

# States of Jersey Statistics Unit



## Jersey Economic Digest 2006

# Foreword

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The Jersey Economic Digest provides a broader perspective of developments in the Jersey Economy. By bringing together data on the performance of the economy, employment, earnings and prices the Digest looks beyond the latest set of data to see a wider picture and shows how data can be used to further our understanding of the Island's economy.

This 3rd edition of the Digest has again been expanded, in response to the positive feedback we have received, to provide extra analysis and information about the series published so as to further assist the use of data.

The Digest focuses on economic data. A wider cross-section of data on Jersey will be published as usual in "Jersey in Figures" in the Spring. Like the Digest, Jersey in Figures has been expanded to contain more information and it is pleasing that so many people use it as the pocket guide to Jersey.

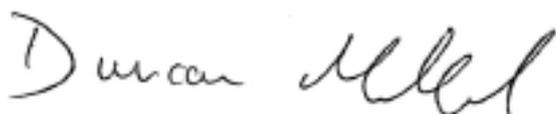
Over the past 12 months there has been a step change in the availability of official statistics relating to social issues. In March 2006 we published the results of the first Jersey Annual Social Survey (JASS). The survey covered a wide range of issues including: health, leisure activities, transport, pensions, policing and public services. JASS represents a major step forward for Jersey and is now firmly established as a means of providing essential information for all government departments. The 2006 round is now underway looking at different topics ranging from Sunday trading to energy use and road work management. Once again the response from the public has been terrific and the results will be published in the New Year.

In 2006 we also published the results of the Household Expenditure Survey which enhances our understanding of personal expenditure and provides essential information to ensure that the RPI remains accurate.

The continuing production and development of new official statistics is only possible because individuals and companies have continued to provide us with data. I am very grateful for that and I can reassure you again that all data provided are only used for the production of aggregate statistics.

The report and all our regular reports are available through the Statistics Unit website [www.gov.je/statistics](http://www.gov.je/statistics).

I trust the report and the wider statistical information now available are both interesting and of use.



Duncan Millard  
Head of States of Jersey Statistics Unit

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# Summary

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The Jersey Economic Digest pulls together a wide range of statistics relating to the Island's economy.

Section 1 looks at measures of the size of the economy: Gross National Income (GNI), Gross Value Added (GVA) and Gross Value Added per Employee. This is presented in terms of the economy as a whole and also at a sectoral level. Since the Finance sector is central to the overall Jersey economy, Finance sector profits are considered separately in further detail.

Section 2 provides information on Jersey employment, including seasonality patterns, employment by sector and unemployment.

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 cross-analysis of all three indices.

Whilst the focus of the Digest is the Jersey economy, the economic situation in Jersey is compared with that of other countries and jurisdictions (such as the UK and Guernsey) where appropriate. This edition presents annual data up to 2005 and quarterly series to the third quarter of 2006.

Key developments in the Jersey economy include:

- in 2005 Jersey's GVA increased by 2.8%, the first real-term increase for 5 years;
- the profits of the Finance sector rose to £1,054 million, the first rise in total profit for 5 years;
- in June 2006, 53,560 people were employed in Jersey, representing the highest June figure for 4 years;
- the Finance sector saw total employment rising to over 12,000 for the first time in 3 years;
- in September 2006, the headline rate of inflation, as measured by the Retail Prices Index, stood at 3.6%. The underlying rate of inflation (RPI(X)) increased by 2.8% during the twelve months to September 2006;
- over the twelve months to June 2006, average earnings grew at an annual rate of 3.3%;
- the first nine months of 2006 have seen the overall average price of dwellings sold in Jersey rise at a higher rate, about 6%, than that seen during the previous two years;
- the average (mix-adjusted) price of dwellings sold in Jersey during the third quarter of 2006 was £372,000, about 8% higher than the same quarter in 2005; and
- since 1990 house prices have increased faster than retail prices or earnings (6.6%, 4.2% and 5.3% per year respectively).

The remainder of the report looks in more detail at these headline figures to aid understanding of the Jersey economy.

# Section 1: Economy

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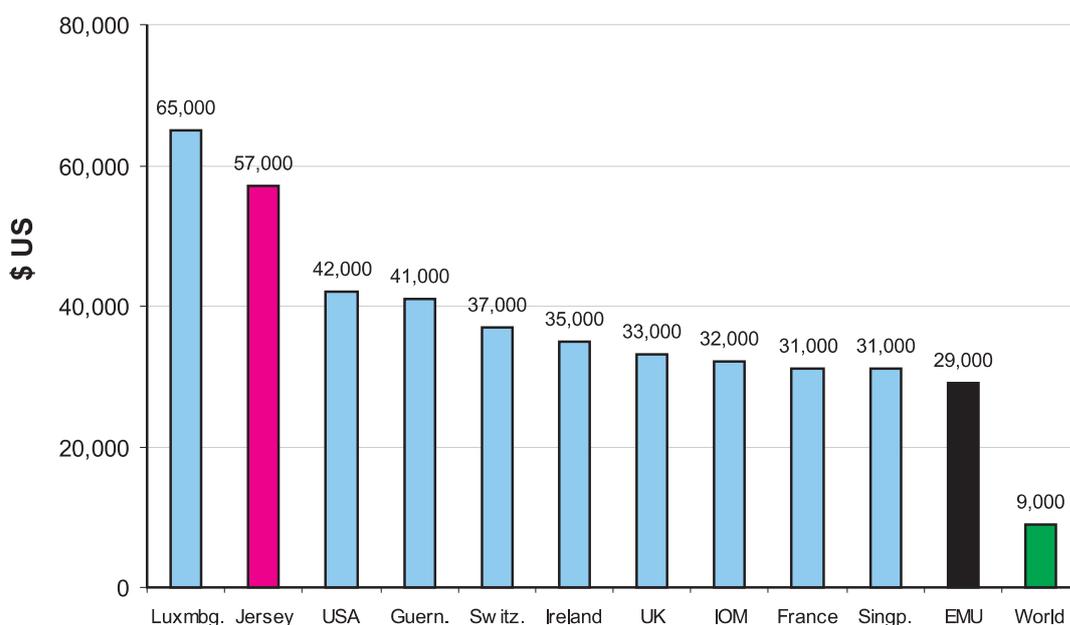
## Overview

In 2005 the value of economic activity in Jersey was £3.4 billion pounds. This measure of the value of activity is the Gross Value Added (GVA) for the Island; in essence, GVA is the sum of wages and salaries and company profits.

The economic activity of Jersey can also be considered in another way, in terms of the wealth of Jersey people and Jersey-owned businesses; this measure is known as Gross National Income (GNI). GNI is derived from GVA by subtracting money earned in Jersey by businesses owned off-Island but adding back money earned abroad by Jersey residents and businesses. In 2005 GNI for Jersey was approximately £3.2 billion pounds.

Jersey's GNI per capita is amongst the highest in the world, and is shown in chart 1.1 in terms of \$US for comparative purposes.

**Chart 1.1: Jersey GNI per capita in 2005 (PPP \$US)<sup>1</sup>**



In 2005, only Luxembourg had a higher GNI per capita (\$65,000), whilst the USA and UK stood at \$42,000 and \$33,000 respectively<sup>2</sup>.

Jersey's GNI per capita in 2005 was about double that of the average of the Euro-zone countries and more than six times the global average.

<sup>1</sup> Source: World Bank, calculated using OECD purchasing power parity (PPP) for £ sterling.

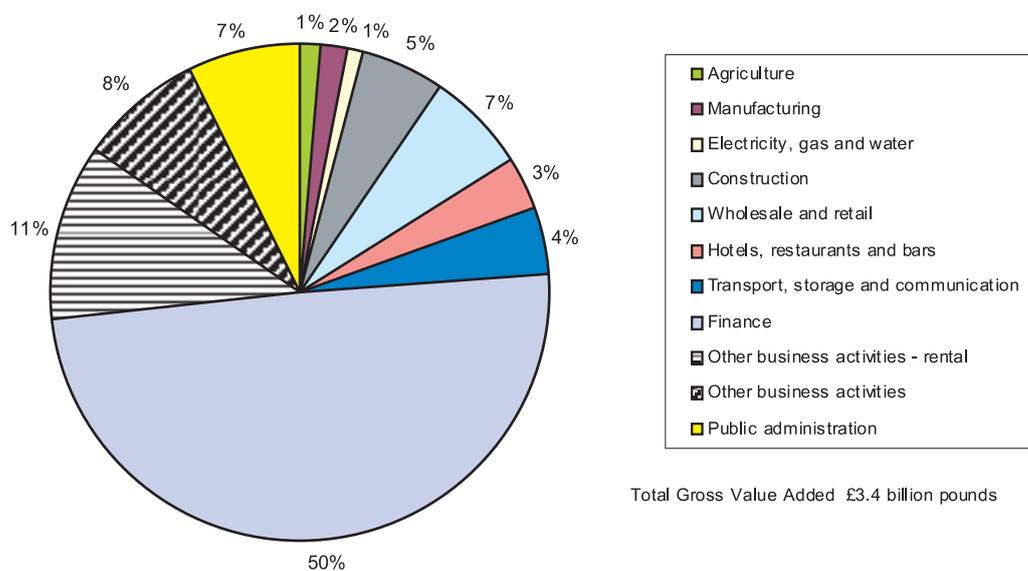
<sup>2</sup> Since 2004 The States of Jersey Statistics Unit have compiled key macro-economic estimates such as GVA and GNI in accordance with SNA and ESA guidelines and have produced these series back to 1998. Work is currently underway in Guernsey to do the same and calculations based on provisional work would suggest a GNI per capita of \$56,000 for Guernsey in 2005.

## Development of the Jersey economy

The economy of Jersey has seen a great deal of change during the past 30 to 40 years as markets have become more international and global travel has increased. This has meant that traditional Jersey industries such as agriculture and tourism are having to operate in fiercely competitive markets and are no longer the dominant industries in Jersey.

However, the international nature of business has allowed the single-most dramatic change to the Jersey economy to take place. Over the past 20 to 30 years the Financial services sector (banking, trust and company administration, fund management, accountancy and legal activities) has grown such that it now accounts for around half of all the economic activity in Jersey (chart 1.2) and employs almost a quarter of the workforce.

**Chart 1.2: Gross Value Added by sector<sup>3</sup>, 2005**



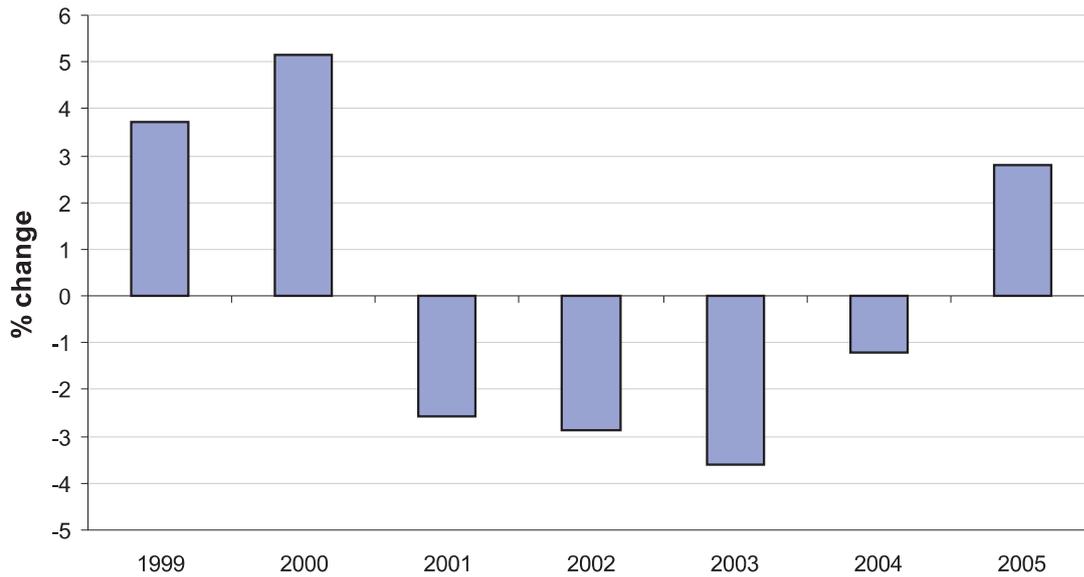
Reliable data on the size of the Jersey economy only exist from 1998 onwards, with the latest data being for 2005<sup>4</sup>. As such, it is difficult to track in detail the growth of the finance industry in Jersey since its inception, but we can look at more recent developments in the overall economy as well as in Finance and other sectors.

<sup>3</sup> 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 2005 the business activities accounted for 11% of Jersey's GVA and rental 8%. Throughout this report the value of the whole sector is shown for aggregate GVA values; however, when comparing performance of individual sectors, the rental element is shown separately or is excluded.

<sup>4</sup> Jersey Gross Value Added (GVA) and Gross National Income (GNI) 1998-2005: Statistics Unit, September 2006.

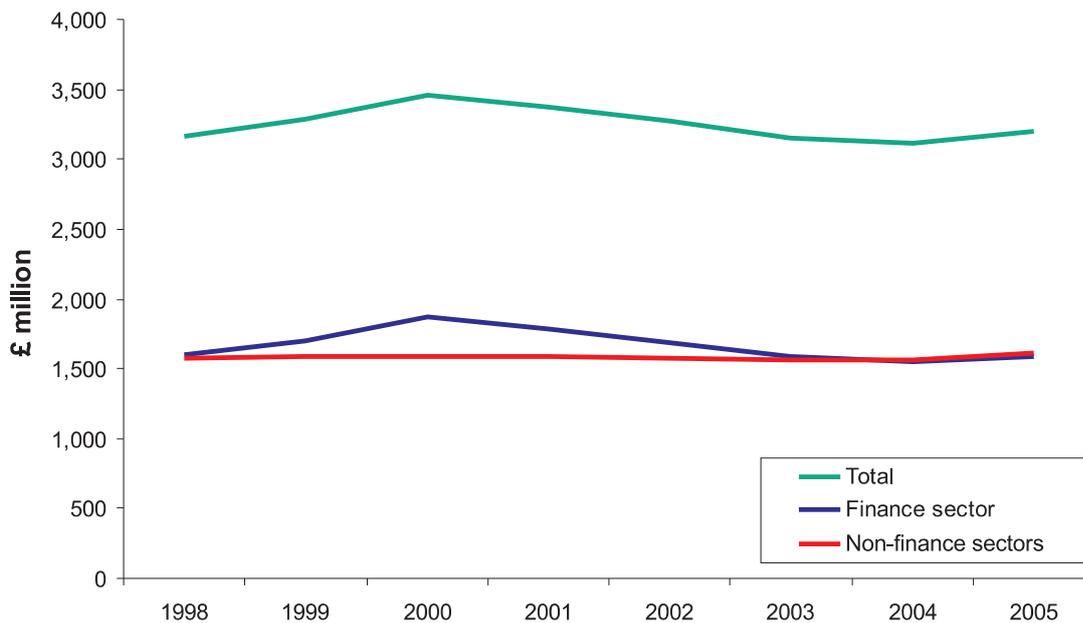
Chart 1.3 shows the annual percentage change of GVA in real-terms between 1999 and 2005. In 2005 Jersey's GVA increased by 2.8%, the first real-term increase for 5 years.

**Chart 1.3: 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. This is illustrated in chart 1.4.

**Chart 1.4: Gross Value Added in real terms: constant (2003) prices**



Between 1998 and 2000 the GVA of the finance industry grew by 17% in real terms and this was reflected in the overall GVA for Jersey, which increased by 9% over the same period. When the GVA in the Finance sector fell by 17% between 2000 and 2004, total GVA correspondingly fell by 10%.

Over the same period, 1998 to 2004, the non-finance half of the economy remained essentially stable in real terms. However, the increase in overall GVA seen over the past year is not only due to growth in the Finance sector, but is also a result of growth in the non-finance half of the economy, especially emerging services and construction.

A further element impacting strongly on the Jersey economy, but not directly visible in charts 1.3 and 1.4, is the performance of global financial markets. This point is important because the interrelation of financial markets means that it is very unlikely the sector can be performing well in one geographic region when it is falling elsewhere. However, this does not mean that an economy cannot be performing well in relative terms.

Although the finance industries in Guernsey and the Isle of Man are structurally different to Jersey's, and are only one third the size, it is informative to look at the relative performances. The Finance sector in Guernsey is largely insurance based and saw small real growth of almost 2% in 2005. The Isle of Man's Finance sector has seen greater volatility, with a real-term increase of almost 3% in 2004/05, following a 0.6% decline and a 6.0% increase in the previous two years. Overall, the Finance sectors of the three islands have seen similar rates of real-term growth in the latest year.

## Economic sectors

Whilst the performance of the whole Jersey economy has mirrored that of the Finance sector during the past seven years, there have been differences in the performance of individual sectors as measured by GVA (see table 1.1 and Annex tables A1a and A1b).

**Table 1.1: GVA by sector in real terms: constant (2003) prices**

Sector	GVA in 2003 prices, £ million				Percentage change		
	1998	2000	2004	2005	1998 - 2000	2000 - 2005	2004 - 2005
Agriculture	56	53	43	44	-5.8	-16.7	2.9
Manufacturing	74	73	57	54	-1.4	-25.9	-5.8
Electricity, gas and water	40	41	33	35	0.6	-12.9	8.0
Construction	156	162	156	168	3.7	3.8	7.5
Wholesale and retail	224	220	209	217	-1.9	-1.3	4.0
Hotels, restaurants, bars	130	121	109	106	-6.5	-12.9	-3.0
Transport, storage and com.	138	136	133	138	-1.2	1.2	3.6
Finance	1,598	1,873	1,551	1,589	17.2	-15.2	2.4
Other business activities	557	565	597	622	1.4	10.1	4.3
of which rental	357	355	358	361	-0.5	1.6	0.9
of which business activities	201	210	239	261	4.7	24.4	9.3
Public administration	193	211	227	230	9.1	8.8	1.1
<b>Total GVA</b>	<b>3,168</b>	<b>3,455</b>	<b>3,115</b>	<b>3,203</b>	<b>9.1</b>	<b>-7.3</b>	<b>2.8</b>

*Sectoral GVA figures have been rounded to the nearest £ million.*

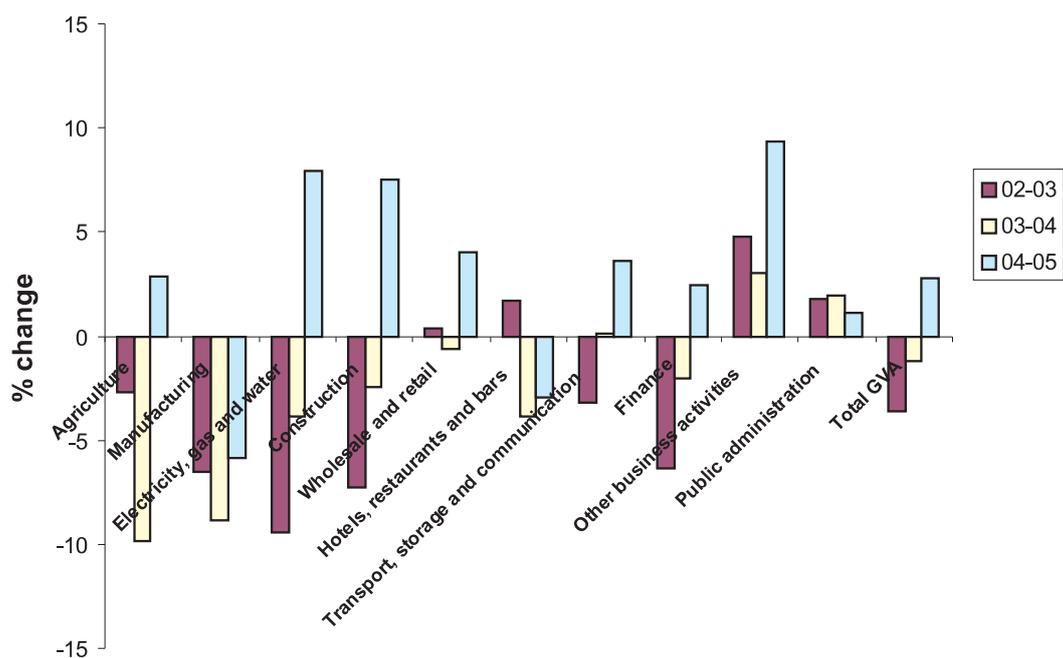
Over the entire period of 1998 to 2005, the most notable change in real-term GVA has been the growth in Other business activities. This sector has grown by about 30% in real terms from £201 million in 1998 to £261 million in 2005. The rental element of the overall business activities has been flat in real terms reflecting the fact that rental costs increase broadly in line with inflation.

Other significant longer term changes include the general decline in the Agriculture sector, decreasing by about a fifth over the seven year period. The Manufacturing sector has also seen year on year falls, although restructuring and reclassification of activities have been important factors for this small sector, which in 2005 was more than a quarter smaller than in 1998 in real terms.

The Electricity, gas and water and Hotels, restaurants and bars sectors also saw real-term falls from 1998 to 2005 (13% and 18% respectively). In contrast, the Public administration and Construction sectors experienced real-term growth (19% and 8% respectively) over the seven year period. Although the Finance sector experienced conflicting fortunes between 1998 and 2005, by 2005 it was about 0.5% smaller than in 1998 in real terms.

However, to understand the current state of the economy it is best to focus on the most recent years. Chart 1.5 shows the change in real-term GVA by sector for each of the past three years.

**Chart 1.5: Real term percentage change in GVA for consecutive years, 2002 - 2005**



As mentioned previously, the Jersey economy has experienced real-term growth for the first time in 5 years. Chart 1.5 shows that this trend is reflected in the performance of the individual economic sectors with all 9 commercial sectors performing better in 2005 than 2004.

Almost every sector experienced real-term growth, including Other business activities (up 9%), Electricity, gas and water (up 8%) and Construction (up 7.5%).

Only two sectors reported a decline in real-term GVA in 2005, namely Manufacturing and Hotels, restaurants and bars. However, both of these sectors experienced a smaller real-term fall in 2005 than in 2004 with the Manufacturing sector decreasing by 6% compared to 9% and Hotels, restaurants and bars falling by 3% compared with 4%.

The one sector that has out-performed the whole economy is Other business activities, which covers trades such as architects, cleaning services, advertising, security and personal services. This sector has achieved real-term growth in each of the past three years and the continued growth in these new services demonstrates the continuing changing nature of the Jersey economy towards one that is service based.

Whilst GVA, which is the sum of compensation of employees (wages, pensions, etc.) and company gross operating surplus (profits), is a good measure of the overall performance of the economy, some care is needed in interpreting changes for certain sectors. For example, between 1998 and 2005 the real GVA of the Electricity, gas and water sector fell by about an eighth; but this fall coincided with a period of significantly reduced employment in the sector, resulting in the compensation of employees component of GVA falling in real terms. However, as described below, real GVA per employee in this sector was about £7,000 higher in 2005 than in 1998.

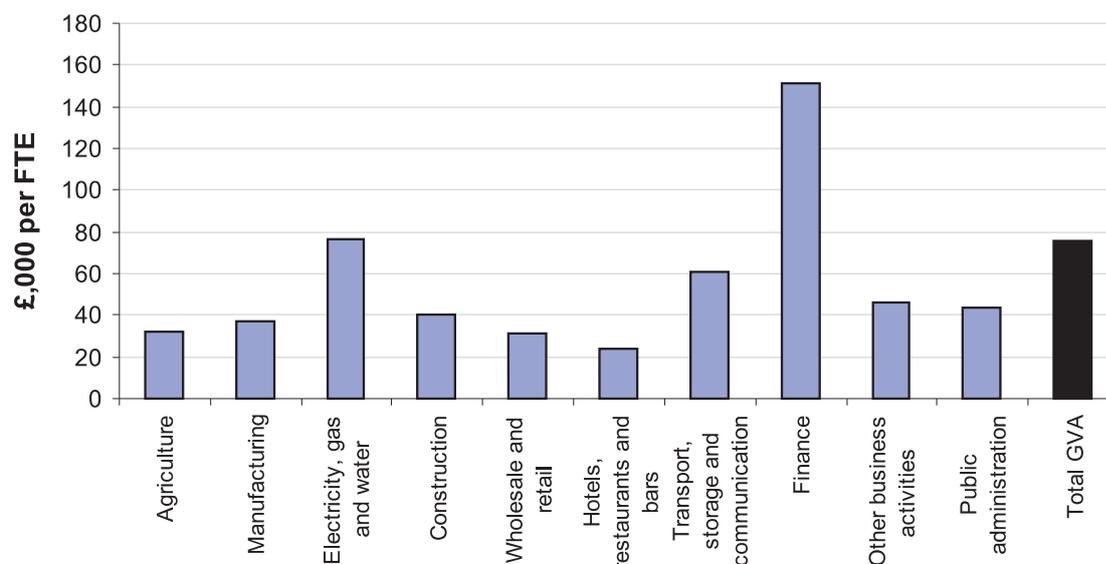
Similarly, by convention, the GVA of the Public sector is determined as only the compensation of its employees: the Public sector is defined to consume all of its own output. Thus the 19% growth between 1998 and 2005 in the GVA of the Public sector reflects increased employment in the sector and the extent to which wage settlements have been above RPI(X), the measure used to deflate current price

GVA to real terms. These two employment factors are also pertinent for other sectors, but with the addition of changes in company profits. In 2005 Public sector growth was 1% in real terms, the smallest increase for three years.

## 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<sup>5</sup> (FTE) employees, both at sector and whole economy level. GVA per employee is not quite an absolute 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. GVA per employee is, however, 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 output per those employed only).

**Chart 1.6: GVA per full-time equivalent employee in 2005 (current prices)**



In 2005 GVA per employee (chart 1.6) was greatest in the Finance sector at about £152,000 per FTE. This value was approximately three times the level of Non-finance sectors. The lowest values of GVA per employee were seen in the Hotels, restaurants and bars, Agriculture and Wholesale and retail sectors, each of which had figures around or below £30,000 per FTE.

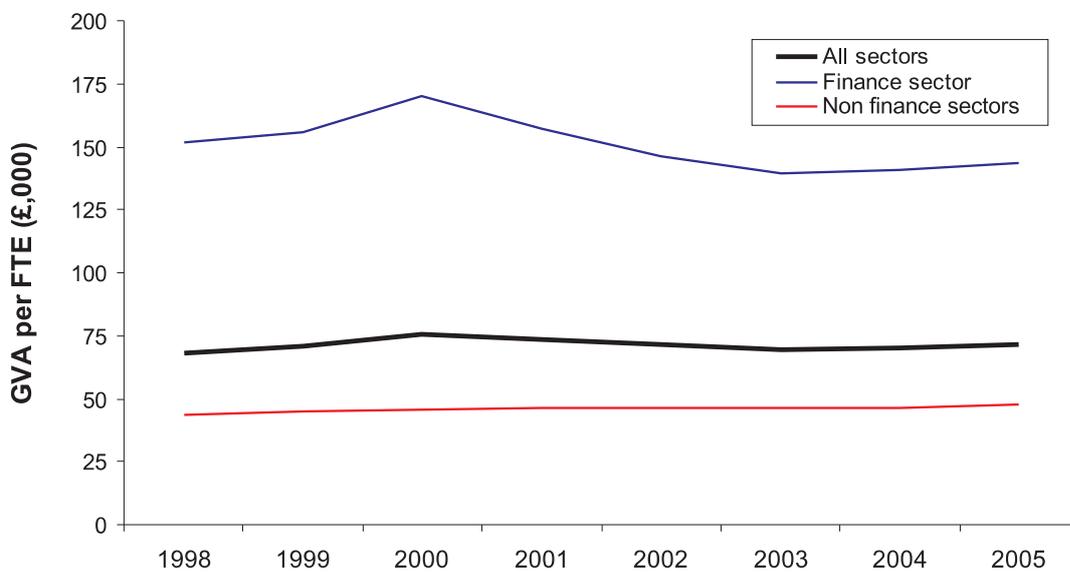
The longer term trend in GVA per employee is shown in charts 1.7 and 1.8 below, with underlying data in Annex table A2. The most dramatic changes have occurred in the Finance sector: GVA per employee in this sector grew from £152,000 in 1998 to a real-term peak of £170,000 in 2000, before falling in each subsequent year up until 2003, to a value of about £140,000 per FTE. Although over the whole period 1998 to 2005 the sector experienced a real-term decline in GVA per employee of around 5%, more recently the Finance sector has been performing more efficiently, seeing real-term growth in GVA/FTE of around 1% in 2004 and almost 2% in 2005.

<sup>5</sup> 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.

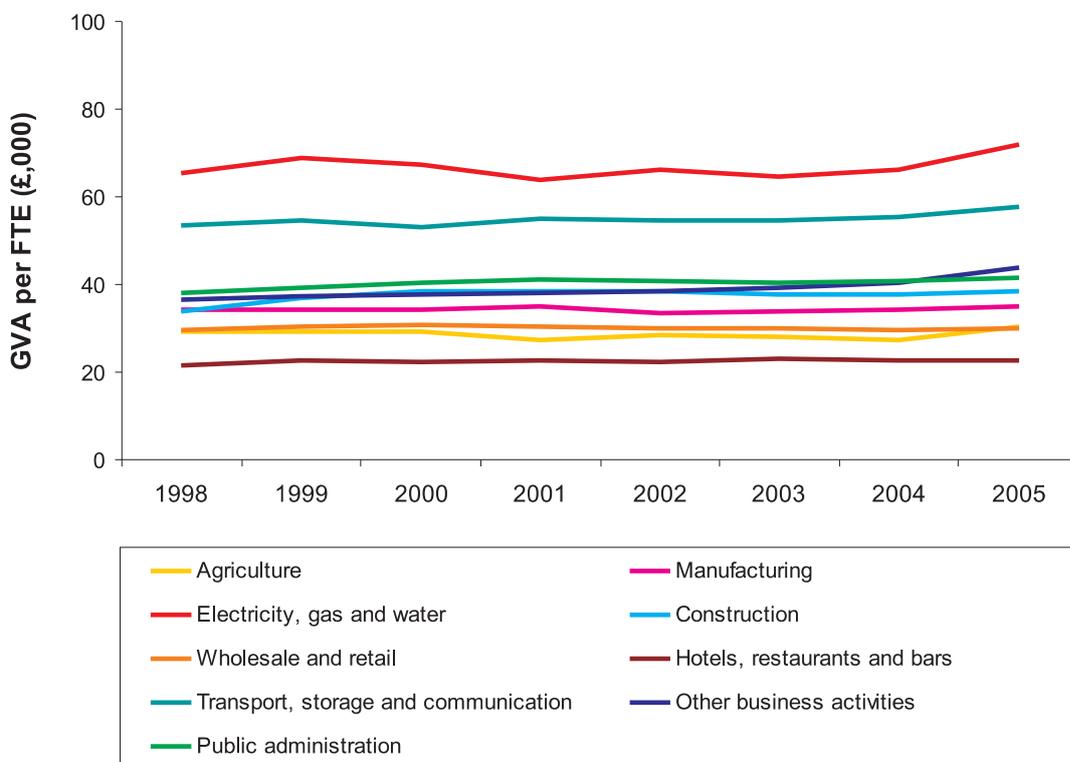
Over the past 7 years, the best performing sectors in terms of real-term growth in GVA/FTE have been Other business activities (19%), Construction (13%) and the utilities (10%). In contrast, the Wholesale and retail sector grew by about 1% over the whole period whilst Agriculture and Hotels, restaurants and bars both increased by less than 4%.

In the latest year there has been an improvement in Agriculture as GVA/FTE grew by 11% from £27,000 to £30,000 (around the same level as in 1998). Other significant increases occurred in Other business activities and utilities, in both cases the most recent improvement accounted for a sizable part of the overall change. The only sector which didn't see a real-term improvement in GVA/FTE in 2005 was Hotels, restaurants and bars which fell by about 2% in real terms.

**Chart 1.7: GVA per FTE in constant (2003) prices**



**Chart 1.8: GVA per FTE in constant (2003) prices: Non-finance sectors**



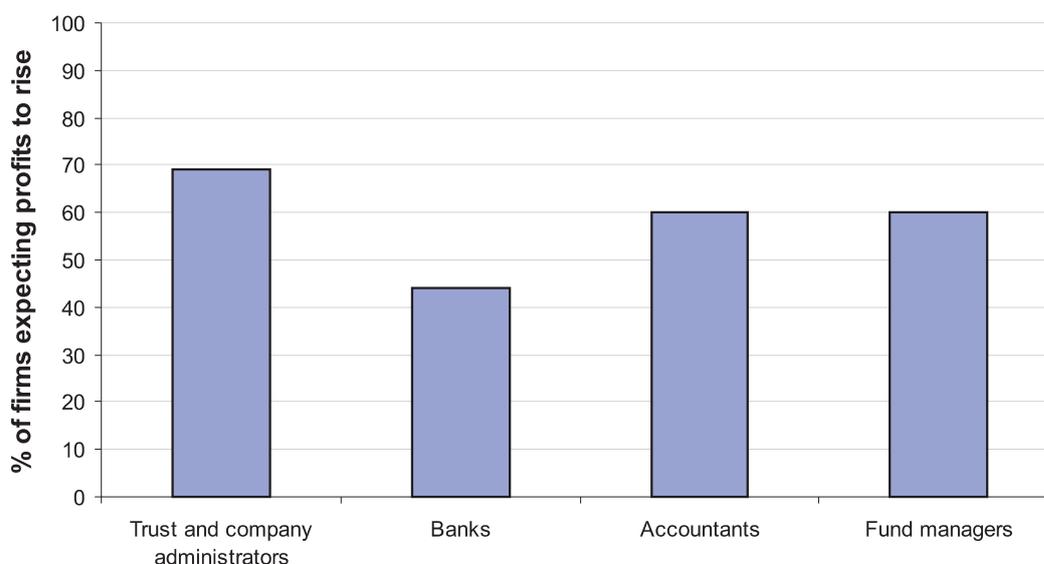
## Finance sector profits

The performance of the overall Jersey economy during the past few years reflects that of the Finance sector; total profits in the sector reached a peak of almost £1,200 million in 2000 and subsequently declined each year until 2003, when they stood at £1,020 million. This level of profit was maintained in 2004 and in 2005 Jersey's financial services sector saw profits rise to over £1,050 million. This latter figure represents an increase of almost 4% on 2004 and constitutes the first rise in total profit for five years.

In terms of the various sub-sectors within Jersey's finance industry, between 2004 and 2005 the total profits recorded by trust and company administrators (including legal firms) rose by about 8%. Over the same period, fund managers saw profits increasing by about 4% and banks experienced an increase of almost 3%, the first increase in profits seen in this sub-sector since 2000.

In addition to the improved performance in 2005, finance companies have expressed optimistic predictions for profits in 2006, as shown in chart 1.9.

**Chart 1.9: Expectation of profits for finance companies: 2006 relative to 2005**



The level of optimism was highest for firms engaged in trust and company administration, with more than two-thirds (69%) of such firms expecting profits to rise in 2006. The proportions of firms expecting profits to rise in the other sub-sectors were: accountancy 60%; fund managers 60%; and banks 44%. Reflecting the overall sub-sector, cautious optimism was expressed by the largest banks (those having more than 100 FTEs), with 5 of the 13 such firms expecting profits to rise by up to 10% whilst 6 expected profits to remain the same.

The level of optimism for 2006 is greater than that expressed for 2005. Overall, the ratio of firms with an expectation of increased profits to reduced profits is more than 5 to 1 for 2006, compared to around 3 to 1 for 2005 and about 2 to 1 for 2004. For 2006, fewer firms expect profits to fall (12% compared with 17% for 2005).

To put such predictions into context, it is informative to compare the forecasts of expected profit given by firms in 2004 with the actual levels of profit achieved in 2005. Such a comparison indicates that almost three-quarters (73%) of firms were able to correctly forecast the direction of movement of their profits for 2005, as either upward or downward<sup>6</sup>.

<sup>6</sup> Excluding companies which had predicted no change.

## Section 2: Employment

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### Overview

In relative terms, employment levels in Jersey are high. For example, in 2001 82% of people of working age in Jersey were economically active (i.e. in work or looking for work) compared to 78% in the UK. The same differential of 4 percentage points applied to both sexes: the economic activity rates of men and women were 87% and 76% respectively in Jersey, compared to 83% and 72% in the UK. These activity rates resulted in there being an average of 1.24 full-time equivalent employees per household in Jersey compared to 0.96 in the UK<sup>7</sup>.

In June 2006, 53,560 people were employed in Jersey, corresponding to about 60% of the total population. This total represents an increase of about 770 on June 2005 and although it is some 1,850 lower than 1998 which saw the last peak in employment, it represents the highest June figure for four years.

Of the 53,560 employed, 47,080 (88%) were in the private sector with the remaining 6,480 (12%) employed in the public sector.

The latest annual change comprises a net increase of 780 in the private sector and a fall of 10 in the public sector. Both total and private sector employment were substantially constant between 2000 and 2002, decreased during 2003 and 2004 and increased throughout 2005 and the first half of 2006.

On a Full-Time Equivalent basis (FTE), total employment was 48,440 in June 2006. Data on an FTE basis are given in Annex table A3, and on a headcount basis in table A3a.

### Seasonality in employment

As chart 2.1 demonstrates, there is a fair degree of seasonality in the Jersey labour market, with about 3,330 more people employed in the summer of 2006 than in the winter of 2005. The seasonal variation is largely a result of agriculture and tourism: the Hotels, restaurants and bars sector employed almost 2,000 more people in the summer; Agriculture employed just under 400 more people in June 2006 than in December 2005; and Transport, storage and communication around 200 more. Some other sectors also display some seasonal variation driven by tourism, but this is generally less marked.

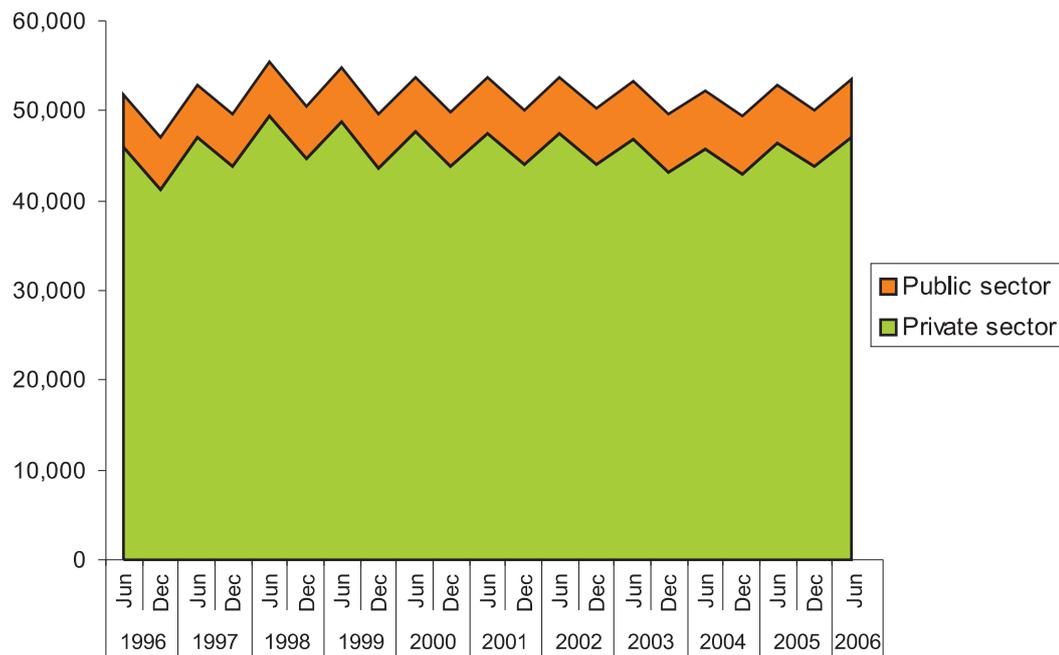
The extent of the seasonal variation in employment has lessened over the past few years as the Agriculture and Hotels, restaurants and bars sectors have seen real-term economic decline (as discussed in Section 1). In 1996 the total difference between summer and winter levels was around 4,800, including differences of some 3,000 in Hotels, restaurants and bars and 700 in Agriculture alone.

Over the past two years there has been some evidence of reverse seasonality in the Wholesale and retail sector, with higher employment in December than in June each year. In both 2004 and 2005 around 200 more people were employed in each December. This change is largely caused by the growth in the fulfilment sub-sector of retail whose business peak is in the run up to Christmas. In analysing trends between seasonal and non-seasonal sectors, this reverse seasonality helps to offset the residual seasonality seen in other sectors.

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<sup>7</sup> Jersey data are from the 2001 Census; UK data from UK Social Trends no. 32 (2002 edition) and the Labour Force Survey (GB strictly rather than the UK).

**Chart 2.1: Number of people in employment**

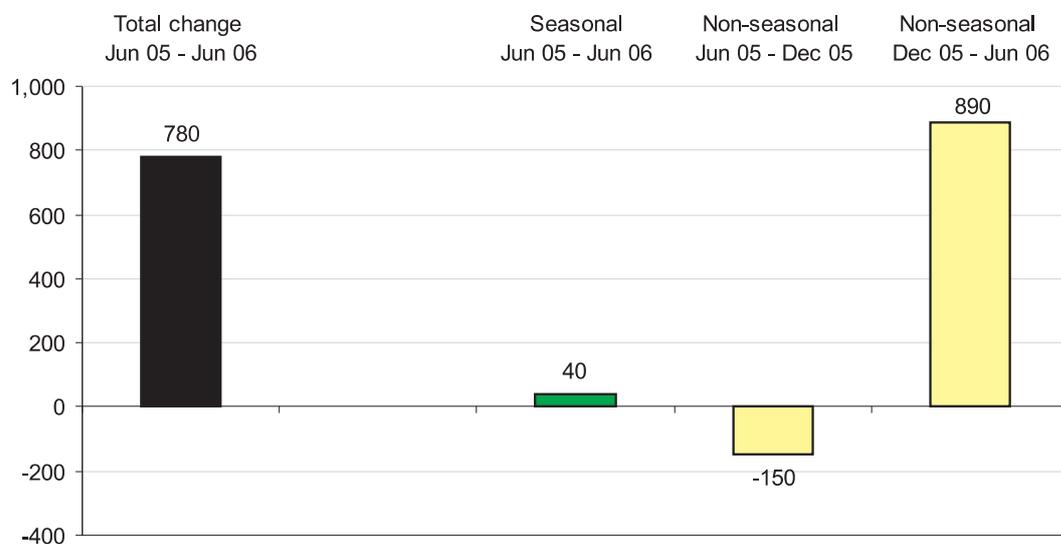


As described above, total employment grew by 770 in the year to June 2006. However, splitting the private sector into seasonal and non-seasonal activities shows a different behaviour pattern for the latter category on a shorter six monthly timescale (chart 2.2).

In June 2006 40 more staff were employed compared to a year earlier in the predominantly seasonal sectors, reflecting increased employment within the Hotels, restaurants and bars sector.

However, whilst the non-seasonal sectors recorded a small net decline during the final six months of 2005, in the first six months of 2006 employment in these sectors grew by 890.

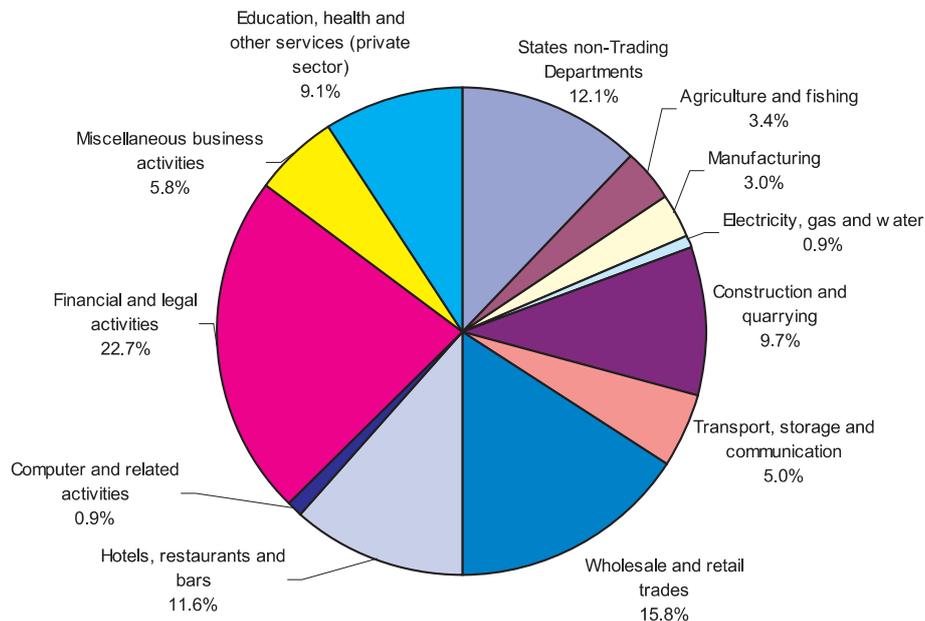
**Chart 2.2: Change in employment in seasonal and non-seasonal private sectors, June 05 to June 06**



## Employment by sector

As chart 2.3 illustrates, almost a quarter of Jersey's labour market is employed in the Finance sector. The next largest sectors in terms of employment are Wholesale and retail, accounting for about a sixth of total employment, and the Public sector (excluding States Trading Committees<sup>8</sup>) and Hotels, restaurants and bars each accounting for about an eighth of total employment. Both the Electricity, gas and water and the Computer and related activities sectors employ less than 1% of Jersey's total labour market.

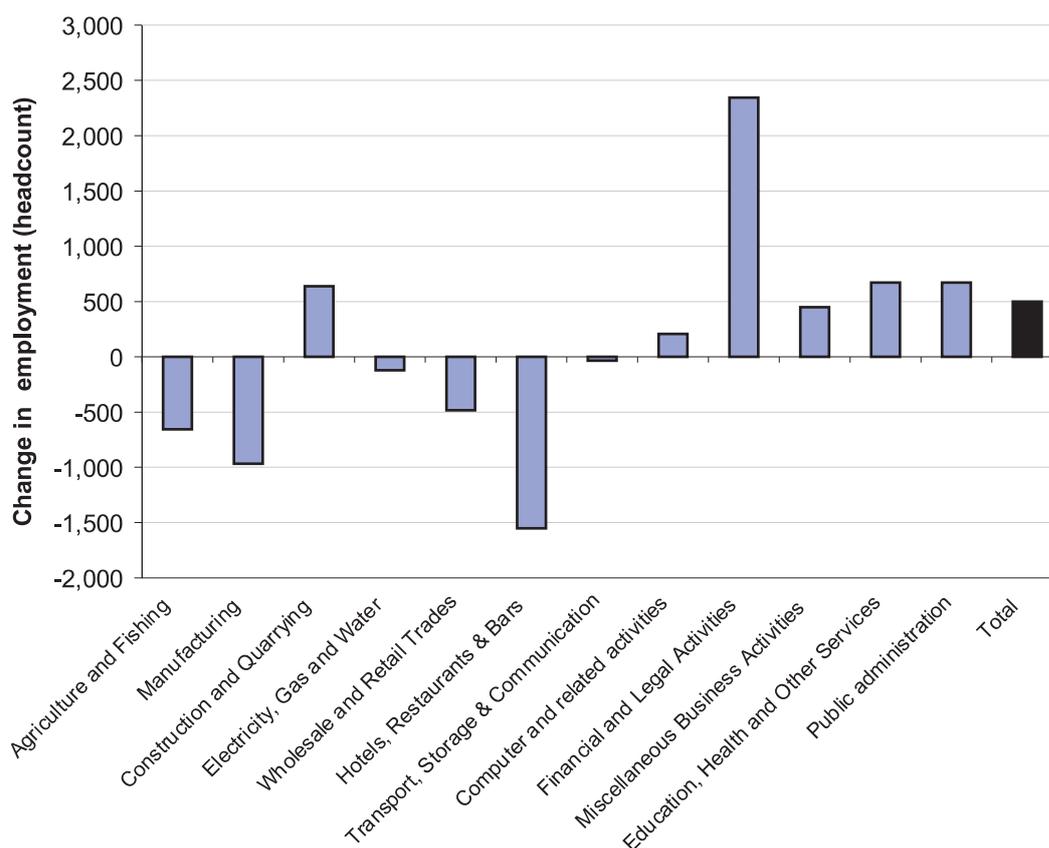
**Chart 2.3: Percentage employed by sector, June 2006 - headcount basis**



The change in employment in Jersey over the past eight years towards an increasingly more service oriented economy is reflected by chart 2.4 and Annex table A3.

<sup>8</sup> The Trading Committees are included under the Transport, storage and communication sector.

**Chart 2.4: Change in employment by sector, 1996 - 2006**



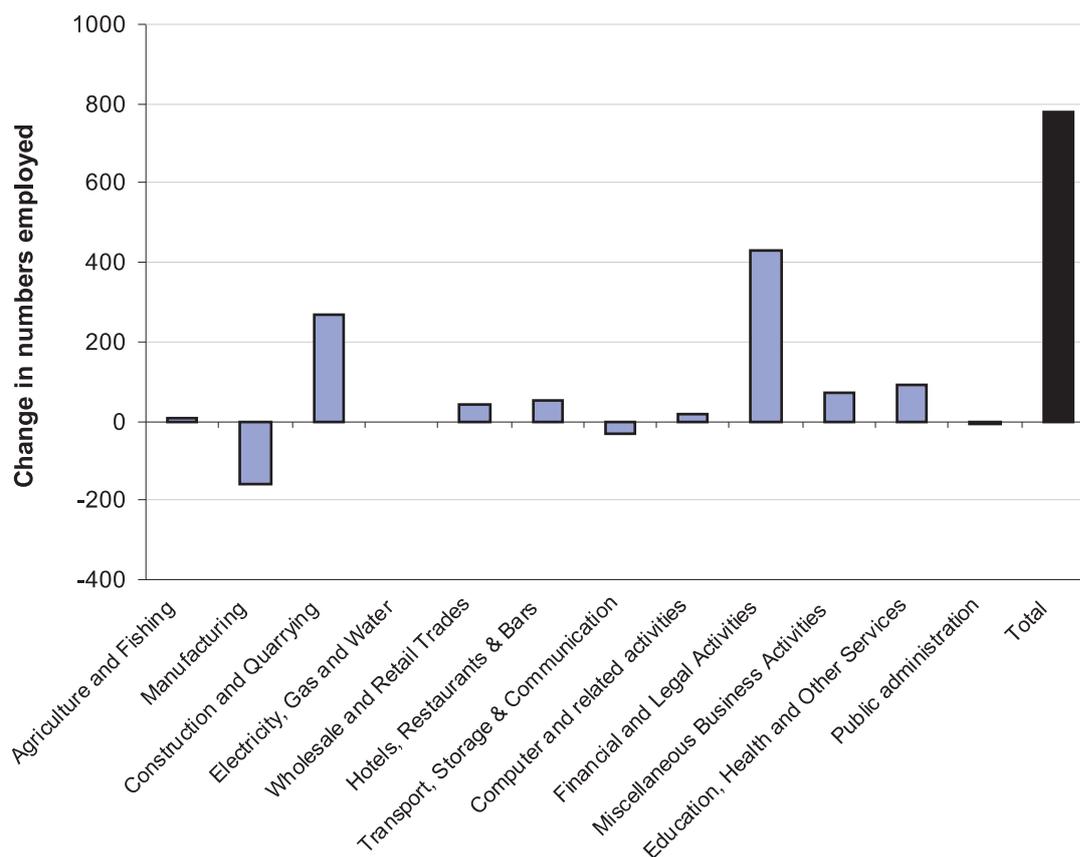
These data indicate the decline in employment in Agriculture, Manufacturing and tourism-oriented activities and the contrasting growth in Financial services and in public and private sector services / activities.

Between 1996 and 2006 employment in the Finance sector increased by 2,340 with Other business activities (comprising private sector Education, health and other services, Computer and related activities, and Miscellaneous business activities sectors) also growing by 1,320. In contrast, over the same period, employment in Hotels, restaurants and bars fell by 1,560, whilst 650 fewer people were employed in Agriculture and 970 fewer were employed in Manufacturing.

Chart 2.5 illustrates the changes in employment by sector over the past 12 months, allowing comparisons to be made between the overall trends seen during the past 9 years with more recent events. Consistent data for one-person businesses have only been available since 2000, thus whilst such businesses are included in chart 2.5 they are excluded from chart 2.4 and the long-run data shown in table A3.

In June 2006 there were 2,000 reported single-person undertakings, about 150 more than a year earlier. Increases in one-person businesses over the twelve months to June 2006 occurred notably in the retail sub-sector of Wholesale and retail trades, in the building installation and completion sub-sectors of Construction, and in Other services activities within the Education, health and other services sector.

**Chart 2.5: Change in employment by sector, 2005 - 2006**



Over the six months to June 2006, employment in the Finance sector increased by 420, pushing total employment in this sector over 12,000 for the first time in three years. Banking, which accounts for about half of the entire sector, saw a net increase of 130, the first six-monthly increase in this sub-sector for more than four years.

Manufacturing recorded the largest decrease in total employment from June 2005 to June 2006, reporting a net reduction of 160, predominantly due to ongoing rationalisation within a small number of larger undertakings. The Transport, storage and communication sector was the only other sector to experience a decline in employment figures over the twelve months to June 2006, recording a net decrease of 30.

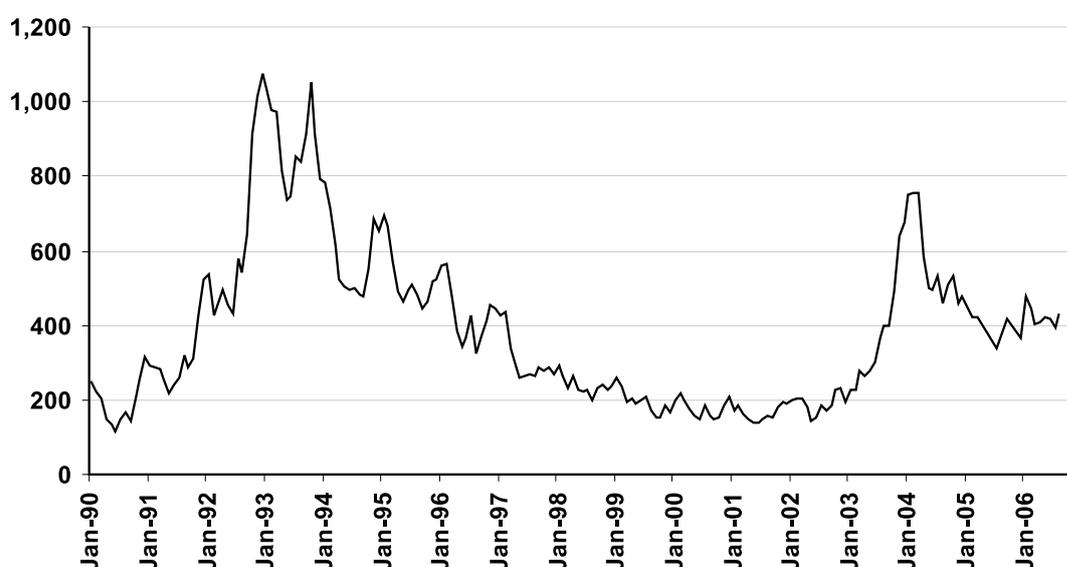
In the twelve months to 2006, the Construction sector recorded the largest percentage increase of any sector (up by more than 5%, corresponding to 270 employees, 90% of whom were locally qualified) resulting in the highest level of employment seen in this sector for eight years (5,220). The cyclical nature of employment in Construction is apparent in Annex table A3, with previous periods of growth occurring in 1997/8 and 2001/2.

## Unemployment

Registered unemployment in Jersey in June 2006 was 420, a similar level to that seen throughout the previous eighteen months (see chart 2.6). The most recent figures were comparable, 390 and 430 in July and August 2006 respectively. It should be noted, however, that due to the absence of unemployment benefit in Jersey the number of people registered as unemployed should be regarded as an *indicator* rather than a measure of the actual level of unemployment.

Chart 2.6 shows that registered unemployment in Jersey increased during the economic slowdown of the early 1990s before declining over the subsequent years to 1999; registered unemployment was then fairly constant for three years before rising in early 2004 and then falling once again. The level has been substantially stable, at around 400, for the past eighteen months.

**Chart 2.6: Registered unemployment in Jersey: 1990 - 2006**



The internationally comparable measure of unemployment is the proportion of unemployed people (i.e. seeking work or waiting to take up a job) of all those who are economically active<sup>9</sup>.

The new Jersey Annual Social survey (JASS) enables ILO unemployment in Jersey to be measured annually, and thus the effect on unemployment of changes in the Island's economy can be monitored on a more frequent basis.

In the third quarter of 2005 Jersey's ILO unemployment was 2.2%, a similar level to that recorded by the 2001 Census (2.1%). However, Jersey's economy underwent both a downturn and recovery in the interim between these two point measures.

In the UK, for the second quarter of 2006 there were almost 29 million people employed and nearly 1 million people claiming Jobseeker's Allowance (the Claimant Count). In Jersey there were 420 persons registered as unemployed in June 2006. People registered as unemployed were therefore less than 1% of total employment in Jersey in June 2006, compared to about 3% in the UK<sup>10</sup>. For the UK the ILO unemployment rate was 4.7% in the third quarter of 2005 and 5.5% in the second quarter of 2006.

<sup>9</sup> From Jersey's perspective, the ILO definition of unemployment includes both "registered" and "non-registered" unemployed people.

<sup>10</sup> Figures for the UK are from: *Labour Market Trends*, Vol 114 No 9.

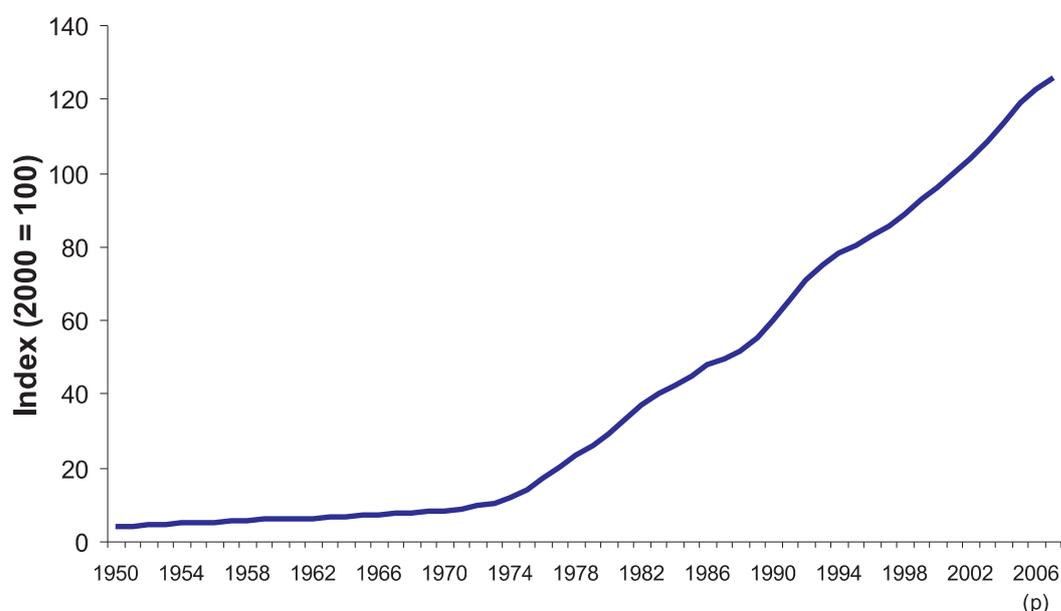
## Section 3: Prices and Earnings

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### Retail Prices Index (RPI)

The Retail Prices Index (RPI) is one of the longest standing data series produced in Jersey, dating back to 1947. The RPI measures changes in the cost of a representative selection of goods and services bought by Jersey households. Over 500 items are included in the Index, ranging from food and drink to insurance, rent, larger goods such as TV's, and services such as hairdressing. The 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 all these items. 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 annual rate of inflation).

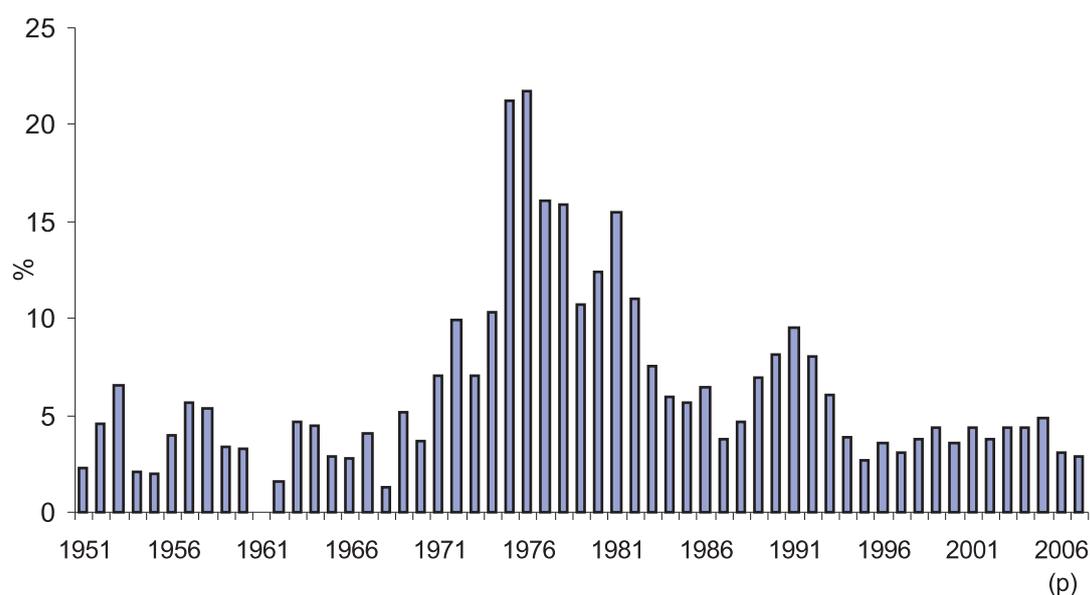
**Chart 3.1: All-Items Retail Prices Index (RPI) 1948 to 2006**



As illustrated by chart 3.1, the last 58 years can essentially be split into two periods in terms of the Jersey RPI: a period running post-war to 1973 when prices increased by 4% per year on average, followed by a period of average annual increases of around 8% running from 1974 until the present. Many factors contribute to the rate of change in prices, but to try and find a reason that may have caused the turning point in the series it is difficult to look beyond the 1973 oil crisis (oil prices quadrupled between 1972 and 1974), especially when at this time the Jersey economy would have been heavily dependent on oil products for its energy use.

Another way to view the long-term trend in RPI is to consider the annual percentage change in each year (chart 3.2). This shows a number of distinct periods: inflation running at below 5% until the early 1970's followed by a sustained period of high inflation of over 10% per year until the early 1980's; the late 1980's and early 1990's saw another period of high price rises, while the last 10 years have seen increases back around 3 to 5% per year. In 2005 and year to date for 2006 the annual average change in RPI is around 3% and thus is lower than the preceding period. However, it is too soon to say if this does mark the start of a new period of sustained low inflation in Jersey.

**Chart 3.2: Annual percentage change in RPI**

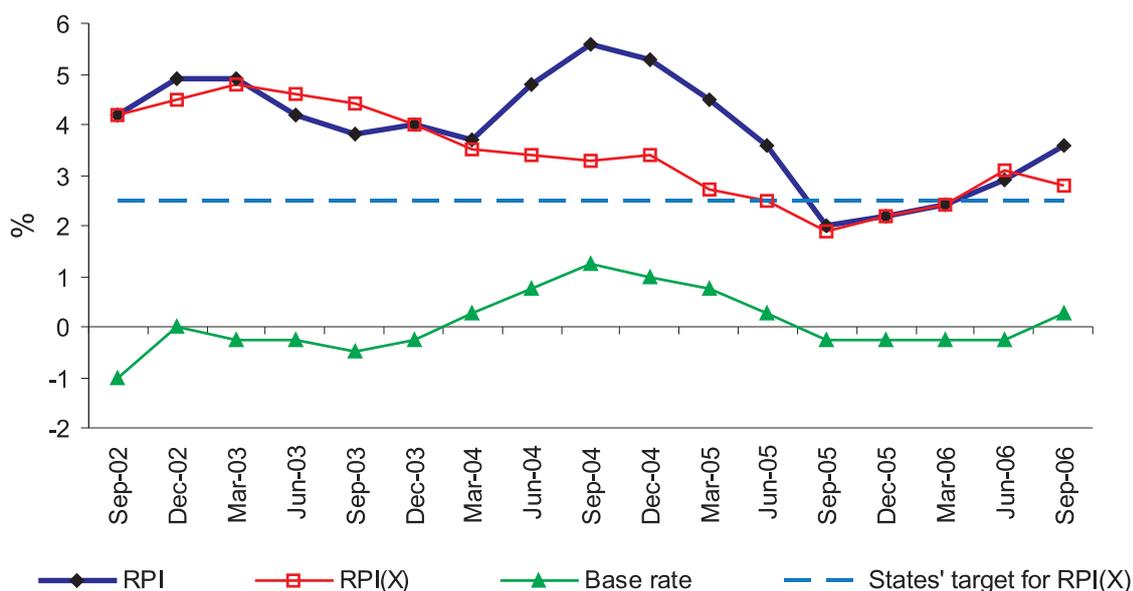


During 2006 the annual rate of increase has been at a similar level to that seen over the last nine months of 2005. In September 2006, the annual increase in the RPI was 3.6% compared to 2.9% for the twelve months to June and 2.4% for the twelve months to March.

To understand the changes in the RPI seen in 2006 it is necessary to consider the two main RPI series, RPI and RPI(X). 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; whereas RPI(X), where the X stands for eXcluding house purchase costs (measured by interest paid on an average mortgage), is known as the “underlying rate of inflation”.

Chart 3.3 shows how the two series have moved over the past four years, along with changes in the Bank of England base rate. This clearly illustrates the way in which the rate of increase in the headline RPI moves in direct correlation with movements in base rates on top of the change in the underlying series. RPI(X) itself saw a slowing rate of increase between 2003 and September 2005, after which it rose each quarter until June 2006, but fell in September 2006.

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



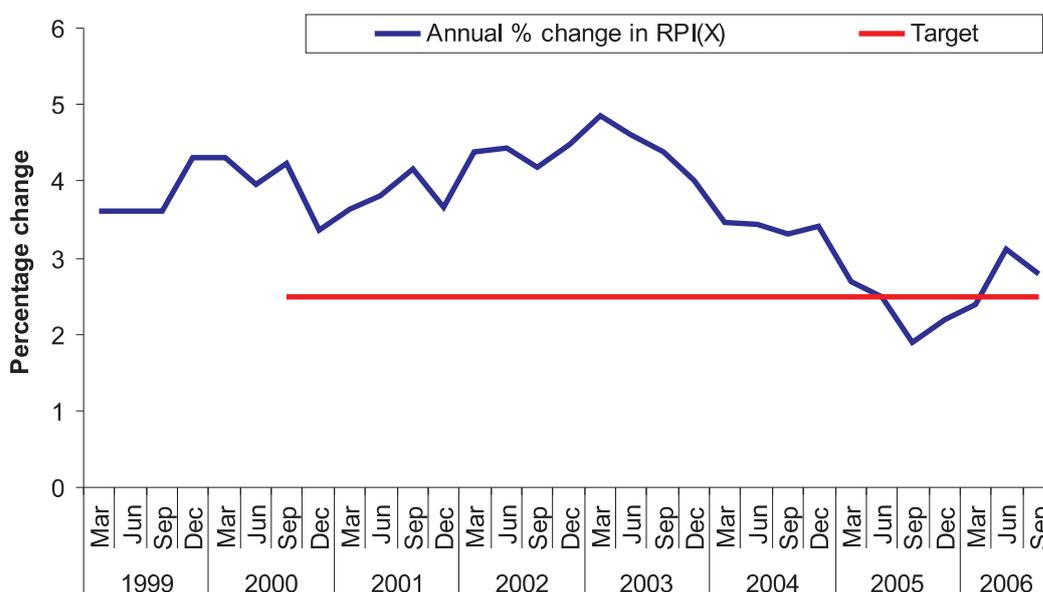
There are several factors that explain why the annual increase in the RPI for September 2006 was 0.7 percentage points higher than that for the twelve months to June 2006 (and 1.6 percentage points higher than in September 2005) whilst RPI(X) at 2.8% was 0.3 percentage points lower than in June 2006.

The largest upward driver to the RPI came from increased mortgage costs as a result of the August 2006 rise in the Bank of England base rate and continuing low-level growth in house prices which accounted for 1.0 percentage points of the total annual increase in RPI. Other upward price pressures came from increases in Fares and other travel costs (specifically in ferry fares but also the impact of fuel surcharges during 2006 on air travel) and Leisure services where costs increased (by 3% compared to September 2005) accounting for 0.4 percentage points of the overall annual increase. The increase in Leisure services largely resulted from higher school fees (effective each September) and entertainment and recreation charges.

Countering generally rising prices were the prices of Clothing and footwear (driven by falls in the cost of women's clothing) and Household goods which decreased by about 4% and 1% respectively. Fuel and Motoring costs saw lower annual increases as a result of a considerable fall in the rate of increase of global crude oil prices (which still remain at high levels) and a decrease in local petrol prices. Additionally, other elements within the Housing group (such as rates and maintenance costs) fell or increased at a lower rate than a year earlier. Overall underlying prices thus saw a decrease in the rate of increase and this exerted downward pressure to the overall headline rate of increase of the RPI despite this series rising.

In 2000 the States of Jersey agreed a target for underlying inflation of 2.5%. As chart 3.4 shows, this target was achieved in 2005 and over the first quarter of 2006. RPI(X) then exceeded the target in June 2006 and September 2006 by 0.6 and 0.3 percentage points respectively, but remains below the level seen during the period 1999-2004.

**Chart 3.4: Annual percentage change in RPI(X)**



## Earnings and prices

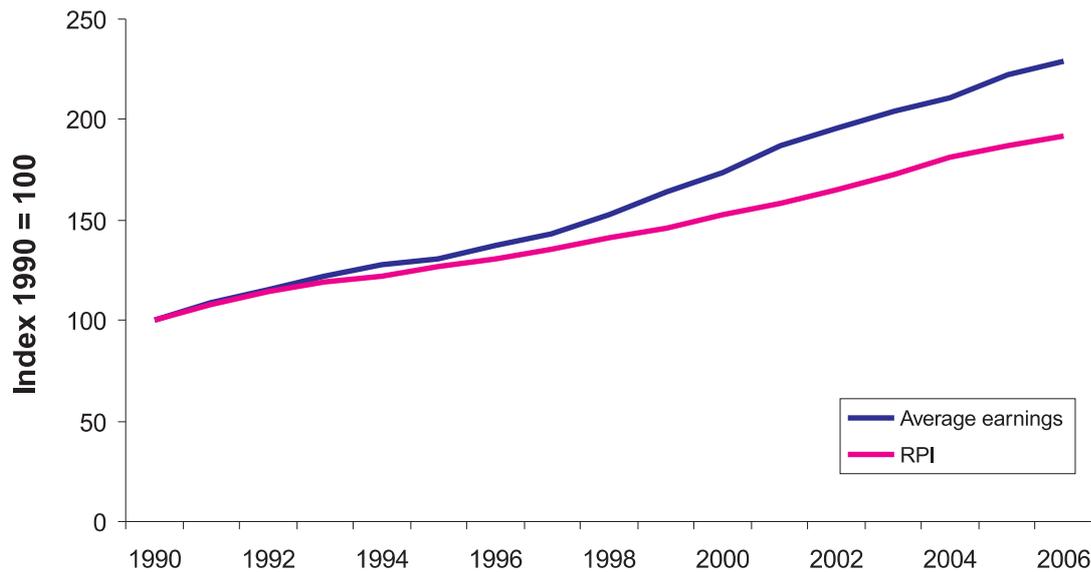
The RPI is one of the key economic indicators for Jersey, not only because until very recently it had been one of relatively few economic indicators available, but also because other payments such as wage agreements, rents, leases and maintenance payments are often linked directly to the RPI or RPI(X).

However, in examining the change in the RPI and in average earnings, it is clear that often in the past, most likely because of economic growth, earnings have on average increased at a faster rate than prices (chart 3.5).

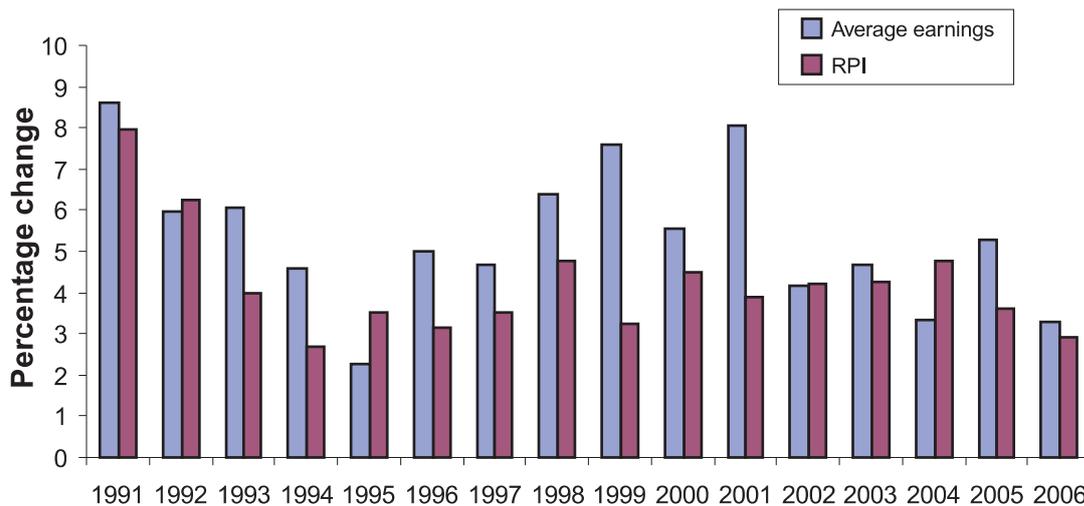
Between 1990 and 2006 the RPI increased by 92% (or an average of 4.2% per year) whilst average earnings increased by 130% (i.e. more than doubled overall and at an average rate of about 5.3% per year). Indeed in 12 of the past 16 years earnings have increased faster than prices (chart 3.6).

More recently the increases have been closer, over the past five years (2001 - 2006) the RPI has increased by 21% (3.9% per annum on average) and average earnings by 22% (4.1% per annum on average). The convergence continued in 2006 with earnings increasing by 3.3% and RPI by 2.9% to June 2006. The rate of earnings increase for 2006 was below the trend increase for the preceding 15-year period, with only 1995 recording a lower increase.

**Chart 3.5: Index of Average Earnings and the RPI**



**Chart 3.6: Annual percentage changes in the Index of Average Earnings and in the RPI at June each year**



Given that the average earnings data relate to changes in the year to June, it is also informative to compare changes in average earnings which occurred throughout the period June to June with the average of the annual changes in the RPI published between each June<sup>11</sup>.

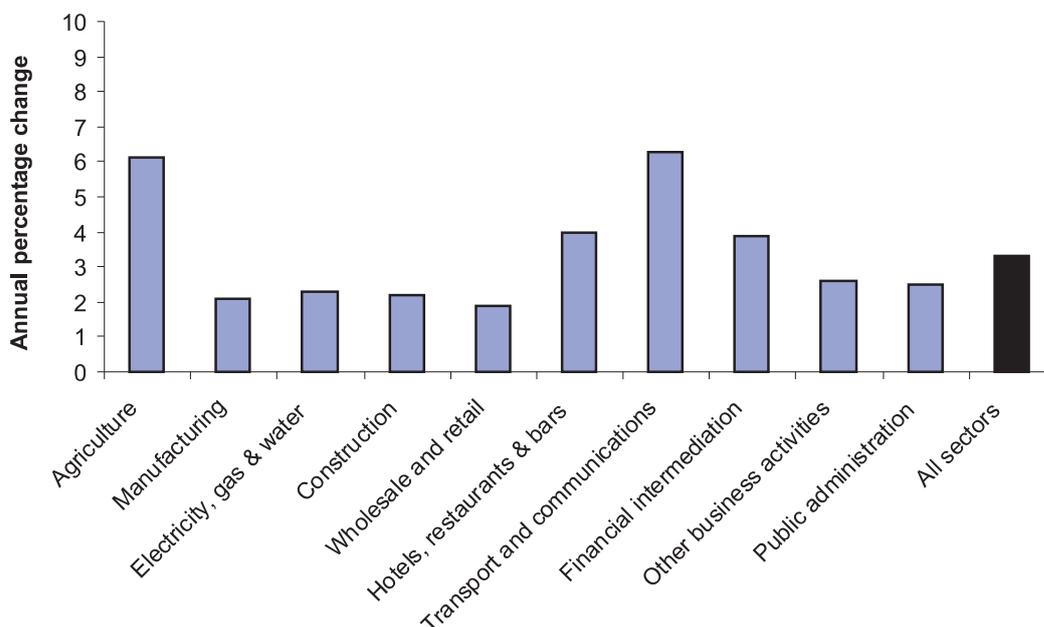
On this basis, the time-weighted average change in the RPI was 2.7%. Thus, average earnings over the twelve months to June 2006 increased by slightly more (0.6 percentage points) than the average annual change in the published RPI during this period. The corresponding increase in the underlying rate of inflation (the change in the Retail Prices Index excluding house purchase costs, RPI (X)) was 2.3%. The Index of Average Earnings thus increased by 1.0 percentage points more than the published RPI(X) during the 12 months to June 2006.

<sup>11</sup> For any organisation on an annual pay cycle who wishes to reference an RPI figure it is correct to look at a single 12-month change.

## Average Earnings

The principal role of the Index of Average Earnings 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 survey of employers who provide data on the monthly or weekly earnings paid to their employees and the number of FTEs covered by those earnings.

**Chart 3.7: Annual percentage changes in the Index of Average Earnings by sector 2006<sup>12</sup>**



Analysing the data by sector (chart 3.7) shows that overall the average earnings in the private sector increased by 3.4% over the year to June 2006, the lowest percentage increase for about a decade.

The largest increases were seen in Transport, storage and communications (6.3%) and Agriculture (6.1%), the latter influenced by the introduction of minimum wage legislation in Jersey<sup>13</sup>. The average rise for agriculture workers was less than that recorded in June 2005 (8.2%) but considerably greater than that recorded in June 2004 (0.6%) and in contrast to the falls in average earnings recorded by this sector in 2002 and 2003. Elsewhere, employees in Hotels, restaurants and bars received an average increase of 4.0%, with earnings in Financial services rising by 3.9%, a rate of increase slightly below that of 2005 (4.5%). The lowest annual rate of increase was recorded by Wholesale and retail (1.9%).

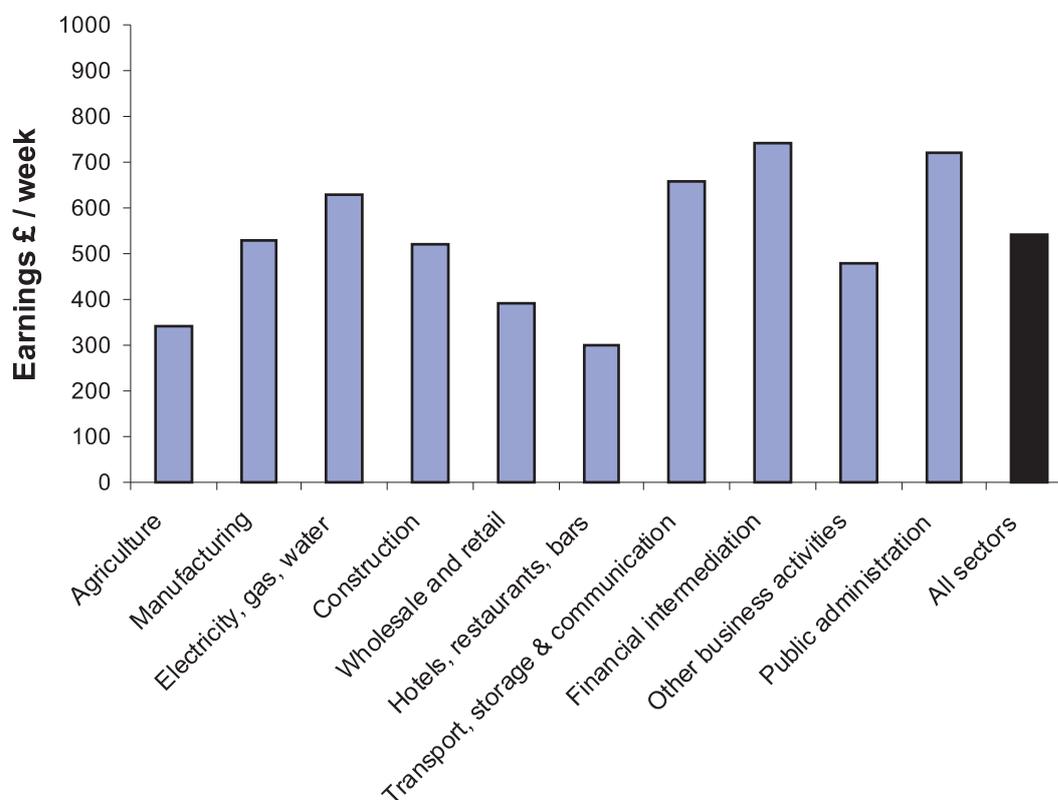
The majority of workers in the Public sector have not yet received a pay award for 2006. However, as a result of the 2004 and 2005 pay awards taking effect for some groups of workers during the latest 12-month period, average earnings across the sector increased by 2.5%.

<sup>12</sup> In charts 3.7 and 3.8 the category "Other business activities" comprises private sector "Miscellaneous business activities", "Education, health and other services" and "Computer and related activities". Trading Committees are included in the Transport, storage and communication sector.

<sup>13</sup> Minimum Wage legislation came into effect in Jersey on 1 July 2005, i.e. during the 12-month time-frame covered by this analysis. However, many private sector employers had taken pre-emptive action prior to the actual implementation date. The minimum hourly rate was set by the legislation at £5.08 and increased to £5.24 on 1 April 2006. Offsets were implemented for the provision of food and accommodation by employers and for accommodation only. These offsets are particularly relevant for employees living in tied (staff) accommodation in "Agriculture" and "Hotels, restaurants and bars".

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 standard error of around £20. Hence, the figures for weekly earnings shown in chart 3.8 should be considered as reasonable approximations, but with not quite the same degree of accuracy attributable to the annual percentage changes shown in charts 3.5 to 3.7. It is equally important to note, that the average levels of pay are per full-time equivalent employee (FTE). Therefore, someone working part-time would receive about half the levels indicated, on average.

**Chart 3.8: Average earnings by sector in June 2006**



In June 2006, the average weekly earnings for full-time equivalent employees at the sectoral level ranged from about £300 per week in Hotels, restaurants and bars to more than £700 per week in Finance and the Public sector (chart 3.8; underlying data are shown in Annex table A5).

Overall the average weekly earnings per FTE was around £540 per week (£28,000 per year). However, this figure excludes bonuses paid in the Finance sector (which are excluded from the average earnings measure due to their volatile nature). The annual Survey of Financial Institutions in Jersey<sup>14</sup> enables calculation of the average bonus paid per FTE employee working in the sector; for 2005 this was £5,600 per annum. Including bonuses increases the average (mean) weekly pay for 2005 from £710 to £820 per FTE in the Finance sector, and increases the overall average for the entire labour force in 2005 from £27,000 to £28,400 per annum.

<sup>14</sup> Survey of Financial Institutions 2005: States of Jersey Statistics Unit, July 2006.

The average earnings survey provides robust data to monitor change in earnings, but it does not provide a full distribution of earnings for each employee and as such it is not possible to determine median rates of pay. The only way to do this annually would be to add significantly to the burden on companies who provide data, or run a survey of individuals. The median figure is the best measure of the mid-point for an income distribution, if household data on individuals' earnings are available.

However, periodically we do collect earnings data from individuals to produce a complete distribution. The last such survey was the Household Expenditure Survey (HES) in 2004/5.

Analysis of the 2004/5 Household Expenditure Survey, an Island-wide representative household survey, showed that the *median* household income from employment<sup>15</sup> was £34,400 per household. Census information shows that there is an average of 1.24 FTE workers per household in Jersey; thus scaling household income from employment to an individual level gives a median annual income from employment of £27,700. Income from employment recorded via the HES does include bonuses for workers in the Finance sector, so to compare the two sources it is necessary to compare the mean figure corrected for bonuses as described above. This shows that in 2005 the mean annual income per FTE derived from the average earnings survey is £28,400 and the equivalent median from the HES £27,700. This difference is entirely as would be expected, with the mean greater than the median (due to the small number of people on very high earnings) whilst the closeness of the two estimates from independently run surveys shows that both data sets are robust and together do provide valuable information about earnings.

## House Prices

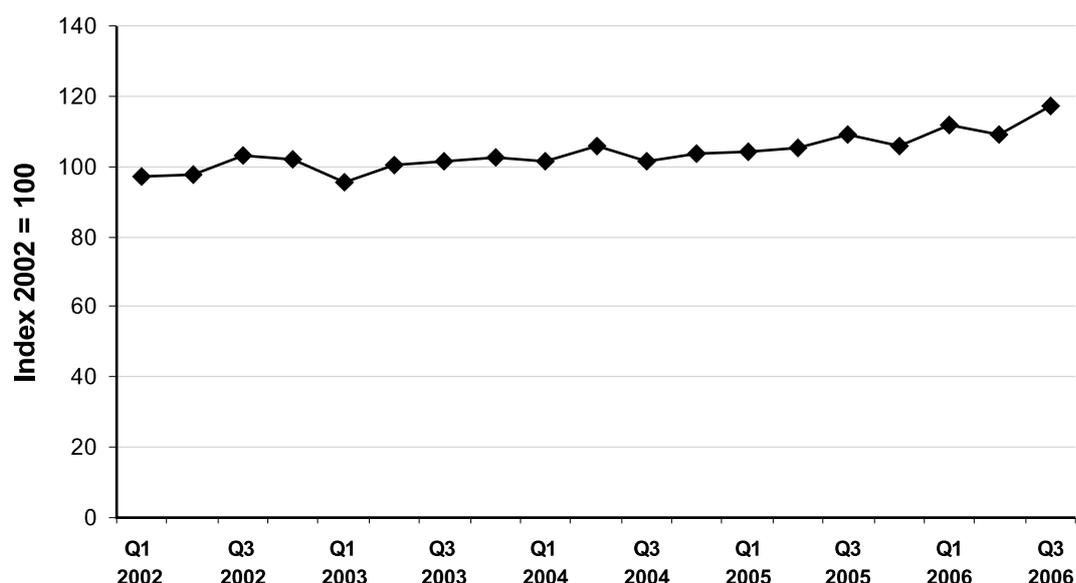
The measurement of dwelling prices in Jersey underwent a thorough review in 2002, resulting in a far more extensive measure which includes both flats and houses, as well as enabling a breakdown by size of property.

As chart 3.9 indicates, following a period of relative stability between 2002 and the first half of 2005, recently the mix-adjusted average price of dwellings in Jersey has begun to increase at a faster rate. During the first three quarters of 2006, the average (mix-adjusted) price was £358,000 (an index value of 112.7 where 2002 = 100). This figure represents an annual increase of 6% on the 2005 average and follows three years of increases of 3% or less per year. Although quarterly changes are susceptible to a degree of volatility, this larger annual change may indicate a step change in the housing market

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<sup>15</sup> The HES also collected data on unearned income (e.g. benefits); on average such income accounted for 13% of total income for households having at least one member in paid employment, resulting in total household income of £39,500.

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



Property type specific movements can be seen in chart 3.10.

The average price of 1-bedroom flats has been substantially flat for the last two and a half years. The mean price for the latest quarter, Q3 2006, (£168,000) was similar to the average for the first six months of 2006.

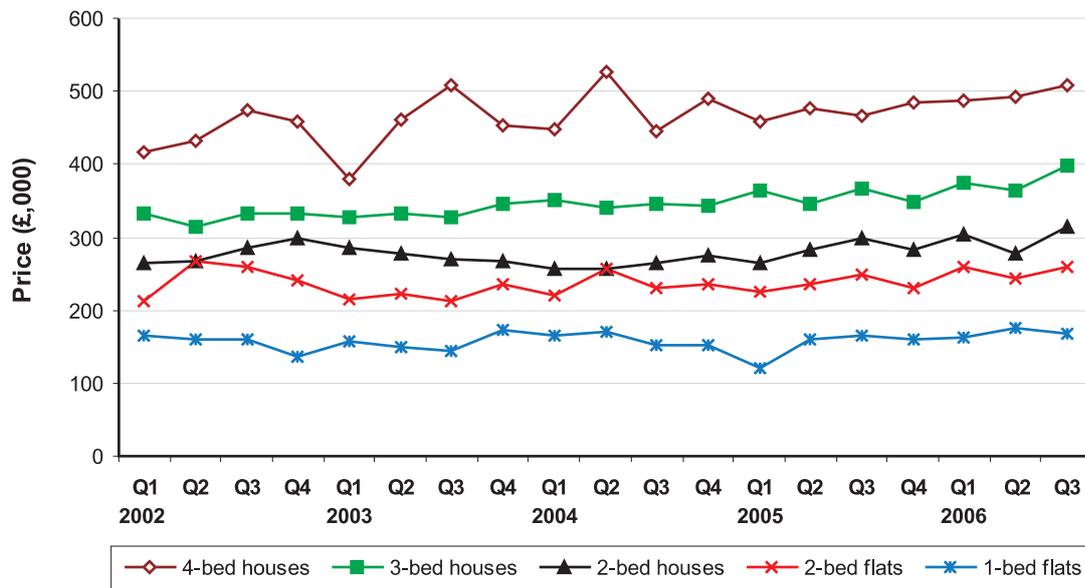
The trend in the mean price of 2-bedroom flats was essentially flat during 2004 and 2005. However the mean price recorded over the first nine months of 2006 is about 8% higher than that for calendar 2005. The mean price for the latest quarter, Q3 2006, (£259,000) was similar to that for Q1 2006.

The trend in prices of 2-bedroom houses was downward from mid-2002 to early 2003 but has been broadly upward for the past three years. The mean price recorded in the latest quarter (£315,000) was the highest seen for this property type since the new Jersey House Price Index has been produced. The average price of 2-bedroom houses sold during the first nine months of 2006 was about 6% higher than for 2005.

The 3-bedroom houses account for almost half of all residential transactions in Jersey. Following a gradual rise in prices from 2002 to 2004, a degree of volatility was observed in 2005 though the trend was still upward at a rate of about 3% per annum. However, 2006 has seen a faster rate of increase, with the mean price of properties sold during the first nine months being some 6% above that of 2005. The mean price recorded in the latest quarter was almost £400,000.

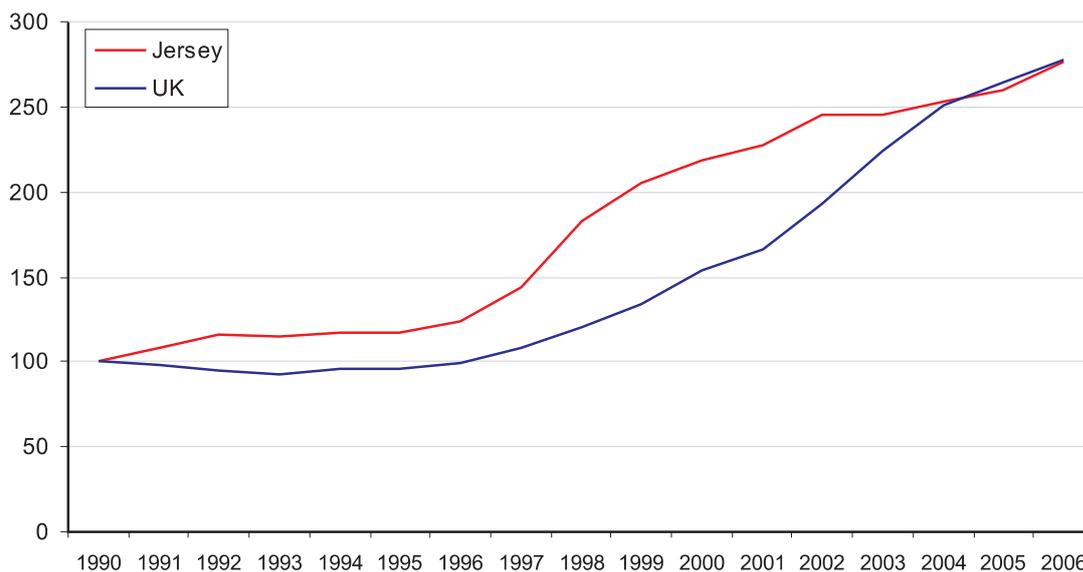
Traditionally, the 4-bedroom houses have been the most volatile category, being somewhat sensitive to the broad range of characteristics encompassed within this size of property. Nevertheless the trend has been broadly upward since 2002. The rate of increase for the first nine months of 2006 (up 6% on 2005) was similar to that seen for the other categories of house.

**Chart 3.10: Mean prices (£,000) for individual property types**



The price of property in Jersey can be compared to that in the UK. Chart 3.11 demonstrates long term house price movements in Jersey and the UK, comparing the Jersey and UK House Price Indices from 1990 to date.

**Chart 3.11: Jersey and UK House Price Indices 1990 - 2006**



Historically, the price of property in Jersey has been increasing at a greater rate than that in the UK, with the largest difference between the two rates occurring in 1999. However, since 2001, the UK rate of increase has surpassed that for Jersey resulting in a very similar overall change over the past 16 years. This trend is further demonstrated in table 3.1.

**Table 3.1: Mixed-adjusted average house prices (£,000)**

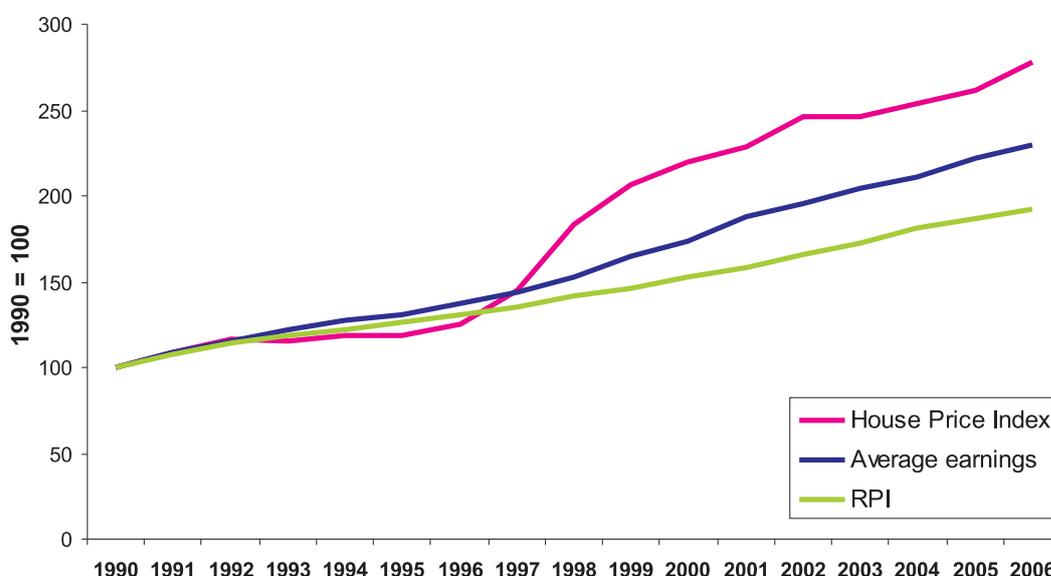
Year	Jersey	UK	England	Scotland	Wales	N. Ireland	Ratio Jersey/UK
<b>2002</b>	318	136	144	84	90	96	2.3
<b>2003</b>	318	155	166	92	104	102	2.0
<b>2004</b>	328	173	185	110	131	109	1.9
<b>2005</b>	336	183	193	123	145	127	1.8
<b>2006</b>	358	191	199	137	153	151	1.9

Although the mixed-adjusted average prices have been consistently higher in Jersey than the UK, the ratio between the two has decreased since 2002. In 2002, the difference in average prices between Jersey and the UK was £182,000 (ratio of 2.3) but in 2006 the difference was £167,000 (ratio of 1.9).

### RPI, earnings and house prices

In the early 1990s retail prices, house prices and average earnings initially increased at similar rates (chart 3.12). However, the economic slowdown between 1993 and 1996, and concurrent tightening of the labour market, saw earnings increase at a faster rate than both retail and house prices. Earnings continued to grow at a faster rate than retail prices in the subsequent recovery, which was driven locally by the growth of the finance sector. House prices, however, underwent a considerable increase (more than 10% annual growth for three years) at the end of the last decade, such that the average annual growth rate in house prices since 1990 of 6.6% is greater than that of earnings (5.3%) and retail prices (4.2%) for the same period. This situation is comparable to the UK, where average annual growth rates in house, earnings and retail prices since 1990 were 6.6%, 4.5% and 2.8% respectively.

**Chart 3.12: Indices of retail prices, average earnings and house prices for Jersey, 1990 - 2006**



# Annex

Table A1a GVA by sector in **current prices**; £ million.

Sector	1998	1999	2000	2001	2002	2003	2004	2005 (p)
Agriculture	46	47	47	44	47	48	44	47
Manufacturing	60	63	64	65	64	63	59	57
Electricity, gas and water	33	36	36	35	36	34	34	38
Construction	127	137	143	153	165	160	161	178
Wholesale and retail	182	189	194	197	200	210	215	230
Hotels, restaurants and bars	106	111	107	107	107	113	113	112
Transport, storage and communication	112	121	120	128	131	133	138	146
Finance	1,299	1,439	1,654	1,636	1,619	1,584	1,603	1,681
Other business activities	453	474	499	524	551	585	617	658
Public administration	157	174	186	199	210	223	235	243
<b>Total</b>	<b>2,574</b>	<b>2,791</b>	<b>3,051</b>	<b>3,088</b>	<b>3,129</b>	<b>3,153</b>	<b>3,219</b>	<b>3,388</b>

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

Sector	1998	1999	2000	2001	2002	2003	2004	2005 (p)
Agriculture	56	56	53	48	49	48	43	44
Manufacturing	74	74	73	71	67	63	57	54
Electricity, gas and water	40	42	41	38	38	34	33	35
Construction	156	161	162	167	173	160	156	168
Wholesale and retail	224	223	220	214	209	210	209	217
Hotels, restaurants and bars	130	131	121	116	112	113	109	106
Transport, storage and communication	138	142	136	140	137	133	133	138
Finance	1,598	1,694	1,873	1,784	1,692	1,584	1,551	1,589
Other business activities	557	558	565	571	575	585	597	622
Public administration	193	205	211	217	219	223	227	230
<b>Total</b>	<b>3,168</b>	<b>3,286</b>	<b>3,455</b>	<b>3,367</b>	<b>3,270</b>	<b>3,153</b>	<b>3,115</b>	<b>3,203</b>

(p): provisional

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

Sector	1998	1999	2000	2001	2002	2003	2004	2005
Agriculture	29	29	29	27	28	28	27	30
Manufacturing	34	34	34	35	34	34	34	35
Electricity, gas and water	65	69	67	64	66	64	66	72
Construction	34	37	39	38	39	38	38	38
Wholesale and retail	30	30	31	31	30	30	30	30
Hotels, restaurants and bars	22	23	22	23	22	23	23	23
Transport, storage and communication	54	54	53	55	55	55	56	58
Finance	152	156	170	157	146	140	141	143
Other business activities	102	101	101	100	100	99	100	104
Public administration	38	39	40	41	41	40	41	42
<b>All sectors</b>	<b>68</b>	<b>71</b>	<b>76</b>	<b>74</b>	<b>71</b>	<b>69</b>	<b>70</b>	<b>72</b>

**Table A3 Employment by sector; FTE employees (excluding one-person businesses).**

<b>Sector</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Agriculture	1,920	1,920	1,810	1,750	1,710	1,690	1,580	1,460
Manufacturing	2,150	2,140	2,130	2,020	2,000	1,850	1,680	1,530
Electricity, gas and water	620	610	610	600	570	530	500	490
Construction	4,600	4,370	4,190	4,360	4,480	4,250	4,150	4,370
Wholesale and retail	7,580	7,320	7,130	7,030	6,940	6,960	7,040	7,260
Hotels, restaurants and bars	5,980	5,770	5,440	5,150	4,990	4,920	4,770	4,700
Transport, storage and communication	2,580	2,620	2,570	2,530	2,510	2,440	2,400	2,400
Finance	10,550	10,870	11,010	11,330	11,550	11,330	11,000	11,090
Other business activities	5,460	5,510	5,590	5,720	5,760	5,910	5,940	5,970
Public administration	5,100	5,210	5,220	5,270	5,350	5,510	5,580	5,530
<b>Total</b>	<b>46,550</b>	<b>46,330</b>	<b>45,690</b>	<b>45,750</b>	<b>45,870</b>	<b>45,400</b>	<b>44,620</b>	<b>44,790</b>

*Other business activities includes private sector Education, health and other services, Computer and related activities, and Miscellaneous business activities. Transport, storage and communication includes States Trading Committees. Numbers are rounded independently to the nearest 10 and are weighted averages for each year.*

Table A3a Employment by sector June 2006, number of employees (including one-person businesses)

Sector	Full-time	Part-time	Total	Locally qualified	J category	Non locally qualified	Total
Agriculture	1,570	250	<b>1,810</b>	1,210	*	610	<b>1,810</b>
Manufacturing	1,340	280	<b>1,620</b>	1,310	10	290	<b>1,620</b>
Electricity, gas and water	490	10	<b>500</b>	470	*	20	<b>500</b>
Construction	4,940	280	<b>5,220</b>	4,570	30	620	<b>5,220</b>
Wholesale and retail	6,550	1,890	<b>8,440</b>	7,380	40	1,020	<b>8,440</b>
Hotels, restaurants and bars	5,230	970	<b>6,190</b>	2,720	20	3,450	<b>6,190</b>
Transport, storage and communication	2,400	290	<b>2,680</b>	2,530	40	120	<b>2,680</b>
Finance	10,870	1,310	<b>12,170</b>	10,590	510	1,070	<b>12,170</b>
Other business activities	5,230	3,220	<b>8,450</b>	7,260	150	1,040	<b>8,450</b>
<b>Private sector total</b>	<b>38,590</b>	<b>8,490</b>	<b>47,080</b>	<b>38,040</b>	<b>800</b>	<b>8,230</b>	<b>47,080</b>
Public administration	4,580	1,900	<b>6,480</b>	5,770	680	20 - 30	<b>6,480</b>
<b>Total</b>	<b>43,170</b>	<b>10,390</b>	<b>53,560</b>	<b>43,810</b>	<b>1,480</b>	<b>8,260</b>	<b>53,560</b>

Numbers are rounded independently to the nearest 10. \* denotes a positive number less than 10. Full and part time data for the Public sector derived from headcount and FTE data.

**Table A4 RPI group level indices and RPI(X), quarterly 2000 - 2006**

Date	Personal													RPI(X)			
	Food	Catering	Alcohol	Tobacco	Housing	Fuel & light	Household goods	Household services	Clothing & footwear	goods & services	Motoring	Fares & travel	Leisure goods		Leisure services	All-Items	
<b>Jun-00</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>	100.0
<b>Sep-00</b>	100.7	99.6	100.0	100.2	101.9	107.5	100.2	101.4	101.5	100.5	98.6	101.3	98.7	103.2	101.1	<b>101.1</b>	101.1
<b>Dec-00</b>	99.8	100.6	98.9	101.9	103.5	107.3	100.4	102.5	100.8	100.9	98.1	104.1	100.9	104.3	101.4	<b>101.6</b>	101.4
<b>Mar-01</b>	103.5	100.8	104.5	111.0	104.7	101.5	101.1	103.6	97.2	104.5	98.8	109.7	99.8	105.5	102.8	<b>103.0</b>	102.8
<b>Jun-01</b>	105.1	101.6	106.3	111.0	105.3	103.9	99.6	107.0	95.1	102.7	100.2	118.4	97.6	107.1	103.8	<b>103.9</b>	103.8
<b>Sep-01</b>	105.4	103.2	106.2	111.9	107.1	104.5	100.8	107.5	97.2	104.7	101.0	120.0	97.8	111.2	105.3	<b>105.3</b>	105.3
<b>Dec-01</b>	105.8	104.2	105.2	112.1	105.5	96.8	99.2	106.7	94.3	104.5	99.1	128.6	99.9	111.9	105.1	<b>104.7</b>	105.1
<b>Mar-02</b>	106.6	104.8	111.6	121.7	108.0	98.3	101.2	110.5	98.3	106.4	102.7	122.6	99.9	114.1	107.3	<b>107.1</b>	107.3
<b>Jun-02</b>	107.3	106.5	112.0	121.7	109.5	99.4	101.1	112.0	96.1	108.2	103.6	128.5	98.6	117.8	108.4	<b>108.3</b>	108.4
<b>Sep-02</b>	108.0	107.2	111.8	123.5	112.0	102.0	101.3	113.3	99.1	108.7	104.2	124.0	98.1	121.8	109.7	<b>109.7</b>	109.7
<b>Dec-02</b>	107.6	107.2	111.2	123.5	113.3	101.7	102.0	114.0	92.7	108.1	105.1	127.7	97.7	123.0	109.8	<b>109.8</b>	109.8
<b>Mar-03</b>	108.8	107.7	118.3	133.2	114.0	111.4	102.0	116.1	96.7	111.2	110.7	128.3	98.3	124.1	112.5	<b>112.4</b>	112.5
<b>Jun-03</b>	109.6	109.9	117.7	133.2	114.3	102.0	102.8	117.4	94.5	113.3	112.3	150.0	96.7	123.5	113.4	<b>112.9</b>	113.4
<b>Sep-03</b>	111.0	111.3	118.0	133.1	114.8	102.5	101.9	119.4	97.3	112.6	112.9	156.7	98.0	124.9	114.5	<b>113.9</b>	114.5
<b>Dec-03</b>	111.8	110.8	117.6	133.2	117.8	106.1	102.1	119.4	93.9	112.6	114.1	141.2	98.7	124.5	114.2	<b>114.2</b>	114.2
<b>Mar-04</b>	112.9	111.9	123.6	149.2	121.0	106.1	102.0	122.3	93.0	115.6	117.3	151.4	98.4	124.9	116.4	<b>116.6</b>	116.4
<b>Jun-04</b>	114.0	113.9	123.0	151.1	125.9	108.6	102.7	123.0	92.4	116.8	118.5	151.8	98.4	125.8	117.3	<b>118.3</b>	117.3
<b>Sep-04</b>	114.8	115.9	122.8	151.1	132.1	114.4	102.3	124.3	93.1	116.7	121.7	142.4	97.4	128.0	118.3	<b>120.3</b>	118.3
<b>Dec-04</b>	114.6	116.6	119.8	151.1	133.4	113.3	102.4	124.6	90.2	116.2	121.9	141.6	97.3	129.0	118.1	<b>120.3</b>	118.1
<b>Mar-05</b>	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	119.6	<b>121.9</b>	119.6
<b>Jun-05</b>	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	120.2	<b>122.6</b>	120.2
<b>Sep-05</b>	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	120.6	<b>122.7</b>	120.6
<b>Dec-05</b>	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	120.7	<b>123.0</b>	120.7
<b>Mar-06</b>	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	122.5	<b>124.8</b>	122.5
<b>Jun-06</b>	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	123.9	<b>126.2</b>	123.9
<b>Sep-06</b>	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	124.0	<b>127.1</b>	124.0

**Table A5 Average earnings by sector; £ per week**

<b>Sector</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Agriculture	270	270	290	310	300	290	300	320	340
Manufacturing	390	400	420	440	450	470	490	520	530
Electricity, gas and water	420	450	470	500	520	550	570	610	630
Construction	360	390	410	430	460	460	480	500	520
Wholesale and retail	270	290	310	320	340	350	360	380	390
Hotels, restaurants and bars	210	220	230	250	260	270	280	290	300
Transport, storage and communication	420	460	490	520	540	570	600	630	660
Finance	470	500	540	580	620	650	680	710	740
Other business activities	310	330	360	390	410	430	450	470	480
Public administration	490	530	570	600	620	640	670	700	720
<b>All sectors</b>	<b>360</b>	<b>390</b>	<b>410</b>	<b>440</b>	<b>460</b>	<b>480</b>	<b>500</b>	<b>530</b>	<b>540</b>

Numbers are rounded to the nearest £10.

The figures shown for 1998-2005 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 2006 are preliminary estimates based on June 2006 employment data only.

Figures shown for "Public administration" have been smoothed to remove the effect of the two-year structure of recent pay awards in this sector.

**Table A6 2006 Statistics Unit Publications**

<b>January</b>	25	RPI - December 2005
<b>February</b>	1	RUDL licences - December 2005
	15	House Price Index - Q4 2005
<b>March</b>	15	Jersey in Figures
	29	Jersey Annual Social Survey - 2005
<b>April</b>	5	Labour Market (Public & Private Sectors) - December 2005
	26	RPI - March 2006
<b>May</b>	17	House Price Index - Q1 2006
<b>June</b>	7	Population update - 2005
	21	Jersey Energy Trends
<b>July</b>	5	Survey of Financial Institutions - 2005
	12	Jersey Household Expenditure Survey - 2004/5
	19	RPI - June 2006
<b>August</b>	16	House Price Index - Q2 2006
	30	Average Earnings Index - June 2006
<b>September</b>	13	UK/Jersey Price Comparisons - June 2006
	27	GVA and GNI - 2005
<b>October</b>	4	Labour Market (Public & Private Sectors) - June 2006
	18	RPI - September 2006
<b>November</b>	15	House Price Index - Q3 2006
<b>December</b>	13	Jersey Economic Digest