

Let's talk Trade

Consultation response from
the Government of Jersey

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Consultation

Response from the Government of Jersey

January 2020

Introduction

Once Brexit takes place, Jersey's approach to external trade will need to adapt to new and emerging relationships between the UK, the EU and beyond.

At this critical juncture, the Government of Jersey needs to give clear policy direction to the UK government about how we will relate to the new trading arrangements that the UK is negotiating.

Let's Talk Trade builds on the open and inclusive approach to policy development that began with the *Let's Talk Brexit* residents and business surveys in 2017.

The public consultation, launched at the *Jersey Brexit Ready* event held at the Royal Yacht Hotel in St Helier on 7 October 2019 and running until 30 November 2019, requested views from stakeholders on the priorities to shape our approach to external trade.

The Government of Jersey commissioned research partner 4insight to support us in this work, adding to the evidence base we are developing to inform Jersey's ongoing engagement with the UK government and other partners on trade-related matters.

This paper sets out the response from the Government of Jersey to the consultation findings which are simultaneously published on gov.je.

Summary of Responses

564 responses were received to the consultation, via gov.je and 4insight.

Responses were received from diverse groups including businesses, individuals and other organisations, representing a broad cross-section of the Jersey population.

The findings highlight the concerns Island businesses and residents have about Brexit and the opportunities they think it will generate.

One of the key findings is the overwhelming support (93%) that stakeholders have for the Government of Jersey taking a principles-based approach to our ongoing engagement with the UK government. Stakeholders also agreed with the suggested principles in the document, building on the government's Brexit and Global Markets objectives, including promoting and protecting Jersey's international identity and reputation. These views will immediately inform a *negotiating mandate* that will guide Ministers and officials in these delicate discussions about Jersey's future.

Stakeholders offered a range of views about the impacts of Brexit for Jersey's goods and services sectors. This reflects the obvious uncertainties about Brexit as well as the need for the Government to be flexible and pragmatic in the pursuit of a of a proportionate outcome based on Jersey's current frictionless trading arrangements with the UK and EU. These views will help the Government of Jersey identify the most desirable *negotiating path* that a

UK-EU free trade agreement could take, and reinforces the importance of Jersey helping to shape the development of UK trade policy that affects us.

Another key theme that emerged from analysis of the responses was the business opportunities that Brexit could present for Jersey to access and benefit from new, non-EU markets. For example, 55% of respondents believed that Jersey should promote relationships with third countries that offer strong potential for growth for key goods and services sectors such as those in Asia. As well as building on the strength of Jersey's financial services trade, targeting growth in the digital sector also emerged as a key future priority. These views will help deliver the next phase of the Global Markets Strategy, including our programme of inbound and outbound visits, and help to broaden the Government of Jersey's reach and presence through our expanded overseas network.

Overall, the feedback provided will help the Government of Jersey develop a comprehensive international trade policy to ensure we can input into the UK's developing trade policy and deliver our own bilateral trade relationships.. It will also help the Government of Jersey in pursuing its key objectives of stimulating growth, promoting Jersey's economic interests and protecting our Island against external risks.

The detailed findings are presented in the accompanying report published by 4insight.

Conclusions and next steps

When the *Let's Talk Trade* consultation was launched on 7 October 2019 the timing and nature of Brexit was unknown.

The consultation was published in early October to ensure that enough information could be presented to Islanders about the choices facing Jersey; and concluded at the beginning of December so that stakeholder views could be considered before key decisions were taken.

Government Ministers and officials involved in shaping Jersey's Brexit Programme and future trade policy are grateful to all those who took the time to submit a response.

The findings have already informed an initial discussion by the Council of Ministers on 4 December 2019, concerning the negotiating framework for Jersey's potential participation in an UK-EU trade agreement. This is the first step in agreeing the Jersey position.

Now that the future direction for Brexit is clearer following the UK election on 12 December, the findings will be considered as part of the wider evidence shaping the position the Government of Jersey takes in discussions with the UK government to develop trading arrangements that will apply to the Island once the UK leaves the European Union on 31 January 2020.

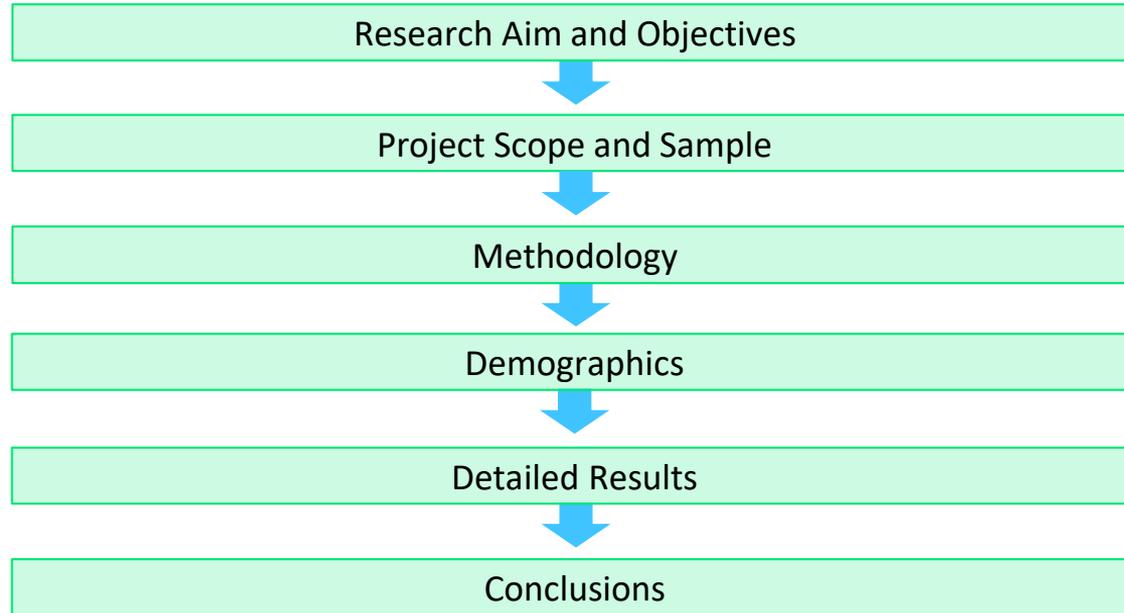
Of course, the Government's work to access priority global markets and promote Jersey on the world stage continues.

The recently agreed Government Plan sets out the priority not only to create a sustainable, vibrant economy, but also the importance of doing so in partnership with businesses and Islanders. To this end, there will be opportunities for further stakeholder input on Brexit and trade throughout 2020 and beyond.

Let's Talk Trade

Research Results Presentation

Presentation outline



Research Aim and Objectives

The **aim** of this research programme was to provide support to the Brexit team and the Government of Jersey's consultation on "Let's Talk Trade", building upon previous consultations and workshops, enabling the movement towards a future approach to trade policy development that is open and inclusive, delivering for all the island's stakeholders, businesses and communities.

Specific **objectives** were to:

- Explore awareness and knowledge of potential post-Brexit changes (UK and Jersey)
- Increase business and public awareness plus understanding of international trade generally, specifically how Jersey's external trading relationships could change post-Brexit
- Start meaningful, two-way engagement on trade to lay the groundwork for a Government of Jersey external trade policy
- Elicit views of stakeholders on specific live trade issues (WTO, Customs Union and Free Trade Agreements) and the impacts of these – on; economy, society, the environment
- Obtain information from businesses and other stakeholders to use as evidence in the development of Jersey's future trade policy
- Consult on the processes for future engagement on trade – how businesses, organisations and individuals want to be consulted in the future
- Demonstrate openness, accountability and transparency in decision-making in the new and fast-evolving area by continuing public communications and stakeholder engagement on key Brexit objectives, following up and maintaining momentum from Brexit Week and Let's Talk Brexit campaign

Outcome: Open and inclusive approach informed initial external trade for Jersey, post Brexit, based upon engagement/views of all the target audiences and evidence based research.

Mixed methodology; focus groups then survey

PHASE 1 Focus groups

A qualitative methodology was first used in order to gain **depth knowledge of perceptions and views** of islanders, helping to provide insight as well inform the design of the quantitative phase 2.

6 focus groups and 1 in depth interview were held in July 2019;

- 1 group with those aged 16-24
- 2 groups with general islanders, aged 18-70
- 2 groups with small businesses
- 1 group with representatives from Citizens Advice, National Trust, Jersey Disability Partnership, Jersey Fair Trade Association, Genuine Jersey, Jersey Community Partnership
- 1 in depth interview with Jersey Youth Service was also conducted.

In total the groups involved 37 respondents; 20 general public, 12 small business owners and 5 association representatives. Each focus group lasted 90-100 minutes and was conducted to an agreed discussion/topic guide with some stimulus materials to inform, after elicitation of awareness levels and perceptions, prior to decision making. Some projective techniques were included to explore emotional views in addition to the rational, e.g. first words association.

The key members of the Brexit team watched the research live in 4insight's professional observation studios through the one way mirrors. This viewing also enabled the team to add any extra questions just before the groups closed. All groups were recorded and professionally analysed.

A survey questionnaire was designed and agreed, aiming to quantify opinions held by islanders. It was programmed into 4insight's professional software, then the survey link soft launched to 10-15 people verifying its' operation before a full launch via varied channels, (4insight's representative database of 2,800, social media with posts and ads. The online survey was optimised for easy completion on Smartphone, tablet, laptop and PC, with a cookie to reduce the possibility of multiple entries. CAPI random selection street interviews were conducted by interviewers to survey any demographic gaps and those less digitally confident. Additionally key questions were explored with businesses online via gov.je. A mix of socio-demographics was achieved with a total of 604 responses being captured in the independent survey. After data cleaning, e.g. removing repeat responses or short partials, a total of **564** data cases were recorded and analysed plus 23 open ended responses to the key questions via gov.je.

PHASE 2 Survey

Focus Group Results

Key used



General
Public

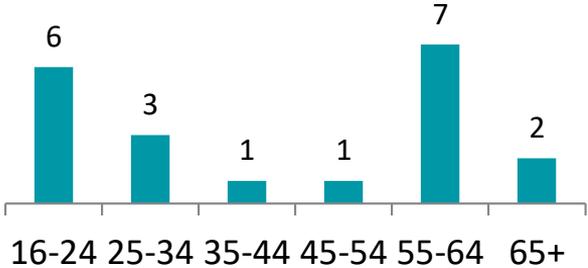


Small
Business
Owners

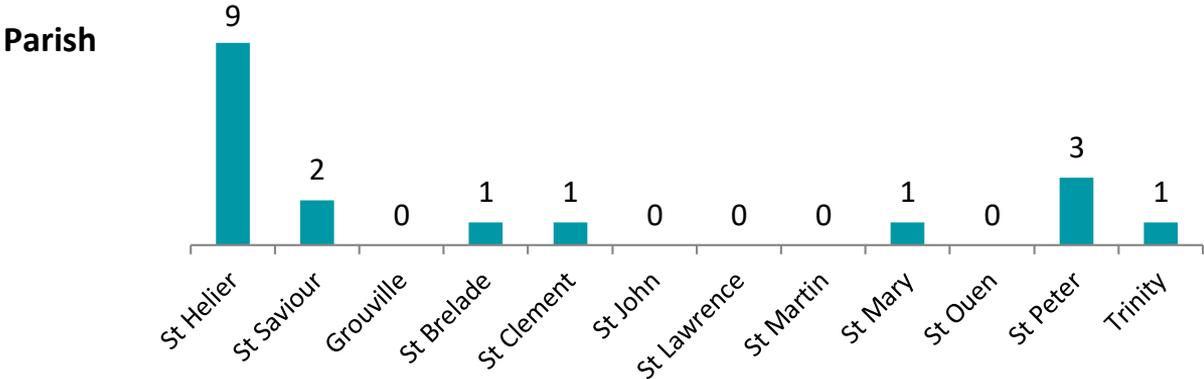
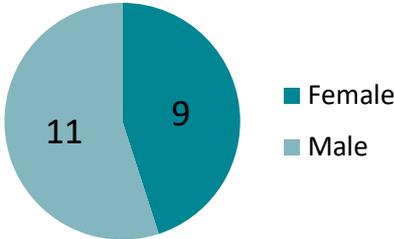
Islander demographics



Q. Are you aged....



Gender

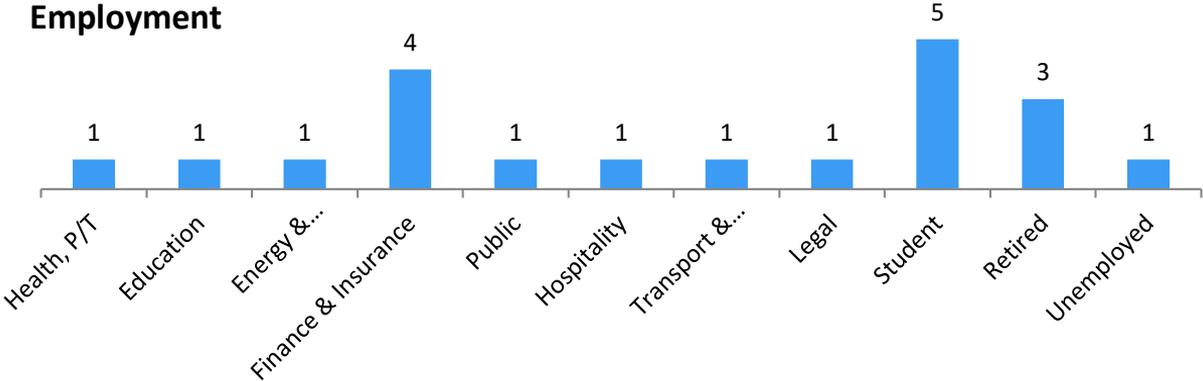


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Islander demographics



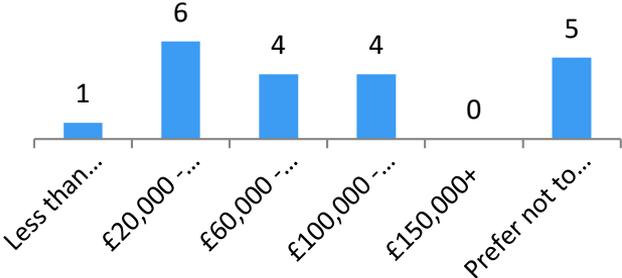
Employment



Islander demographics

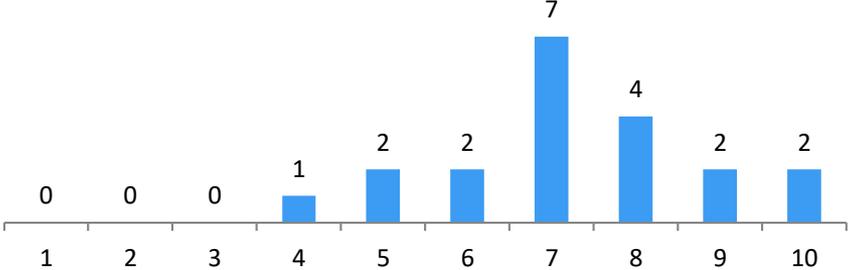


Annual Household Income



Q. How would you score your level of political interest?

Where 1 is none at all and 10 is very interested.

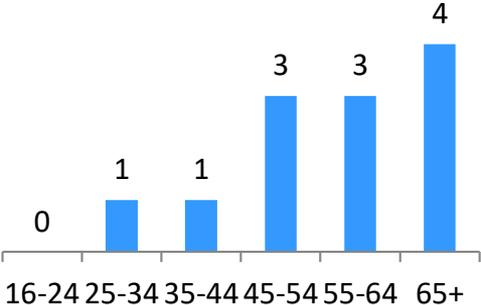


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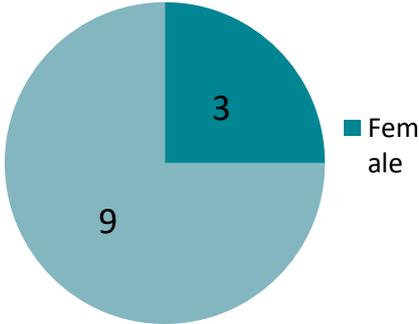
Small business demographics



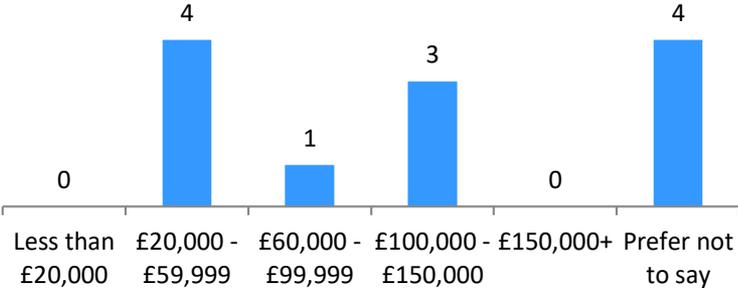
Q. Are you aged....



Gender



Annual Household Income

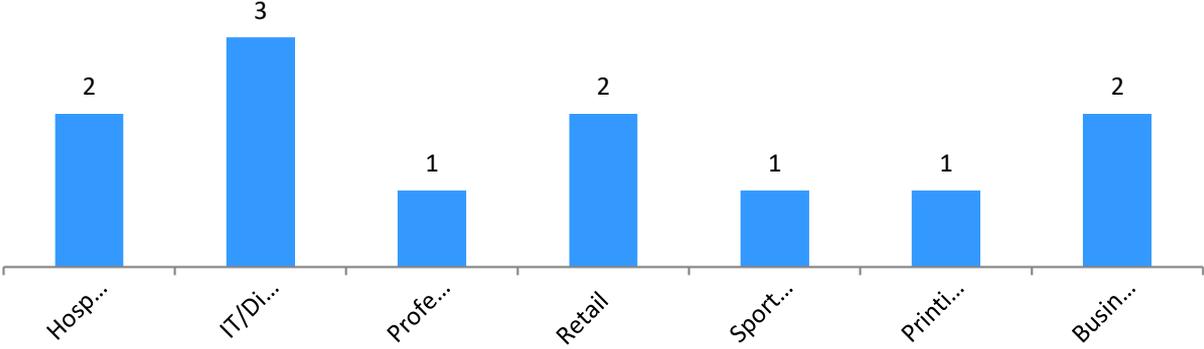


n=12

Small business demographics



Type of Business



Detailed Results

“First words/phrases that come to mind when I say the word....”

Brexit – mostly negative and emotional



4 x Chaos

2 x Shambles
2 x Complicated
2 x Politics
2 x Backstop
2 x Tariffs

Brexit – mixed associations for businesses



Trade – mostly factual



3 x
Barriers
3 x Tariffs
3 x Money

4 x
Goods

2 x
Services

Trade – mostly factual



Implications of Brexit

Respondents unsure of the implications for Jersey



- Many respondents were **unsure** of the implications of Brexit for Jersey, believing them to be unknown

“A lot of the issues for Jersey specifically are unknown”

“One of the difficulties is actually being able to define the implications”

“I don’t think it’s very clear at the moment, it feels like they don’t want to give us too much information”

“There’s a lot of confusion and mystery, it’s a bit ambiguous”

- Some individuals didn’t believe that there would be any implications for Jersey

“I might be naive but I didn’t think it would make anything difference at all”

“We have our own agreements already so I don’t think that it will change that much”

- A few respondents mentioned how any negative impacts of Brexit on the UK would be passed on to Jersey, including the passing of increased tariffs from the UK to Jersey

- Some individuals believed that negative views of the implications of Brexit were coming from the media, with one individual believing that children and young people were particularly influenced in this way

“It’s quite negative ‘oh god Brexit’ because of all the things in the media”

“I think that with the media we have been brainwashed into being negative about it”

- Multiple respondents believed that the cost of living and prices would increase, with increasing food prices mentioned in particular

- One individual mentioned that they had heard of worries about medicine rationing in Jersey following Brexit

- Some respondents mentioned how Brexit may give Jersey the chance to become more self-sufficient and less dependent on the UK

“Lots of opportunity for Jersey to become more self sufficient”

Many mentioned negative effects on **trade**, particularly importing and exporting physical goods



- Many respondents discussed how the majority of Jersey's trade is in services, rather than physical goods, reducing the impact of Brexit on the trade of physical goods

"Dealing with physical goods is a small part of what the Island makes its money from"

"We don't trade a great deal as our biggest trade is the finance industry"

"Most of the trade that Jersey does with the outside world is in services, like financial services, banking, legal services and so on"

- Many respondents discussed potential **negative implications** of Brexit on the **import and export of goods**:

"If you're importing through the UK then there may be a delay of goods arriving into the UK because of customs"

"If your goods are coming from other countries via the UK there could be cost implications"



- One respondent mentioned a particular issue with the export of shellfish due to them having to go through a customs port in Europe which would cause bad delays
- Some potential **positive implications** on trade were mentioned, with one individual suggesting that due to Brexit, Jersey will no longer be subjected to the restricted tariffs that Europe imposed on the UK, whilst another thought that Brexit could open up new opportunities for Jersey to *"make its own trade deals with people rather than using European trade deals"*
- Another individual believed that the UK would want to develop a trade agreement with the EU, and that we would be *"sucked into it"* because of our relationship with the UK

Respondents believed that Brexit would have a positive affect on **tourism**



- The potential weakening of the pound due to Brexit was mentioned numerous times as having a positive implication for tourism due to it encouraging more people to visit

“The pound will be slightly weaker so that will be good for people coming in, for tourism”

“ The rubbish exchange rate will mean that Europeans want to come here”

“Cant see very many advantages with the exception of the weak pound which is going to make coming to the UK, but Jersey specifically, cheaper”

- One respondent described how we get a large number of French tourists and that if the Euro “gets parity with the pound” the buying power of the people in France will grow, encouraging more to come to Jersey and buy things, positively impacting the tourism and retail industries



Beliefs were very mixed about the potential **environmental** impacts of Brexit in Jersey



- The true environmental impacts were mostly not understood by the respondents and when 'environmental' was mentioned they focused more on fishery and animal welfare issue.
- The potential impacts of Brexit on fishing were mentioned by multiple respondents:

- Some believed that there would be a negative impact of Brexit on fishing, with French fisherman hoping to relax policies which previously prevented them from *"coming into our waters and clearing our stocks"*



- Others believed that Brexit would have a positive impact on fishing due to us no longer having to follow the EU regulations which currently cause lots of dead fish to be thrown back into the sea

- Respondents in one group disagreed over the potential effects of Brexit on animal welfare. One individual believed that standards would drop whilst another thought that they would improve due to Britain having higher animal welfare than the rest of the EU

- One respondent mentioned that they thought there could be a potential increase in gas and oil prices



"I don't necessarily think that animal welfare will drop. I think it may actually get better as Britain has higher animal welfare than most of Europe so I think it may actually improve when we're not under European rules"

Financial Services protection seen as a priority



- The overarching opinion from respondents was that the finance sector will not be affected by Brexit
- Many individuals believed that the greatest opportunities for Jersey following Brexit would be in the **finance sector**, primarily due to Jersey having its own legislations and laws
- Some individuals believed that the main priority throughout Brexit should be the protection of the finance industry as *“that's what's keeping us afloat”*, with one individual describing how if the financial services disappeared one day, we wouldn't be able to afford the growth in infrastructure that has been caused by the growing finance sector

- However, a couple of respondents mentioned potential complications such as:
 - If in the future the finance sector collapses, we are left with infrastructure we cannot afford and loss of jobs
 - Legislations becoming bigger due to not only meeting UK legislation but also the EU's
 - EU countries who have residents that move to Jersey may tax their income

The perceived impact on Digital services on the island was mixed

A couple of respondents in the Digital industry said their clients were based outside Europe, so would not be affected

The opportunity for Jersey to be a digital “Hub” was mentioned in a few groups

One mentioned how tricky it was to set up a Digital business in Jersey

A few respondents mentioned how the **Property** sector was already being affected by Brexit, with a large decrease in those wanting to buy or sell properties

Increased costs and staffing issues seen as main implications faced by small business owners



- Some business owners felt that there was a large amount of **confusion** surrounding the implications of Brexit for small business owners

“The amount of confusion for small traders is unbelievable.....our current politicians are plunging us into a big black hole”

- One respondent in hospitality described how Brexit is already having a significant impact on **food costs**, particularly for perishable goods, causing them to increase significantly

“Food costs went up 7 percent last year because of Brexit”

- Respondents in hospitality and digital services described how they perceived **staffing** to be the greatest issue. One small business owner described how as the pound gets weaker due to Brexit, it becomes less beneficial for workers who move here to work and send money home to stay, so more may choose to leave. Respondents also mentioned concerns about their future ability to hire European workers. Staffing issues were suggested to have financial consequences for the Island also

“If all those people leave the island we have empty infrastructure....we don't have their taxable income to pay for that infrastructure”

- One individual who owns and runs a Pilates studio described how increasing prices due to Brexit would mean that islanders have to cut back on spending, and that fitness services such as her own are “the first thing everyone gives up”
- Another individual in the retail industry thought there may be cost implications with extra GST charges as stock comes from other countries via the UK
- One individual with a digital marketing company did not believe that there would be any implications for his business because his clients were in Asia
- One respondent with a training and consultancy business described how he regularly travels across Europe on work, so Brexit's implications on the free movement of people could have great implications for his business. Also on his VAT submissions which is one to HMRC for many countries

"Finance could be the golden goose. Jersey's saviour."

"Goose that lays the golden eggs."

"In terms of legislating finance, it's only going to get bigger with these new laws in terms of not only needing the laws for the EU but also the UK."

"Surely most of the trade that Jersey does with the outside world is in services, like financial services, banking, legal services and so on. "

"Next to nothing I think for Jersey. We have our own laws; we can do as we please."

"As long as Jersey keeps its low corporate tax. Jersey will be fine."

"In finance we have more jurisdiction and our own laws."

"Nearly all the regulation affecting the finance sector is global, it's not Europe based, and Europe is only one participant in the standards. I don't think they'll be much change"

Finance sector

"It would have to be the staffing. Horrendous as it is now, if anything it would make that worse. (Getting staff and retaining staff) People just don't want to work in hospitality."

"Staff is the main issue, whether you're going to be able to employ people who are not British. The affect of exchange rates on pay; lots of people who come and work here send their money home, if the sterling continues to suffer then there's less advantages for them to stay."

"Staff's already a problem, it can't get worse."

"There's massive implications for the majority of the staff employed who tend to be seasonal, coming here from a variety of different countries...it's unclear, do we have to register everybody?"

Hospitality

Digital

"Why oh why would anyone move their digital business to Jersey. It's a nightmare to do business here, the red tape's a pain in the butt, Government is useless, I would tell anyone run a mile."

"For my training consultant business I travel around Europe, with freedom of movement. Potentially, a huge impact. For my online business, if I sell to businesses, I don't have to charge EU VAT, if I'm selling to end consumers I had to charge their local VAT rate, so I collect all this money, I then have to pay all the EU countries. In order to do that currently I'm registered with HMRC, I send them one payment, and they distribute that to all the EU countries. So if UK is out, that service is no longer available to me."



- Most of the negative implications discussed were described as being short term effects of Brexit
- When discussing long term implications, some individuals thought that there could be positive outcomes, particularly economically, although no specific implications were known

“Long term there will be a chance that a lot of good can come out of it”

“How can you answer that one until you can see what Brexit will be?”

“I do think that it will be economically beneficial in the long term”

- One respondent believed that you couldn't predict the long term implications until the short term implications were seen/known



- As the young people group was composed of individuals who showed enough interest in Brexit to be interested in attending the group, knowledge levels were generally quite high, however knowledge levels varied and views were mixed
- The young group had very negative views on a hard exit and the implications of Brexit on Jersey, but were unsure of how much they personally would be affected
- A representative from the Youth Enquiry Service and the YES Project gave their opinion on young peoples perception of Brexit:
- They believed that whilst young people were aware of Brexit, it's not something they think about
- They mentioned that when young people express negative opinions about Brexit, these have probably been learnt from the media, or from "parents complaining about it"
- They described how young people may be more interested in the implications of Brexit on travel, rather than on costs and trades, as this is "an easier concept to grasp". It was mentioned that many young Portuguese children travel back home to visit family, and are unsure how this will be affected by Brexit

"I'm not sure how much it will affect me as a teenager living in Jersey"

"Travel is an easier concept to grasp than trade"

"Young people aren't thinking about costs..... they're distanced from money, all the money they get comes from their parents"

Association representatives were concerned for the more vulnerable islanders

- Representatives described how Brexit has the potential to have a very negative impact on charities due to reduced funding and difficulties managing risk

“The difficulty with funds for charities drying up”

“It’s around how can we prepare for the unexpected, that’s the hardest thing to do, particularly for charities, managing risk is one of the hardest things for charities to do”

“Everything we do requires some kind of funding or sponsorship or partnership, and that will be possibly impacted upon, we don’t know what’s going to happen to the finance industry”

- Vulnerable individuals were described as being at the most risk

“We’re looking at two groups of people really, vulnerable clients who can’t stockpile or make necessary arrangements, and perhaps people who are sole traders..... any support that is available will be fed out to big businesses first..... it’s the people that fall through those gaps”

“The people facing the biggest immediate impact are those who are most vulnerable...I don’t know how many people depend on food banks in the Island”

“Charities supporting those most vulnerable in our society, or those living on the just about surviving line, their services will be more in demand than ever, but with fewer and fewer resources to meet that demand”

- One representative discussed there being new opportunities for the agriculture industry due to Brexit, with Jersey being able to “think completely differently”
- One respondent mentioned that there would be an “immediate aftermath” on fresh fruit
- There was mention of the price of goods increasing, and the choice and range of goods available decreasing due to Brexit

“Because everything is so controlled by Europe, what you’re allowed to grow and subsidies, there is an opportunity to think completely differently about agriculture”

Relationships post-Brexit

The majority of respondents thought that Jersey becoming independent was too risky

- The majority of respondents did not think that Jersey should become completely independent

"I think it's an awful idea"

- The main reason given for why we should not be independent was the risk it would place us in, without the protection from Britain

"I think it would be silly....we have the whole of the British army to protect us if something goes wrong"

"The fear has always been that 'at least we've got the protection of Britain', it would be very easy to pick us off because of our size if we were totally independent"

- Some respondents also mentioned the beneficial nature of Jersey's relationship with the UK

"I think as a whole Jersey's relationship with the UK works well"

- One respondent thought that Jersey should hold off and watch what happens before working out whether Jersey would be better off independent or not

- A couple respondents liked the idea of Jersey becoming independent, although one mentioned that they did not see how it could possibly work

"I'd like us to be independent... we're running our own shop, we're not dependent on everyone else"

"I would like the idea of being independent but I don't think it could possibly work"

- One individual described how if Jersey became independent then Islanders would have to give up their UK passports and believed that this "would cause untold grief"

Respondents believed that it would be beneficial and straightforward to align with the UK



- Many respondents believed that it would be beneficial for Jersey to align with the UK, and that this would be the easiest and most straight forward route

“UK..... pick them because they're close by so it doesn't take much time or money to get to them”

“Jersey will get a better deal by aligning with the UK as the **UK has better spending and buying power**”

“Will be the easiest route. Would start from scratch with anywhere else. Whereas it's all set in place”

“Maybe we're **stronger in numbers**”

“Jersey's ridden on the back of the UK”

“We tend to slipstream the mainland”

- Jersey was described by many participants as “riding on the back of the UK”

- Some respondents did not believe that the relationship between Jersey and the UK would change following Brexit, with one individual mentioning that they didn't see how the relationship could get any better than it already is

“I'm not sure how much better it can be, they already take the VAT off, I think we've got as good as we're going to get”

- One individual believed that the UK would not be interested in a deal with Jersey as they have “better spending and buying power”
- Another individual thought that Jersey should hold off to wait and see what happens before deciding whether to align with the UK

- One respondent believed that Jersey's agriculture would need to be aligned to the UK as we export a lot of our agriculture to them

“What's going to happen to protocol 3.....does that fall away with Brexit?”

“Agriculture's got to be aligned with the UK because we're exporting to the UK and so we've got to follow their rules”

- A few respondents questioned what would happen to protocol 3 once Brexit happens

Respondents thought alliances outside of the UK would be beneficial, but were unsure of the possibility of such alliances

“Think that maybe we should be looking at importing directly from Europe more of our goods”

“Jersey isn’t able to get Apple or Google to accept its existence, so trying to get a European country to do so ...”

“As far as I’m concerned no one’s heard of Jersey”

“If Jersey go to Brussels and say we want to negotiate a trade deal they won’t be interested, they’ll be laughing”

- Many respondents thought that it would be beneficial for Jersey to create alliances outside of the UK, particularly trade alliances
- One individual described how their biggest concern was *“Jersey becoming detached from both the UK and the EU”*
- Some respondents mentioned the need for Jersey to have a close relationship with the rest of the Channel Islands and other crown dependencies
- However, many respondents were unsure about Jersey's ability to do create alliances outside of the UK, with some believing that countries outside of the EU, as well as within the EU, don't know about us and so wouldn't want to form an alliance, and others believing that our small size and buying power would put countries off forming alliances with the Island
- One potential issue with trading directly with the EU that was mentioned, was Jersey's lack of ability (due to small ports) to deal with the size of shipping containers used in EU trade

“We’ve done the deal with the UK, that's already done, we should now be talking to Europe and doing a deal with Europe”

“I don’t think that the EU would be totally interested in Jersey”

“Jersey is so small, the markets in Australia, America, China and all the rest of it, frankly, are way outside our scope”

Information, Awareness, Hard Exit, Proposed Principles

Online newspapers were the most common source of information

- Methods used to gather information were similar across both the general public and small business owner groups
- Most respondents gathered information through online newspapers or news apps (e.g. BBC news, ITV, Daily Mail, Telegraph), with only a few using hardback copies or the radio
- One respondent described using the Bailiwick Express when looking for information relating to Jersey in particular
- Some respondents mentioned using social media outlets such as Facebook and Twitter, with some describing how they use social media for quick updates but would go elsewhere for further information
- No respondents in the general public groups used gov.je to find information regarding Brexit, but one individual mentioned that they would like to see a section on gov.je regarding Brexit. One small business owner used gov.je
- A couple of respondents mentioned the JEP, but it was described as sometimes being inaccurate
- The young people group in particular got quite heated over which newspapers were reputable sources of information

"If I want to find out an address or who to contact or how to do a planning application, but I don't go for Brexit"



"On Twitter if something happens....can click on hash tag and see what the various news accounts take is, I wouldn't go to Twitter to search for my news"



Jersey Evening Post
BY THE REPORT OF THE JEP.COM

"Maybe JEP as it's the only source over here....take them with a pinch of salt, they get stuff wrong"

The majority of respondents believed that a hard exit would have a negative effect

- Approximately half of respondents believed that a hard exit would have a substantially negative effect
- The word “chaos” was used by multiple respondents
- However, negative implications were mostly described as being short term
- Around a quarter of respondents were unsure of the implications, whilst 20% thought that there wouldn’t be many implications for Jersey at all
- Only 5% of respondents thought that there would be a positive effect of a hard exit



“Short term it’s always going to be terrible”

“Chaos for a short period but things will sort themselves out fairly quickly because nobody actually wants chaos, everybody still wants to trade, they still want people coming in ”



- Opinions on the effect of a hard exit were mixed within the two small business owner groups, with some believing that it wouldn’t affect their business , whilst others thought that a hard exit would be “disastrous” and cause “short term chaos”

“Life goes on”

- Tariffs and the trade of perishable goods were described as main concerns
- One respondent mentioned that they knew people who were stockpiling goods in preparation

“I know people stockpiling goods...frozen food...packaging”

Awareness of terminology was high but respondents lacked further understanding

- Respondents were asked whether they were aware of the terms 'Free Trade Agreement', 'World Trade Organisation' and whether they were aware of the existing EU agreement and negotiation by the EU exclusively



- **83%** of the small business owners said that they were aware of the **existing EU agreement and negotiation by the EU exclusively**.
- **83%** said that they were aware of the phrase **'Free Trade Agreements (FTAs)'**
- **92%** said that they were aware of the phrase **'World Trade Organisation'**



- **75%** of the general public said that they were aware of the **existing EU agreement and negotiation by the EU exclusively**.
- **80%** said that they were aware of the phrase **'Free Trade Agreements (FTAs)'**
- **90%** said that they were aware of the phrase **'World Trade Organisation'**

"Aware but not in depth knowledge"

- Many respondents described how although they were aware of the names, they didn't know anything beyond that, or what they meant
- One respondent described how the media alone would bring awareness to the terminology

"I'm aware of them but don't know a lot about them"

"I think they (Jersey public) would be aware of the names but I'm not sure they'd understand what stands behind them"

Respondents mostly positive about proposed principles but were unsure about some of the language used



- Language used was described as being vague but positive, with one respondent believing that the principles *“need to be more defined”*

“They can’t say anything concrete”

- Multiple respondents were unsure what Jersey's national identity was, with respondents suggesting that it was possibly to do with tax or financial services

- Many respondents were positive about the principles, although some thought they might be too aspirational

*“It seems aspirational.....
I worry that’s too much to have”*

“I don’t understand number 3, protect Jersey’s distinct national identity, I didn’t know we had one”

“What is Jersey’s national identity? Anybody know what that means?”

“Jersey’s distinct national identity, I don’t know what that is”

- Some individuals described how they thought that these principles were already in place

- Two respondents didn’t know what it meant by “Jersey civil society”

“I would have thought that as a civil society member that most of those points are a given anyway....I thought we were protected anyway”

- One respondent mentioned how there was nothing about free movement of people which is something that would directly impact them

Focus Group Conclusions and Recommendations

Conclusions

- Uncertainty was a major overarching theme across all groups, with many respondents uncertain about what Brexit meant for the Island, their businesses and themselves
- Respondents mostly aware of main terminology however lacked knowledge of what the terms meant
- Implications for Jersey's trade focused on economic and societal impacts, and were mostly perceived negatively, with delays and cost implications mentioned. Although some potential positive implications, such as Jersey's ability to make its own trade agreements following Brexit, were also mentioned
- Many people perceived the potential impacts of Brexit on the tourism industry to be positive
- Charities were concerned for vulnerable islanders, who they felt would be the most impacted
- Beliefs about the environmental impacts of Brexit were mixed and often misunderstood, focussing mainly on fishing and animal welfare
- The protection of the Island's financial services was described as being a key priority, although many islanders were unaware that they were currently outside the EU
- Beliefs about the long-term implications for Jersey were more positive
- Respondents thought it would be beneficial for the Island to have relationships with both the UK and the rest of the world, but questioned Jersey's ability to make such relationships/alliances
- Online newspapers were the main source of information, followed by social media such as Facebook and Twitter. Respondents did not see the JEP or gov.je as sources of Brexit information
- The possibility of a hard exit was viewed very negatively

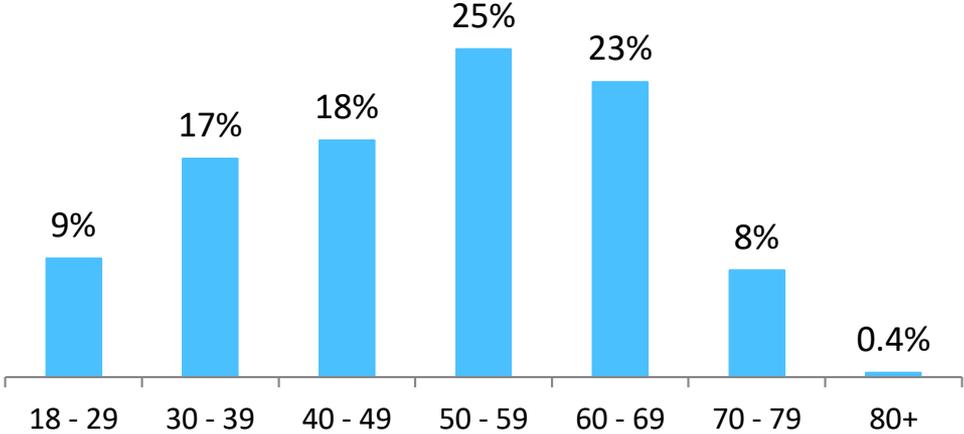
Focus Group Recommendations

- Review key targets for survey e.g. businesses (by FTE), exclude associations?, general islanders
- Review key questions and prior information in regard to language used and appropriateness for general public and business owners
- Consider the purpose of this survey; engagement, information sharing etc
- Review survey promotion strategy and tactics;
 - 4insight – send link to representative panels, regular promotion on social media & reminders plus near close of survey review demographics of participants then target any gaps with street interviewing by CAPI
 - Brexit team – issue press releases, promote on social and traditional media, promote link to Chamber of Commerce, IOD and Jersey Business, provide hard copies to parish halls & Library
- Progress engagement opportunities with the young;
 - young people to meet with the Minister over drinks. 4 of the young people were interested in this opportunity and the Youth Service representative (aged 20) may also be interested
 - talk to the JYS Club of 11-16 year olds about Brexit implications, focusing on travel to gain engagement then broader

Survey Results

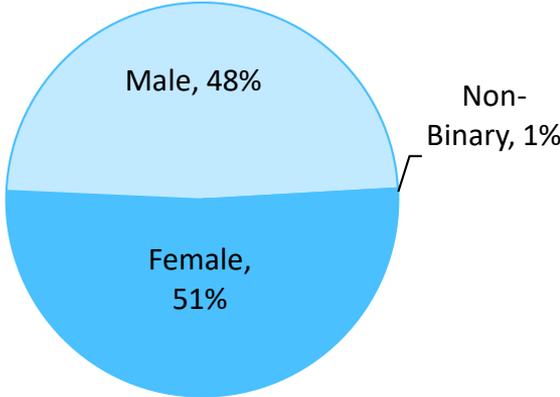
Survey Demographics: Age & Gender

Age



n=563

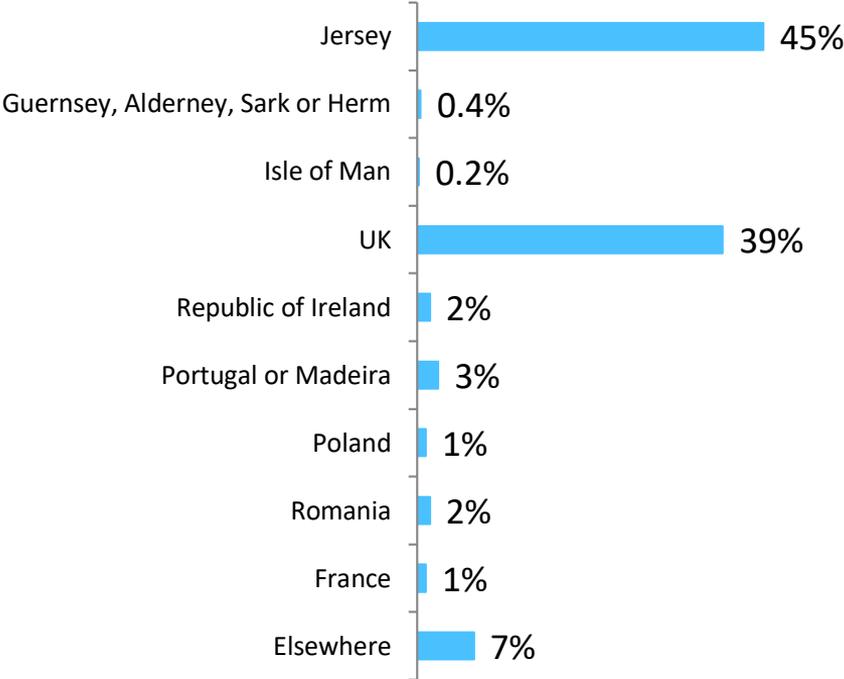
Gender



n=560

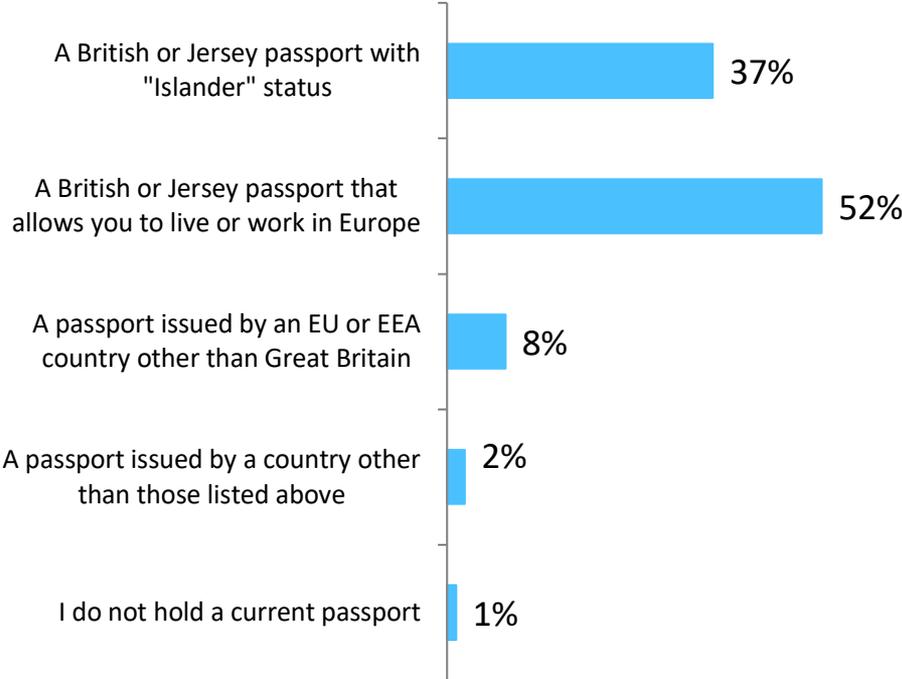
Survey Demographics: Nationality

Q. Where were you born?



n=558

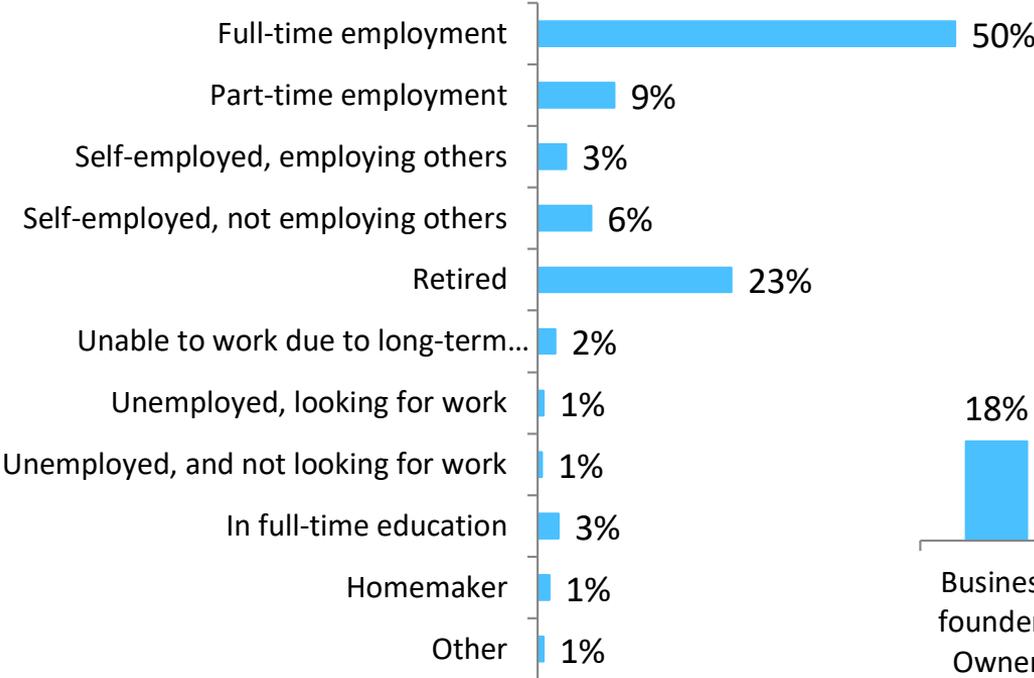
Q. What type of passport do you hold?



n=558

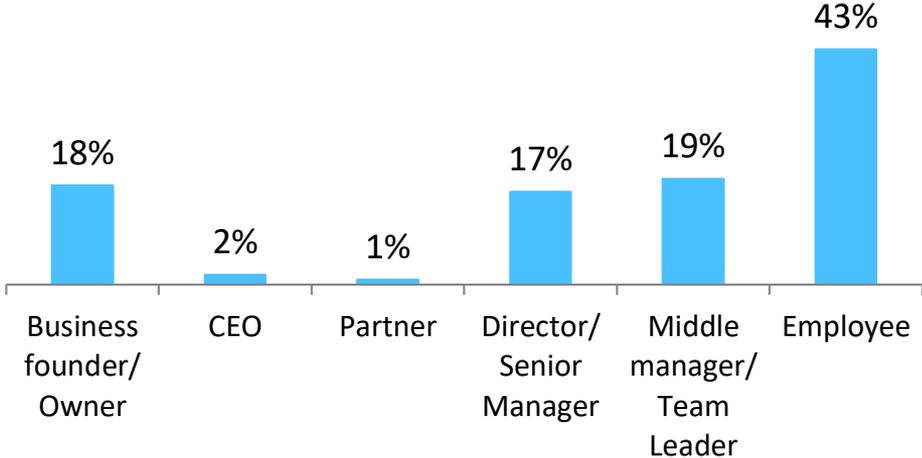
Survey Demographics: Employment

Type of employment



n=436

Level of employment

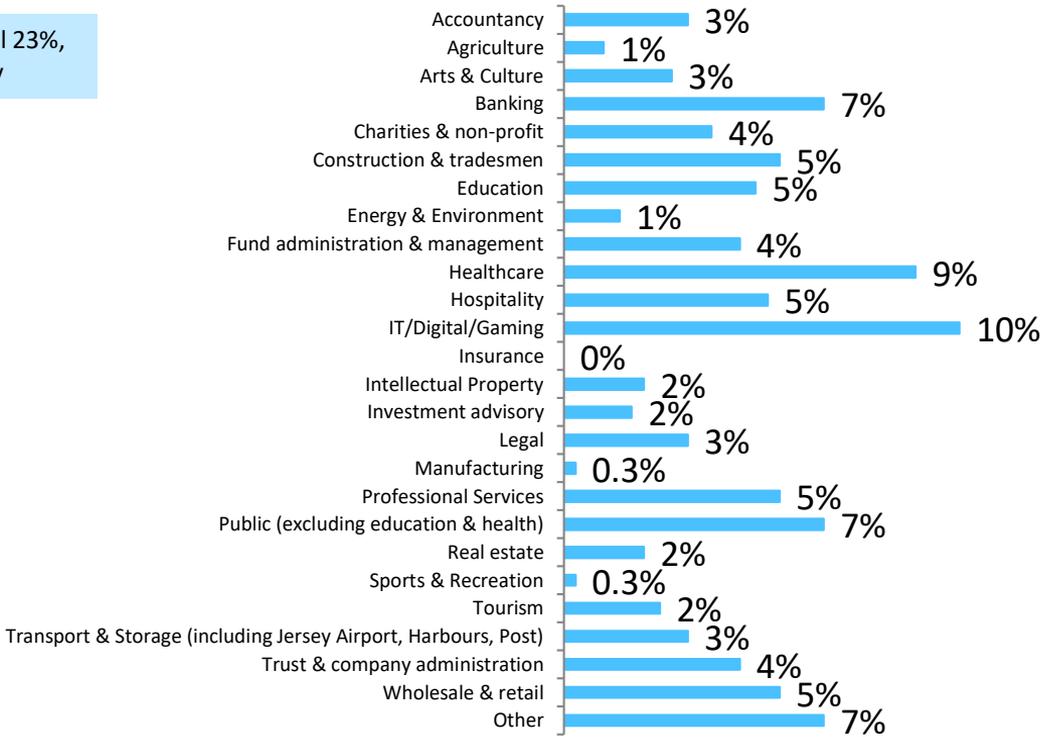


n=441

Survey Demographics: Sector of Employment

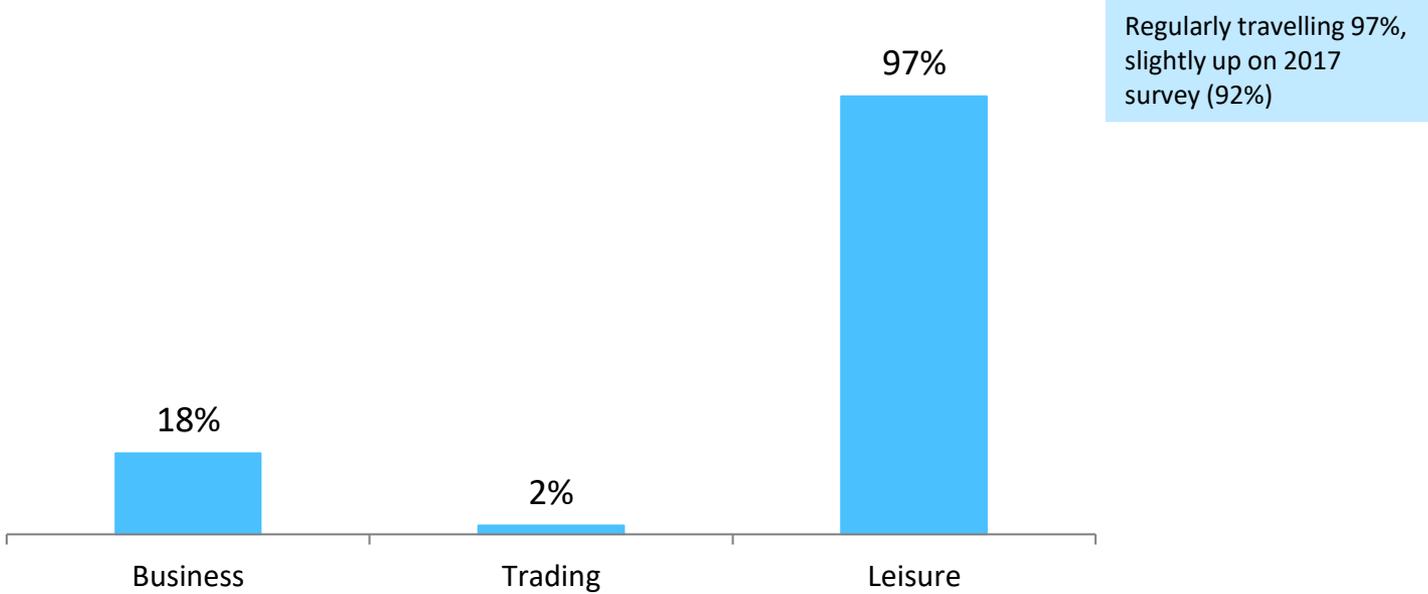
Finance Sector in total 23%, similar to 2017 survey

Sector employed in



Survey Demographics: Travel

Q Do you regularly travel within Europe for? *Multi-tick*

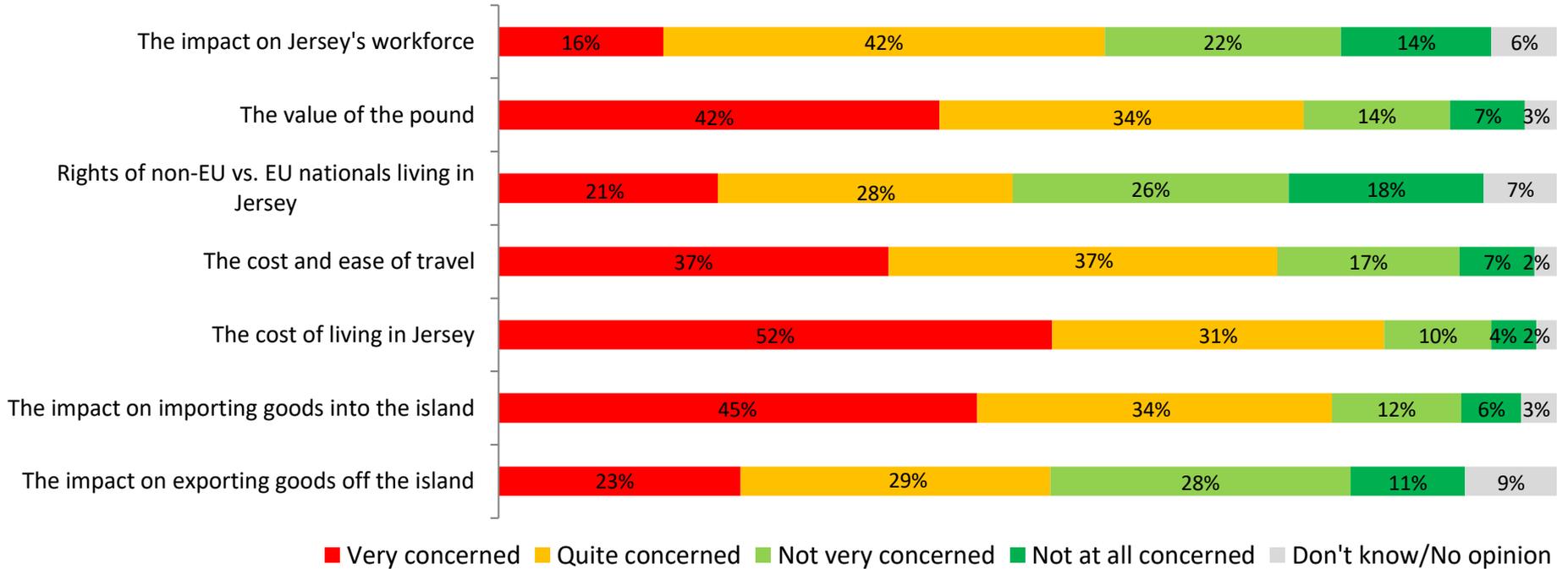


n=463

Detailed Survey Results

Key Brexit concerns; costs, value of the pound and importing goods

Q. How concerned are you about these potential risks for Jersey following Brexit?



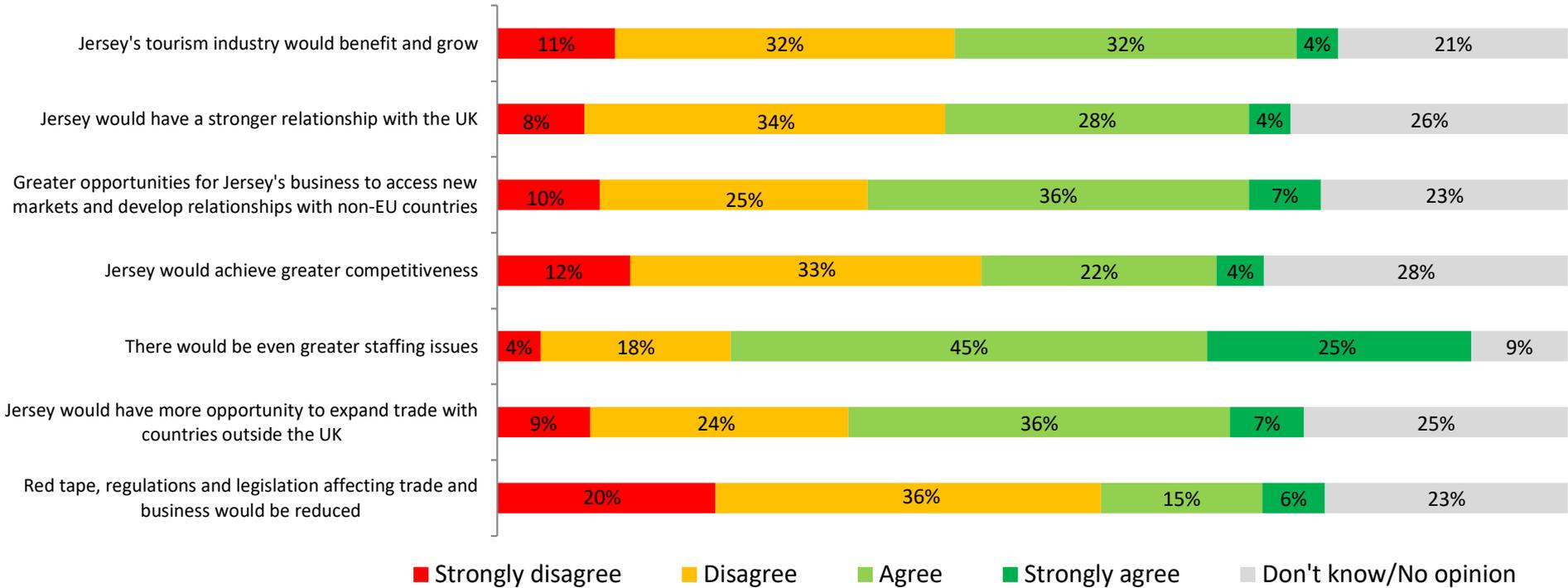
Very concerned Quite concerned Not very concerned Not at all concerned Don't know/No opinion

n=564

Cost of living, importing goods, overall impact on economy, value of pound and cost of travel biggest areas of concern in the 2017 survey

Key Opportunities; expand trade outside of UK and non-EU countries, although 70% feel there will be greater staffing issues

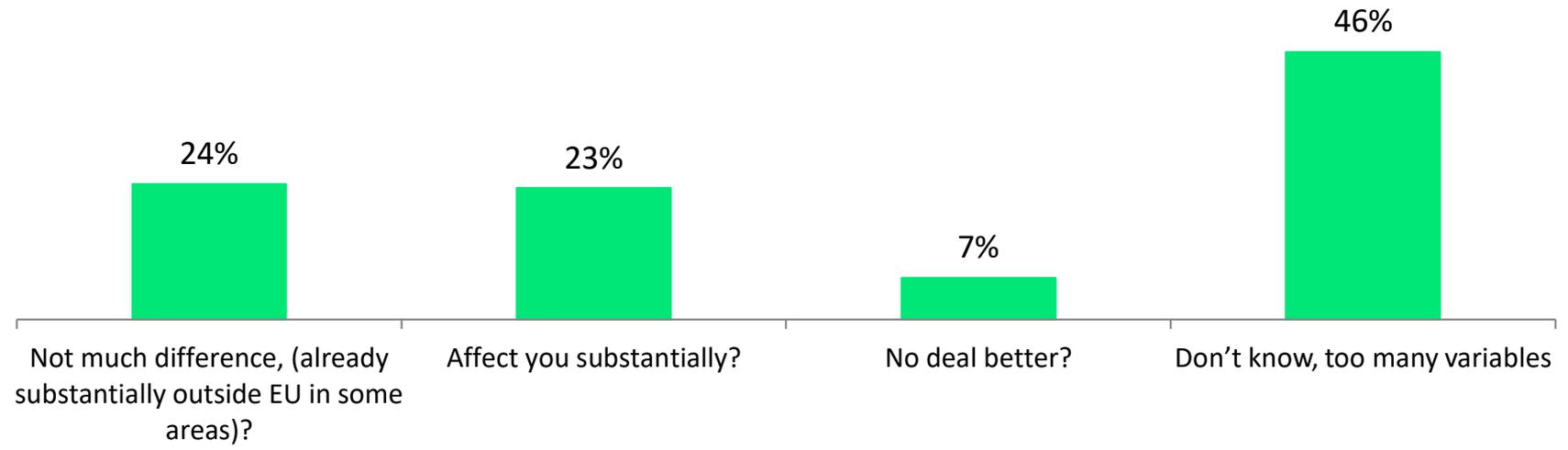
Q. How strongly do you agree or disagree with the following statements with regard to the potential opportunities for Jersey following Brexit??



Accessing new markets and emerging economies, expanding trade outside UK, expanding trade with UK were highlighted as key opportunities in 2017

Split expectations on how much a no deal Brexit would affect individuals or business, 46% felt there were too many variables to know

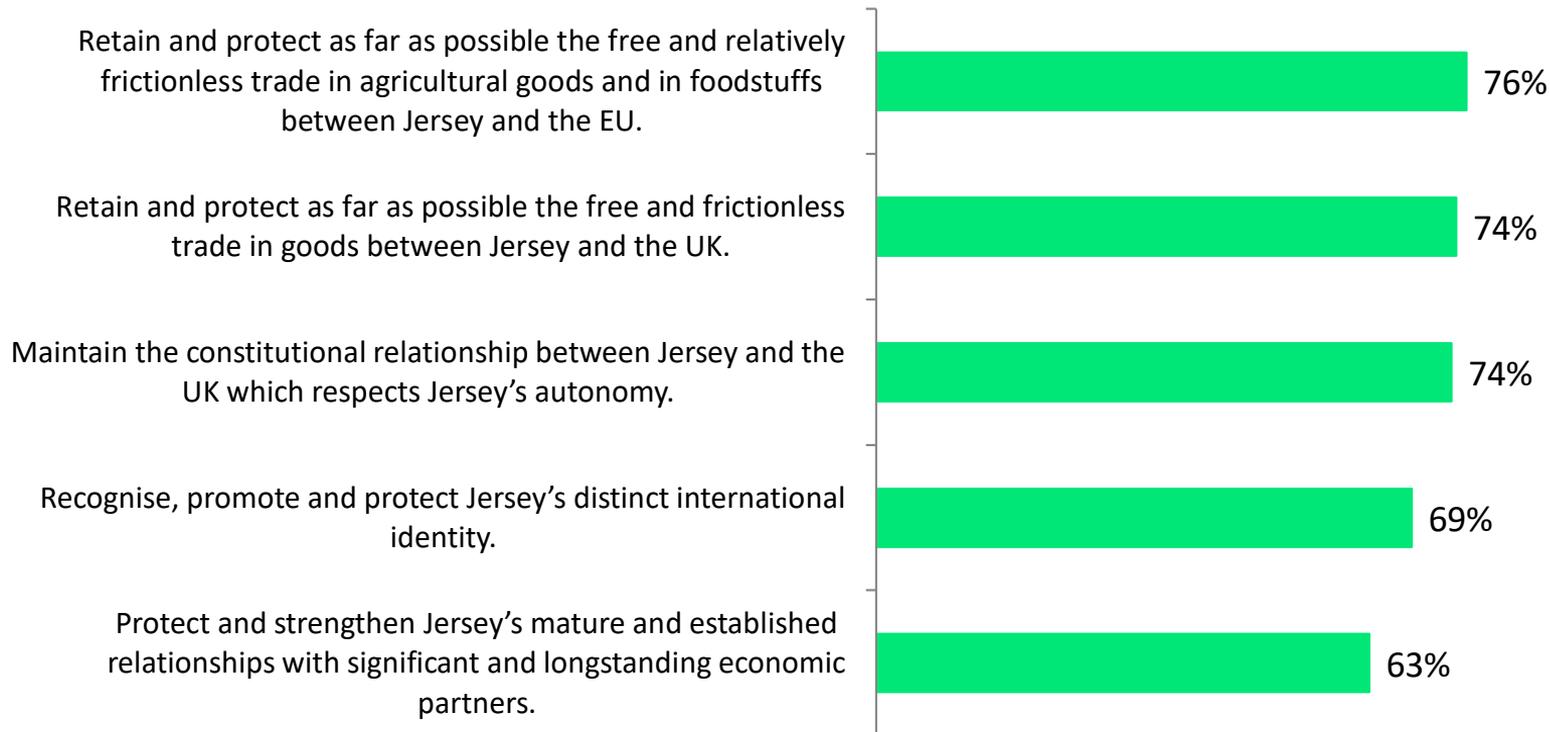
Q How do you think a no deal Brexit (with no transition period for the UK to negotiate future partnership arrangements with the EU), would affect you/your business in Jersey, in comparison to having a transition period?



Males more likely to believe 'no deal' would not make much difference to them than females

Protecting free & frictionless trade with EU (agricultural and foodstuffs) & UK, and maintaining constitutional relationship most important

Q Which of the following do you think are important in terms of shaping Jersey's engagement with the UK on trade (tick those you think are important): *Able to multi tick (top 5)*



“Barrier-free trade in goods sounds good but we should be very careful of aligning ourselves with the UK for services. Given our proximity to France, Jersey should explore more trade in goods between France and Jersey rather than bringing in goods from the UK.”

“It has been and should always be a good thing for import and export with the least possible barriers to the UK.”

“We are in support of Jersey and the UK maintaining close alignment and barrier free trade but must remain wary of specific areas where the interests of the UK and Jersey may not be aligned. For example, specific goods which may be a priority for Jersey but only a very small proportion of UK trade, e.g. Oyster exports form a much larger portion of the Jersey economy than they do in the UK. We could therefore envisage a situation where a UK FTA agreement with the EU either overlooks oysters or delays deprioritises an agreement on trade in oysters.”

“It’s a good idea.”

3. What is your view of Jersey and the UK aligning their regulatory approaches to support barrier-free trade in goods between Jersey and the UK?

“Why would anyone suggest trade barriers between Jersey and the UK? Why a barrier with anyone? We have always traded one to one historically and this should remain.”

“Jersey is 20 miles from France and has regular freight services to and from UK. The strategic objective must be frictionless trade both with UK and EU. Direct negotiation with the EU should be undertaken if the UK agreement does not favour Jersey circumstances.”

“Frictionless trade in goods between Jersey and the UK, please.”

“Barrier free trade between Jersey and the UK in relation to agriculture and food regulation is a sensible way forward.”

“Protect UK market.”

“This is essential to protect the status quo under Protocol 3.”

“A good idea.”

3. What is your view of Jersey and the UK aligning their regulatory approaches to support barrier-free trade in goods between Jersey and the UK?

“Agree.”

“Don't Jersey already have tariff free /barrier free trade with the UK?”

“Jersey's interests are best served by remaining closely aligned to the U.K..”

“Must be done but not to the detriment of Jersey produce.”

“Jersey should align itself more closely with the EU rather than the UK in terms of regulations in relation to agriculture and fisheries.”

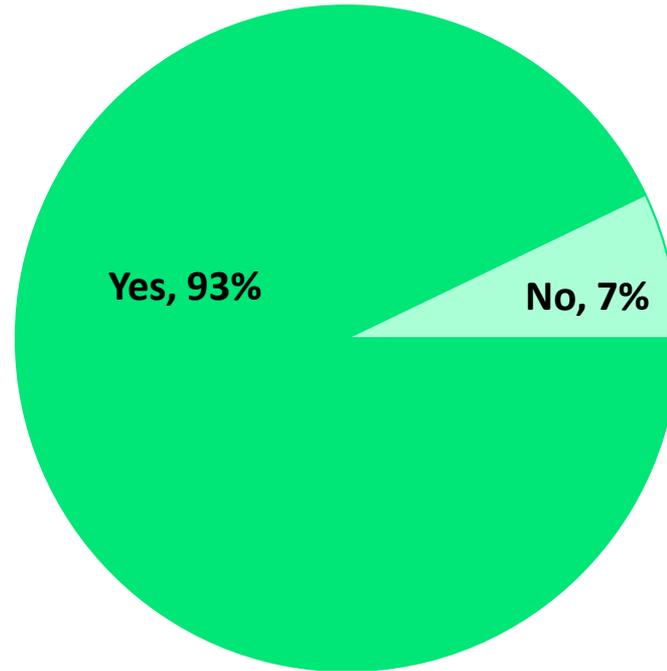
Pursuing high-potential markets and working in partnership with businesses and civil society selected by half

Q Which of the following do you think are important in terms of shaping Jersey's engagement with the UK on trade (tick those you think are important): *Able to multi tick (lower 5)*



93% felt that Jersey's Brexit related trade policy should be based on the principles

Q. Should Jersey develop its approach for Brexit-related work on trade based on the above 'principles'?

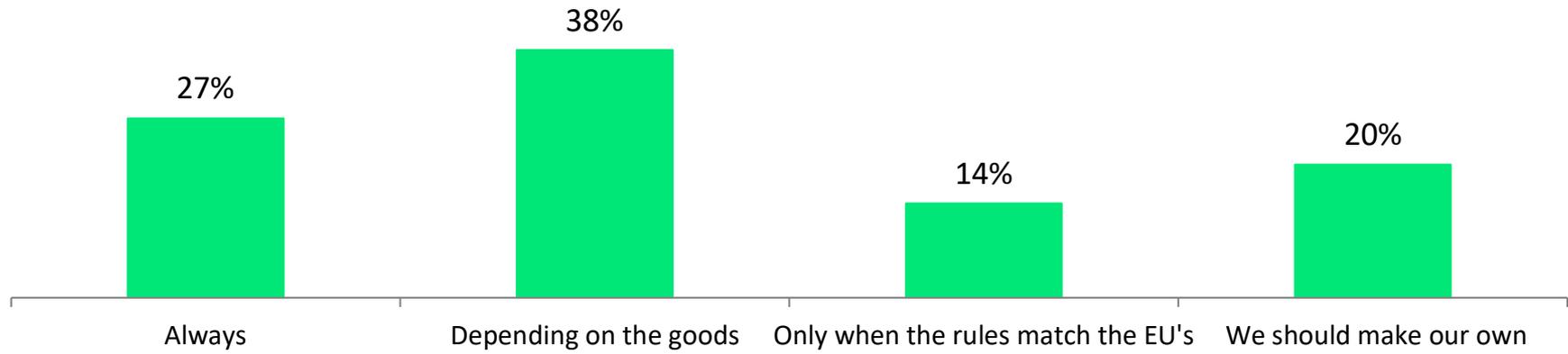


Information given:

Figures from 2016 show that Jersey's trade in goods is worth approximately £500 million in imports (most physical goods that are used or consumed on Jersey are produced elsewhere) and approximately £150 million in exports (key iconic important exports are for example Jersey Royals, other vegetables, seafood)

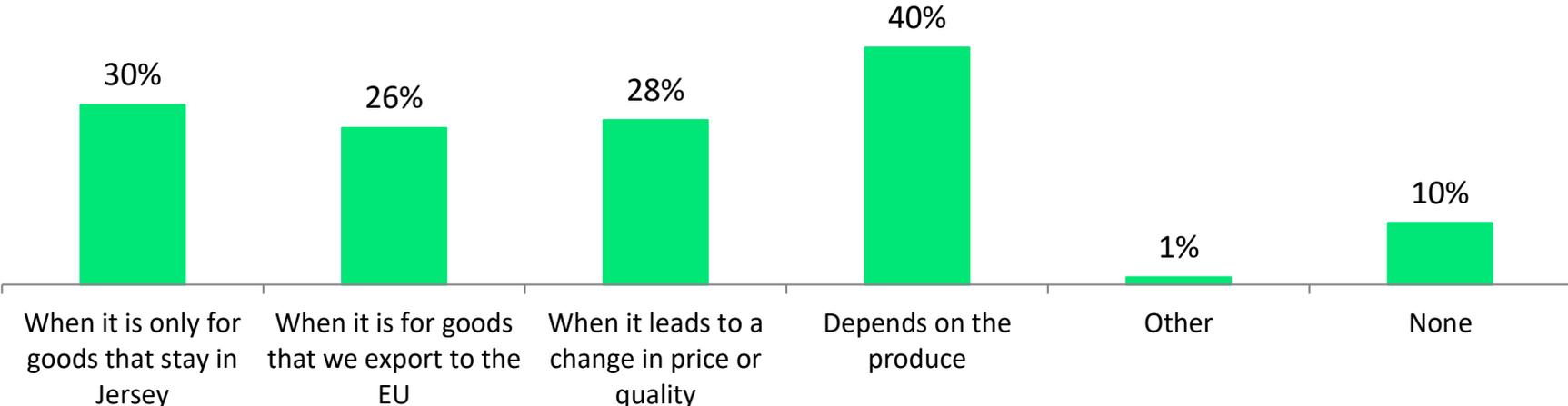
38% felt following UK food and agricultural rules depended on the goods, 27% felt they should always be followed – need a flexible, differentiated approach

Q Do you think that Jersey should have the same or similar food and agriculture rules as the UK to ensure free and quick export of goods to the UK?



Again many felt not following UK food and agricultural rules depended on the goods, similar levels (26-30%) for goods staying in island or to EU

Q Are there any times when Jersey shouldn't have the same food and agriculture rules as the UK? *Able to multi tick*



“We should be at liberty to create our own trade agreements regarding goods with the EU. The UK cannot be our only lifeline to goods trade as this is a single point of failure for our 110k+ population.”

“To support specific sectors.”

“Whilst not a part of the U.K., Jersey is part of the British Isles and is often incorrectly assumed to be part of the UK. Therefore, in order to avoid confusion for trading partners, and to optimise on the greater influence that the UK can exert, Jersey should mirror the UK in all aspects.”

4. Under which circumstances should Jersey not mirror the UK's approach to agriculture and food regulation? (For example, Jersey may decide to commit for a period to dynamically align its regulatory standards for a particular type of agricultural goods with those of the UK, as we do currently. Or, we may wish to consider extending this regulatory relationship to cover a broader range of imported and exported goods.)

“Care needs to be taken to ensure that food standards and quality are not eroded in exchange for lower prices and at the detriment to local producers who compete on quality but cannot compete on price.”

“We ABSOLUTELY should create a scenario where the barriers are equal for the northern import/export as they are for the southern. We miss so many opportunities now because of this and have put far too much focus on the UK, when our closest neighbour is France, produce is better, more selection and better value if we open our doors to easier EU import / exports.”

“Jersey should not mirror the UK's approach to agriculture and food regulation if these are seen as inferior to the EUs.”

“As exporters to France it is vitally important to have free trade with France and this should also be the case with the UK and the rest of the world.”

"If the UK decides to lower standards in food and regulation in relation to the use of pesticides etc."

"None."

"With Hemp we have stood alone, this has worked because it's given Jersey a head start. Once we had our own agricultural research team, when we sold out to the UK there has been a steady decline in ecosystem services and quality of produce. We must be bold and developed our own agricultural strategy and trade based on good soil, people and animal regeneration strategies promoting quality, because we can't compete on quantity."

"Jersey should operate its own regulatory framework, looking to both EU and UK for best practice."

4. Under which circumstances should Jersey not mirror the UK's approach to agriculture and food regulation? (For example, Jersey may decide to commit for a period to dynamically align its regulatory standards for a particular type of agricultural goods with those of the UK, as we do currently. Or, we may wish to consider extending this regulatory relationship to cover a broader range of imported and exported goods.)

"To continue our vital trade with the UK."

"Jersey should consider extending this regulatory relationship to cover a broader range of imported and exported goods."

"If the UK drops its standards to permit foods and other environmental standards that would not be acceptable to Jersey."

"If UK standards drop."

"I do not think Jersey should do this. I think there should be fully barrier free trade between Jersey and UK in relation to food and agriculture."

"This is a matter of looking at the demand and achieving the most efficient way of servicing that. No doubt there'll be more of a demand for 'less'. Less packaging and plastics so... bulk goods may become the trend."

"I don't feel sufficiently qualified or knowledgeable to comment on this matter."

"Jersey does not have the resources to conduct independent studies into the effects of GM foodstuffs nor the health impacts of changes to specific food regulations as such Jersey will be required to take it's lead from other countries or multinational organisations. As such a conservative approach would seem most practical to take by not relaxing current standards/restrictions."

"GM foodstuffs yes but no to chlorinated chicken and similar low standards."

5. If UK goods regulations are relaxed, what factors should the Government of Jersey consider in its development of the Jersey policy position? Would you support liberalisation of trade in GM foodstuffs, for example?

"Absolutely NO, we will fight against GM to our last breath, Jersey should not go down such a detrimental ecosystem route our little Island resources can't support GM."

"If the UK relaxes, we should stick to EU law for foods. With drinks and alcohol, it will make little difference, but for foods, if the UK relaxes in order to trade with USA it will be a major error. It will bring a number of massive food related issues to us that will not only not be healthy for our consumption but will mask over all the hard work that our local producers make to create quality. I have huge experience in dealing with US food products and unless you source only the very top 2%, the quality is not good. For the health of our future generations, we need to be as strict as possible and be proud that we are and educate the population to know why."

"We DO NOT want products that are not clearly labelled. Everything MUST be properly labelled particularly things like GM and PALM OIL."

“Implementing it’s own regulations on the matter.”

“GM products maybe if it benefits local businesses, chlorinated washed chicken absolutely not.”

“what is best to protect Jersey environment and what is best to protect Jersey consumers.”

“No, Jersey should maintain existing high standards in foodstuffs.”

5. If UK goods regulations are relaxed, what factors should the Government of Jersey consider in its development of the Jersey policy position? Would you support liberalisation of trade in GM foodstuffs, for example?

“What is best for the Island.”

“I think Jersey should follow the UK’s lead in this. Yes I would support liberalisation of GM foodstuffs if the UK go that way.”

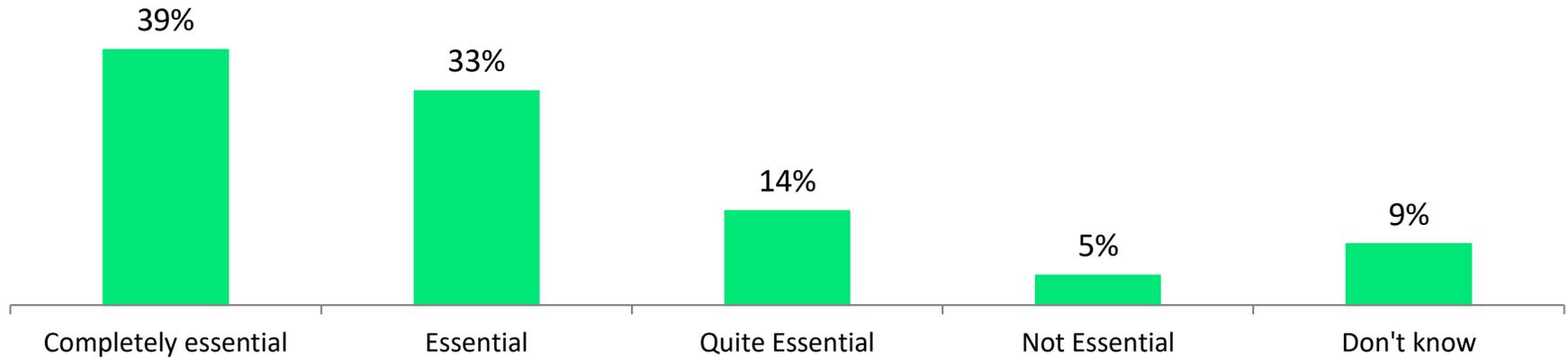
“Prices and costs for businesses and shoppers.”

“If UK goods regulations are relaxed Jersey should maintain alignment with EU regulations.”

“Consider against impact on wider economy.”

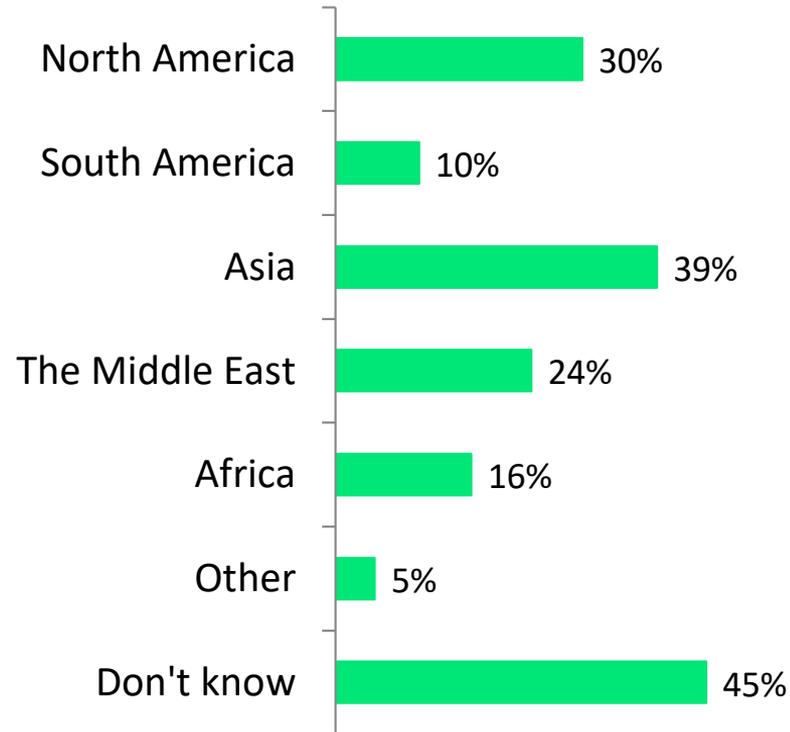
72% felt it essential that exports do not have additional tariff charges

Q Do you think it is essential that Jersey exports do not have additional tariff charges than currently?



39% felt Asia to be an important goods market, 45% had no view

Q Which non-EU markets do you think will be important to Jersey's goods sector? *Able to multi tick*

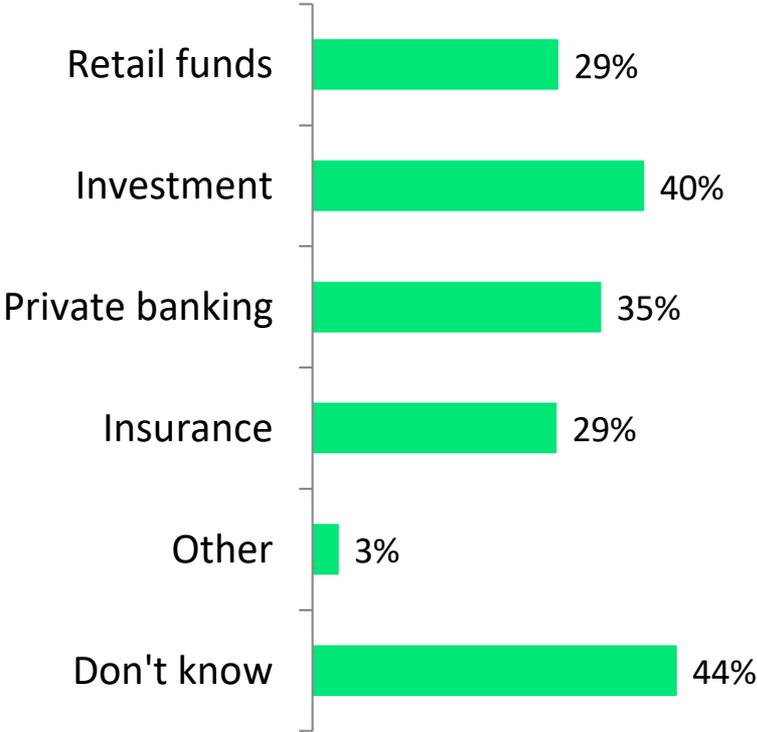


Information given:

Jersey is predominantly a service-economy. The financial services sector alone employs more than 13,000 people and accounted for 40% of the value created in the Jersey economy in 2017. Other services such as legal, digital and tourism represent a significant part of the local economy and play a key role in ensuring it can continue to grow.

A spread of financial services considered for working closer with the UK

Q If any, what areas of financial services should Jersey consider closer joint working with the UK post Brexit? *Able to multi tick*



"My fear for our finance industry is: why would the UK not create an off-shore approach to their city of London finance industry, post Brexit? This would effectively make Jersey redundant for the UK and make the city of London a competitive offering to Jersey. This would surely have a very negative impact on the financial services industry on Jersey?"

"Jersey's success in the financial services industry is built upon a combination of the autonomy that Jersey has allied to the expertise that it has accumulated as a consequence. Therefore, if Jersey's financial services offering was identical to that provided in the U.K., it would lose its benefits and would also lose business to the larger jurisdiction."

"Jersey needs to see beyond the UK"

"Case by case allows Jersey maximum flexibility to regulate in its own interests. I see no reason to change."

14. Do you see benefit in a wide-ranging agreement between Jersey and the UK in financial services, or would the current (case-by-case) approach be preferable?

"Case-by-case would be preferable as we risk being hostage to agreements we do not want to participate in."

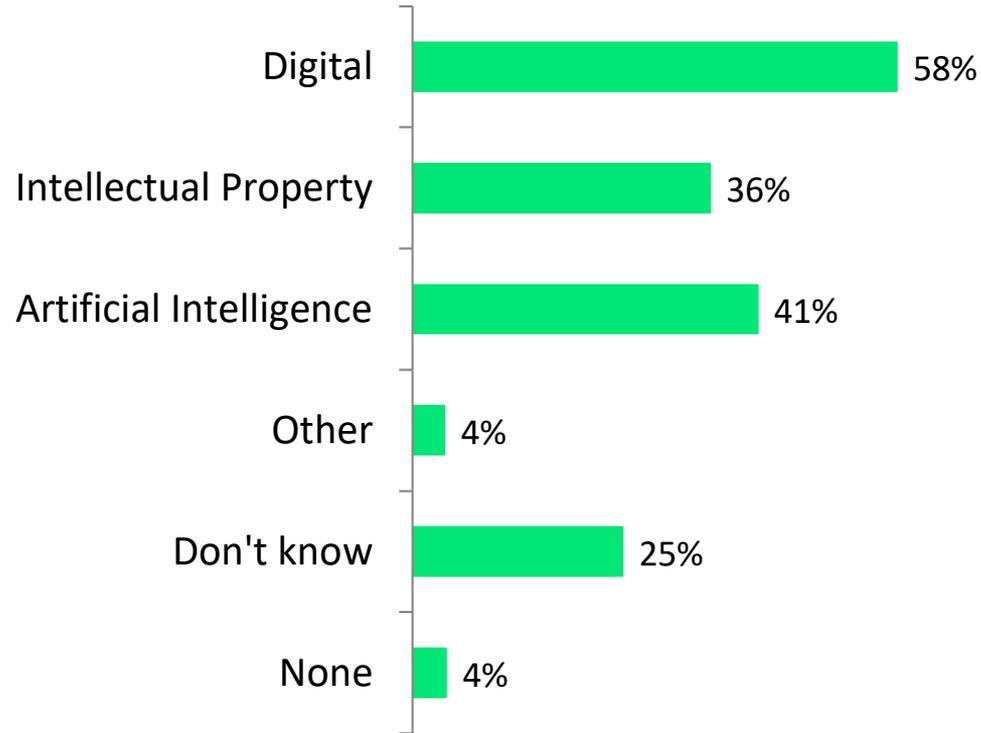
"More beneficial to have a wide ranging agreement."

"It seems a case-by-case approach would allow Jersey to remain more flexible and have more control over its own position in the market. If directly aligned to the UK where we have no direct political control (voting rights) over the direction they may decide to take particularly in terms of perceived low tax regimes should they chose to take a tougher approach than the worldwide position."

"As London is the financial centre of the world widen the agreement up in a separate financial trade agreement with the UK to be open with London and get more business to the island."

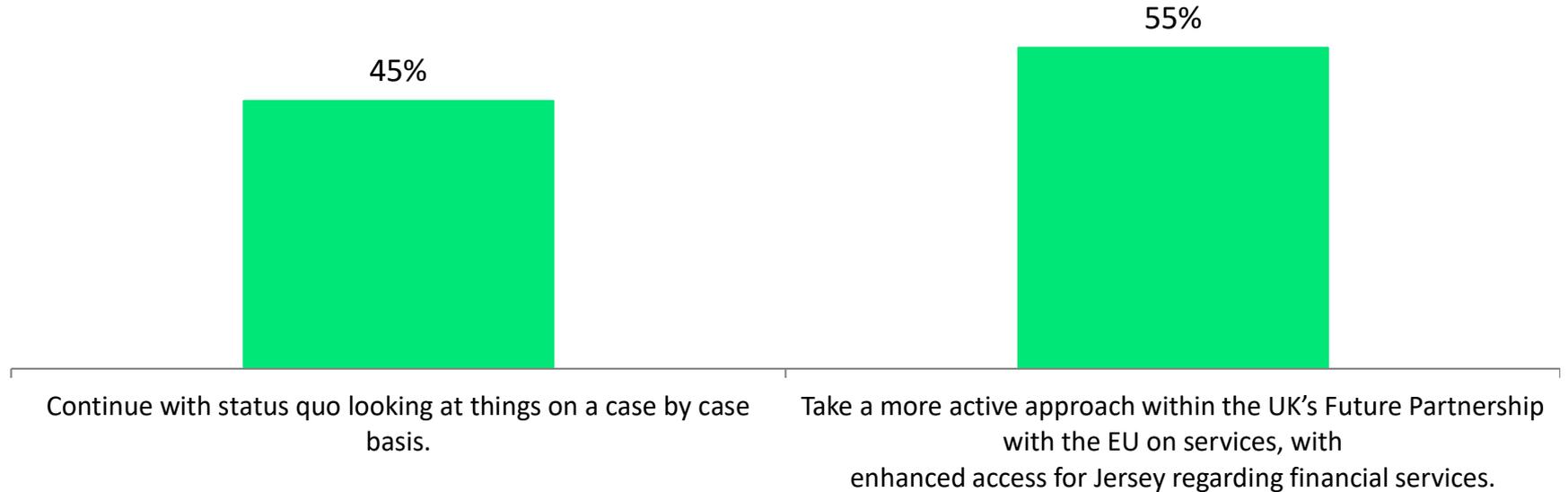
Digital felt to be an additional area to focus on working closer with the UK by 58%

Q In what other service areas do you think Jersey should focus its attention in terms of closer working with the UK? *Able to multi tick*



55% believed Jersey should take an active approach on the UK's Future Partnership on EU services, with enhanced access regarding financial services

Q Jersey is outside the EU for trade in services. What approach do you think should be taken in relation to Jersey's future partnerships with the EU on services? Should Jersey:



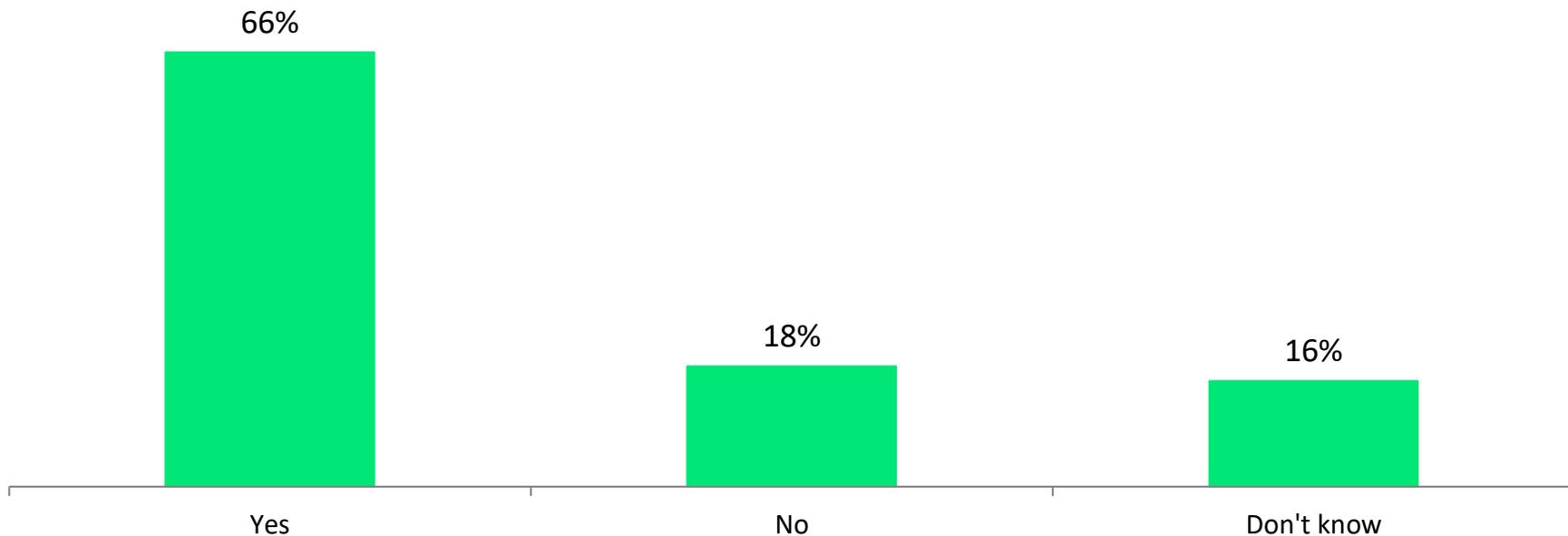
"I don't believe so. In principle, Jersey goods should be compliant with both regulations. If the regulations differ, that's a costly education, interpretation and re-modelling piece."

6. Would you consider the adoption of a 'common rulebook' for Jersey to be an excessive burden?

"Jersey's goods exports are primarily fresh produce which therefore rely on close markets which can be reached in the minimum amount of time as opposed to other manufactured goods which can be more readily shipped around the world. As such the primary markets will always be the UK and the EU. Jersey must therefore consider if adopting a common rulebook with the EU or the UK would limit access to the other, e.g. if the UK's standards were deemed to be lower than the EU then Jersey would maintain access to the UK market but access to the EU would become much more onerous, whereas if Jersey adopted the EU standards it could maintain access to both markets."

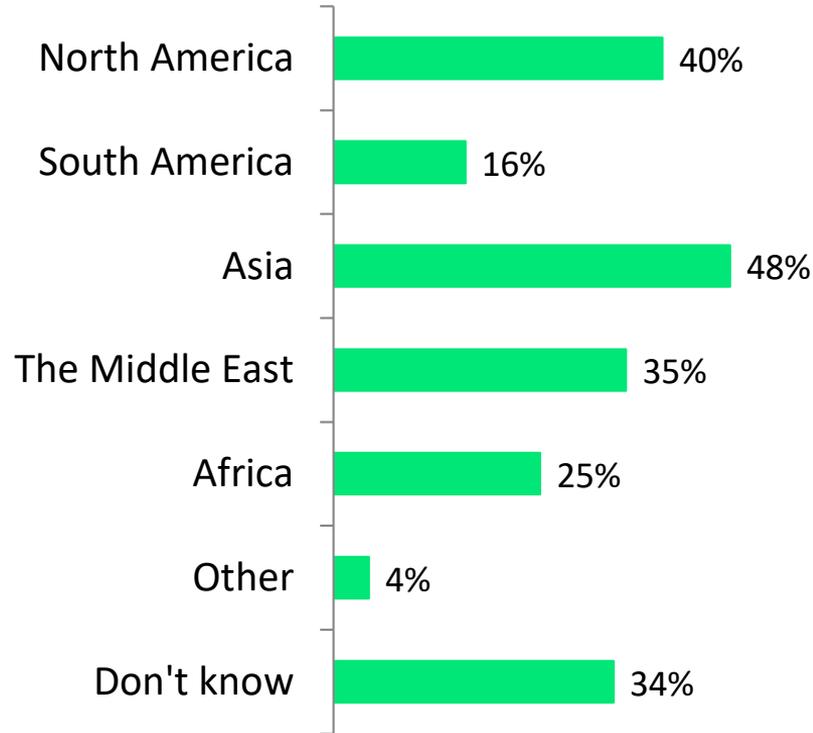
Two thirds stated Jersey should work more closely with the UK to develop trading relationships with non-EU countries

Q Do you think Jersey should look to work more closely with the UK to develop trading relationships with non-EU countries?



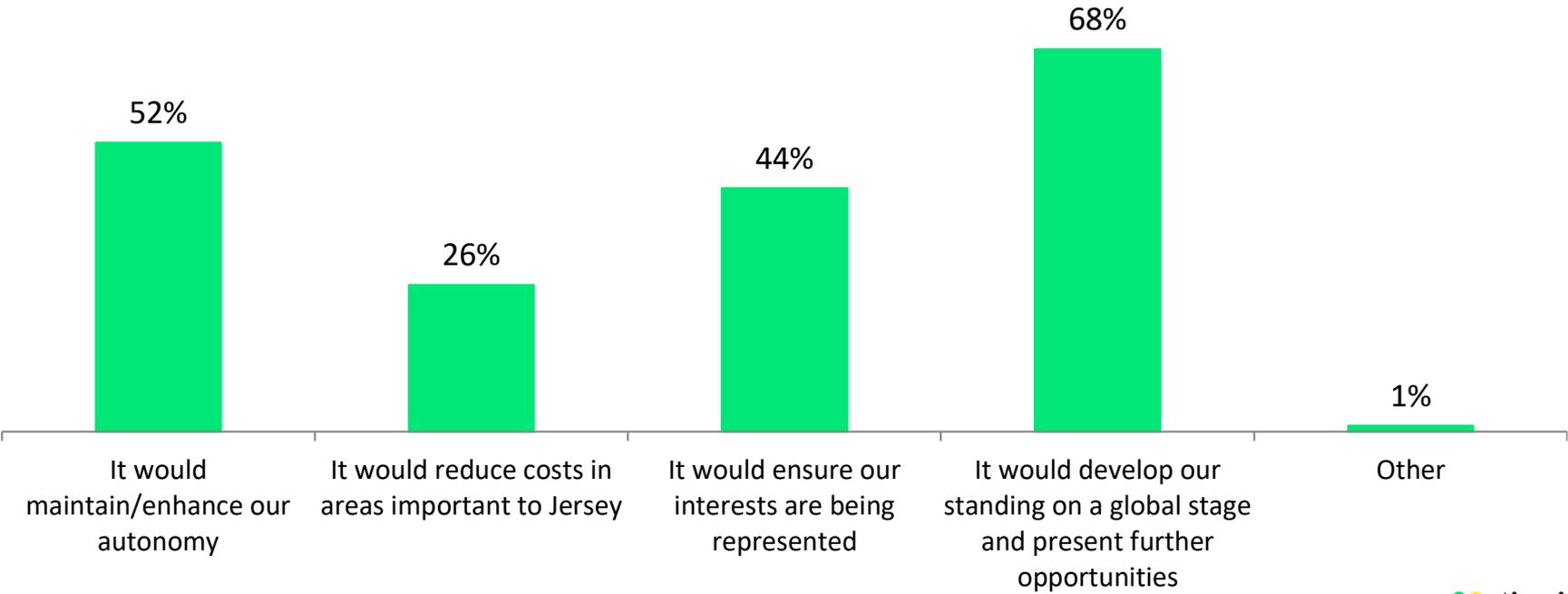
More individuals gave views on non-EU markets in which to enhance service cooperation, 48% selecting Asia

Q Which non-EU markets do you think we should look to enhance our cooperation with on services? *Able to multi tick*



68% of those who felt Jersey should enhance co-operation with non-EU markets in it's own right believed it would develop global standing and present further opportunities

Q If you believe we should pursue or enhance co-operation with non-EU markets in our own right, please explain why?



Survey Conclusions

Survey Conclusions

Protecting free & frictionless trade with EU (agricultural and foodstuffs) & UK, and maintaining constitutional relationship were the most important principles. Pursuing high-potential markets and working in partnership with businesses and civil society less so, although still selected by half

93% felt the principles should be used to develop Jersey's approach to Brexit

Respondents were most concerned about the Brexit impact on costs (both of living on the Island and travel), value of the pound and importing goods

Key opportunities were perceived to expand trade outside of UK and non-EU countries, although 70% feel there will be greater staffing issues

There was a mixed reaction on how a no deal Brexit would affect the individual or their business with around a quarter either feeling there would be little difference or would affect them substantially

Respondents felt that rules regarding food and agriculture depended on the goods/produce. A quarter felt UK rules should always be followed, with ~28% stating if goods are staying in the island, being exported to the EU or if rules would lead to a change in price or quality as reasons for not following them

72% felt it essential that exports do not have additional tariff charges than currently

Survey Conclusions

Asia and North America highlighted as important non-EU markets for both goods and services

A spread of financial services selected as needing consideration, investment highest at 40%

The digital sector felt to be an additional area to focus on working closer with the UK by 58%

55% believed Jersey should take an active approach on the UK's Future Partnership on EU services, with enhanced access regarding financial services

Two thirds stated Jersey should work more closely with the UK to develop trading relationships with non-EU countries

The largest reason for pursuing, or enhancing co-operation with non-EU markets in our own right was given as developing global standing and present further opportunities

Many selected "Don't know/no opinion" throughout suggesting low awareness of trade issues potentially caused by Brexit

Overall Research Top 3 Take Aways

1 – the need to try to protect frictionless trade with UK/EU for goods

2 – the opportunities presented by Brexit especially for services, eg sectoral (financial services and digital) and markets (Asia)

3 – the overwhelming support to take a principles-based approach in Jersey's engagement with the UK



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