-3%	0%	4%	0%	4%	-4%	2%
Financial intermediation (revised)	8%	9%	-6%	-6%	-7%	-2%	-2%	11%	5%	-8%	-12%
Other business activities (excluding rental)	2%	2%	3%	2%	5%	3%	13%	-9%	3%	3%	0%
Public administration	6%	3%	3%	1%	2%	2%	1%	3%	5%	3%	0%
Total GVA	**5%**	**4%**	**-3%**	**-3%**	**-4%**	**-1%**	**1%**	**5%**	**5%**	**-3%**	**-6%**

In 2009, the GVA of the Finance sector fell by -12%. The non-finance sectors overall (excluding the rental income of private households) saw a small real term fall of -1%.

Most sectors of Jersey’s economy either saw real term decline in 2009 or were essentially unchanged compared with a year previously. The notable exception was Agriculture, which saw an increase in GVA of 5% and has now recorded five consecutive years of growth.

As is apparent from Table 1.4, the Public sector in Jersey had seen small ongoing real term growth in GVA over the ten-year period up to 2008. In the latest year, 2009, the GVA of the Public sector was the same as a year previously in real terms. Under the income approach to measuring GVA, the gross operating surplus (essentially gross profit) of the Public sector is defined to be zero, i.e. the Public sector is considered to consume all of its own output. Hence, any real term growth in GVA for this sector represents the real term growth in the total earnings of all employees working in the sector.

Gross Value Added per employee

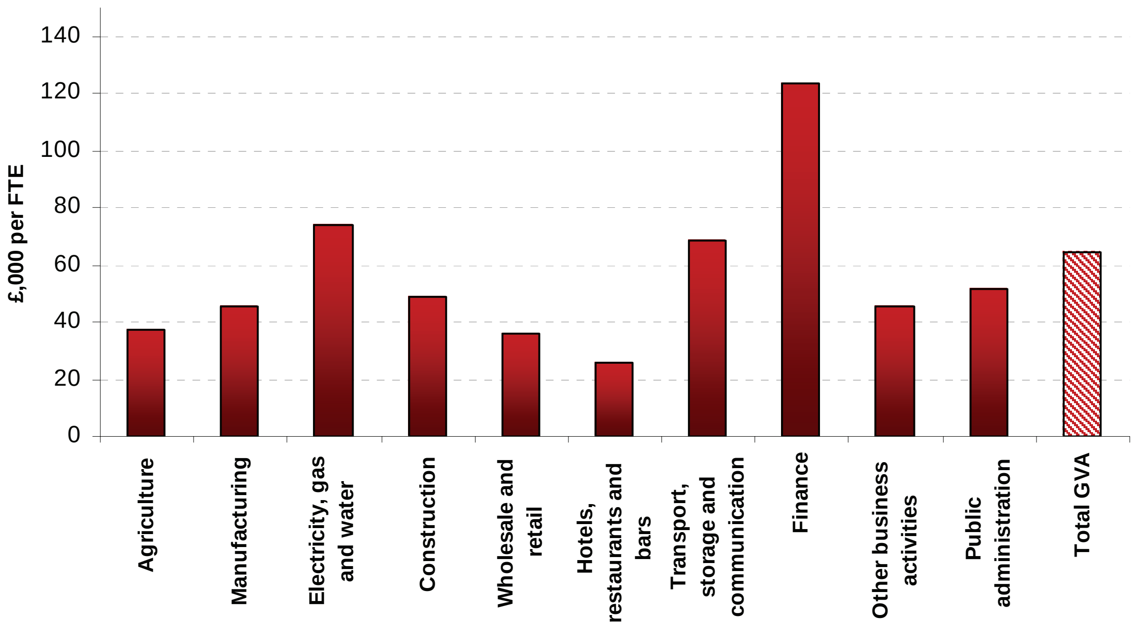
Another way of assessing the contribution which sectors make to the overall economy is to look at GVA per employee, derived by dividing GVA by the number of full-time equivalent[7] (FTE) employees. GVA per employee is not strictly a measure of productivity, as it excludes capital, but it can be viewed as a proxy since it does show the value of economic output produced per employee.

Furthermore, it is worth pointing out that GVA per employee is conceptually different to GNI per capita. The latter is a measure of the total value of economic activity of Jersey-owned businesses and resident individuals divided by the total Island population and as such is a smaller number than GVA per employee (which measures economic output of those who are actually employed).

Averaged over all sectors (and excluding the rental component of Other business activities), GVA per employee in 2009 in current year values was about £65,000 per FTE (Figure 1.4). However, the mean for the Finance sector was more than double that of all the other sectors, about £124,000 per FTE for the Finance sector compared with around £56,000 for the other sectors.

The lowest values of GVA per employee were seen in Hotels, restaurants and bars (£26,000 per FTE), Wholesale and retail (£36,000 per FTE) and Agriculture (£37,000 per FTE).

Figure 1.4: GVA per full-time equivalent employee in 2009 (current values)



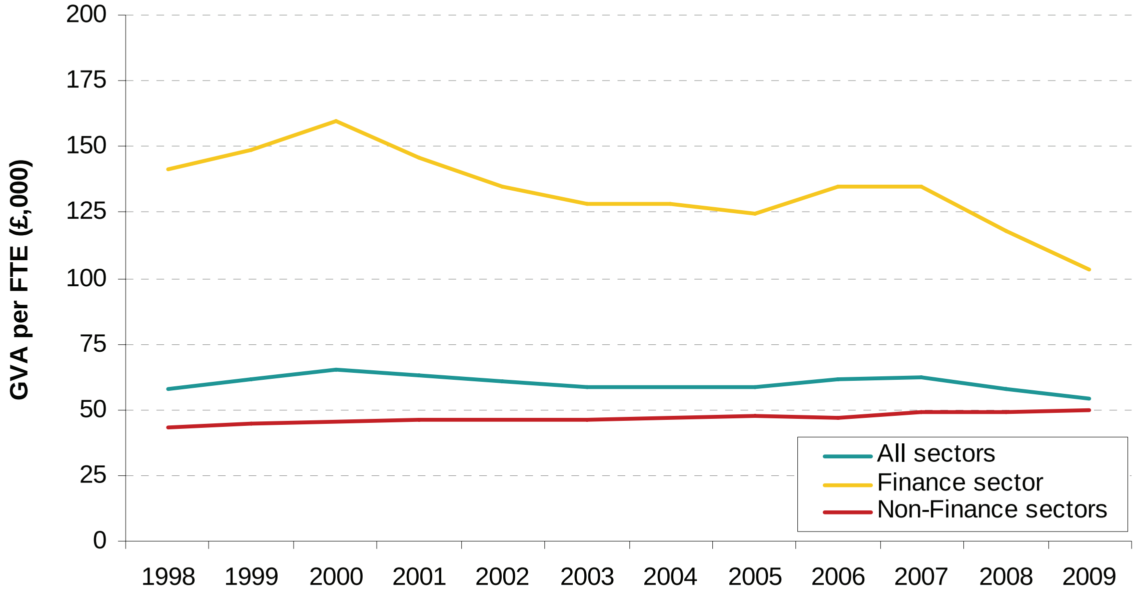
7 The number of full-time equivalent employees is calculated by assigning a full-time employee a weight of 1 and a part-time employee a weight of 0.5.

GVA per FTE can also be considered in terms of constant values of income. The longer term trend in real-term GVA per employee for the Finance and the non-finance sectors is shown in Figure 1.5, with the underlying data in Annex Table A2.

The most dramatic changes have occurred in the Finance sector: GVA per employee in this sector grew from about £140,000 in 1998 to a real-term peak of £160,000 in 2000, before falling in each subsequent year up until 2003, to a value of almost £130,000 per FTE. GVA per FTE for the sector then increased between 2005 and 2007. However, most recently GVA per FTE fell from £135,000 in 2007 to about £120,000 in 2008 and then to around £100,000 in 2009.

Since 1998, the best performing sector in terms of real-term growth in GVA per FTE was Construction, which recorded an increase of about a fifth (20%) over the period. In contrast, the Finance sector saw a decrease in real-term GVA per FTE of over a quarter (27%) from 1998 to 2009.

Figure 1.5: GVA per FTE in constant (2003) values



Business Activity Indicators

The Jersey Business Tendency Survey was launched in September 2009 to provide qualitative information about the Island's economy in a timely manner. The survey samples private sector businesses in Jersey and asks the Chief Executive or Managing Director of sampled businesses for their opinions on the current situation of their business compared to three months previously and also for their expectations for the next three months.

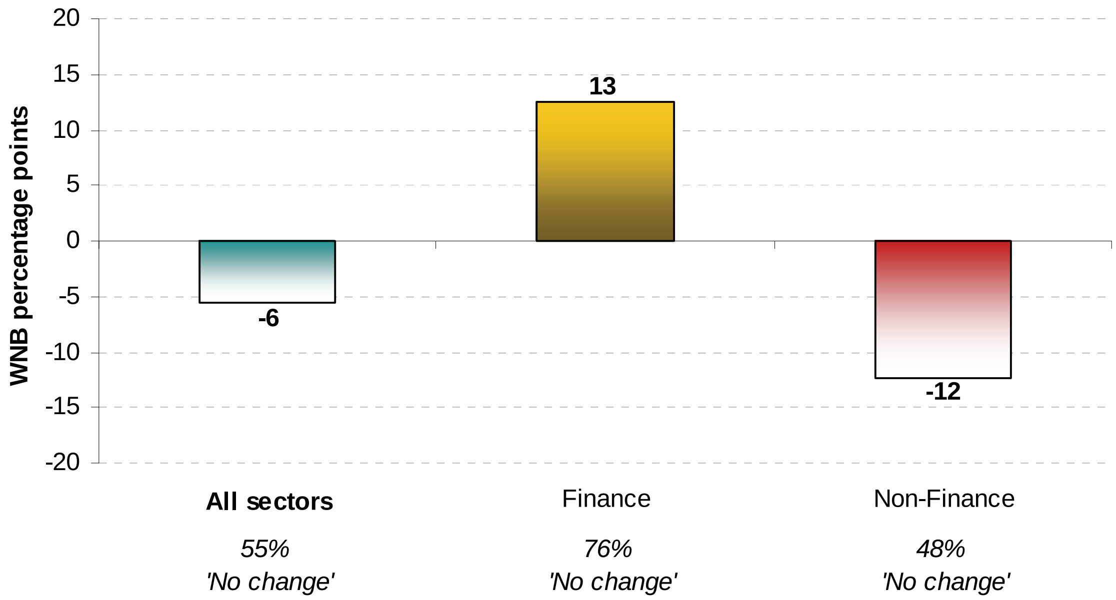
The survey enables a set of indicators to be produced that can be used to monitor economic performance. Each indicator derived from the survey responses is calculated as a net balance i.e. the difference between the percentage of respondents answering *higher* or *increase* compared with the percentage answering *lower* or *decrease*. Responses are weighted according to the sampling probability and size of workforce of each business; hence each indicator constitutes a weighted net balance (WNB).

The key measure produced as a result of this survey is the Business Activity Indicator. This indicator represents a measure of the total amount of work undertaken by businesses operating in Jersey. Such activity will have specific definitions relevant to each sector of business and may be considered as, for example, turnover, number of products produced, gross income or chargeable hours.

It should be emphasised that the Business Activity Indicator and the other "current" indicators represent a qualitative expression of the relative position of economic performance between the current point in time and that of three months previously rather than an absolute measure of economic performance. The two "future" indicators represent a qualitative expression of expected changes over the next three months.

As shown by Figure 1.6, the all-sector Business Activity Indicator in September 2010 was -6pp (percentage points), implying that the proportion of businesses reporting a decline in business activity over the previous three months was 6pp greater than the proportion reporting an increase. More than half of respondents (55%) reported no change to their business activity over the period.

Figure 1.6: Business Activity Indicator; percentage points



As can be seen from Figure 1.6, there was a notable difference in the Business Activity Indicator for Jersey's Finance sector compared with the other sectors of the economy. The Finance sector overall had a WNB of 13 pp in September 2010, indicating that a greater proportion of businesses reported an increase as reported a decrease in business activity compared with three months earlier. Three-quarters (76%) of businesses in the Finance sector reported no change in business activity.

In contrast, the non-finance sectors had a negative WNB of -12 pp with almost half (48%) of businesses reporting no change in business activity.

Table 1.5 and Figure 1.7 present all ten WNB indicators derived from the responses to each question of the survey, for all sectors and for Finance and non-finance separately. In September 2010, the Finance sector had positive WNBs for six of the ten indicators. In contrast, the non-finance sectors were negative for all indicators.

The Finance sector was considerably more positive (or less negative) than the non-finance sectors, by more than 20 pp, for six of the ten indicators – the largest differences being for Input Costs and Future Business Activity at around 40 pp.

The Input Costs indicator was the most negative indicator for both sectors. The non-finance sector was also strongly negative for Profitability.

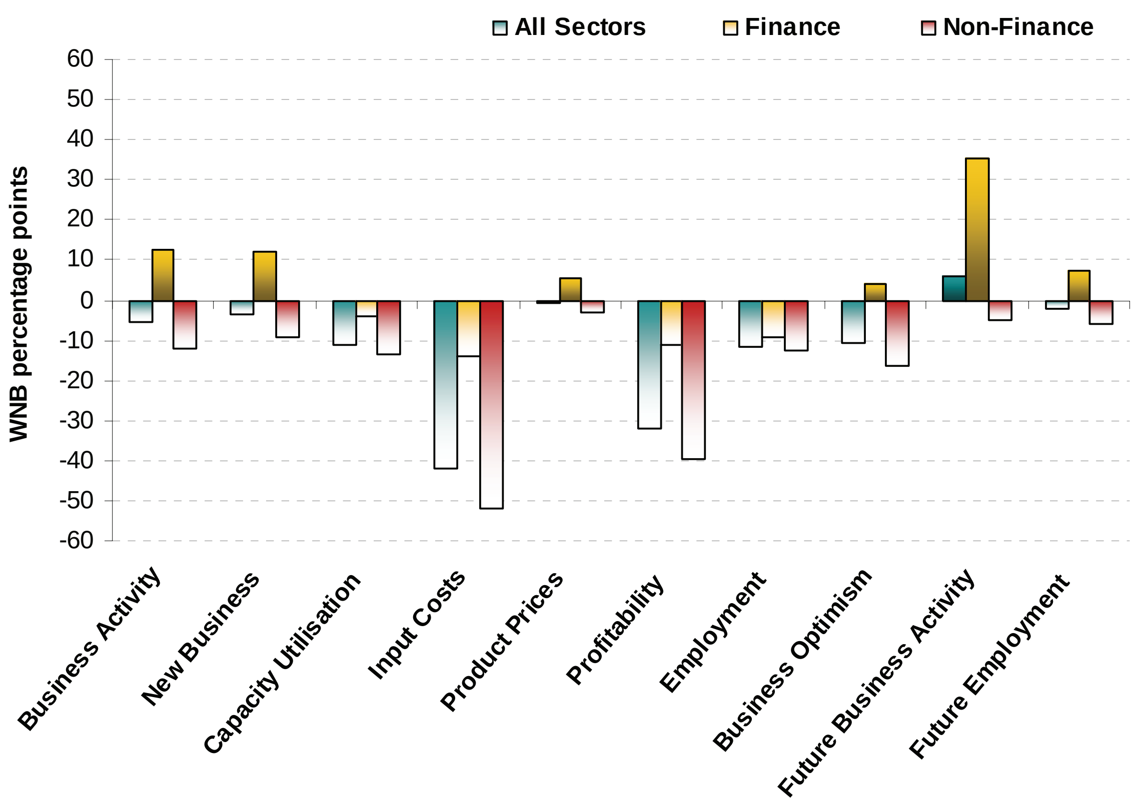
The difference between the sectors for Employment was marginal at 3 pp. However, a difference of 13 pp was found between the two sectors for Future Employment, with the Finance sector being positive (7 pp) and the non-finance sectors negative (-6pp).

Table 1.5: WNB indicators: all sectors, Finance and non-finance*; percentage points.*
Sept 2010 compared to the situation three months previously

INDICATOR	ALL SECTORS		FINANCE		NON-FINANCE	
	WNB	*No change**	WNB	*No change**	WNB	*No change**
Business Activity	**-6**	***55***	**13**	***76***	**-12**	***48***
New Business	-3	*56*	12	*65*	-9	*53*
Capacity Utilisation	-11	*64*	-4	*84*	-14	*57*
Input costs	-42	*55*	-14	*84*	-52	*44*
Product prices	-1	*77*	6	*91*	-3	*71*
Profitability	-32	*47*	-11	*69*	-39	*39*
Employment	-12	*67*	-9	*62*	-12	*70*
Business optimism	-11	*60*	4	*77*	-16	*53*
Future business activity	6	*53*	35	*56*	-5	*52*
Future employment	-2	*67*	7	*68*	-6	*67*

***** *Weighted percentage of respondents who replied "same".*

Figure 1.7: WNB indicators: all sectors, Finance and non-finance
Sept 2010 compared to the situation three months previously

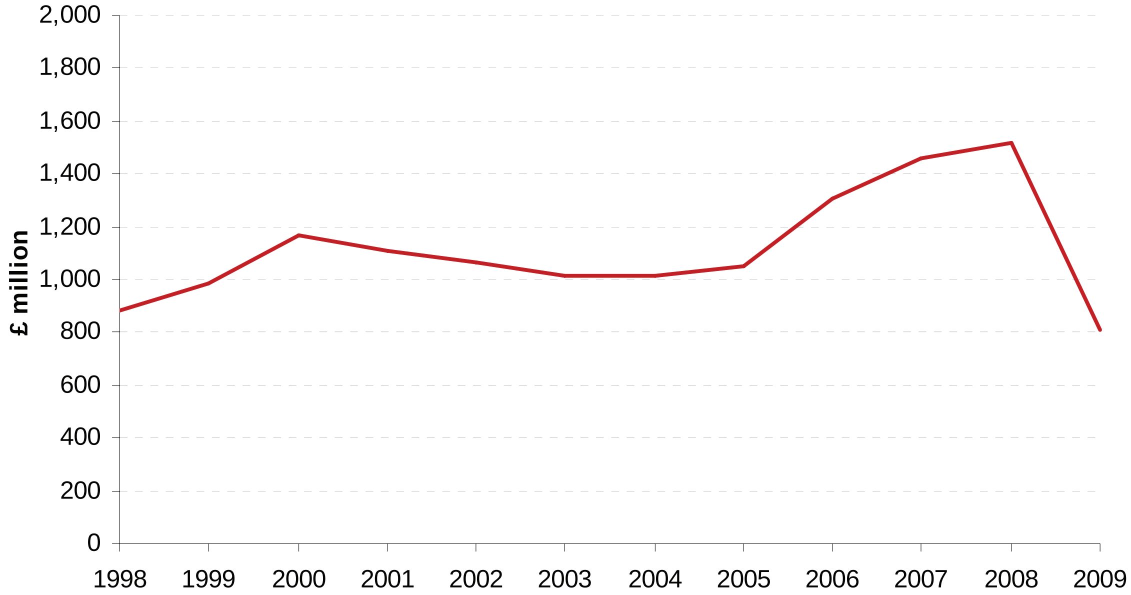


Finance sector profits

Since the Finance sector accounts for more than two-fifths of all economic activity in Jersey, it is informative to examine Finance sector profits in detail. The Statistics Unit runs a survey of financial institutions on an annual basis which looks at the activities of banks, fund managers, trust and company administrators and accountancy firms operating in Jersey.

The estimated total annual profit of Jersey's financial services sector in 2009 was £809 million, representing a fall of nearly a half (-47%) compared with 2008. Excluding any large one-off fluctuations in profit, resulting from the recent behaviour of global financial markets, the total net profit in 2009 was about a quarter (-23%) lower than in 2008.

Figure 1.8: Total Net Profit in the Finance sector; current year values



Total profits had previously peaked in 2000 (at £1,170 million) and then declined for three years before levelling out in 2004 (see Figure 1.8). After a recovery in 2005, there were three years of strong growth in profit between 2006 and 2008. The latest year, therefore, represents the first fall in total profit for six years.

Figure 1.9: Total annual profit by sub-sector, 2009

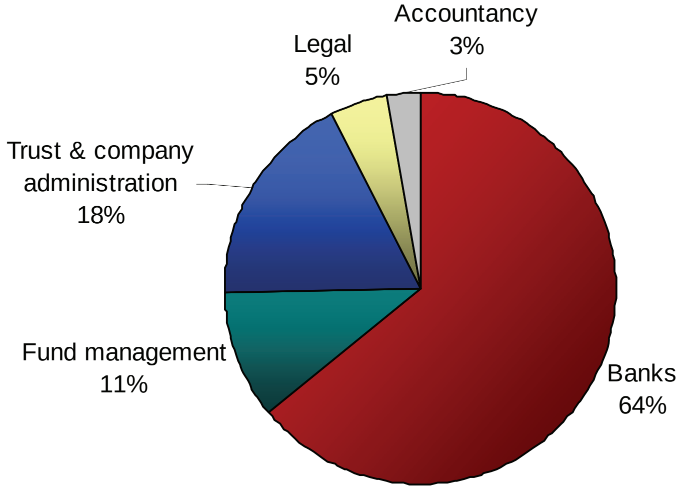


Figure 1.9 shows the total annual profit of the Finance sector by sub-sector for 2009[8]. As the Banking sub-sector accounted for nearly two-thirds of the total net profit in 2009, the profits recorded by this sub-sector strongly influenced the movement of total profit for Jersey's entire Finance sector.

Profits in the Banking sub-sector fell by more than a half in 2009 (down by 55% compared with 2008) to £518 million. Excluding any large one-off fluctuations, the profits of the Banking sub-sector was a quarter (-25%) lower than in 2008. Around three-quarters of companies engaged in Banking activities recorded a fall in profits in 2009. In 2008 Banking profits had fallen for the first time in four years, down by £40 million (-3%). Prior to that year, profits had increased each year from 2005.

Profits for Fund management fell by about a half (-52%) to £87 million in 2009. The previous year, 2008, had seen a considerable rise in profits for this sub-sector (up 86%), following a fall in 2007 (-9%) and a large increase in 2006 (35%). The latest fall continues the rather volatile performance of this sub-sector in recent years.

Profits for Accountancy in 2009 were estimated at £23 million. This figure represents a small fall (-4%) on that recorded in 2008 (£24 million). Around three-quarters of businesses engaged in Accountancy activities saw profits fall compared with 2008.

Profits for Trust and company administration (*including* legal activities) increased to £182 million in 2009, continuing the upward trend seen by this sub-sector since 2002. The Legal sub-sector accounted for £37 million of this total.

Retail Sales

The Statistics Unit launched the Jersey Retail Sales Survey in April 2007 to collect information on the performance of the Island's retail sector[9]. Each sampled business is asked to report total retail turnover for a given quarter. The main measures are total value and total volume estimates in seasonally adjusted form. Value estimates reflect the total turnover that businesses have recorded in a given quarter, whilst volume estimates remove the effect of price changes.

Value of retail sales

Figure 1.10 shows the total value of retail sales for the period from 2007 to Q3 2010. The marked seasonality is apparent, with retail turnover tending to be largest in the fourth quarter of each calendar year.

Comparing the same quarter in a given year with that of a year earlier, the period from the start of 2007 to mid-2008 saw growth rates in the total value of retail sales of generally around 6% to 7%[10]. In contrast, the last three quarters of 2009 saw total value decline on an annual basis.

The first three quarters of 2010 have seen annual increases in total value of 1 to 3%.

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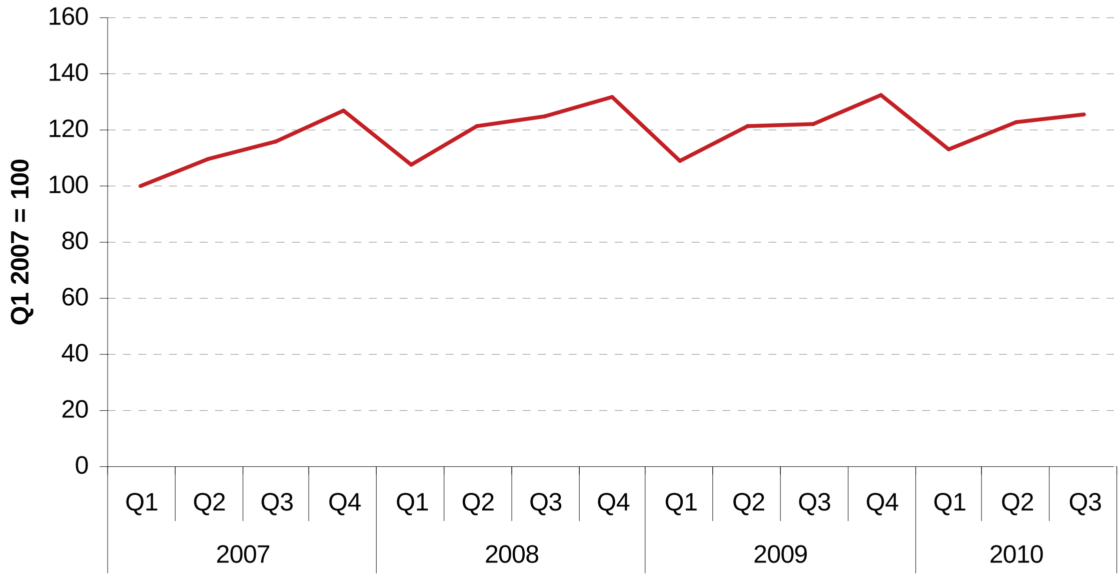
[8] It should be noted that a new approach of classification of sub-sectors was introduced in 2009. Further details of changes to the classification system can be found in the Survey of Financial Institutions 2009 report.

[9] "Retail" is defined as the sales of goods to the general public for personal or household consumption, excluding motor trades.

[10] The introduction of a Goods and Services Tax (GST) in Jersey in May 2008, at the rate of 3%, was a factor in the greater increase seen in Q2 2008 and also somewhat masked the underlying lower rates of increase in the last six months of 2008.

Figure 1.10: Total value of retail sales, all retailers; non-seasonally adjusted

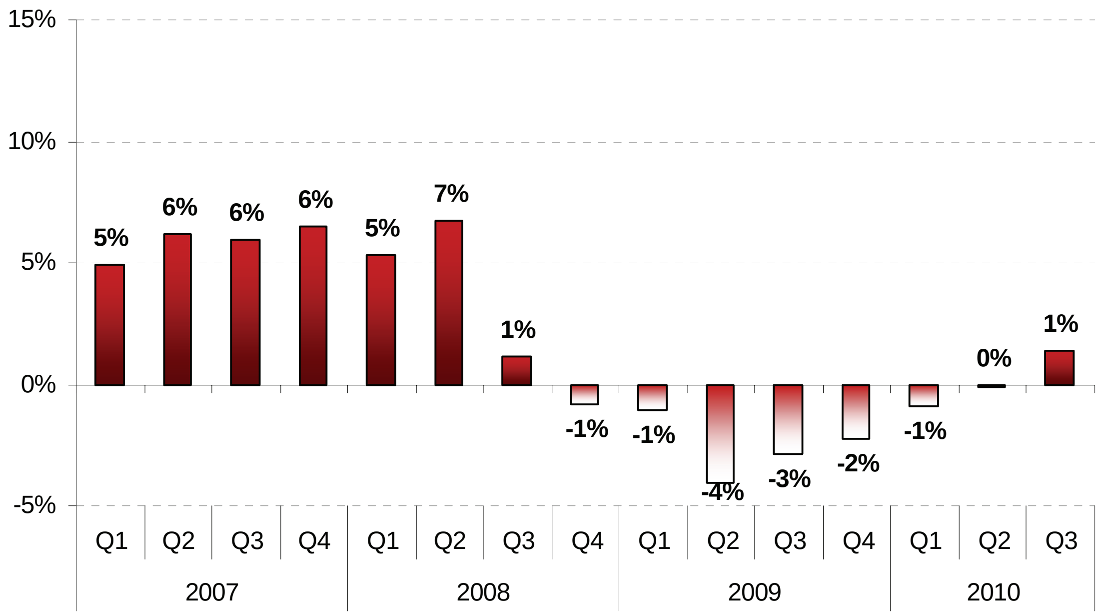


Volume of retail sales

The volume series is derived from the value series by use of deflators which removes the effect of price changes[11].

Comparing the same quarter with that of a year earlier, the period from early 2007 to mid-2008 saw annual growth rates in the volume of retail sales of around 6% (Figure 1.11). From Q3 2008 to Q2 2010 the total volume of retail sales decreased on an annual basis, with Q2 2009 recording the largest decrease (-4%); subsequent quarters saw annual decreases of progressively smaller magnitudes. In the latest quarter, Q3 2010, the total volume of retail sales was 1% higher than in the same quarter a year earlier; this represents the first annual increase in volume for two years.

Figure 1.11: Total Volume: annual percentage change; seasonally adjusted



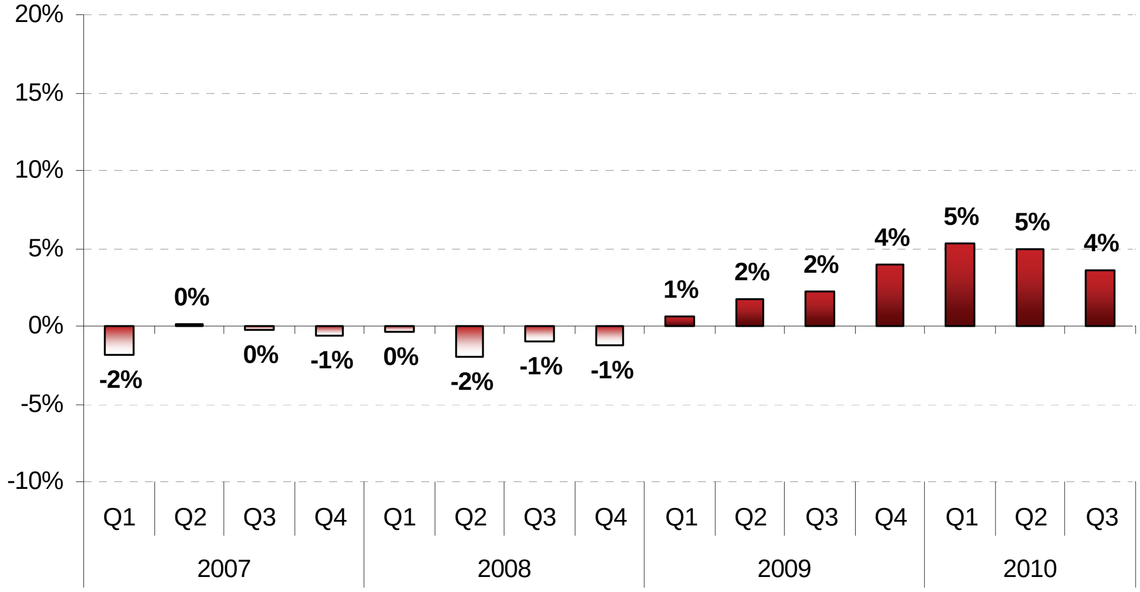
[11] A volume index is an average of the proportionate changes in the quantities of a specified set of goods between two periods of time. The deflators used are a weighted combination of the relevant section level indices of the Retail Prices Index (RPI). Following the recent methodological changes incorporated in the Retail Sales publication produced by the UK Office for National Statistics, the price deflators applied are harmonic means of the corresponding RPI section indices.

Analysis by sector

The "Predominantly food" sector is comprised of supermarkets, convenience stores and other small food stores. The "Predominantly non-food" sector is comprised of three sub-categories: Household goods; Textiles, clothing and footwear; and Non-food specialised stores.

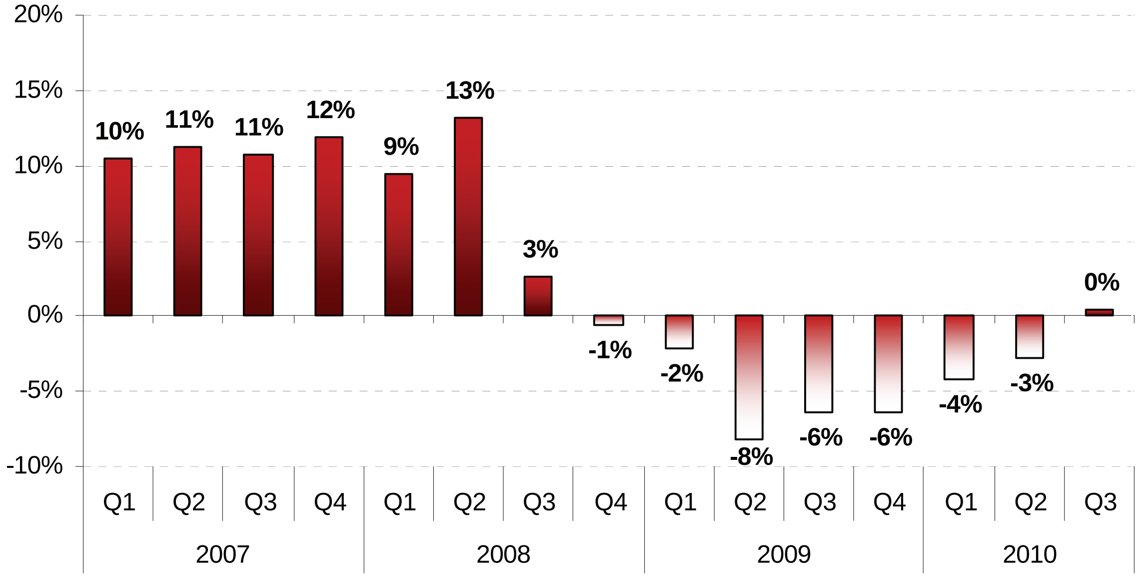
For predominantly food stores, the total volume of retail sales saw small increases on an annual basis throughout 2009 (Figure 1.12). The latest quarter, Q3 2010, was up 4% on an annual basis. On a quarterly basis, the total volume of retail sales in predominantly food stores in Q3 2010 was almost -0.5% lower than in Q2 2010.

Figure 1.12: Predominantly food: annual percentage change in volume; seasonally adjusted



For predominantly non-food stores, the period from early 2007 to mid-2008 saw annual growth in the volume of retail sales of around 10% (Figure 1.13). Each quarter from Q4 2008 to Q2 2010 recorded decreases in volume on an annual basis, although the rate of decline slowed from an annual rate of -8% in Q2 2009 to -3% in Q2 2010. In the latest quarter, Q3 2010, the volume of retail sales in predominantly non-food stores was essentially the same as a year earlier, representing the first quarter for two years which has not recorded a decline on an annual basis.

Figure 1.13: Predominantly non-food: annual percentage change in volume; seasonally adjusted



Section 2: Employment

Overview

In relative terms, employment levels in Jersey are high. The “economic activity rate” gives the proportion of those in employment, or actively seeking employment, as a percentage of *all* those of working age (between 16 and 64 years for men, and 16 and 59 for women, inclusive). The 2001 Census and each edition of the Jersey Annual Social Survey (JASS) recorded the economic activity rate, see Table 2.1.

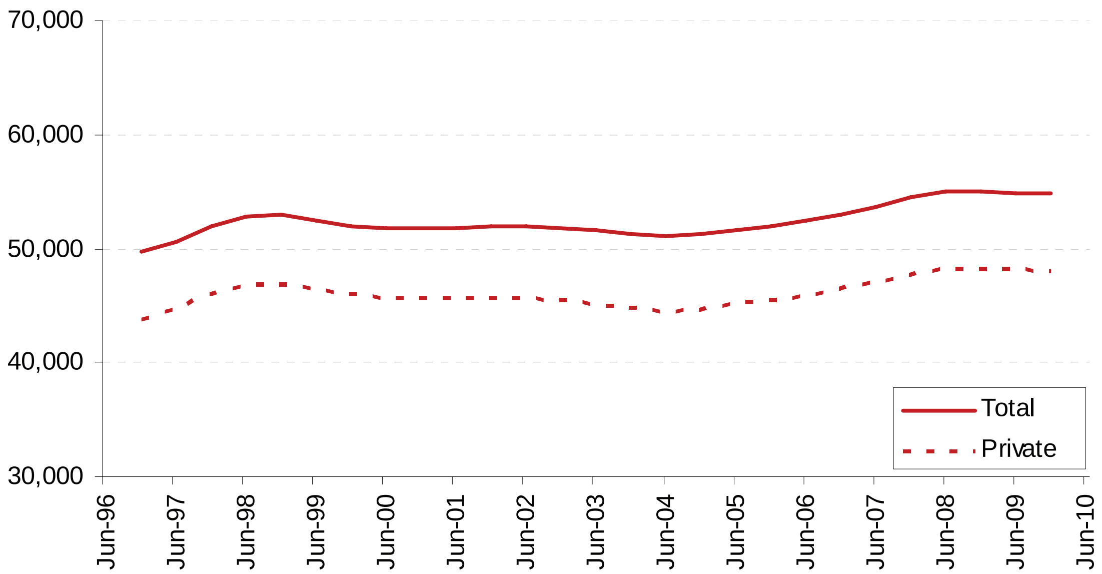
Table 2.1: Economic activity rates *(percentages)*

	JASS 2010	JASS 2009	JASS 2008	JASS 2007	JASS 2006	JASS 2005	Census 2001
Men	89	90	89	89	88	88	87
Women	85	82	81	79	80	78	76
All	**87**	**86**	**85**	**85**	**84**	**83**	**82**

The economic activity rate measured by JASS during the last five years continues to be slightly greater than that found in the 2001 Census. The increase has been mainly in the female activity rate, from 76% in 2001 to 85% in 2010.

As shown by Figure 2.1 and Table 2.2, total and private sector employment in Jersey was substantially constant between 1999 and December 2002 but decreased during 2003 and 2004. Total employment had seen an ongoing increase throughout the period from 2005-2008 but has been essentially flat since mid-2008, at the highest level seen since at least the mid-1990’s. Data on an FTE basis are presented in Annex Table A3a.

Figure 2.1: Total and Private sector Headcount[12]



[12] For the six-monthly data in Figure 2.1 short-term variations (largely due to seasonal factors) were removed by calculating a weighted three-point moving average; entries for June 1996 and June 2010, therefore, do not appear in this plot.

In June 2010, a total of 56,200 people were employed in Jersey, essentially the same level as a year earlier. This latest June total follows a December figure that was also at essentially the same level on an annual basis.

Of the 56,200 employed in June 2010, 49,360 (88%) were in the private sector and 6,840 (12%) were in the public sector. The private sector saw a net decrease of -80 between June 2009 and June 2010, whereas the public sector headcount recorded a net increase of +90 on an annual basis.

There is a fair degree of seasonality in the Jersey labour market, with around 2,600 more people employed in the summer of 2010 than in the winter of 2009. Such seasonal variation (removed from Figure 2.1) is largely a result of agriculture and tourism: the Hotels, restaurants and bars sector employed about 1,500 more people in June 2010 than in December 2009, whilst Agriculture employed around 700 more. However, the extent of the seasonal variation in employment has lessened in recent years; in 1996 the total difference between summer and winter levels approached 5,000, including a difference of some 3,000 in Hotels, restaurants and bars alone.

Table 2.2 Employment (headcount) in the private and public sectors

		Private	Public	Total
1997	Jun	47.010	5.970	**52.970**
	Dec	43,800	5,840	**49,640**
1998	Jun	49,480	5,970	**55,450**
	Dec	44,640	5,970	**50,610**
1999	Jun	48,770	6,170	**54,940**
	Dec	43,610	6,010	**49,620**
2000	Jun	47,760	6,110	**53,870**
	Dec	43,810	5,990	**49,810**
2001	Jun	47,560	6,200	**53,760**
	Dec	43,960	6,120	**50,090**
2002	Jun	47,390	6,250	**53,640**
	Dec	43,960	6,310	**50,270**
2003	Jun	46,790	6,440	**53,230**
	Dec	43,210	6,410	**49,620**
2004	Jun	45,830	6,590	**52,420**
	Dec	43,130	6,510	**49,640**
2005	Jun	46,760	6,530	**53,280**
	Dec	43,850	6,430	**50,280**
2006	Jun	47,380	6,540	**53,910**
	Dec	45,000	6,560	**51,570**
2007	Jun	48,380	6,730	**55,110**
	Dec	46,360	6,630	**52,980**
2008	Jun	49,880	6,730	**56,610**
	Dec	46,910	6,650	**53,560**
2009	Jun	49,440	6,750	**56,190**
	Dec	46,770	6,790	**53,570**
2010	Jun	49,360	6,840	**56,200**

Employment by sector

Figure 2.2: Percentage employed by sector, June 2010; headcount

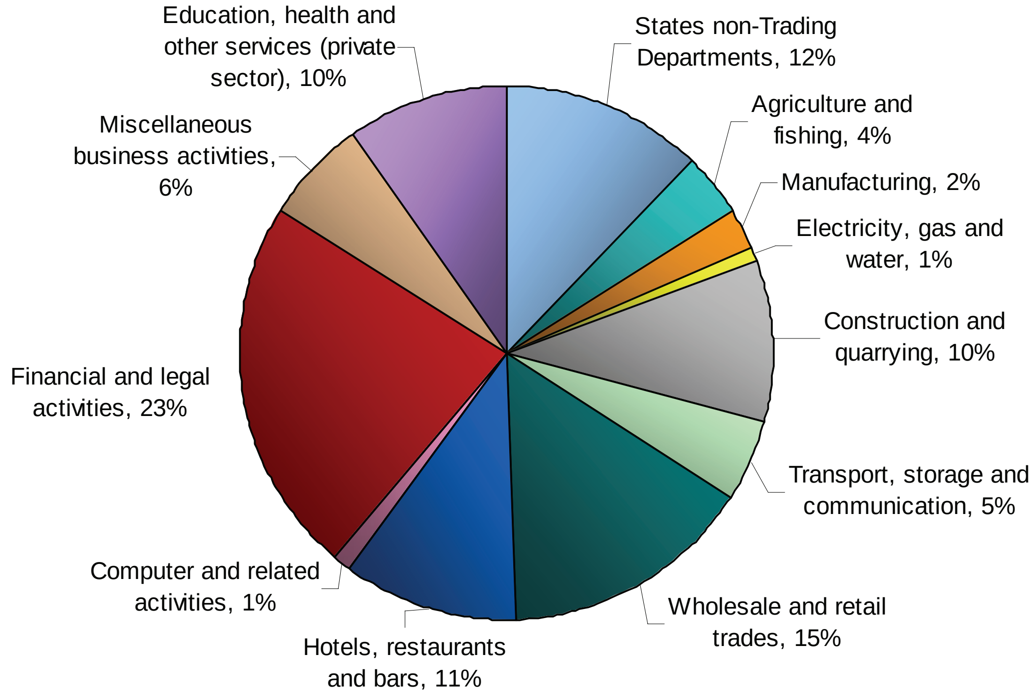
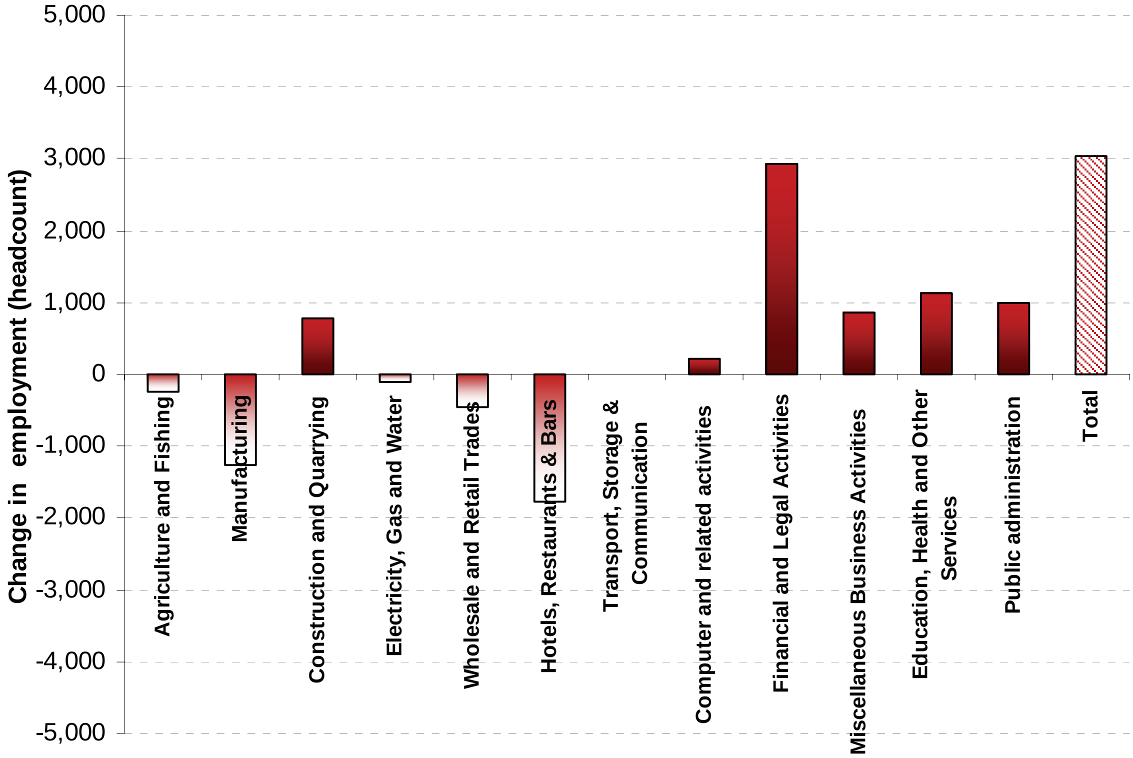


Figure 2.2 shows the breakdown of employment in June 2010 by sector. Almost a quarter (23%) of Jersey's labour force was employed in the Finance sector (12,770). Nearly a sixth (15%) were in Wholesale and retail trades (8,540); whilst the Public sector (excluding States Trading Committees[13]) accounted for about one in eight (12%) of Jersey's labour force.

Figure 2.3: Change in employment by sector, 1996 - 2010



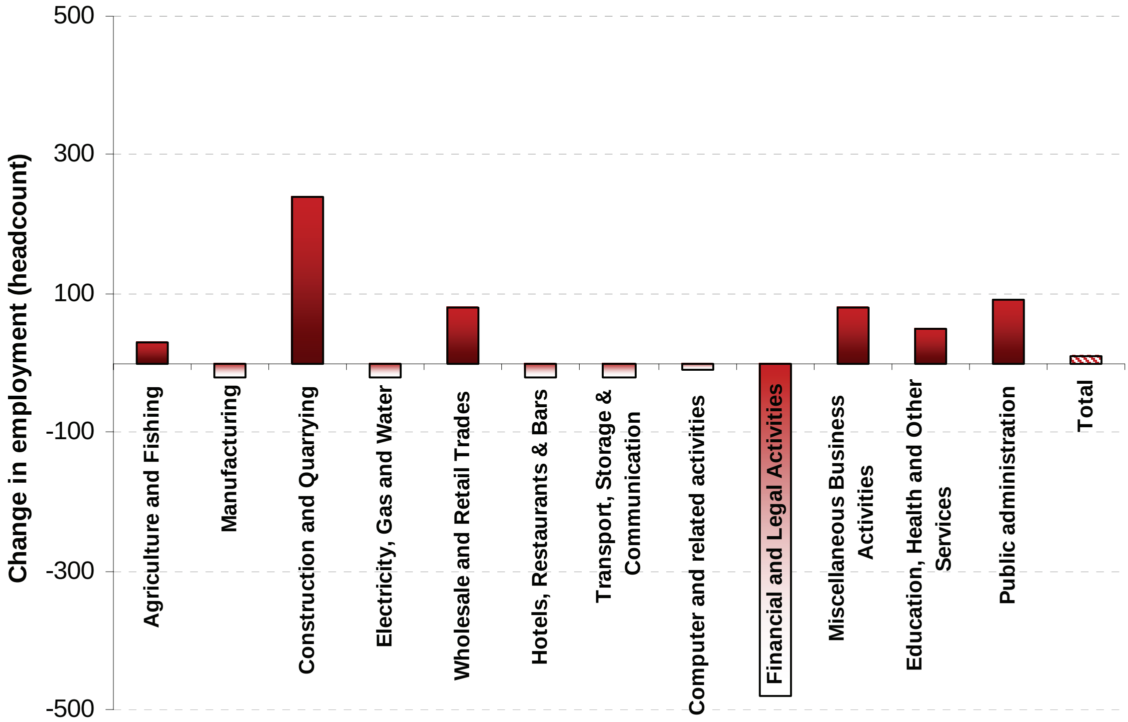
[13] Former and current Trading Committees are included within the Transport, storage and communication sector.

Figure 2.3 illustrates the long term trend in employment by sector. Between 1996 and 2010, employment has increased in the Finance sector, by almost 3,000. Education, health and other services and Public administration have both seen increases of around 1,000 over the same period.

In contrast, Hotels restaurants and bars saw a decline of almost 2,000 whilst Manufacturing saw a fall of about 1,000, although restructuring and reclassification of activities has been a factor for this sector.

Figure 2.4 shows the most recent changes in employment by sector, over the twelve months to June 2010.

Figure 2.4: Change in employment by sector, 2009 - 2010



As stated above, total employment in June 2010 at 56,200 was essentially at the same level as June 2009 and this is reflected by the majority of the sub-sectors of Jersey's labour market recording small changes over this period, as shown in Figure 2.4. The largest change was seen in the Finance sector which recorded a fall of almost 500 in the year to June 2010.

Since the Finance sector accounts for almost a quarter of Jersey's workforce, changes in employment in this sector are of particular significance. In June 2010, total employment in the Finance sector stood at 12,770. The decrease compared with June 2009 comprised a fall of -370 in the last six months of 2009 and a further fall of -110 in the first six months of 2010 (see Figure 2.5). The overall annual decrease was predominantly in the number of full-time staff, down by -390 compared with June 2009. As is apparent from Table 2.3, these falls in employment occurred mainly in the Banking sub-sector.

Figure 2.5: Six-month changes in Finance sector employment 2003 - 2010

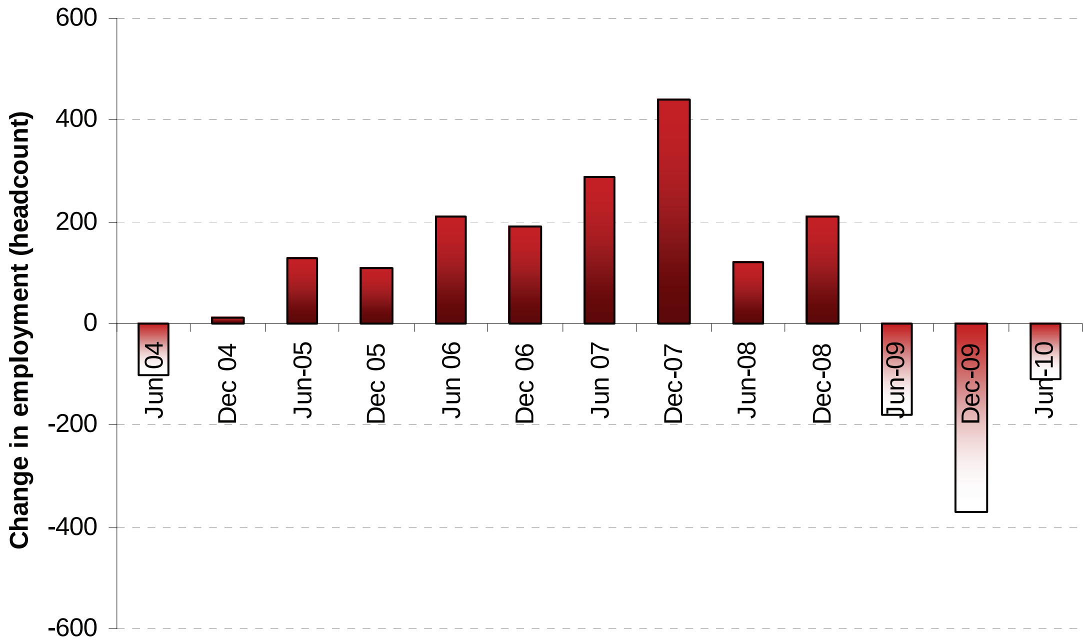


Table 2.3: Employment in the Financial services sub-sectors: June 2005 to June 2010[14]

Date	Banking	Trust & Co Admin	Legal	Accountancy	Other	Total
Jun-05	5,570	2,470	2,150	790	900	**11,860**
Dec-05	5,460	2,560	2,250	810	900	**11,970**
Jun-06	5,390	2,830	2,300	780	880	**12,180**
Dec-06	5,810	2,520	2,320	800	920	**12,370**
Jun-07	5,840	2,670	2,390	830	940	**12,660**
Dec-07	6,100	2,790	2,500	870	840	**13,100**
Jun-08	6,060	2,850	2,560	880	870	**13,220**
Dec-08	6,050	2,880	2,580	980	950	**13,430**
Jun-09	5,900	2,950	2,490	940	950	**13,250**
Dec-09	5,600	2,870	2,490	970	960	**12,880**
Jun-10	5,470	3,320	2,040	990	950	**12,770**

Unemployment

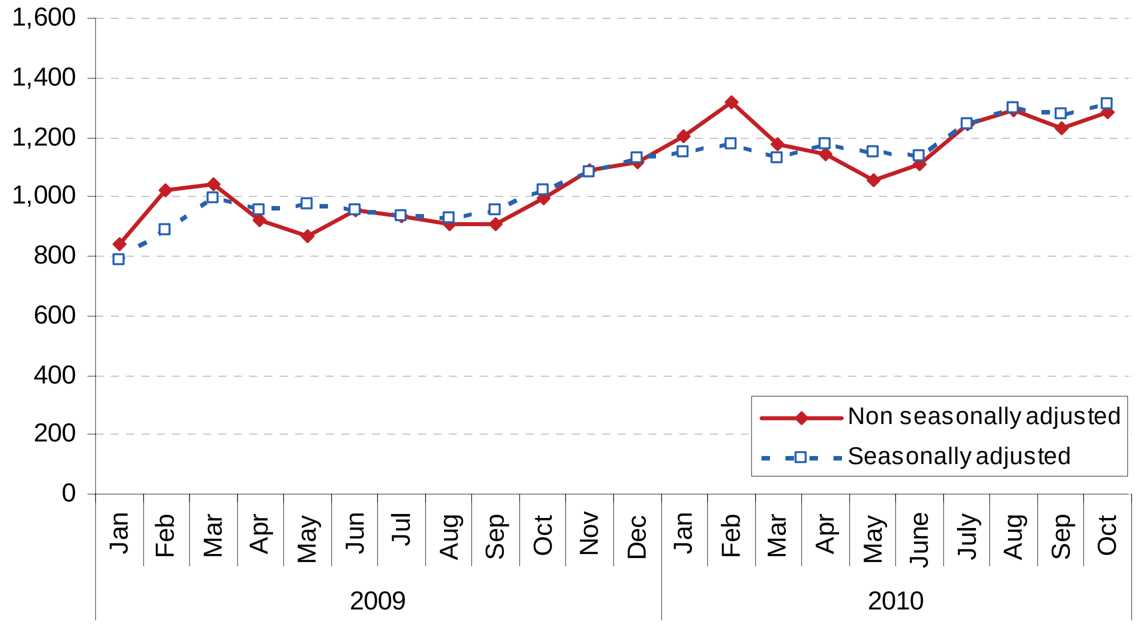
There is no statutory requirement for all unemployed residents of Jersey to register as actively seeking work with the Social Security Department. Therefore, the number of people registered as unemployed should be regarded as an indicator rather than a measure of the actual level of unemployment in the Island.

[14] The increase apparent in Table 2.3 for Trust & Co. Admin. between December 2009 and June 2010 was predominantly due to some reclassification of companies previously in the Legal sub-sector. The latter thus recorded a complementary decrease in the latest six-month period.

The number of people registered as unemployed in Jersey in June 2010 was 1,110 and the latest data shows that 1,290 people were registered as unemployed and actively seeking work (ASW) in Jersey in October 2010.

The total number of people registered as ASW at the end of each month since January 2009 can be seen in Figure 2.6. From May 2010 to August 2010 there was an ongoing monthly increase in the number of people registered as ASW. The number registered in October 2010 is 60 higher than in the previous month and 290 higher than a year earlier, in October 2009.

Figure 2.6: Total number of individuals registered as ASW, Jan 2009 - Oct 2010[15]



The seasonally adjusted series of the total registered as ASW, in which seasonal and calendar effects are removed, is also shown on Figure 2.6. From this perspective, the number of people registered as ASW in Jersey in October 2010 was at a similar level to the previous two months but more than 150 higher than the relatively stable level seen throughout the first six months of 2010.

The International Labour Organisation's (ILO) unemployment rate is a globally comparable figure which measures the proportion of unemployed people in the entire work force[16]. This was measured in the 2001 Census and in each round of JASS, as shown in Table 2.4.

Table 2.4: ILO unemployment rates *(percentages)*

JASS 2010	JASS 2009	JASS 2008	JASS 2007	JASS 2006	JASS 2005	Census 2001
3.0	2.7	2.3	1.4	2.3	2.2	2.1

In the summer of 2010 Jersey's ILO unemployment rate, as measured by JASS, was 3.0%, a higher rate than that recorded in each of the previous five years. However, overall unemployment in Jersey continues to be low (compared to other jurisdictions, such as the UK, where it was measured at 7.7% in the three months to August 2010).

The 3.0% ILO unemployment rate for Jersey in the summer of 2010 corresponds to approximately 1,700 people being unemployed at that time.

[15] The total number of adults receiving Income Support without work will be greater than this figure, which represents the number registered on 31st October 2010 as ASW.

[16] From Jersey's perspective, the ILO definition of unemployment includes both "registered" and "non-registered" unemployed people.

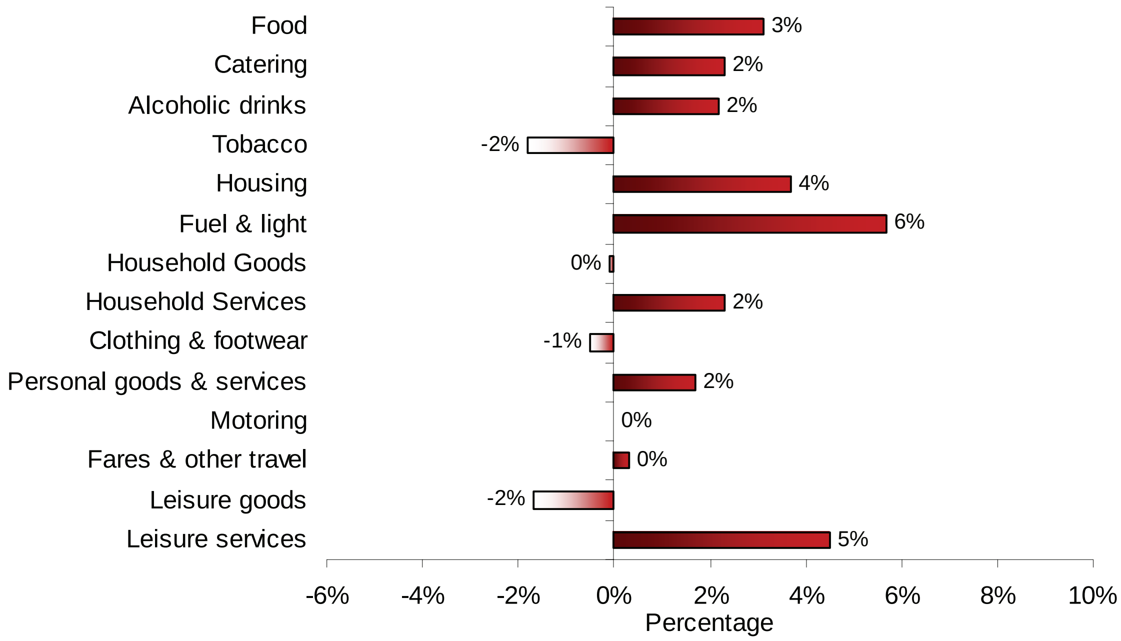
Section 3: Prices and Earnings

Retail Prices Index (RPI)

The Retail Prices Index (RPI) is an index number based on a point in time (currently June 2000 being set equal to 100) and measures the *average* change in price for a representative selection of goods and services bought by Jersey households. The rate of change in the RPI, which is quoted as a percentage, normally compares the current index to the same quarter a year previously and hence measures the average annual rate at which prices are changing (also known as “the rate of inflation”).

The Jersey RPI saw an increase of 2.8% in the RPI between June 2009 and June 2010, 0.4 percentage points lower than that recorded in March 2010 (3.2%). The subsequent quarter, September 2010, saw an annual increase of 2.1%. Figure 3.1 shows the percentage change for each group of the RPI over the twelve months to September 2010.

Figure 3.1: Annual percentage changes for each group, September 2010



On an annual basis the largest upward contributors to the Retail Prices Index were (see Figure 3.2):

- Housing costs: rose by 4% over the year to September 2010 contributing 0.7 percentage points to the overall change in the RPI. Price rises were seen across the majority of the group, which includes rent (private and public sector), DIY materials and repair and maintenance costs, as well as mortgage interest payments. In contrast, rates in September 2010 were marginally lower, on average, than a year earlier.

- Food costs: rose by 3% over the year to September 2010 and contributed 0.4 percentage points to the overall annual change in the RPI. Notable price increases were recorded for fresh vegetables and potatoes.

- Leisure services: contributed 0.4 percentage points to the annual change in the RPI. The cost of foreign holidays rose by 5% over the twelve months to September 2010, and the £3 rise in the price of television licences in April 2010 also contributed to the annual increase recorded by this group.

- Fuel & light costs: rose by 6%, overall, between September 2009 and September 2010, contributing 0.2 percentage points to the annual change in the RPI. The cost of domestic heating oil rose by 29% over the year to September 2010, whilst gas prices were 17% higher than a year earlier. In contrast, electricity prices fell by 5% in January 2010.

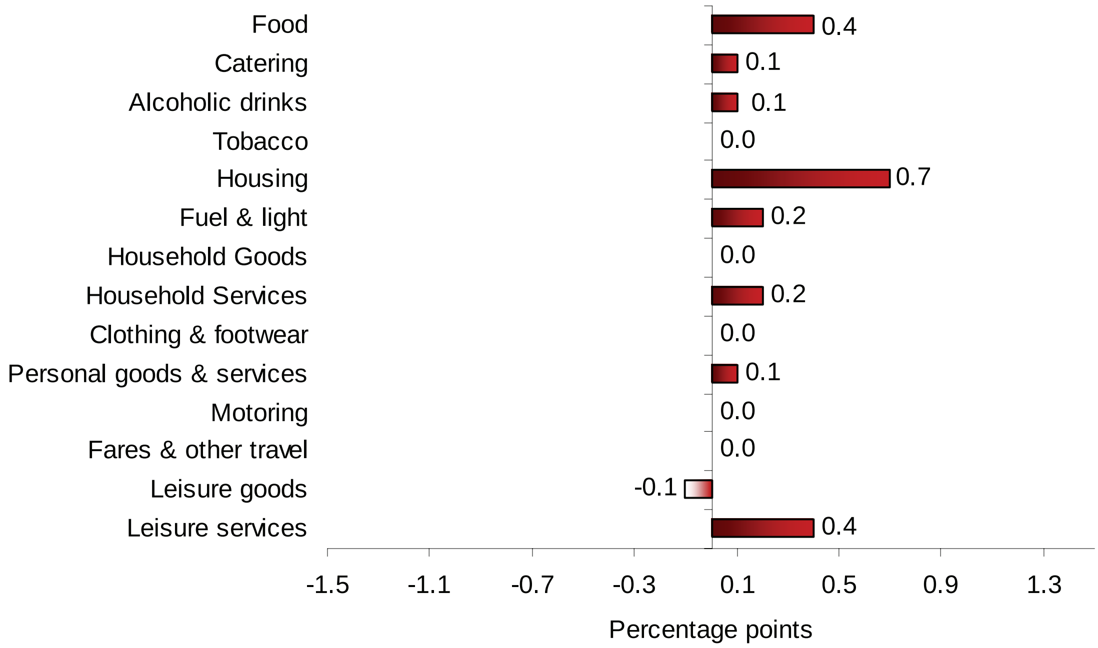
- Household services: also contributed 0.2 percentage points to the annual change, with prices increasing by 2% in the twelve months to September 2010. This group includes school fees, which rose in September 2010.

The main downward contributor to the Retail Prices Index was the Leisure goods group which saw prices fall by 2% on average over the year to September 2010, contributing -0.1 percentage points to the annual change in the RPI. Decreases in prices were seen across the majority of the group, which includes audio-visual equipment, CDs and DVDs, toys and sporting goods.

The remaining groups contributed between 0.0 and 0.1 percentage points to the overall annual change in the RPI. Within the Motoring group, the average prices of petrol and diesel rose by 5p and 6p per litre, respectively, on an annual basis.

There were no changes in excise duties (impôts) on alcohol, tobacco or motor fuels over the twelve months to September 2010.

Figure 3.2: Contribution of each group to the annual change in the RPI, September 2010



Other inflation measures

The RPI is often known as the “all-items” or “headline” RPI because it comprises a representative selection of all the elements of a household budget. Several other consumer price indices are produced on a quarterly basis which help the understanding of inflation in Jersey: RPI(X), RPI(Y), RPI Pensioners and RPI Low income.

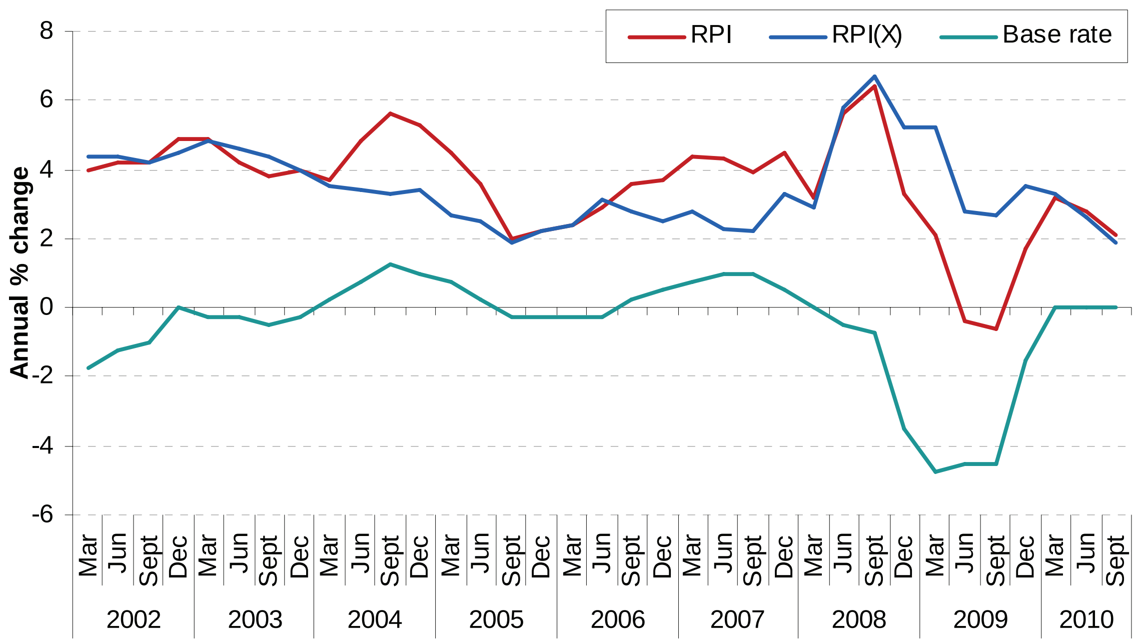
The annual change in RPI(X), where the X stands for eXcluding house purchase costs (measured by the interest paid on an average mortgage) is considered a measure of “underlying inflation”. The annual change for RPI(X) in September 2010 was 1.9%, equalling the lowest recorded in the ten-year period that this index has been produced for Jersey. A similar annual increase of 1.9% was seen in September 2005.

Figure 3.3 shows the annual percentage changes in Jersey's RPI, RPI(X) and the Bank of England base rate.

Since changes in the Bank of England base rate influence the average interest paid on mortgages and since such house purchase costs have significant weight in the RPI, annual percentage changes in the RPI tend to follow a similar trend to annual percentage changes in the base rate. In contrast, RPI(X) excludes mortgage interest payments; therefore this index is not directly influenced by variations in the base rate (Figure 3.3).

Both the RPI and RPI(X) saw a greater rate of increase in June 2008 than that seen in previous quarters, despite an annual fall in the Bank of England base rate. This was due to the effect of the introduction of GST in May 2008 which contributed 1.9 percentage points (pp) to the RPI and 2.1 pp to the RPI(X). These upward contributions remained present in the annual rate of change of both RPI and RPI(X) for the subsequent three quarters, before dropping out in June 2009.

Figure 3.3: Annual percentage changes in RPI, RPI(X) and the Bank of England base rate



In December 2007, a further three consumer price indices were introduced for Jersey, namely: RPI Pensioners for pensioner households; RPI Low Income for low income households (defined as those in the lowest quintile of household income), and RPI(Y). The latter provides a further measure of underlying inflation by removing the effect not only of mortgage interest payments but also of indirect taxes[17]. Table 3.1 shows the latest annual increases for these indices.

Table 3.1: Annual percentage increases in RPI(Y), RPI Pensioners and RPI Low Income

Measure	Dec-08	Mar-09	Jun-09	Sep-09	Dec -09	Mar-10	Jun-10	Sept-10
RPI(Y)	3.2	3.3	2.9	2.7	3.6	3.4	2.7	2.0
RPI Pensioners	4.8	5.0	2.9	2.8	3.9	3.6	2.7	2.0
RPI Low Income	4.9	5.3	2.9	2.7	3.3	3.1	2.6	2.1

[17] In Jersey the indirect taxes excluded in RPI(Y) are Parish rates and all taxes and duties that are directly applied to retail prices, namely impôts (on tobacco, alcohol and motor fuels), the Goods and Services Tax (GST), Air Passenger Duty and also Vehicle Emissions Duty (VED) since its introduction in September 2010.

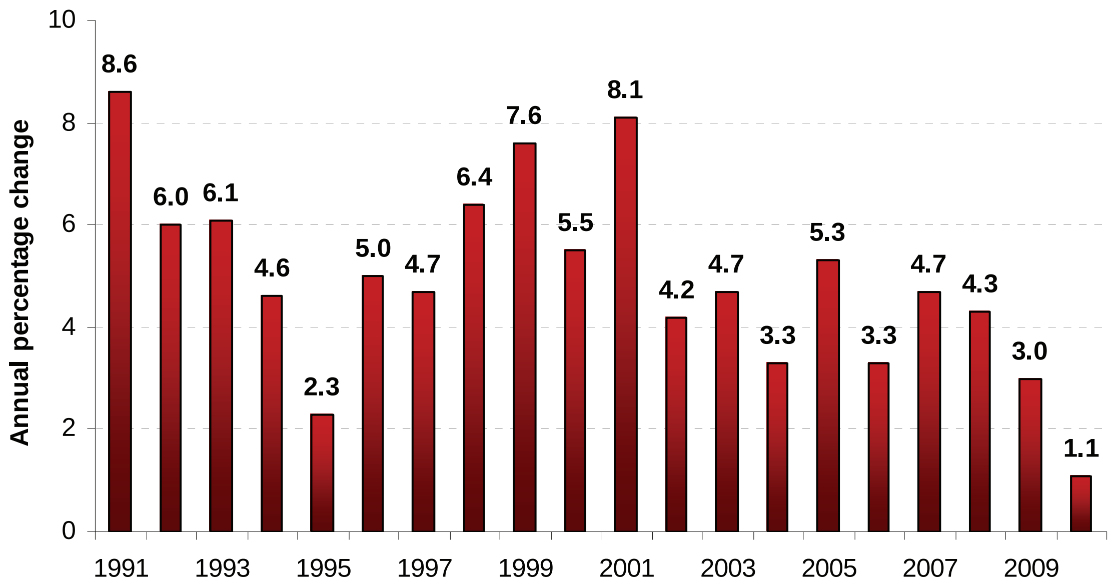
Since June 2009, the upward influence resulting from the introduction of GST in May 2008 has no longer been present, resulting in the annual percentage increases in RPI(Y), RPI Pensioners and RPI Low income being similar to that for RPI(X).

Average Earnings

The Index of Average Earnings measures changes in average earnings (gross wages and salaries) that have been paid to workers in Jersey. The principal use of the Index is to measure the average *rate of change* of earnings in order to up-rate old age pensions. The Index is compiled using data from a matched-pair sample of employers who provide data on the monthly or weekly earnings paid and the number of full-time employees covered by those earnings.

In June 2010 the average weekly earnings of workers in Jersey was 1.1% higher than in June 2009. As shown by Figure 3.4 this is the lowest annual increase since the Index of Average Earnings was introduced in 1990.

Figure 3.4: Annual percentage change in average earnings



The latest increase is 1.9 percentage points less than that of the previous twelve-month period (3.0% to June 2009).

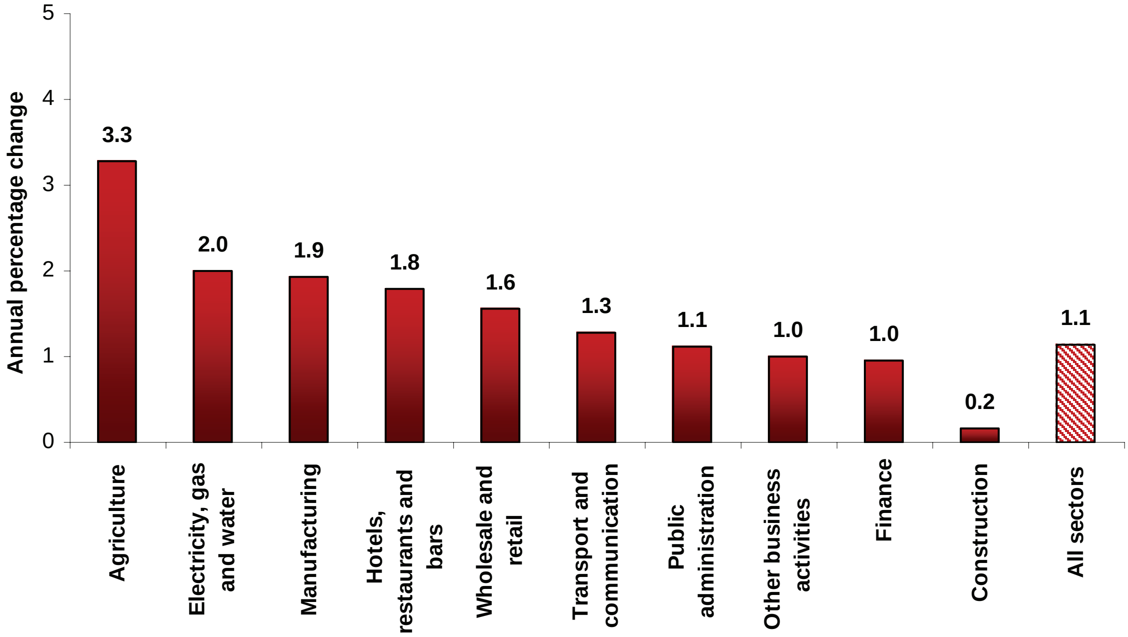
Individual business sectors

As indicated in Figure 3.5, the majority of industries in the private sector saw annual earnings increase by rates of between 1 and 2 percent in the twelve months to June 2010. Notable movements included:

- the Agriculture sector recorded an increase of 3.3% in average earnings, driven by the 2% increase in the minimum wage[18] implemented in April 2010;
- the lowest annual increase was seen by the Construction sector (0.2%) which recorded its smallest annual change since 2003, when average earnings in the sector fell by 1.1%;
- average earnings (excluding bonuses) in the Finance sector rose by 1.0%; the average annual increase over the previous five-year period in this sector was 4.3% per annum.

[18] Minimum Wage legislation came into effect in Jersey on 1 July 2005, the level of minimum wage has been increased effective each 1 April subsequently. On 1 April 2010 the figure was increased by 2% to £6.20 per hour.

Figure 3.5: Annual percentage changes in the Index of Average Earnings by sector 2010[19]



The rate of growth of average earnings in the private sector overall in Jersey has seen a downward trend over the last decade. The latest increase of 1.1% is the lowest recorded since private sector earnings were first reported separately in 1995.

In the twelve months to June 2010, public sector earnings rose by 1.1%. Although the majority of public sector employees received scheduled pay awards for 2010, a small number of pay groups (notably teachers, nurses and prison officers) had not received a pay award for 2010 by the end of June 2010[20].

Level of Earnings

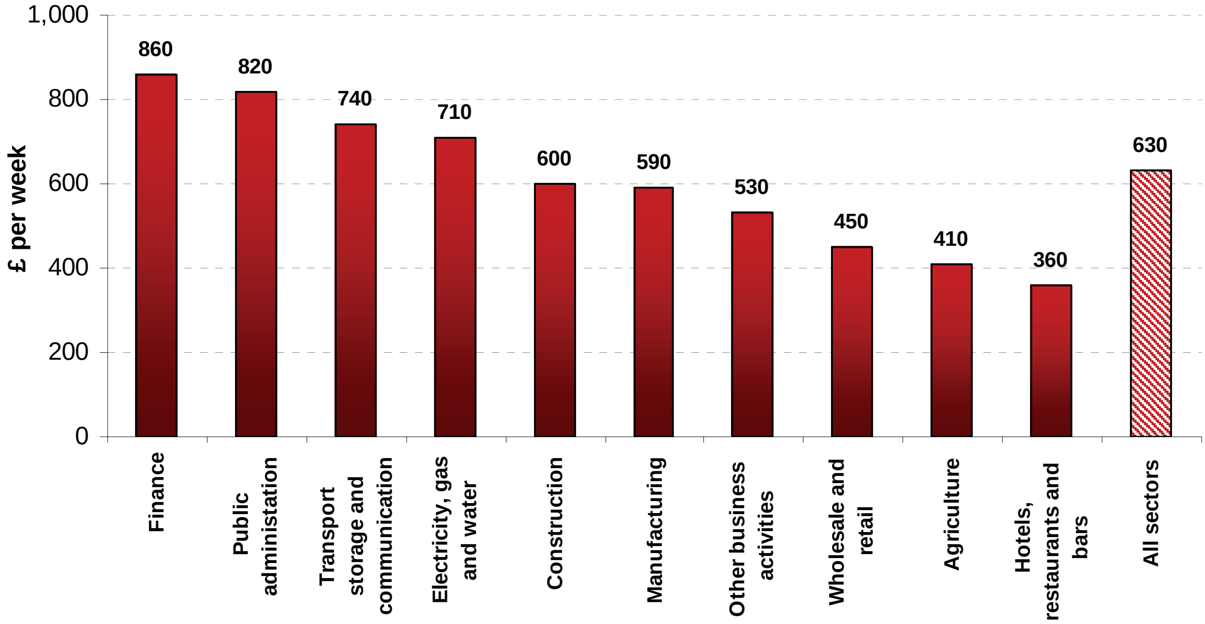
From the data collected to produce the Index of Average Earnings it is also possible to estimate levels of average pay. Such figures are informative in that they illustrate the difference in levels of pay across sectors, with a statistical uncertainty (standard error) of approximately £20. Hence, the figures for weekly earnings shown in Figure 3.6 should be considered as reasonable approximations, but with not quite the same degree of accuracy attributable to the annual percentage changes shown in Figure 3.5.

Mean average weekly earnings per full-time equivalent (FTE) employee can be calculated whereby part-time staff are converted into full-time equivalents based on the number of hours worked. It should be noted, therefore, that *part-time workers will actually earn a fraction of the weekly averages shown in Figure 3.6, depending on the proportion of a full-time week worked.*

[19] In Figures 3.5 and 3.6 the category "Other business activities" comprises private sector "Miscellaneous business activities", "Education, health and other services" and "Computer and related activities". Former and current States Trading Committees are included in the Transport, storage and communication sector.

[20] The majority of public sector pay groups received a pay award of 2% effective from the 1 January 2010. Had the pay groups which had not received pay awards by the last week of June 2010 received the same increase, the overall increase in average earnings for the public sector over the twelve months to June 2010 would have been close to 2%.

Figure 3.6: Average earnings by sector in June 2010; *per full-time equivalent employee*

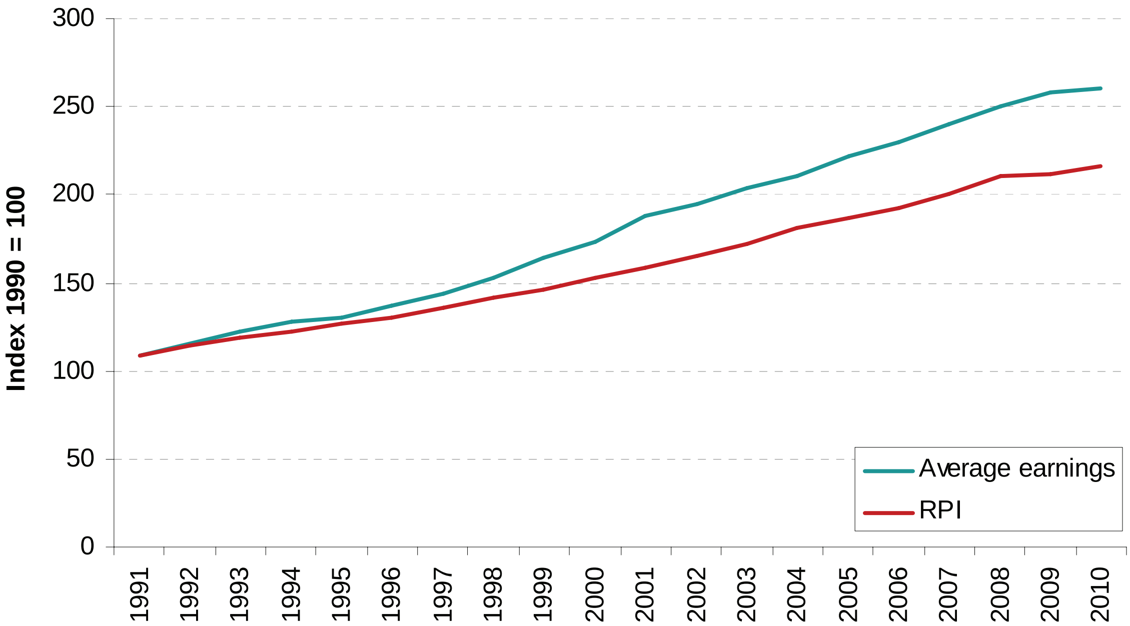


The mean average weekly earnings for full-time equivalent (FTE) employees in Jersey in June 2010 was £630 per week. This figure excludes bonuses paid in the Finance sector (which are excluded from the average earnings measure due to their potentially volatile nature). The annual Survey of Financial Institutions in Jersey enables estimation of the average bonus paid per FTE employee working in the sector; for 2009, bonus payments increase the average earnings of FTE workers in the Finance sector by around £90 per week.

Average earnings by sector ranged from £360 per week in Hotels, restaurants & bars to £820 per week in the Public sector and £860 per week in Financial services (see Figure 3.6; underlying data are shown in Annex Table A5).

Earnings and prices

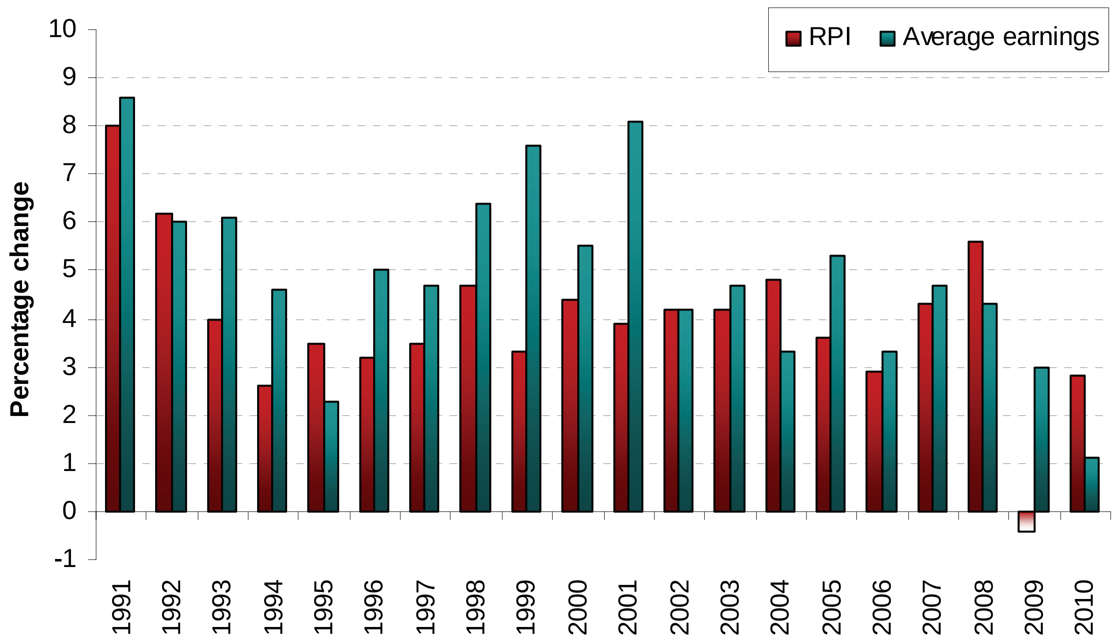
Figure 3.7: Index of Average Earnings and the RPI, annual averages



As shown in Figure 3.7, the long-term growth of earnings in Jersey has increased at a faster rate than retail prices; since 1990 the Jersey RPI has increased by 117% (i.e. more than doubled), corresponding to an average annual rate of increase of 3.9% per year whilst earnings have increased by 161% over the same period, corresponding to an average annual rate of increase of 4.9% per year. Thus over the long-term, earnings have increased faster than prices by an average of about 1 percentage point per year.

However, in the twelve months to June 2010 the RPI rose by 2.8% whilst average earnings increased by 1.1%; thus prices increased by 1.7 percentage points more than earnings over the period. As Figure 3.8 shows, prices have increased at a faster rate than earnings in five out of the last twenty years.

Figure 3.8: Annual percentage changes in the Index of Average Earnings and in the RPI at June each year



Over the twelve months to June 2010, average earnings in Jersey rose by less than the underlying rates of inflation as measured by RPI(X) and RPI(Y), which saw annual increases of 2.6% and 2.7%, respectively.

The Index of Average Earnings is used to up-rate the State old-age pension in Jersey. It is therefore informative to compare the change in earnings with the increase in the RPI for pensioner households:

- average prices for pensioner households increased by 2.7% over the twelve months to June 2010, a rate of increase which is 1.6 percentage points more than that of earnings over the same period;

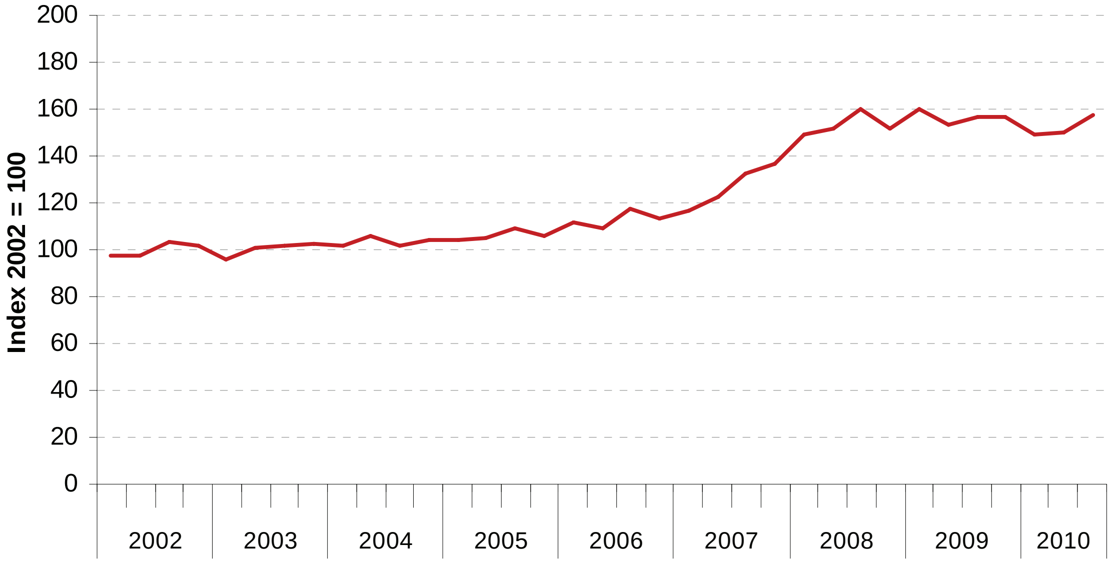
- since 2007, when the RPI for pensioner households was first introduced in Jersey, the RPI for pensioners has increased by 11.6% compared with an increase of 8.6% in earnings.

House Prices

The measurement of dwelling prices in Jersey underwent a thorough review in 2002, resulting in a more extensive measure which includes both flats and houses, as well as a breakdown by size of property (number of bedrooms).

As Figure 3.9 indicates, the Jersey House Price Index had been essentially flat during the eighteen month period from mid-2008 to the end of 2009. The first six months of 2010 then saw property prices fall, by 5% on average.

Figure 3.9: Jersey House Price Index (average for 2002=100)



Over the period covered by the new Jersey House Price Index[21], property prices overall were effectively flat between 2002 and 2003, increased at a rate of about 3% per annum in both 2004 and 2005, at almost 7% in 2006 and at 13% in 2007. Calendar year 2008 saw a greater rate of price growth; the overall average price of dwellings sold in 2008 was 20% higher than in 2007.

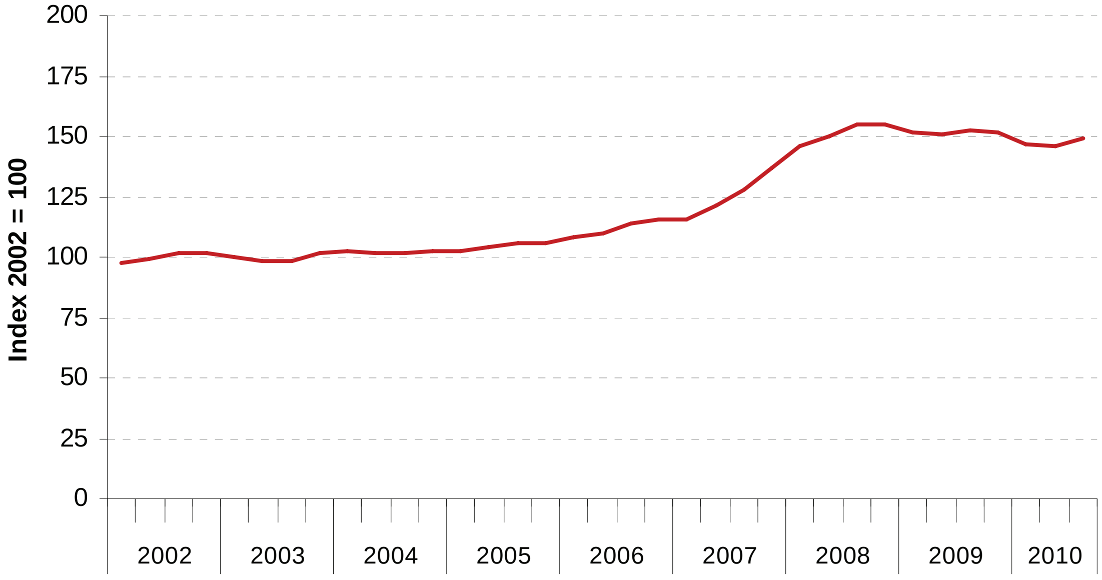
In 2009, property prices, overall, increased by 2%, the lowest annual rate of increase seen since 2003. The most recent quarter, Q3 2010, has seen an increase in average price of 5% on the previous quarter, the average price of properties sold being at a level similar to that of calendar year 2009.

The mix-adjusted price of £500,000 recorded in Q3 2010 was 5% higher than the mean for the first six months of 2010; the increase was particularly driven by the 4-bedroom houses which sold in the latest quarter.

The general stability in price of the majority of the Jersey housing market since the beginning of 2008 to the present is indicated by Figure 3.10, which shows the House Price Index calculated *excluding* the generally more volatile category of 4-bedroom houses and is also seasonally adjusted. This sub-index was flat for the two-year period 2008 to 2009, the calendar year averages for these years being almost identical.

[21] See "The Jersey House Price Index – comparison of old and new methodologies"; States of Jersey Statistics Unit, June 2003.

Figure 3.10: Jersey House Price Index excluding 4-bedroom properties (average for 2002=100); seasonally adjusted

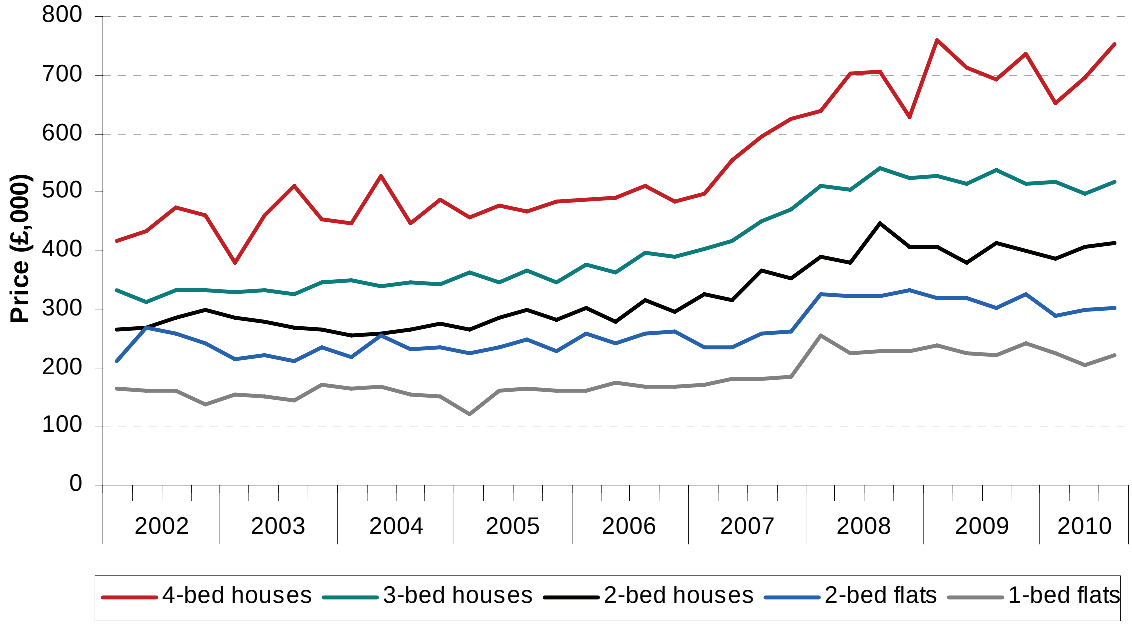


Property specific movements over the past eight years can be seen in Figure 3.11.

The mean price of 1-bedroom flats was essentially stable throughout 2008 and 2009. The mean price recorded in 2010 (£223,000), however, was some £10,000 below the averages for calendar years 2008 and 2009.

The mean price of 2-bedroom flats also remained essentially stable during 2008 and 2009. The mean price recorded in the latest quarter (£302,000) was around £20,000 lower than the averages for 2008 and 2009.

Figure 3.11: Mean prices (£,000) for individual property types



In the latest quarter, Q3 2010, the mean price 2-bedroom houses (£415,000) was 4% higher (corresponding to £15,000) than that recorded in 2008 and 2009.

Three bedroom houses account for almost half of all residential transactions in Jersey. Following a period of ongoing price increases from 2006 to early 2008, the subsequent two-year period saw effectively stable prices. The mean price recorded in Q3 2010 (£518,000) was similar to the averages for 2008 and 2009.

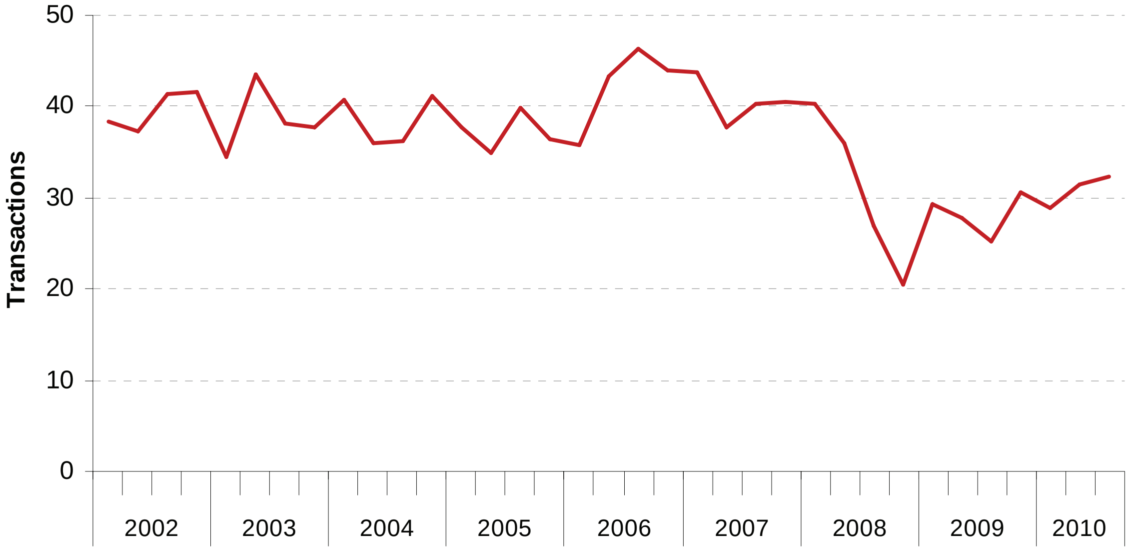
4-bedroom houses have seen a degree of volatility in mean price since the beginning of 2008. The latest quarter saw a mean price of £754,000, the highest recorded for this property type since Q1 2009.

From the perspective of turnover, 225 eligible[22] properties were reported as being sold in Q3 2010. Some interpretation is required in making comparisons of turnover between quarters due to the variation in the frequency of sittings of the Royal Court each quarter (when property transactions take place) and also the marked seasonality of the raw data.

Taking these facts into account, seasonally adjusted turnover in the latest quarter, at 32 properties per bulletin, was similar to the previous quarter, Q2 2010. Whilst the seasonally adjusted turnover was higher than that recorded a year ago (25 properties per bulletin in Q3 2009), it remains almost a fifth below the long-term average seen before mid-2008 (Figure 3.12).

Most property types saw turnover remain stable in Q3 2010 compared with the previous quarter, except for 1-bedroom flats which recorded a higher number of transactions in the latest quarter, largely as a result of a new development coming on to the market.

Figure 3.12: Seasonally adjusted turnover 2002 to Q3 2010 per sitting of the Royal Court

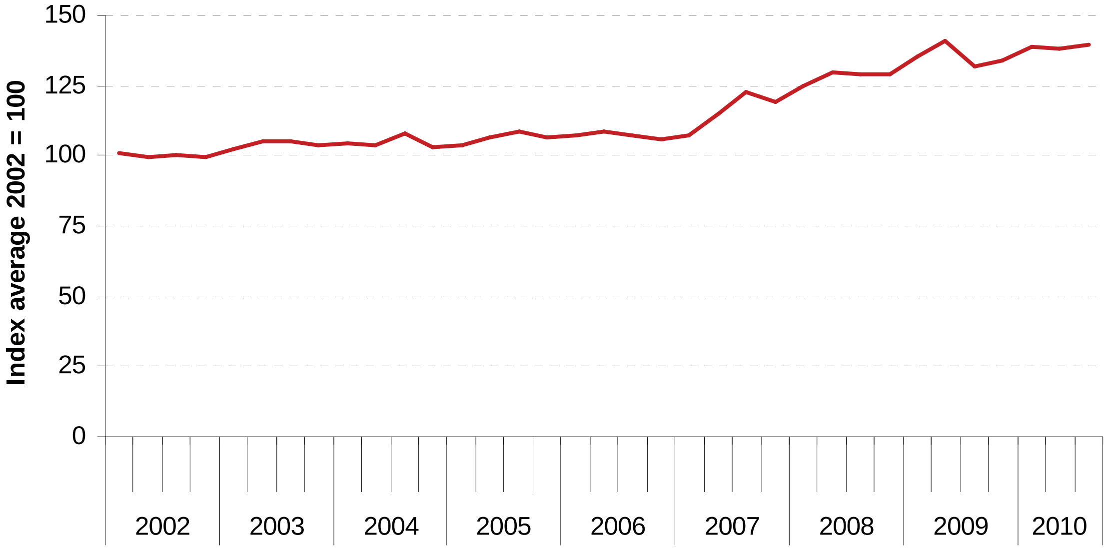


[22] Certain property transactions are excluded from calculations, for example commercial properties and derelict buildings. Further information on excluded property categories can be found in Note 2 of the Jersey House Price Index, Third Quarter 2010: Statistics Unit November 2010.

Jersey Private Sector Rental Index[23]

In the third quarter of 2007 a Private Sector Rental Index was introduced for Jersey[24] (Figure 3.13).

Figure 3.13: Jersey Private Sector Rental Index (Average 2002 = 100)



Average rents in the private sector, as measured by the Jersey Private Sector Rental Index, increased by about 4% between 2002 and 2003. Rents were then essentially stable between 2003 and 2006 before rising in 2007 (up by 8% on an annual basis) and in 2008 (up 10%). 2009 recorded a lower rate of increase, of 6%.

In the first nine months of 2010 average rents (from new consents) were 3% higher than the average for all of calendar year 2009.

RPI, Earnings and House prices

Since 1990, the average annual growth rate in house prices (6.8%) has been greater than that of both earnings (4.9%) and retail prices (3.9%) in Jersey.

[23] The Jersey Private Sector Rental Index is published as an experimental index.

[24] Using data based on new lease transactions recorded in a given quarter.

Annex

Table A1a: GVA by sector in current values; *£ million*

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008(r)	2009(p)
Agriculture	46	47	47	44	47	48	44	47	50	53	57	62
Manufacturing	60	63	64	65	64	63	59	56	55	53	55	53
Electricity, gas and water	33	36	36	35	36	34	34	37	36	36	41	37
Construction	127	137	143	153	165	160	161	177	192	212	219	226
Wholesale and retail	182	189	194	197	200	210	215	228	239	256	249	257
Hotels, restaurants and bars	106	111	107	107	107	113	113	112	116	123	126	121
Transport, storage and communication	112	121	120	128	131	133	138	146	150	159	158	167
Finance (r)	1,213	1,339	1,556	1,518	1,490	1,450	1,464	1,470	1,673	1,808	1,716	1,550
Other business activities	453	474	499	524	551	585	617	666	662	732	809	845
Public administration	157	174	186	199	210	223	235	244	257	276	294	304
Total	**2,489**	**2,691**	**2,952**	**2,970**	**3,001**	**3,018**	**3,080**	**3,183**	**3,430**	**3,708**	**3,725**	**3,621**

Table A1b: GVA by sector in real terms (constant values, 2003); *£ million*

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008(r)	2009(p)
Agriculture	56	56	53	48	49	48	43	44	46	47	50	52
Manufacturing	74	74	73	71	67	63	57	53	50	47	48	44
Electricity, gas and water	40	42	41	38	38	34	33	35	33	33	35	31
Construction	156	161	162	167	173	160	156	168	177	190	190	189
Wholesale and retail	224	223	220	214	209	210	209	216	220	229	215	216
Hotels, restaurants and bars	130	131	121	116	112	113	109	106	107	110	109	101
Transport, storage and communication	138	142	136	140	137	133	133	138	138	143	137	140
Finance (r)	1,492	1,613	1,762	1,655	1,557	1,450	1,417	1,389	1,540	1,622	1,484	1,300
Other business activities	557	558	565	571	575	585	597	630	609	657	699	708
Public administration	193	205	211	217	219	223	227	230	237	247	255	255
Total	**3,061**	**3,205**	**3,344**	**3,237**	**3,136**	**3,018**	**2,980**	**3,010**	**3,157**	**3,325**	**3,220**	**3,036**

(r): revised (p): provisional

Table A2: GVA per FTE employee in real terms (constant values, 2003); *£ thousand*

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008(r)	2009(p)
Agriculture	29	29	29	27	29	28	27	27	28	28	31	31
Manufacturing	34	35	34	35	34	34	34	35	35	35	36	38
Electricity, gas and water	65	69	68	63	67	64	66	71	67	66	70	61
Construction	34	37	39	38	39	38	38	38	39	41	41	41
Wholesale and retail	30	30	31	30	30	30	30	30	30	31	29	30
Hotels, restaurants and bars	22	23	22	23	22	23	23	23	22	23	23	22
Transport, storage and communication	54	54	53	55	54	55	55	58	58	59	56	58
Finance (r)	141	148	160	146	135	128	128	125	135	135	118	104
Other business activities	37	37	38	38	38	39	41	46	41	40	39	38
Public administration	38	39	40	41	41	40	41	42	42	42	43	43
All sectors	**58**	**62**	**65**	**63**	**61**	**59**	**59**	**59**	**61**	**62**	**58**	**54**

Note that the GVA per employee over all sectors excludes the rental component of "Other business activities".

Table A3a: Employment by sector; FTE *employees (excluding one-person businesses)*

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Agriculture	1,920	1,920	1,810	1,750	1,710	1,690	1,600	1,660	1,650	1,700	1,630	1,670
Manufacturing	2,150	2,140	2,130	2,020	2,000	1,850	1,670	1,520	1,410	1,340	1,330	1,160
Electricity, gas and water	620	610	610	600	570	530	500	490	490	500	500	510
Construction	4,600	4,370	4,190	4,360	4,480	4,250	4,150	4,370	4,590	4,610	4,660	4,640
Wholesale and retail	7,580	7,320	7,130	7,030	6,940	6,960	7,040	7,260	7,300	7,310	7,330	7,170
Hotels, restaurants and bars	5,980	5,770	5,440	5,150	4,990	4,920	4,770	4,700	4,770	4,830	4,810	4,660
Transport, storage and communication	2,580	2,620	2,570	2,530	2,510	2,440	2,400	2,390	2,370	2,420	2,450	2,420
Finance	10,550	10,870	11,010	11,330	11,550	11,330	11,040	11,130	11,420	12,020	12,550	12,550
Other business activities	5,464	5,512	5,594	5,715	5,759	5,912	5,886	5,904	6,063	6,317	6,662	6,830
Public administration	5,100	5,210	5,220	5,270	5,350	5,510	5,580	5,530	5,590	5,850	5,870	5,880
All sectors	**46,550**	**46,330**	**45,690**	**45,750**	**45,870**	**45,400**	**44,630**	**44,960**	**45,670**	**46,910**	**47,790**	**47,720**

"Other business activities" includes private sector Education, health and other services, Computer and related activities, and Miscellaneous business activities.
"Transport, storage and communication" includes former and current States Trading Committees.
Numbers are rounded independently to the nearest 10 and are weighted averages for each year.
One-person businesses are excluded in order to obtain a longer term view of employment in Jersey since one-person undertakings were not consistently reported before 2000.

Table A3b: Private sector employment by sector June 2010: headcount (number of employees *including one-person businesses*)

Sector	Full-time	Part-time	Total	Locally qualified	J category	Non locally qualified	Total
Agriculture	1,900	340	2,240	1,210	+	1,030	2,240
Manufacturing	1,120	220	1,340	1,160	20	170	1,340
Electricity, gas and water	470	30	510	470	+	40	510
Construction	5,140	340	5,480	4,970	50	470	5,480
Wholesale and retail	6,420	2,130	8,540	7,440	60	1,050	8,540
Hotels, restaurants and bars	4,790	1,250	6,040	2,930	30	3,080	6,040
Transport, storage and communication	2,340	430	2,770	2,570	50	150	2,770
Finance	11,680	1,090	12,770	10,970	750	1,050	12,770
Other business activities	6,050	3,610	9,660	8,350	190	1,110	9,660
Private sector total	**39,920**	**9,440**	**49,360**	**40,050**	**1,160**	**8,140**	**49,360**

Numbers are rounded independently to the nearest 10. + denotes a positive number less than 10.

Table A4: RPI group level indices and RPI(X), quarterly 2005 - 2010

Date	Food	Catering	Alcohol	Tobacco	Housing	Fuel & light	Household goods	Household services	Clothing & footwear	Personal goods & services	Motoring	Fares & travel	Leisure goods	Leisure services	All-Items RPI	RPI(X)
Mar-05	114.6	116.6	123.7	160.2	135.2	120.5	103.5	125.9	90.3	119.0	122.4	146.1	96.6	130.0	**121.9**	119.6
Jun-05	114.4	118.8	122.1	162.1	136.9	124.9	103.7	125.3	90.3	119.7	122.9	153.1	95.7	129.7	**122.6**	120.2
Sep-05	114.2	119.0	122.6	162.2	136.2	130.1	103.5	125.8	90.8	119.2	125.2	147.4	94.0	130.2	**122.7**	120.6
Dec-05	115.3	118.9	122.6	162.1	137.3	131.8	103.5	127.1	91.9	119.4	122.0	148.2	95.2	130.0	**123.0**	120.7
Mar-06	114.8	120.0	127.5	165.8	138.2	139.5	105.2	128.9	90.7	123.0	125.2	156.6	95.7	130.9	**124.8**	122.5
Jun-06	117.0	120.2	127.7	166.2	140.0	142.4	102.6	129.2	90.0	124.6	127.4	174.3	96.4	131.9	**126.2**	123.9
Sep-06	117.5	121.8	128.4	166.4	143.4	140.6	102.5	130.0	86.8	125.7	127.2	169.7	95.7	134.0	**127.1**	124.0
Dec-06	118.6	122.7	126.4	166.4	147.7	139.0	102.6	130.9	86.9	126.0	126.7	150.7	95.7	134.3	**127.5**	123.7
Mar-07	120.5	124.3	131.2	170.9	151.9	154.0	103.1	133.6	85.6	127.9	130.6	164.7	93.2	135.0	**130.3**	125.9
Jun-07	122.1	125.3	131.2	172.8	156.0	157.0	101.9	134.9	87.0	129.3	132.5	165.0	89.7	134.9	**131.6**	126.7
Sep-07	124.0	127.4	132.8	172.9	159.4	156.2	98.9	136.8	82.2	128.5	129.7	169.7	90.3	136.3	**132.1**	126.7
Dec-07	125.8	128.7	131.3	174.8	161.3	167.0	99.1	136.3	86.0	128.9	132.5	156.8	90.2	137.4	**133.3**	127.7
Mar-08	130.7	130.8	135.2	179.6	158.3	176.2	99.8	136.9	83.8	129.8	135.2	165.3	89.6	138.2	**134.5**	129.5
Jun-08	137.9	135.9	142.7	184.5	161.4	197.1	102.6	139.8	83.5	133.1	141.7	172.3	89.9	141.9	**139.0**	134.0
Sep-08	140.6	136.8	143.9	185.2	163.8	189.3	103.4	142.3	84.5	135.2	142.7	176.8	88.4	144.6	**140.5**	135.2
Dec-08	143.0	138.7	142.5	187.1	155.9	163.7	103.3	143.4	82.7	133.8	136.6	174.1	86.5	146.0	**137.7**	134.3
Mar-09	143.2	139.0	146.0	194.0	145.5	181.1	104.7	145.6	84.8	135.0	135.4	189.5	83.2	148.0	**137.3**	136.2
Jun-09	143.6	138.8	149.6	196.0	145.5	184.4	106.4	146.3	82.4	137.2	141.3	179.7	84.3	150.7	**138.5**	137.8
Sep-09	144.0	140.9	150.3	197.7	147.5	188.9	106.3	147.5	83.7	138.3	141.6	179.8	83.3	152.9	**139.6**	138.8
Dec-09	144.3	142.1	146.8	196.0	149.0	197.8	106.9	147.7	84.6	138.9	140.3	171.5	84.0	154.6	**140.0**	139.0
Mar-10	148.4	142.8	150.7	195.8	150.9	200.7	107.9	148.1	82.8	139.7	144.1	173.8	83.4	155.9	**141.7**	140.7
Jun-10	148.3	145.3	151.3	194.1	152.4	202.2	106.7	149.1	81.1	140.4	144.3	184.0	83.0	157.5	**142.4**	141.4
Sep-10	148.4	144.1	153.6	194.1	152.9	199.6	106.2	150.9	83.3	140.7	141.6	180.4	81.9	159.8	**142.6**	141.4

Table A5: Average earnings by sector; *£ per week per full-time equivalent employee*

Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009(r)	2010(p)
Agriculture	310	330	320	310	320	340	360	370	380	400	410
Manufacturing	420	440	450	470	490	520	530	550	560	580	590
Electricity, gas and water	460	480	500	530	550	590	610	640	670	700	710
Construction	410	430	460	460	480	510	520	550	580	600	600
Wholesale and retail	310	330	340	350	370	390	400	410	430	440	450
Hotels, restaurants and bars	240	270	270	280	290	300	310	320	350	350	360
Transport, storage and communication	480	510	520	560	580	610	640	670	690	730	740
Finance	540	590	630	670	690	720	750	790	830	850	860
Other business activities	360	380	410	430	450	470	480	500	500	520	530
Public administration	570	600	620	640	670	700	730	770	800	810	820
All sectors	**420**	**450**	**470**	**490**	**510**	**530**	**550**	**580**	**610**	**620**	**630**

Numbers are rounded to the nearest £10.

The figures shown for 1998-2009 are weighted averages for each calendar year, compiled from six-monthly manpower data for the whole year in question and the June snapshot of earnings data provided by the Index of Average Earnings survey. The figures for 2010 are preliminary estimates based on June 2010 data only; some of the figures for 2009 have been revised from those published previously to include more recent data.

Figures shown for "Public administration" have been smoothed to remove the effect of a two-year structure of pay awards in some years of the period.

Table A6: Schedule of Statistics Unit publications for 2011.

Month	Day	Publication
January	12	Business Tendency Survey - Q4 2010
	26	RPI - December 2010
February	17	House Price Index - Q4 2010
March	9	Retail Sales - Q4 2010
April	6	Labour Market - December 2010
	13	Business Tendency Survey - Q1 2011
	20	RPI - March 2011
	27	Jersey in Figures - 2010
May	19	House Price Index - Q1 2011
June	8	Retail Sales - Q1 2011
	29	Survey of Financial Institutions - 2010
July	13	Business Tendency Survey - Q2 2011
	22	RPI - June 2011
August	18	House Price Index - Q2 2011
	24	Average Earnings Index - June 2011
	31	UK/Jersey Price Comparisons - June 2011
September	21	Retail Sales - Q2 2011
	28	GVA and GNI - 2010
October	5	Labour Market - June 2011
	19	Business Tendency Survey - Q3 2011
	21	RPI - September 2011
November	17	House Price Index - Q3 2011
December	7	Retail Sales - Q3 2011
	14	Jersey Economic Trends - 2011

Statistics Unit publications for 2011 will be available on the Statistics Unit website: www.gov.je/statistics.

Statistics Unit
16th December 2010