

Summary

Gross Value Added (GVA)

- on an annual basis Jersey's economy, as measured by total GVA, grew by 2% in real terms in 2015
- total GVA in 2015 was £4.11 billion (current year values)
- 2015 represents the second consecutive year that the Island's economy has grown in real terms
- the majority of the non-finance sectors of the economy recorded real-term growth in GVA in 2015; in contrast, the Finance sector saw GVA decline by 1% on an annual basis
- compensation of employees ("earnings") was the key driver in the real-term growth of total GVA in 2015, notably in financial services, the private sector service industries and construction
- rental income of private households (both actual and imputed) was also a key element in the real-term growth of total GVA in 2015
- in contrast, gross operating surplus ("profits") declined on an annual basis, driven by the decrease recorded by financial services in 2015

Gross Domestic Product (GDP)

- GDP in 2015 grew by 2% in real terms on an annual basis
- GDP in 2015 was £4.07 billion (current year values)

Productivity

- productivity, as measured by GVA per full-time equivalent worker, declined marginally in 2015 (down by 0.2%)
- the non-finance sectors, overall, saw productivity increase by 3% in 2015; in contrast, the Finance sector saw productivity decrease by 4%
- over all sectors of the economy, productivity has fallen by a fifth (20%) in real terms since 2007, driven by a decline in productivity of the Island's finance sector of more than a quarter (29%)
 - productivity in the non-finance sectors, overall, has declined by 5% since 2007 but has remained relatively stable over the longer term; productivity in the non-finance sectors in 2015 was 3% higher than in 1998

GVA per head of population

- GVA per head of population in 2015 was £40,000 (current year values)
- GVA per head of population in 2015 was marginally higher than a year earlier (up by 0.5%)
- the average economic standard of living of residents in Jersey, as measured by GVA per head of population, has declined by more than a sixth (18%) in real terms since 2007

Introduction

This report presents estimates of the size and performance of Jersey's economy, measured according to the internationally agreed framework¹. Two aggregate measures are presented (see Note 1):

Gross Value Added (GVA): shows the value of economic activity taking place in Jersey and permits a breakdown by each sector of the economy;

Gross Domestic Product (GDP): the traditional aggregate measure of an economy which requires specific treatment for services indirectly charged by financial services institutions (FISIM).

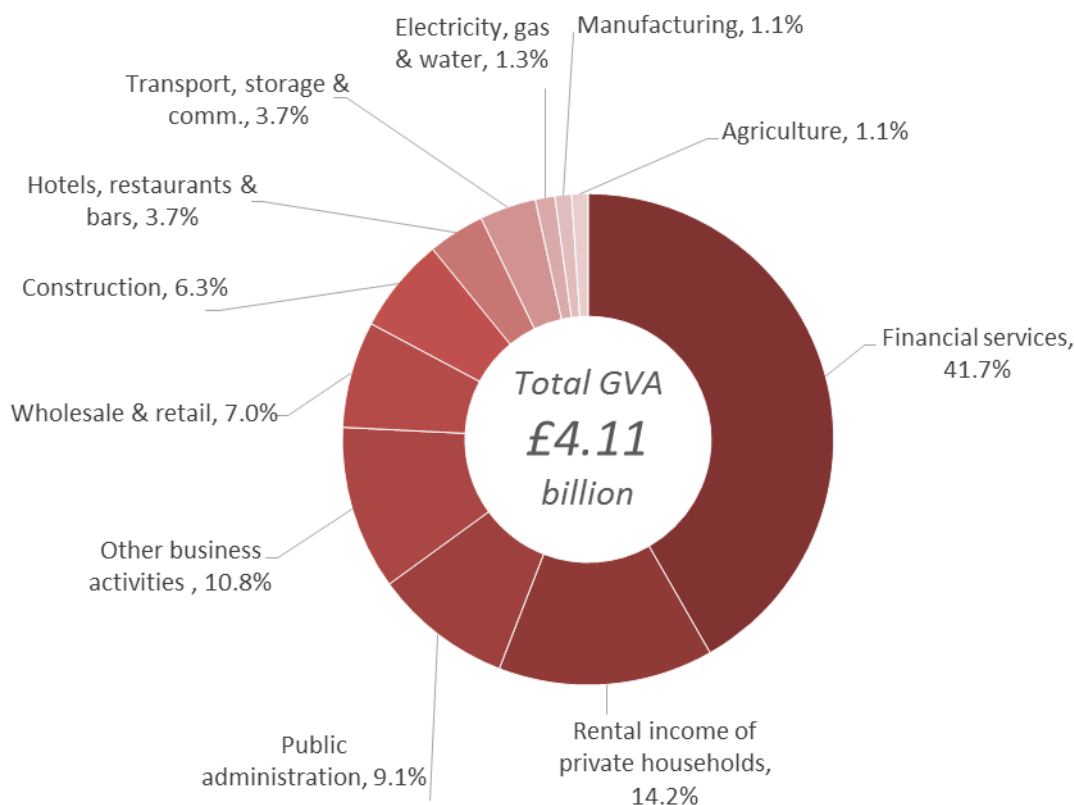
These measures are presented in current year values of income (particular to each calendar year, and referred to as "nominal" values) and in constant year values (adjusted for inflation, and referred to as "in real terms").

Section 1 - Current year values of income

Gross Value Added, GVA

In nominal terms (expressed in current year values of income) the total GVA of Jersey's economy in 2015 was £4.11 billion². The contribution of each sector of the economy to total GVA in 2015 is shown in Figure 1.

Figure 1 – GVA by sector, 2015



The Finance sector was the largest component of total GVA in 2015, accounting for more than two-fifths (42%) of total GVA and for almost half (49%) of all economic activity excluding the rental income of private households (see Note 2).

The next largest sectors in terms of GVA (excluding the rental income of private households) were other business activities (comprising predominantly private sector service industries) and public administration, accounting for 11% and 9%, respectively, of total GVA in 2015.

¹ System of National Accounts 1993 (SNA93): United Nations; European System of Accounts (ESA 1995): Eurostat; UK National Accounts: Concepts, Sources & Methods, 1998: Office for National Statistics.

² Throughout this report, all estimates for 2015 should be considered as provisional.

Table 1 shows the contribution of each sector of the economy to total GVA in each of the two latest years.

Table 1 – GVA (basic) by sector at current year values of income, 2014 and 2015: £ million

Sector	2014 (r)	2015
Agriculture	39	44
Manufacturing	44	45
Electricity, gas & water (Utilities)	49	53
Construction	235	259
Wholesale & retail	276	288
Hotels, restaurants & bars	147	153
Transport, storage & communications	144	153
Financial services	1,720	1,713
Other business activities	416	443
Rental income of private households	552	581
Public administration	369	374
Total GVA (basic)	3,992	4,106

Figures are shown rounded to the nearest £ million. (r) revised (see Note 4).

In nominal terms (i.e. not adjusted for inflation), total GVA in 2015 was 3% higher than in 2014.

All sectors of the economy recorded nominal annual increases in GVA in 2015, notably the private sector service industries and construction, which recorded nominal increases of £27 million and £24 million, respectively. The greatest nominal increase was seen in the rental income of private households. This component of GVA comprises actual rent, paid by households living in private sector rental accommodation (entitled and registered), and also imputed rent for owner-occupier households (see Note 2).

Gross Domestic Product, GDP

The measures presented in Figure 1 and Table 1 show GVA at *basic* prices, that is excluding taxes (GST and impôts) but including subsidies. GDP is defined as total GVA at *market prices* adjusted for the allocation of FISIM (see Note 1).

Table 2 shows that In 2014 and 2015 the difference between total GVA at basic and market prices was around £130 million to £140 million, whilst the downward FISIM adjustment in 2015 was greater than in 2014.

Table 2 – Total GVA and GDP at current year values of income: £ million

	2014 (r)	2015
Total GVA (basic)	3,992	4,106
Total GVA (market)	4,125	4,244
FISIM adjustment	-152	-169
GDP	3,973	4,075

Figures are shown rounded to the nearest £ million.

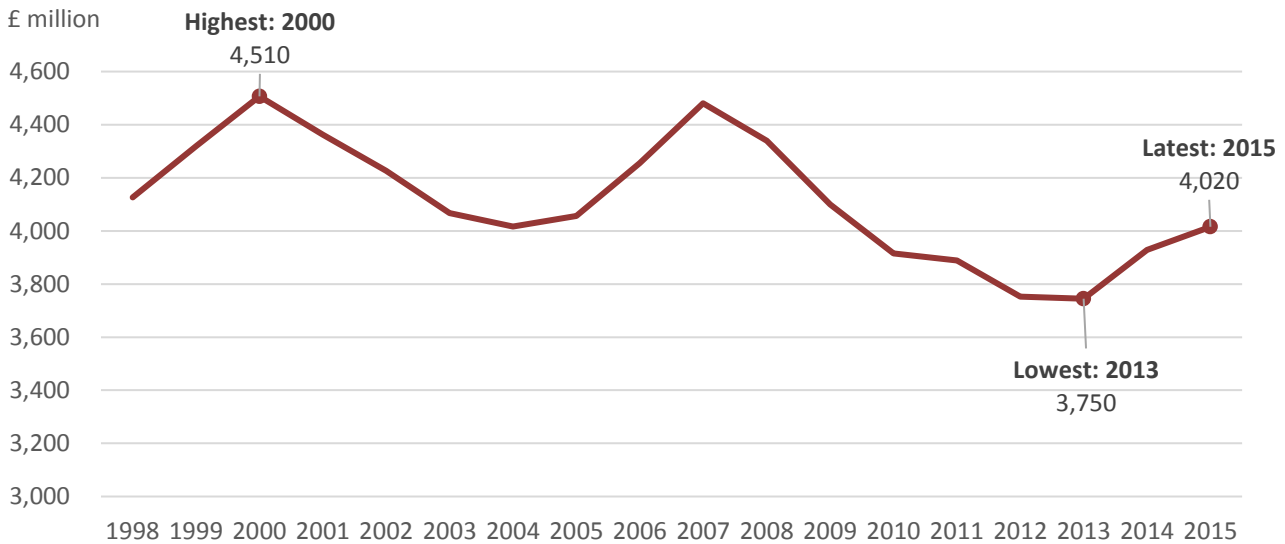
GDP in 2015 is estimated at £4.07 billion, corresponding to a nominal annual increase of almost 3%.

Section 2 - Constant year values of income

The previous section presented measures of Jersey’s economy in terms of current year values of income. A more informative perspective of economic performance across time is provided by considering **constant year values** of income (i.e. expressed “in real terms”), by deflating the estimates of GVA and GDP using the underlying rate of inflation (see Note 3).

Figure 2 shows the total GVA of Jersey’s economy in real terms for each year from 1998 to 2015 (see Appendix Table A1).

Figure 2 – GVA (basic) at constant year (2013) values of income, £ million

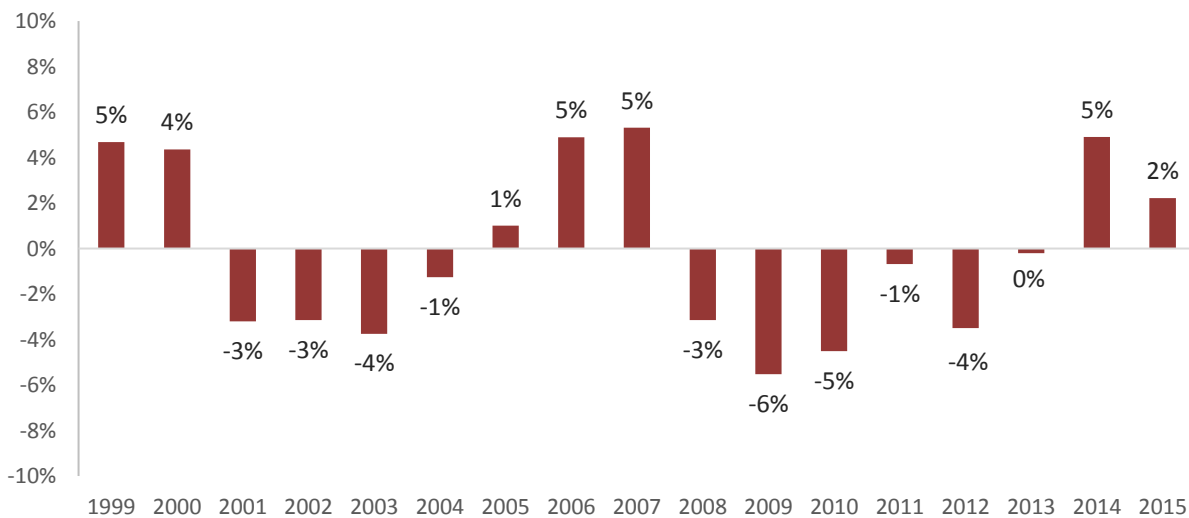


In real terms:

- total GVA increased by almost £90 million in 2015, corresponding to an annual increase of 2%
- the level of total GVA in 2015 was some £460 million below the previous peak seen in 2007

Figure 3 shows the annual percentage change of total GVA in real terms since 1999 (see Appendix Table A2).

Figure 3 - Annual percentage change of GVA (basic) in real terms



During the five-year period from 2007 to 2012 total GVA declined by a sixth (16%) in real terms and was essentially flat in 2013. In each of the latest two years, 2014 and 2015, total GVA has increased in real terms.

Table 3 shows the GVA for each sector of the economy in 2014 and 2015 in constant year (2013) values. The annual percentage changes of sectoral GVA in real terms from 1999 to 2015 are shown in Appendix Table A2.

Table 3 – GVA (basic) at constant year (2013) values of income: £ million and percentages

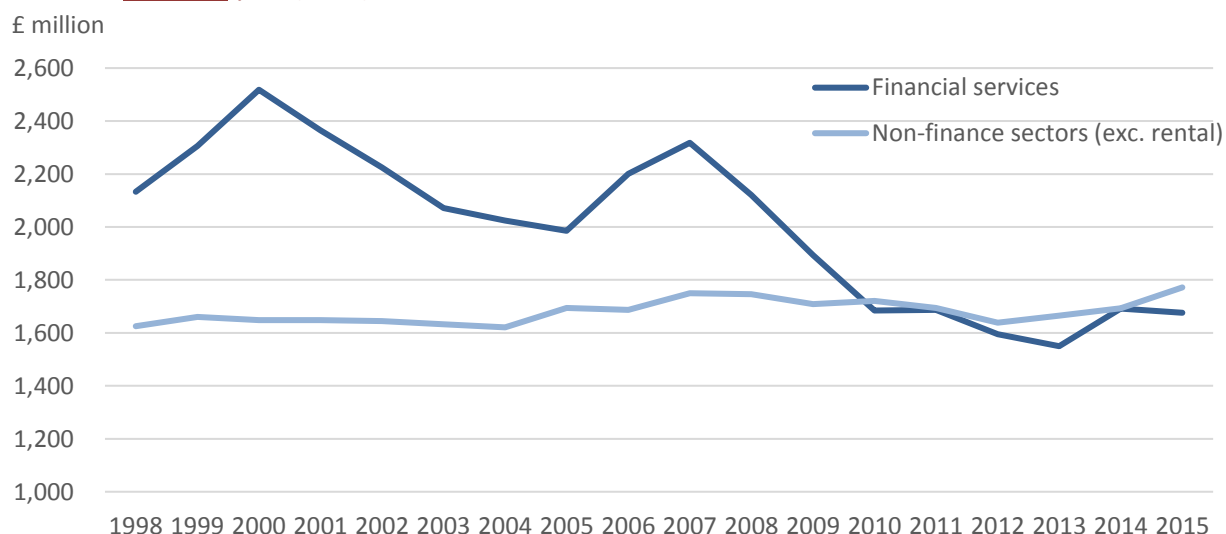
	2014 (r)	2015	Real-term change, %
Agriculture	39	43	11%
Manufacturing	44	44	0%
Electricity, gas & water (Utilities)	48	52	8%
Construction	232	253	9%
Wholesale & retail	272	282	4%
Hotels, restaurants & bars	145	150	4%
Transport, storage & communications	142	149	5%
Financial services	1,692	1,676	-1%
Other business activities	410	434	6%
Rental income of private households	543	568	5%
Public administration	363	366	1%
Total GVA (basic)	3,929	4,016	2%

Figures are shown rounded to the nearest £ million.

The real-term growth of total GVA was driven by the non-finance sectors, the majority of which saw real-term growth in GVA in 2015. Overall, the GVA of the non-finance sectors (excluding the rental income of private households) increased by 5% in real terms in 2015. . In contrast, the financial services sector saw GVA decline by 1% in 2015. In absolute terms, the private sector service industries and the construction sector recorded the greatest real-term growth, of £24 million and £21 million, respectively.

Figure 4 shows total GVA in constant year (2013) values for financial services and the non-finance sectors (overall, excluding the rental income of private households) from 1998 to 2015 (see Appendix Table A1).

Figure 4 – GVA (basic) for finance and non-finance sectors in real terms
constant year (2013) values of income, £ million



Prior to 2010 the GVA of the finance sector in Jersey was greater than the GVA of the non-finance sectors combined (excluding the rental income of private households). Since 2010, the GVA of the finance and non-finance components of the economy have been more similar.

The performance of the finance sector has been central to the overall performance of the Island's economy during the period covered by Figures 2 and 4. In particular, the peaks in total GVA seen in 2000 and 2007 were driven by the corresponding peaks in the GVA of the Finance sector in these years. Similarly, the decrease in total GVA of a sixth (16%) between 2007 and 2012 was largely a result of the decline of almost a third (31%) in the GVA of the finance sector over this period.

Components of GVA

The two components of GVA, as measured through the income approach, are Gross Operating Surplus (GoS) and Compensation of Employees (CoE), in essence "profits" and "earnings", respectively. The contributions of each of these components to GVA, overall and by sector, in the latest two years are shown in Appendix Table A4. Table 4, below, shows the real-term change in these components in 2015, overall and by sector.

Table 4 – Real-term annual change in Gross Operating Surplus, Compensation of Employees and GVA in 2015, constant year (2013) values of income: £ million

	Gross operating surplus	Compensation of employees	GVA
Agriculture	1	3	4
Manufacturing	0	1	0
Electricity, gas & water (Utilities)	4	-1	4
Construction	8	13	22
Wholesale & retail	6	3	10
Hotels, restaurants & bars	3	2	5
Transport, storage & communications	4	3	8
Financial services	-77	60	-16
Other business activities	4	20	24
Rental income of private households	25	0	25
Public administration	0	3	3
Total	-21	108	87

Figures are shown rounded to the nearest £ million; hence components may not sum to row or column totals

The key driver in the real-term growth of total GVA in 2015 was total CoE, up by £108 million on an annual basis. Underpinning this increase in CoE was a rise in total employment of more than 1,000 FTEs, coupled with a real-term increase in earnings (overall and on average).

At a sector level, notable increases in CoE were recorded by the financial services sector (up £60 million on an annual basis), the private sector service industries (up £20 million) and construction (up £13 million).

In contrast, total GoS declined in 2015, driven by the decrease recorded by the financial services sector (down £77 million on an annual basis).

The real-term growth of £25 million in the rental income of private households was driven by an increase in the rent imputed for owner-occupier households (see Note 2) and an increase in the numbers of households living in private sector rental accommodation in 2015 coupled with an increase in rents.

GDP in real terms

In 2015 Jersey's GDP increased by 2% in real terms on an annual basis, up from £3,910 million in 2014 to £3,990 million, in constant year (2013) values.

Section 3 - Productivity

Labour productivity is one of the main drivers that influence national living standards, as greater labour productivity means a greater output of goods and services can be produced from a given set of labour inputs. Labour productivity is defined in terms of GVA (basic) and manpower as:

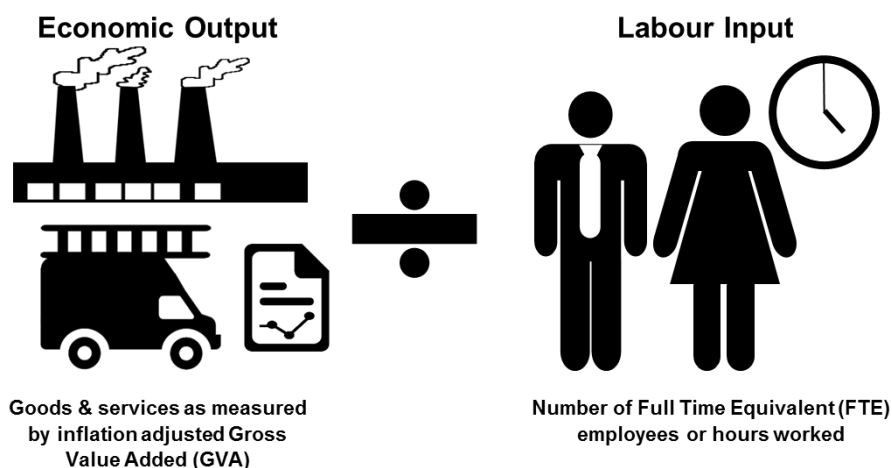


Table 5 shows the labour productivity of Jersey's economy in 2015, overall and by sector, in current year values and also shows the real-term annual change.

Table 5 – Productivity at current year values and real-term annual change, 2015
£ thousand and percentages

Sector	2015	Real-term change, %
Agriculture	27	16
Manufacturing	44	-1
Electricity, gas & water (Utilities)	114	11
Construction	51	3
Wholesale & retail	42	3
Hotels, restaurants & bars	29	3
Transport, storage & communications	60	4
Financial services	139	-4
Other business activities	44	1
Public administration	55	3
All sectors	67	0
Non-finance sectors	45	3

In 2015, across all sectors of the economy, productivity was £67,000 per FTE (current year values).

In real-terms, productivity was almost unchanged on an annual basis (down by 0.2%, see Appendix Table A5).

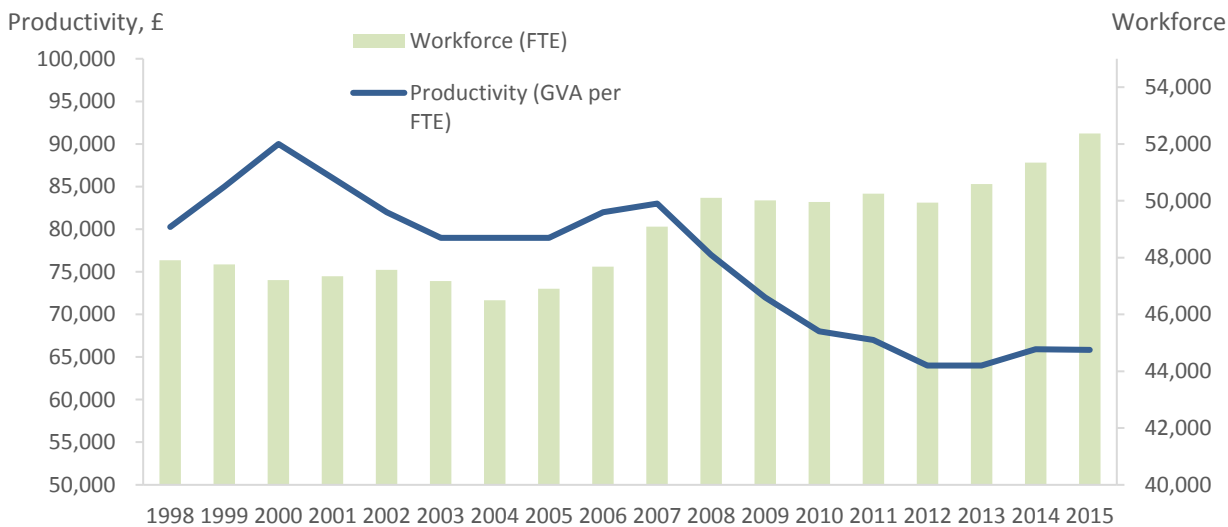
At a sectoral level productivity in 2015 ranged from less than £30,000 per FTE in agriculture and in hotels, restaurants and bars to £139,000 per FTE in financial services (current year values).

Productivity in the financial services sector in 2015 was more than three times that in the non-finance sectors overall (£45,000 per FTE in current year values).

Most sectors saw real-term increases in productivity in 2015. The exceptions were manufacturing (down 1%) and financial services (down 4%). The non-finance sectors overall saw productivity increase by 3% in real terms in 2015.

As Figure 5 shows there has been an overall decline in productivity in the Jersey economy since 1998 (see Appendix Table A5). Over the same period, the Island’s workforce has increased by some 4,500 FTEs.

Figure 5 – Productivity (GVA per FTE) of Jersey’s economy in real terms and total employment, 1998-2015 productivity index numbers (2013=100)



The long-term decline in productivity has occurred particularly since 2007. Between 2007 and 2015 the productivity of the Island’s economy fell by a fifth (20%) in real terms.

The decline in the productivity of the Island’s economy overall has been driven by a decline in the productivity of the financial services sector (see Appendix Table A5). Most of the long-term decrease in productivity in financial services occurred after 2007; between 2007 and 2015 the productivity of the financial services sector fell by more than a quarter (29%) in real terms.

In contrast to the substantial decline in productivity experienced by the Island’s financial services sector, the productivity of the non-finance sectors overall has been relatively more stable (see Appendix Table A5).

Over the long-term, the productivity of the non-finance sectors in 2015 was almost 3% higher than in 1998 in real terms. The non-finance sectors recorded an increased in productivity of 9% between 1998 and 2007 before seeing a decline in productivity of 5% between 2007 and 2015.

Section 4 - GVA and GDP per head of population

Expressing national accounting aggregates such as GDP and GVA on a per capita basis (i.e. per head of population) provides a broad indicator of the average economic standard of living of the resident population.

In 2015 GVA per head of population was £40,000 and GDP per head of population was £39,700, in current year values of income³,

The real-term change in the average economic standard of living of Jersey residents may be examined by considering GVA per head in constant year values over a longer period. The two components of this analysis are shown in Figure 5 for the period 2000 to 2015: the resident population and the total GVA in constant year (2013) values. The total GVA of Jersey’s economy was 11% lower in 2015 than in 2000. Over the same period the resident population increased by a sixth (16%), corresponding to an increase of more than 14,000 people.

Figure 5 – Jersey’s resident population and total GVA (basic) in real terms (£ million), 2001 to 2015

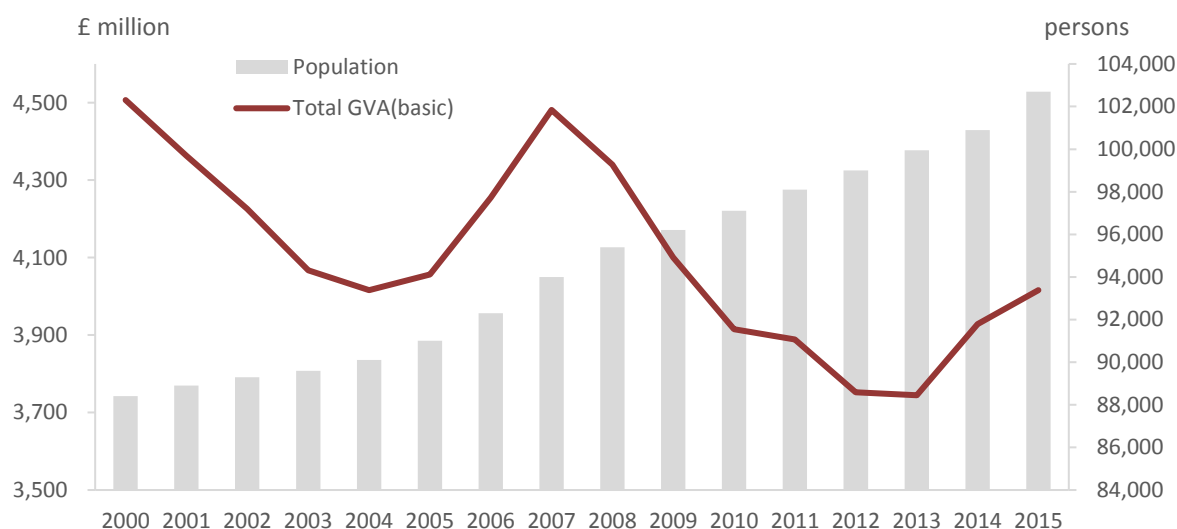
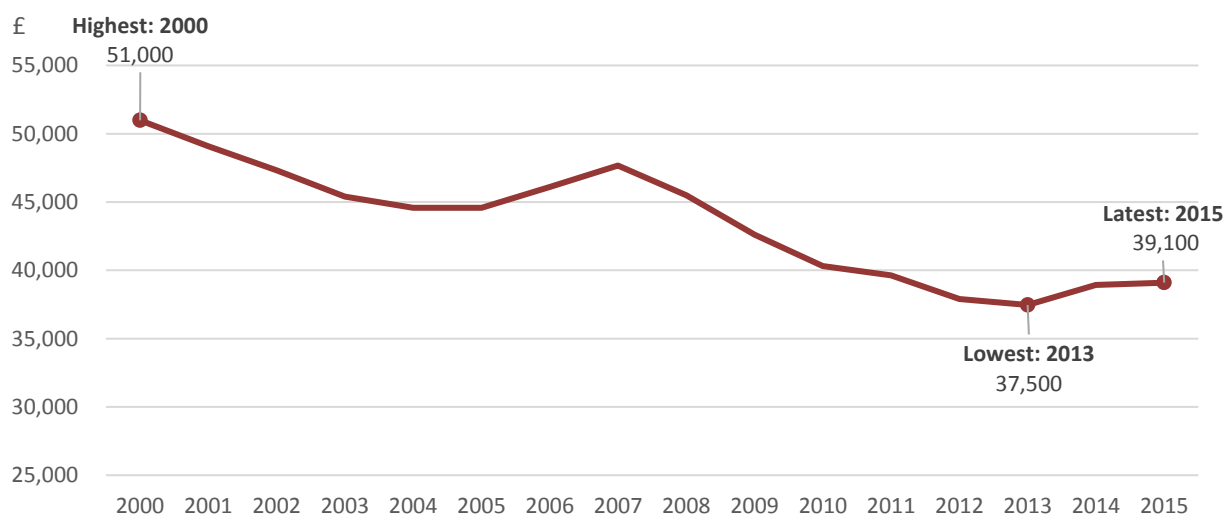


Figure 6 shows GVA per head in constant year (2013) values over this period (see Appendix Table A6).

Figure 6 – Jersey’s GVA per head of population in real terms, 2000 to 2015
constant year (2013) values



³ The resident population figures used to calculate GVA per head and GDP per head for Jersey are the year-end estimates published in: “Jersey Resident Population – 2015 estimate”, Statistics Unit, June 2016. The 2001 Jersey Census provides the basis for the estimate of the resident population at year-end 2000; hence, the first year-end estimate available for determining GVA per head is for calendar year 2000.

Over the period from 2000 to 2015, the GVA per head of population in Jersey decreased by almost a quarter (23%) in real terms. Most of this overall decline occurred after 2007; between 2007 and 2015 the GVA per head of population in Jersey decreased by more than a sixth (18%).

GVA per head of population in 2015 was marginally higher than a year earlier, up by 0.5% in real terms compared with 2014.

Comparison with the UK and Guernsey

The measures GVA per head and GDP per head for Jersey and the UK in 2015 are shown in Table 6, in current year values of income⁴.

Table 6 – GVA and GDP per head for Jersey and the UK in 2015 (current year values, £)

	GVA	GDP
Jersey	40,000	39,700
UK	25,200	28,700

In 2015, the GVA per head of population Jersey was almost three-fifths (59%) greater than in the UK and GDP per head of population was almost two-fifths (38%) greater in Jersey than in the UK⁵.

On an annual basis, GVA per head and GDP per head increased marginally in Jersey, up by 0.5% and 0.3% in 2015 in real terms, respectively.

The UK saw greater rates of increase for both of these measures; GVA per head and GDP per head were up by 1.5% and 1.4%, respectively, in real terms in 2015.

GDP per head of population in Guernsey in 2015 was £37,400 (current year values). On an annual basis, GDP per head of population in Guernsey increased by 0.3% in 2015 in real terms, a similar increase to that seen in Jersey⁶.

⁴ Measures for the UK are from datasets published by the UK Office for National Statistics.

⁵ When comparing these measures for the two jurisdictions, it should be acknowledged that the most recent (2013) estimate of the overall relative price level for consumer goods and services (including housing, health and education costs) for Jersey was a fifth (20%) greater than the UK average; see: "Jersey-UK Relative Consumer Price Levels for Goods and Services, 2013", Statistics Unit, March 2014.

⁶ Figures for Guernsey are derived from GDP and population data for 2015, published by the States of Guernsey Data and Analysis Services.

APPENDIX

Table A1 - GVA (basic) in constant year (2013) values of income; £ million

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total GVA	4,130	4,320	4,510	4,360	4,230	4,070	4,020	4,060	4,250	4,480	4,340	4,100	3,910	3,890	3,750	3,750	3,930	4,020
Financial services	2,130	2,310	2,520	2,370	2,230	2,070	2,030	1,990	2,200	2,320	2,120	1,890	1,690	1,690	1,600	1,550	1,690	1,680
Non-finance sectors*	1,630	1,660	1,650	1,650	1,640	1,630	1,620	1,690	1,690	1,750	1,750	1,710	1,720	1,690	1,640	1,670	1,690	1,770

**Overall, excluding the rental income of private households.*

Numbers are rounded to the nearest £10 million.

Table A2 - Real-term annual change in GVA (basic) by sector; percentages

Sector	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture	-1	-5	-10	2	-3	-10	3	4	3	5	5	-14	-15	-3	12	-17	11
Manufacturing	0	-1	-3	-5	-7	-9	-7	-6	-6	1	-9	1	-8	-9	-9	6	0
Electricity, gas & water	3	-3	-6	-1	-9	-4	8	-6	-3	8	-13	5	-3	0	3	-1	8
Construction	3	1	3	4	-8	-3	8	5	7	0	-1	4	-5	-8	-2	5	9
Wholesale & retail	0	-1	-3	-2	0	0	3	2	4	-6	-1	-1	2	-9	0	-3	4
Hotels, restaurants & bars	1	-8	-4	-3	1	-4	-3	1	3	-2	-7	2	2	3	2	6	4
Transport, storage & communication	3	-4	3	-2	-3	0	4	0	4	-4	-1	-3	-2	-3	6	2	5
Financial services	8	9	-6	-6	-7	-2	-2	11	5	-8	-11	-11	0	-5	-3	9	-1
Other business activities (excluding rental)	2	2	3	2	5	3	13	-9	3	3	-3	3	0	1	3	2	6
Public administration	6	3	3	1	2	2	1	3	5	3	0	1	-2	-1	2	4	1
Total GVA	5	4	-3	-3	-4	-1	1	5	5	-3	-6	-5	-1	-4	0	5	2
Non-finance sectors (overall, excluding rental)	2	-1	0	0	-1	-1	4	0	4	0	-2	1	-2	-3	2	2	5

Percentage changes are calculated from unrounded figures.

Table A3 - GVA (basic) in real terms, 1998-2015 (index numbers; 2013=100)

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture	135.6	134.4	127.6	115.5	117.8	114.6	103.3	106.5	111.1	114.5	119.8	126.0	108.5	91.8	89.2	100.0	83.3	92.4
Manufacturing	221.3	220.7	219.2	212.2	201.1	187.9	171.3	160.2	150.9	141.8	142.7	130.1	131.0	120.1	109.4	100.0	105.6	106.0
Electricity, gas & water	126.7	131.0	127.5	119.5	118.1	107.0	102.9	110.7	104.6	101.9	110.3	95.8	100.2	97.1	97.1	100.0	98.5	106.0
Construction	93.2	96.2	96.9	99.8	103.5	95.6	93.2	100.4	105.7	113.3	113.3	112.6	116.7	111.3	102.4	100.0	105.2	115.0
Wholesale & retail	115.4	114.8	113.3	110.2	107.6	108.1	107.6	111.1	113.1	118.0	110.7	109.2	107.8	110.0	100.3	100.0	96.9	100.3
Hotels, restaurants & bars	117.5	118.4	109.3	104.8	101.2	102.1	98.5	95.8	96.9	99.6	98.1	90.8	93.0	94.9	98.0	100.0	105.6	109.3
Transport, storage & communication	103.8	106.8	102.3	105.3	103.1	100.1	100.1	103.8	103.8	107.5	102.9	102.1	99.3	97.2	94.5	100.0	101.7	107.2
Financial services	137.6	148.8	162.5	152.6	143.6	133.7	130.6	128.1	142.0	149.5	136.8	122.2	108.7	108.9	102.9	100.0	109.2	108.1
Other business activities (excluding rental)	74.2	76.1	77.9	80.5	82.0	86.1	88.7	99.8	91.4	94.2	96.7	93.9	96.4	96.1	96.7	100.0	101.8	107.7
Public administration	75.4	80.0	82.3	84.8	85.3	86.8	88.5	89.8	92.2	96.5	99.2	99.2	100.5	99.0	97.8	100.0	104.1	104.8
Total GVA	110.2	115.3	120.4	116.5	112.8	108.6	107.3	108.3	113.6	119.7	115.9	109.5	104.5	103.8	100.2	100.0	104.9	107.2
Total GVA (excluding rental)	117.2	123.8	130.1	125.3	120.7	115.5	113.7	114.7	121.3	126.9	120.6	112.2	106.0	105.2	100.6	100.0	105.4	107.3
Non-finance sectors (overall, excluding rental)	97.6	99.7	98.9	99.0	98.7	98.0	97.3	101.7	101.3	105.1	104.9	102.6	103.4	101.7	98.4	100.0	101.7	106.4

Table A4 – Real-term annual change in Gross Operating Surplus (GoS), Compensation of Employees (CoE) and GVA in 2014 and 2015
constant year (2013) values of income: £ million

	2014			2015		
	GoS	CoE	GVA	GoS	CoE	GVA
Agriculture	-2	-6	-8	1	3	4
Manufacturing	3	0	2	0	1	0
Electricity, gas & water (Utilities)	-1	1	-1	4	-1	4
Construction	8	3	11	8	13	22
Wholesale & retail	-7	-2	-9	6	3	10
Hotels, restaurants & bars	6	2	8	3	2	5
Transport, storage & communications	1	1	2	4	3	8
Financial services	159	-16	142	-77	60	-16
Other business activities	-4	10	6	4	20	24
Rental income of private households	10	0	10	25	0	25
Public administration	0	14	14	0	3	3
Total	173	7	180	-21	108	87

Table A5 - Productivity (GVA per FTE) in real terms, 1998-2015 (index numbers; 2013=100)

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture	121.4	120.6	121.1	112.9	117.4	115.5	109.6	109.1	114.1	113.9	123.6	126.5	110.2	99.0	94.9	100.0	85.6	99.5
Manufacturing	103.7	103.6	103.1	105.0	100.2	100.6	101.2	103.0	104.3	102.3	103.9	107.2	109.5	109.6	105.7	100.0	108.1	107.4
Electricity, gas & water	95.9	101.3	98.8	93.6	97.0	94.6	97.0	105.3	99.1	95.5	103.1	88.5	95.4	92.2	94.3	100.0	98.1	108.9
Construction	90.3	97.6	101.9	100.6	101.5	98.2	97.6	99.8	100.3	106.4	104.9	104.1	105.8	101.5	98.7	100.0	103.3	106.1
Wholesale & retail	103.7	106.7	107.8	106.2	104.6	104.4	102.5	102.5	103.6	107.7	100.5	100.9	98.7	98.8	94.2	100.0	97.7	100.6
Hotels, restaurants & bars	99.9	104.3	102.3	103.5	102.9	105.3	104.8	103.3	102.8	104.1	103.0	97.8	100.2	98.9	100.5	100.0	103.5	106.3
Transport, storage & communication	97.7	98.9	96.2	100.0	98.3	98.1	99.4	103.5	104.2	104.9	98.8	98.7	97.4	96.9	94.8	100.0	99.5	103.3
Financial services	154.5	162.1	174.7	159.5	147.1	139.6	139.9	136.1	146.9	147.1	128.9	115.4	106.0	106.2	101.4	100.0	108.1	104.1
Other business activities (excluding rental)	112.9	114.0	114.6	115.6	116.3	118.6	122.0	136.3	121.2	119.5	116.1	109.0	109.5	105.2	100.8	100.0	98.3	98.9
Public administration	90.6	94.1	96.6	98.5	97.7	96.5	97.1	99.4	101.0	100.9	103.5	102.4	102.4	101.5	100.1	100.0	102.8	105.9
Total GVA (excluding rental)	122.0	129.2	137.4	131.9	126.5	122.0	121.8	121.8	126.8	128.8	119.9	111.8	105.7	104.4	100.4	100.0	103.0	102.8
Non-finance sectors (overall, excluding rental)	99.2	102.7	103.9	104.4	104.2	103.9	104.3	108.1	106.2	107.7	106.2	104.1	103.9	101.4	98.6	100.0	99.0	101.8

Table A6 - Productivity (GVA per FTE) in constant year (2013) values of income; £ thousand

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture	31	31	31	29	30	30	28	28	29	29	32	33	29	26	25	26	22	26
Manufacturing	41	41	41	42	40	40	40	41	42	41	42	43	44	44	42	40	43	43
Electricity, gas & water	98	104	101	96	99	97	99	108	102	98	106	91	98	95	97	103	101	112
Construction	43	46	48	47	47	45	45	46	46	49	48	48	49	47	46	47	49	50
Wholesale & retail	45	46	46	45	44	44	43	43	43	45	42	42	41	41	39	41	40	41
Hotels, restaurants & bars	24	25	25	25	25	26	26	26	26	26	26	25	26	26	26	26	27	28
Transport, storage & communication	55	56	54	56	55	55	56	58	58	58	55	55	54	54	53	56	56	58
Financial services	202	212	229	209	193	183	183	178	192	192	168	150	138	138	132	130	141	136
Other business activities (excluding rental)	51	51	51	51	51	52	54	60	53	52	51	48	48	46	44	44	43	43
Public administration	46	48	49	50	50	49	49	50	51	51	52	51	51	51	50	50	51	53
Total GVA (excluding rental)	80	85	90	86	82	79	79	79	82	83	77	72	68	67	64	64	66	66
Non-finance sectors (overall, excluding rental)	42	43	44	44	44	44	44	46	45	46	45	44	44	43	42	43	43	44

Numbers are rounded to the nearest £1,000.

Table A7 - GVA per head of population in constant year (2013) values; £

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GVA per head of population	51,000	49,100	47,300	45,400	44,600	44,600	46,100	47,700	45,500	42,600	40,300	39,600	37,900	37,500	38,900	39,100

NOTES

1. Definition of terms

The size of an economy can be measured in three ways: income (the sum of profits and earnings); output (the difference between output and intermediate purchases); and expenditure (the sum of all final expenditure in the economy e.g. consumer and government spending, capital investment, imports and exports). The income and output measures both derive estimates of value added. At present, data exists in Jersey to enable calculation of the income measure only. Under this approach GVA and GDP are defined as:

GVA the sum of gross operating surplus (including the “mixed income” of sole traders) and compensation of employees. GVA is evaluated separately for each sector of the economy and is specified in terms of basic prices, i.e. excluding taxes on products and production (GST and impôts) but including subsidies.

GDP the traditional aggregate measure of an economy requires specific treatment for services indirectly charged by financial services institutions. As specified by the System of National Accounts (SNA93), such services (designated as FISIM, Financial Intermediation Services Indirectly Measured) are estimated through net interest income and are allocated by user sector. The majority of FISIM generated by financial services institutions operating in Jersey comprises the export of a service.

2. Owner-occupiers’ imputed rent (OOIR) and rental income of private households

The international framework governing the calculation of National Accounts (and therefore GVA and GDP) is defined so that it can be applied to all countries and thereby measure economic performance regardless of differences between countries. This approach requires the inclusion of some theoretical concepts. One such concept is Owner-Occupiers’ Imputed Rent (OOIR), which is essentially an estimate of the rental costs that home owners would pay themselves to rent their own property. This payment does not actually occur but is required in order to make meaningful comparisons between countries in which owner-occupation is high (such as the UK) and countries where owner-occupier rates are lower, such as Germany.

Estimates of OOIR, net of expenses, and also of rental income earned by private households and non-corporations are, in principle, included in the “Other business activities” sector but are shown separately throughout this report so that the size and performance of the underlying businesses can be ascertained.

3. Deflators

A GDP deflator (in essence, a measure of inflation in the whole economy) is normally used to deflate national accounting aggregates. In the absence of such a measure for Jersey, RPI(X) provides an appropriate proxy deflator and RPI(Y) during periods which include the introduction or change in the rate of consumption taxes (a Goods and Services Tax, GST, was introduced in May 2008 at 3%; the rate of GST was increased to 5% in June 2011). For years prior to 2008 RPI(X) has been used as the deflator and RPI(Y) from 2008 onwards.

4. Revisions

The numbers published in this report include some revisions, particularly for calendar year 2014, compared with those previously published; these revisions are predominantly due to revised estimates of the Gross Operating Surplus of corporations, the compilation of more recent manpower and earnings data, and the application of more recent information on rents in the private sector.

Statistics Unit

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