

Guernsey's Economic Development

1. Strategic Overview



COMMERCE AND EMPLOYMENT
A STATES OF GUERNSEY GOVERNMENT DEPARTMENT



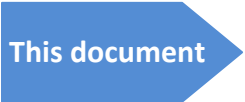
POLICY COUNCIL
THE STATES OF GUERNSEY

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Guernsey's Economic Development – Document overview

This Strategic Overview is the first in a series of three documents that provide details of the current and proposed initiatives, policies and actions which will promote and facilitate the growth of Guernsey's economy. These proposals are presented in three documents in order to make them more accessible to readers, and include two summary documents and a longer document that contains the detailed proposals.

A description of the three documents in the suite is shown in the table below:

	Document Number	Title of document	Description
	1.	A Strategic Overview	Provides an overview of the Economic Development Framework and its four key objectives.
	2.	Summary of Strategic Aims and Timescales	Provides a summary of the Strategic Aims of the Economic Development Framework and the timescales for their implementation.
	3.	A Strategic Framework for Guernsey's Economic Development	Provides details of the 4 key objectives and the 27 Strategic Aims of the Economic Development Framework.

Introduction – Ensuring that Guernsey’s economy remains competitive

Guernsey needs to have an economy that is of high value and which delivers prosperity for both businesses and individuals. It should be sustainable, diversified and resilient. At the same time, development of Guernsey’s economy should respect the unique quality of place that results in Guernsey being an excellent place to live and in which to do business. Above all Guernsey’s economy should:

- be open and conducive for business;
- be balanced and competitive;
- encourage high value added, low environmental impact activities;
- invest in people to achieve high skill levels in order to make the Island’s labour pool competitive in an international context;
- invest in high quality infrastructure and communications; and
- be able to provide the conditions that encourage enterprise and successful businesses.

Achieving these aims – a Strategic Framework for Economic Development

The overriding aim of the **Strategic Framework for Guernsey’s Economic Development** is as follows:

“We will continue to support and promote a diverse finance industry as the main engine of growth in the economy. At the same time our focus will be to encourage the growth of other “high value, low footprint” sectors of the economy by encouraging competitive pricing, high skill levels, infrastructure and appropriate legislation and regulation.”

We have developed the Framework in order to provide the basis for on-going initiatives and support for economic development. This framework is detailed in the accompanying document “**A Strategic Framework for Guernsey’s Economic Development**”.

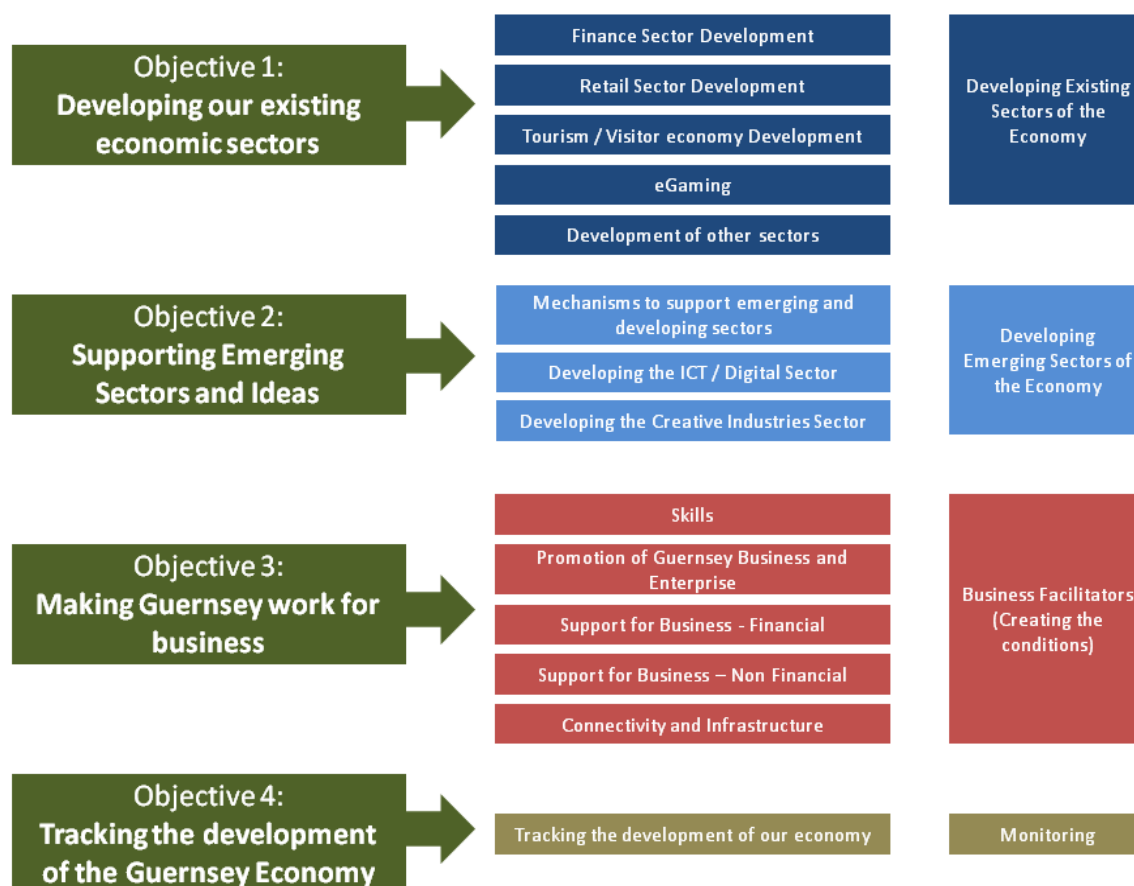
The Framework identifies a set of evolving actions and initiatives which will develop the economy using this framework. The Framework is focused on **4 key objectives**, which are:

- **Objective 1:** To continue to develop our existing economic sectors
- **Objective 2:** To support emerging sectors and ideas
- **Objective 3:** To make Guernsey work better for business
- **Objective 4:** To track the on-going development of the Guernsey economy.

Under the **4 objectives** are **27 Strategic Aims** which signal where priority areas of activity will take place.

These objectives are shown diagrammatically in **Figure 1** on the next page and explained in more detail in the following paragraphs:

Figure 1: Overview of the Strategic Framework for Guernsey's Economic Development



Objective 1: Developing our existing economic sectors

Our existing economic sectors provide the backbone of Guernsey's economy and we will continue to support and develop these important parts of the economy. The development of opportunities for economic growth in the existing sectors of the economy is therefore being addressed in a number of related strategies that will be released under this overarching framework, including:

- The Finance Sector Development Strategy;
- The Retail Strategy; and
- The Tourism/Visitor Economy Strategy;
- E-gaming

In addition initiatives and strategies for developing the other economic sectors of the economy are also recommended.

Objective 2:

Supporting emerging sectors

This second objective relates to the support and development of emerging sectors of the economy. We will develop opportunities to diversify the economy to create a more “broadly” balanced economy. This part of the Framework therefore identifies ways in which emerging sectors and innovative ideas will be supported and developed. In order to do this, the Framework will:

- Identify mechanisms to support emerging and developing sectors; and
- Set out ways of developing emerging sectors, including, ICT / Digital and the Creative Industries sector.

There is a particular focus on developing the Island’s capability in the ICT, Digital and Creative sectors. All these areas are potentially medium to high revenue earning sectors that are able to exploit global markets. They therefore have the potential to become significant earners of export income for the Island. They are reasonably “low footprint” activities and will be able to take advantage of Guernsey’s high level of workplace skills. These will be further enhanced with the appropriate level of skills training.

The Commerce and Employment Department is concentrating urgently on activities that will ensure the digital infrastructure on the Island is competitive and capable of supporting the growing digital and creative sectors. At the same time we recognise that it will be important for all Islanders to develop and enhance their capabilities in order to take advantage of opportunities in the Digital World – both from a workplace perspective and from a wider perspective of encouraging greater social inclusion. We are therefore developing a Digital Skills Strategy which will enable all Islanders to improve their knowledge and capabilities of opportunities in the Digital World.

Objective 3:

Making Guernsey work for business – helping businesses get the best from Guernsey

Guernsey has always been open to new business ideas and innovation. This has ensured that the Guernsey economy has continued to thrive, adapting to new opportunities as they emerge. The Framework clearly asserts that Guernsey must continue to be open and conducive for business.

Accordingly, this objective of the Framework identifies ways in which Government will work to continue to make Guernsey an attractive environment in which to do business. In the Framework we set out a number of activities which we term “Business Facilitators”: these are the conditions and infrastructure that needs to be in place in order to maximise economic opportunity across all economic sectors. Business Facilitators include areas such as infrastructure, legislation and regulation, people (skills) and government support.

Ensuring that these conditions are in place is an important part of the Government’s support for all aspects of business in the Island. The Business Facilitators identified are:

- Implementation of an Island Skills Strategy;
- Promotion of Guernsey business and enterprise;
- Financial support for businesses - investigation of an angel seed fund;
- Non financial support for businesses – improving the co-ordination of business and enterprise support, regulation, legislation and seeking to remove barriers to business; and
- Reliable, accessible and affordable provision of infrastructure (transport links, commercial premises and energy sources), in order to encourage and support enterprise and business success.

The Economic Development Framework addresses the need to develop and improve Islanders’ skills. The thinking behind this initiative is two fold. Firstly, in order for the Island to remain competitive it needs to

ensure that the right skills in the appropriate areas of the economy are developed and maintained. Secondly, studies have shown that a higher level of skills leads to greater productivity, and in general higher paid work. With restricted opportunities to grow the economy through increases in land and population, increasing productivity will need to become a major focus in order to ensure the continued growth of the economy. As new opportunities arise it will become increasingly important that locally qualified staff have the correct skill sets in order to be able to take advantage of these opportunities.

Objective 4:

Tracking the development of our economy

The fourth objective of the Framework relates to ways in which the development of our economy will be monitored. This will also ensure that we have a means of tracking the effectiveness of our economic development policies and initiatives.

Although there is currently a good suite of basic economic statistics available, particularly those relating to the labour market, there will be added benefit in developing a greater understanding of individual economic sectors.

We recommend that qualitative data as well as quantitative data on the performance of the Island's economic sectors should be collected in order that we can:

- Measure economic growth; and
- Understand business needs.

Tracking our economy will enable government to be more responsive to changing needs and circumstances enabling government policies to be implemented rapidly.

Timescales and Resources

The next document in this series of three “**Guernsey’s Economic Development – Summary of Strategic Aims and Timescales**” provides a summary of the 27 Strategic Aims together with the anticipated timescales for their implementation. The document provides references to the relevant page numbers in the third document “**A Strategic Framework for Guernsey’s Economic Development**” which gives further background and details of each Strategic Aim.

It should be noted that many of the activities detailed under the Strategic Aims are already work in progress and fall predominantly within the responsibility of either the Commerce and Employment Department or the Policy Council. Some are specific projects and some are ongoing activities which will need wider consultation and participation. For some areas of work, for instance the Retail Strategy, it will be important to develop these in conjunction with other initiatives and strategies such as the Transport Strategy.

Where initiatives are explored which may require additional resources beyond the existing budgets available to the Commerce and Employment Department or the Policy Council, these will be subject to a separate States Report or where appropriate, an evidence based business case.