

PORTS OF JERSEY

REVIEW OF GROWTH PROJECTIONS FOR ST HELIER HARBOUR

SUPPLEMENTARY NOTE: 24<sup>TH</sup> FEBRUARY 2014

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# COMMENTS

## Introduction

Fisher Associates was commissioned by Ports of Jersey to provide independent forecasts to 2038 for the primary commercial business lines at the Port of St Helier:

- Freight (imports and exports excluding fuels)
- Passengers
- Cars
- Fuels
- Ships

This Supplementary Note offers comments on the approach adopted and levels of confidence in the results.

## Drivers for Port Traffic

The key drivers for freight are:

- Population
- Wealth of the population
- The structure of the economy
- The impact of policies such as on energy

For passengers, Jersey's competitiveness as a visitor destination is also relevant.

Future port activity will depend on how these drivers change. The approach to forecasting therefore needs to be able to link port activity to these drivers, and consider how these drivers will change.

## Approach to Forecasts

There are three progressive options, and approaches and limitations for these are noted overleaf.

The option applied was Desk Study + Interviews. This was the best value for money option, and also deliverable in the timescale required.

We would not recommend the third option in any event. To illustrate why, refer to Jersey's Fiscal Policy Panel Annual Report (November 2013) forecasts of "GVA growth of between -2% and 2% in 2013, and between -2% and 3% 2014. This is a wide range from an expert body, and if that is the level of uncertainty that applies, there is little prospect of us improving on this.

## Levels of Confidence

There is no quantitative basis for levels of confidence. Based upon our experience, and with reference to page 20 Conclusion, our estimates are:

- There is a "significant possibility ... that the Worst Case could transpire": perhaps 10% to 20% chance.
- "We hope and expect that the outcome will be no worse than the Likely Case": perhaps 80% to 90% chance.
- There is a "realistic chance that the Best Case may transpire": perhaps 10% to 20% chance.

"We suggest that the FA Likely Case offers a reasonable balance between possible outcomes in the future. There is however no definitive answer."

**Note that these forecasts are for the long term.** Actual traffic will inevitably be higher or lower than these at times. They also exclude the impact of new projects such as cruise, waste etc.



## OPTIONS FOR FORECASTING

### Approaches and Limitations

	Approach	Limitations
1. Desk Study	Analyse the outcomes in commercial port activity that have been achieved over the last 20 to 30 years, and link these to the economic conditions that have applied. Consider what this tells us about the likely shape of future port activity for Jersey, given the potential future direction in economic and population drivers.	This is a historic approach that lacks the enrichment that face to face discussions offer wrt future changes in key drivers, such as investment in new vessels, new energy policies, or the likely rise / fall of certain sectors of the economy.
2. + Interviews	Consult with key stakeholders in the public and private sector to obtain context on their policies, plans and expectations.	Improves on 1., but lacks the quantitative basis offered by economic modeling.
3. + Economic Modeling	Develop an economic model of Jersey, linking this to outputs in the form of port activity.	In practice this is very complicated and difficult to do, especially at a time of uncertainty as now applies.

