

Context – Updated industry classifications

This report presents estimates of the size and performance of Jersey's economy, measured according to an internationally agreed framework. Estimates are provided for calendar year 2022 together with revised estimates for 2021.

Two updated aggregate measures are presented:

- **Gross Domestic Product (GDP):** the traditional aggregate measure of an economy which measures the total market value of all goods and services produced in Jersey and is comparable to previous reports.
- **Gross Value Added (GVA):** shows the value of economic activity taking place in Jersey and permits a breakdown by each sector of the economy. In this report GVA is now presented at market prices and adjusted for the impact of Financial Intermediation Services Indirectly Measured (FISIM). Total GVA for the whole economy is therefore equal to Jersey's GDP (see [Note 1](#) and the [Annex](#) for more detail).

This report also presents the breakdown of the economy using the 2007 Standard Industrial Classification (SIC 2007) for the first time. Starting with the December 2018 Labour Market report, Statistics Jersey has been transferring our outputs to reflect this more up to date and comprehensive structure. At the same time individual businesses have also been classified to a greater level of detail, potentially allowing more granular sub-sector analysis in areas such as finance and digital. This change provides greater harmonisation of our statistical outputs and facilitates better international comparisons. See [Note 5](#) for further details.

Summary – in 2022

Gross Domestic Product (GDP)

- **GDP increased by 5.9% in real terms compared to 2021**
- GDP was £5,761 million.
- Over the last 10 years, real term GDP has increased, on average, by 1.6% annually.
- In 2022, GDP was 5.0% higher than in 2019 (prior to the Covid 19 pandemic) and in line with this long-term average following the impact of the pandemic observed in 2020 and 2021.

Sectoral breakdown - Gross Value Added (GVA)

- The annual increase in overall GDP was driven by the financial and insurance activities sector, particularly as a result of increased net interest income in the monetary intermediation (banking) sub-sector.
- The largest percentage increase in GVA was observed in the accommodation and food service activities (hospitality) sector which increased in real terms by 24.7%, continuing the sector's recovery from the Covid 19 pandemic
- Whilst overall real-term GVA increased, several sectors recorded real-term decreases in GVA; notably agriculture, forestry and fishing (down 11%) and utilities (down 9%).

Labour productivity

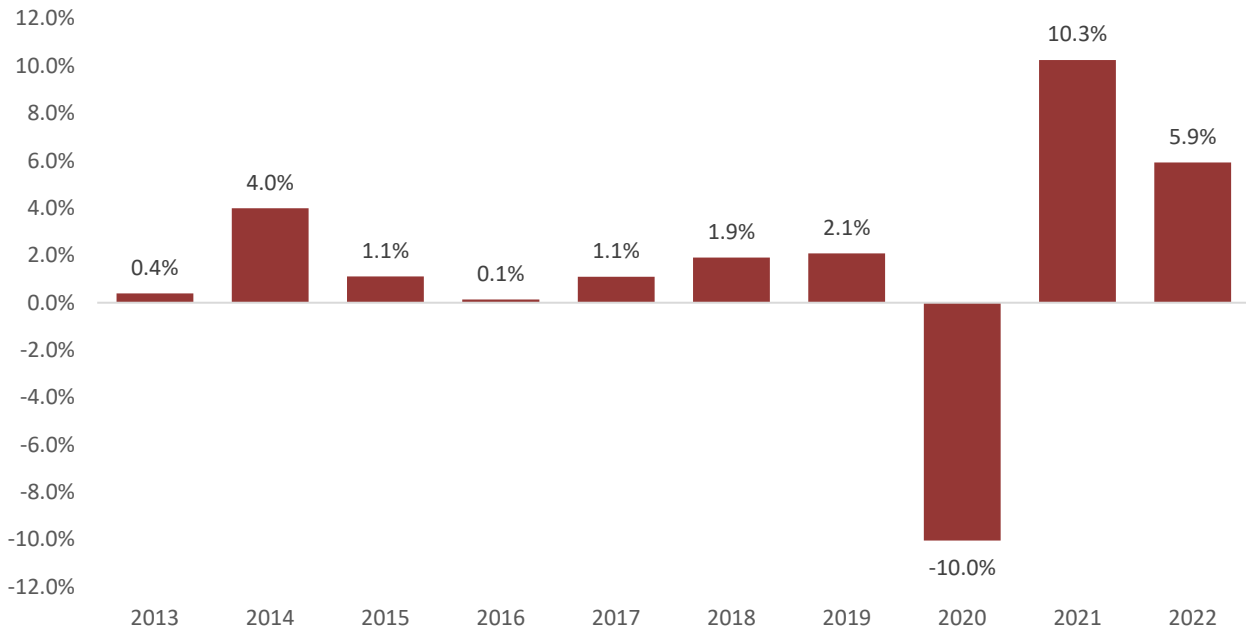
- Productivity, measured as GVA per full-time equivalent (FTE) worker increased by 5.0% in real terms in 2022.
- This increase was again driven by increased profits in the financial and insurances activities sector (real-term productivity up 22%).

Gross Domestic Product

On an annual basis, GDP increased by 5.9% in real terms, up by about £320 million from £5,438 million in 2021 to £5,761 million in 2022.

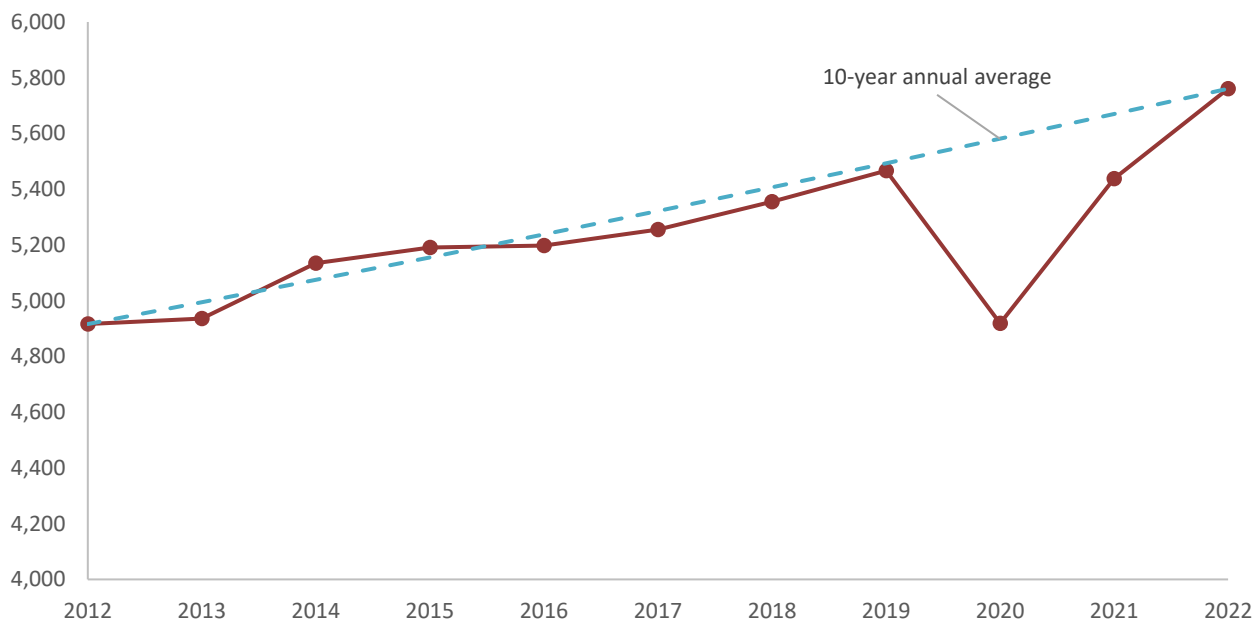
Figure 1 shows the annual percentage change for the GDP of Jersey's economy in real terms from 2013 to 2022.

Figure 1 – Annual percentage change of GDP in real terms, 2013-2022



As shown in Figure 2 below, over the last 10 years real term GDP has increased, on average, by 1.6% annually. In 2022, GDP was 5.0% higher than in 2019 (prior to the Covid 19 pandemic) and in line with this long-term average following the impact of the pandemic observed in 2020 and 2021.

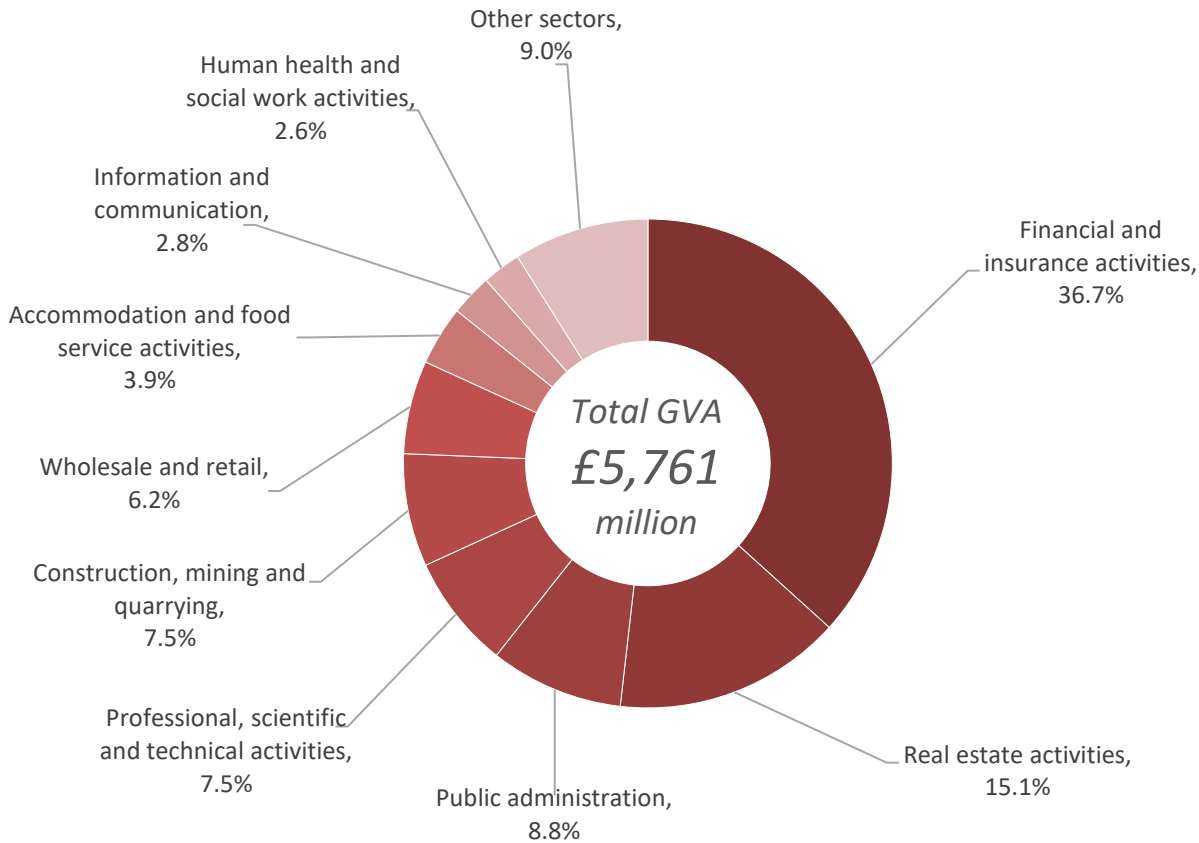
Figure 2—GDP in real terms (£ million), 2012-2022



Gross Value Added by sector

Figure 3 below shows the breakdown of the Jersey economy in 2022 by Gross Value Added (GVA) presented at market prices (total GVA therefore equals Jersey's GDP, see [Note 1](#) for more detail) and in the revised 2007 SIC sectors.

Figure 3– GVA (market) by sector, 2022



The above breakdown is presented using the revised SIC 2007 industrial classification (see [Note 5](#) for further details). Whilst most of these sectors are self-explanatory the following are worthy of particular comment:

- Financial and insurance activities includes a number of sub-sectors such as banking, trust and company admin as well as other financial service providers. It does not include legal and accounting services which have been traditionally included within the Jersey “Financial Services” GVA figures. These sub-sectors are now included under the “professional, scientific and technical activities” sector making international comparisons easier. For a breakdown including these sub-sectors please see [“finance, legal and accounting sector”](#) breakdown later in this report.
- Real estate activities includes rental income of private households which was previously presented separately (see [Table 3](#) for a breakdown of this sector). This includes both rental income earned by private households as well as owner-occupied imputed rental costs (OOIR) (see [Note 2](#)). Please note that OOIR represents the majority (64%) of GVA in this sector.
- Public administration includes the Government of Jersey, non-ministerial departments, as well as the twelve Parishes. It does not include trading entities such as the Ports of Jersey or Jersey Car Parks (which are classified under transport and storage).
- Professional, scientific and technical activities includes (as mentioned above) the activities of legal and accounting services.
- Other sectors includes all other sectors of the economy (this includes industries such as agriculture, transport and storage as well as manufacturing). See [Table 1](#) for a more detailed breakdown.

Table 1 below shows the GVA for each sector of the economy in 2021 and 2022 in constant year (2022) values and the real-term annual change.

Table 1 – GVA (market) by sector (£ million) in 2022 values

Sector Code	Sector	2021	2022	% change
A	Agriculture, forestry and fishing	46.5	41.4	-11.0%
C	Manufacturing	44.8	44.4	-0.8%
D&E	Electricity, gas, steam and air conditioning supply, water supply; sewerage, waste management and remediation activities	93.3	84.5	-9.4%
B&F	Construction, mining and quarrying	427.8	430.6	0.7%
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	382.8	355.5	-7.1%
H	Transportation and storage	109.8	116.5	6.1%
I	Accommodation and food service activities	181.1	225.8	24.7%
J	Information and communication	150.0	158.8	5.9%
K	Financial and insurance activities	1,726.9	2,114.0	22.4%
L	Real estate activities	917.6	870.5	-5.1%
M	Professional, scientific and technical activities	462.5	433.4	-6.3%
N	Administrative and support service activities	75.9	82.6	8.9%
O	Public administration and defence; compulsory social security	519.9	508.8	-2.1%
P	Education ¹	55.3	50.8	-8.2%
Q	Human health and social work activities	154.0	147.1	-4.5%
R	Arts, entertainment and recreation	38.2	41.2	8.0%
S	Other service activities	35.6	39.1	9.9%
T	Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use	16.1	15.5	-4.1%
	All economy (GDP)	5,438.2	5,760.6	5.9%

¹ The Education sector consists of private sector education provision and does not include public sector education.

Sector commentary

The increase in overall GDP was driven by the financial and insurance activities sector, in particular as a result of increased net interest income in the monetary intermediation (banking) sub-sector. For more information see the finance, legal and accounting sector breakdown below.

Several other sectors also recorded increases in real-term GVA. Notably the largest percentage increase in GVA was observed in the accommodation and food service activities (hospitality) sector which increased in real terms by 24.7%, continuing the sector's recovery from the Covid 19 pandemic.

Whilst overall real-term GVA increased, several sectors recorded real-term decreases in GVA; notably agriculture, forestry and fishing (down 11%) and utilities (down 9%).

Given the size of the Jersey economy, individual sectors can experience a degree of volatility between years. This can be particularly apparent in the smaller sectors where the performance of a small number of companies can have a significant impact on the overall sector.

Finance, legal and accounting sector

The Jersey Finance sector has traditionally been highly associated with both the accounting and legal sub-sectors of the economy. Due to this association, previous GVA estimates for the "Financial services" sector have included these two industries as part of the estimates.

Under the 2007 standard industrial classification structure the accounting and legal sub-sectors are included within the professional, scientific and technical activities.

To provide a comparable estimate Table 2 below shows the combined sub-sectors that form part of the wider Jersey financial services sector and is broadly comparable to previous estimates of the "Financial services" sector

Table 2 – GVA (Market) of the combined finance, legal and accounting sectors (£ million) in real-terms (2022 values)

Sector	Sub-Sector	2021	2022	% Change
K	Monetary intermediation (banking)	772.6	1,136.2	47%
	Trust administration, trustee and fiduciary services	480.1	501.0	4%
	Fund administration	174.9	182.3	4%
	All other financial services	299.4	294.6	-2%
M	Legal activities	181.8	162.2	-11%
	Accounting, bookkeeping and auditing activities; tax consultancy; regulatory and compliance activities	129.7	124.3	-4%
Finance, legal and accounting sector		2,038.4	2,400.4	18%

This combined sector represents 42% of the total Jersey economy in 2022 and almost half of all private sector output.

This latest increase was driven by the monetary intermediation (banking) sub-sector and in particular an increase in net interest income. Several businesses in this sector highlighted the increases in the Bank of England base rate as a contributing factor.

Real estate activities

The second-largest sector of the Jersey economy is the real estate activities sector. This includes the activities of real estate professionals (such as estate agents and property managers) as well as both actual rental income earned by private households and owner-occupied imputed rental costs (OOIR). For more details on owner-occupied imputed rental costs please see [Note 2](#).

Table 3 provides a breakdown of these three elements.

Table 3 – GVA (market) of real estate activities sector (£ million) in real-terms (2022 values)

Sector	Sub Sector	2021	2022	% Change
	Rental income	274.8	275.0	0.1%
L	Owner occupiers imputed rent	599.4	556.7	-7.1%
	Other real estate activities	43.4	38.8	-10.6%
	Real estate activities	917.6	870.5	-5.1%

The decrease in owner occupiers imputed rent was largely driven by increases in the costs associated with property ownership (notably mortgage interest payments driven by increases in the Bank of England base rate). This was the largest contributing factor to the change in this sector.

Components of GVA

The two components of GVA, as measured through the income approach, are gross operating surplus (GOS) and compensation of employees (CoE), in essence “profits” and “earnings”, respectively. Table 4 shows the contributions of each of these components to GVA in 2022, overall and by sector. In 2022:

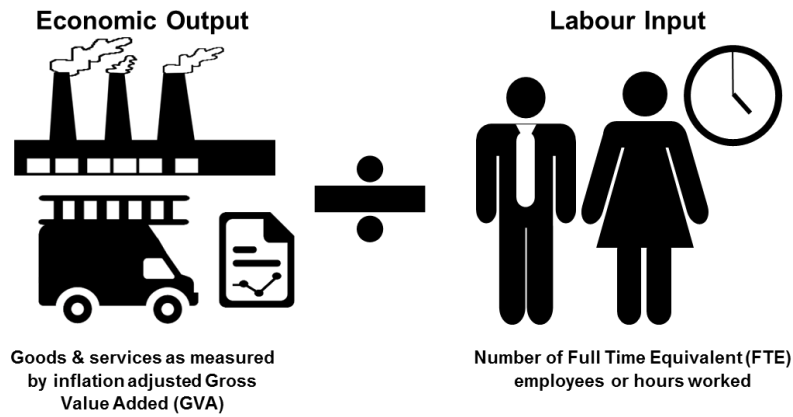
- the real-term increase in total GVA (up £322 million) was the result primarily of an increase in GOS, with CoE being largely unchanged
- the increase in total GOS was primarily driven by an increase in the financial and insurance activities sector (up £394 million)
- financial and insurance activities accounted for almost half (46%) of total GOS and for more than a quarter (28%) of total CoE

Table 4 – Gross Operating Surplus (GOS) and Compensation of Employees (CoE) in 2022 and real-term annual change in GOS, CoE and GVA, £ million

Sector Code	Sector	£ million		Real-term annual change		
		CoE	GOS	CoE	GOS	GVA
A	Agriculture, forestry and fishing	32	10	1	-6	-5
C	Manufacturing	32	13	-1	0	0
D&E	Electricity, gas, steam and air conditioning supply, water supply; sewerage, waste management and remediation activities	42	42	-1	-8	-9
B&F	Construction, mining and quarrying	301	130	10	-7	3
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	209	147	-10	-17	-27
H	Transportation and storage	94	23	5	1	7
I	Accommodation and food service activities	146	80	7	38	45
J	Information and communication	129	30	1	8	9
K	Financial and insurance activities	835	1,279	-6	394	387
L	Real estate activities	26	844	1	-48	-47
M	Professional, scientific and technical activities	307	126	-7	-22	-29
N	Administrative and support service activities	62	21	4	3	7
P	Education	508	1	-11	0	-11
Q	Human health and social work activities	47	4	-3	-1	-5
R	Arts, entertainment and recreation	118	29	-7	0	-7
S	Other service activities	28	13	4	-1	3
	All Economy	2,964	2,796	-12	335	322

Labour productivity

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



Overall labour productivity in 2022 increased by 5% in real terms from £80,000 per FTE to £84,000 per FTE.

This increase was primarily driven by increased profits observed in the financial and insurances activities sector which contributed to a 22% increase in productivity in that sector. Excluding this sector, overall productivity across the rest of the economy decreased by 4%.

[Table 5](#) shows the labour productivity of Jersey's economy in 2021 and 2022, overall and by sector, in current year values and also shows the real-term annual change.

Table 5 – Productivity (GVA per FTE) at current year values (£) and real-term annual change, 2021 and 2022

Sector Code	Sector	2021	2022	% change
A	Agriculture, forestry and fishing	47,000	42,000	-10.3%
C	Manufacturing	53,000	53,000	0.8%
D&E	Electricity, gas, steam and air conditioning supply, water supply; sewerage, waste management and remediation activities	133,000	115,000	-13.8%
B&F	Construction, mining and quarrying	70,000	68,000	-1.7%
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	59,000	55,000	-6.5%
H	Transportation and storage	61,000	58,000	-4.5%
I	Accommodation and food service activities	38,000	42,000	11.2%
J	Information and communication	85,000	91,000	7.0%
K	Financial and insurance activities	171,000	208,000	22.0%
L	Real estate activities	103,000	85,000	-17.8%
M	Professional, scientific and technical activities	99,000	89,000	-9.7%
N	Administrative and support service activities	27,000	29,000	4.8%
O	Public administration and defence; compulsory social security	65,000	62,000	-4.6%
P	Education	53,000	48,000	-9.3%
Q	Human health and social work activities	38,000	36,000	-5.2%
R	Arts, entertainment and recreation	36,000	35,000	-0.8%
S	Other service activities	31,000	32,000	3.5%
	All sectors	80,000	84,000	5.0%

Notes

1. Definition of terms

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

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

In addition, the estimates in this report incorporate the adjustments required for the treatment of FISIM (Financial Intermediation Services Indirectly Measured) at the sector level. These are estimated through net interest income and are allocated by user sector as far as possible with the balance proportionally assigned to sectors based on their total GVA.

GDP **Gross Domestic Product** - the traditional aggregate measure of an economy that measures the total value created through the production of goods and services in Jersey for the reference period. Total GVA for all sectors of the economy (at market prices) equals Jersey’s GDP.

2. Owner-occupied imputed rental costs (OOIR) and rental income of private households

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

3. Deflators

A GDP deflator (in essence, a measure of price inflation across the whole economy) is generally used to deflate national accounting aggregates. In the absence of such a measure for Jersey, RPI(X) and RPI(Y) are used as a proxy GDP deflator: RPI(X) for years before 2008; and RPI(Y) from 2008 to 2017.

In the 2018 report a separate deflator, derived from the private sector rental index, was introduced for the rental income of private households, including OOIR. The private sector rental index is published quarterly by Statistics Jersey, see: [Jersey House Price Index Report](#). The effect on previously published estimates of total GVA due to the introduction of this deflator was presented in [Appendix B of the 2018 report](#). This report included updates to the historic time series back to 2008.

The two-deflator approach (RPI(Y), and rental index) has been used to derive the real-term estimates for 2022 and the historic time series.

4. Revisions

This report includes some revisions to the estimates for 2021, predominantly resulting from revised estimates of the gross operating surplus of corporations (as a result of new data received in the 2022 annual business survey) and the compilation of more recent manpower (including the December 2022 manpower return) and earnings data (from the Annual Business survey).

This publication also includes revisions to previous estimates of GVA and GDP reflecting the recently published report: [Population and migration statistics, 2011 to 2021](#). These revisions primarily impact the estimates for rental income of private households and owner occupiers' imputed rent.

5. Standard Industrial Classification

This report uses the UK standard industrial classification (SIC) 2007 system in order to classify businesses into relevant sectors. Starting with the December 2018 Labour Market report, Statistics Jersey has been updating our classifications in line with this revised system, which provides a more up to date and comprehensive structure. At the same time businesses have also been classified to a greater level of detail. Previously many businesses were only coded at the highest sector level whilst, as part of this exercise, all businesses were classified to the lowest level of the classification structure as possible. This approach potentially allows more granular sub-sector analysis moving forward.

Some of the main changes pertinent to the Jersey economy are:

- “Information and communication” is a newly created sector, which contains the previous “Computer and related activities” section and draws from the previous “Manufacturing”, “Transport, storage and communications” and “Education, health and other services”.
- Landscape gardening has moved from “Agriculture and fishing” to “Other service activities”.
- Sewerage, waste disposal and removal services have moved from “Education, health and other services” to “Electricity, gas, steam and air conditioning supply, water supply; sewerage, waste management and remediation activities”.
- Repair of household items has moved from “Wholesale and retail” to “Other service activities”.

The process of reclassification has also resulted in some businesses being reclassified in respect of their sector. Businesses have been recoded based on the most up to date information to ensure that their classification reflects their main business activity. This has had a particular impact on the businesses contained within the manufacturing sector, with several movements both in and out of that sector as a result of this reclassification. Estimates for this sector are therefore not considered directly comparable to the previous sector of the same name.

6. Annual Business Survey

The primary data source for these estimates is the updated Annual Business Survey run by Statistics Jersey. This is the main structural business survey conducted by Statistics Jersey and was conducted for the first time in 2023 under the provisions of the Statistics and Census (Jersey) Law 2018, which makes completion of this survey mandatory for businesses.

At the time of publication, the survey had achieved an 85% response rate. You can find additional details on this survey on our [website](#).

7. Data tables

Data tables can be found on the Statistics Jersey website under “National Accounts: GVA and GDP” at:

<https://www.gov.je/Government/JerseyInFigures/BusinessEconomy/Pages/NationalAccounts.aspx>

Annex – Previous GVA methodology

Historically the main measure of Jersey’s economy has been GVA at basic prices, presented without adjustment for Financial Intermediation Services Indirectly Measured (FISIM). This latest report presents updated GVA estimates at market prices (adjusted for the impact of taxes and subsidies and reflecting the impact of FISIM). These updated estimates provide a more comprehensive breakdown of the relative size of the different sectors that make up Jersey’s economy.

In addition, previous reports presented sectoral breakdowns using the older 2003 Standard Industrial Classification structure. This latest report instead uses the newer 2007 version of the classification (SIC 2007) for the first time. This updated system allows for better international compatibility and allows for a more granular breakdown of the different industry sectors. At the same time individual businesses have also been classified to a greater level of detail within this structure and some businesses reclassified to better reflect their main economic activity.

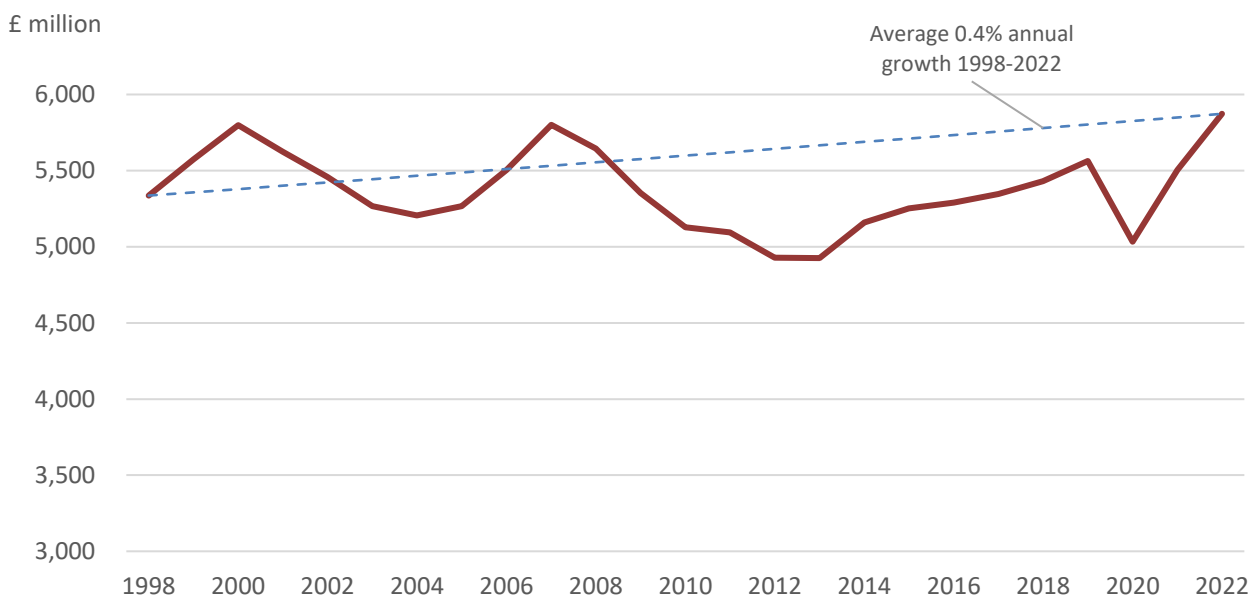
For long-term comparison purposes and compatibility with previous reports, we present here estimates for 2021 / 2022 based on the previous methodology.

Gross Value Added, GVA, at basic prices

[Figure 1](#) shows the total GVA at basic prices (see [Note 1](#)) of Jersey’s economy in real terms for each year from 1998 to 2022. Total GVA of Jersey’s economy in 2022 was £5,873 million, an increase of 7% since 2021.

In real terms Jersey’s total GVA in 2022 was 5.6% higher than in 2019 (prior to the Covid 19 pandemic) and since 1998 real term GVA has increased, on average, by 0.4% annually.

Figure 1 – GVA (basic) at constant year (2022) values of income, £ million



GVA by sector, 2003 SIC classification

Table 1 shows the breakdown of the Jersey economy based on the previous 2003 SIC classification (see [Note 5](#)) of sectors. The breakdown is presented in GVA at basic prices and in constant year (2022) values of income.

Table 1 – GVA (basic) at constant year (2022) values of income: £ million and percentages

	2021	2022	% Change
Agriculture	60	55	-8%
Manufacturing	64	59	-7%
Electricity, gas & water	67	60	-11%
Construction	430	432	0%
Wholesale & retail	343	319	-7%
Hotels, restaurants & bars	202	242	20%
Transport, storage and communication	184	196	6%
Financial services	2,081	2,476	19%
Other business activities (excluding rental)	664	665	0%
Public administration	536	538	0%
Rental income of private households	874	832	-5%
All sectors (Total GVA)	5,505	5,873	6.7%

Figures are shown rounded to the nearest £ million.

Overall GVA at basic prices increased by 6.7% in real terms in 2022 with the difference in growth rate compared to the growth of GDP (5.9%) largely attributable to the difference in treatment for FISIM.

This increase was driven primarily by increased GVA in the Financial Services sector (up 19%), which recorded increased net interest income in 2022 following the increases to the Bank of England Base rates.

The hotels, restaurants and bars sector saw the largest real-term percentage increase (up 20%). Other sectors, notably electricity, gas & water (down 11%), agriculture (down 8%), manufacturing and wholesale & retail (both down 7%) recorded real-term decreases in GVA.

The rental income of private household sector comprises both actual rental income earned as well as owner-occupied imputed rental costs (OOIR). The largest contributing factor to the change in this sector was a decrease in OOIR, driven by increases in the costs associated with property ownership.

Components of GVA in basic prices

The two components of GVA, as measured through the income approach, are gross operating surplus (GOS) and compensation of employees (CoE), in essence “profits” and “earnings”, respectively. [Table 2](#) shows the contributions of each of these components to GVA (basic) in 2022, overall and by sector. In 2022:

- the real-term increase in total GVA (up £367 million) was the result primarily of an increase in GOS, with CoE being largely unchanged
- the increase in total GOS was driven by increases in the financial services sector (up £405 million)
- financial services accounted for around half (50%) of total GOS and for more than a third (5%) of total CoE

Table 2 – Gross Operating Surplus (GOS) and Compensation of Employees (CoE) in 2022 and real-term annual change in GOS, CoE and GVA, £ million, basic prices

	£ million		Real-term annual change, £ million		
	GOS	CoE	GOS	CoE	GVA
Agriculture	22	33	-4	-1	-5
Manufacturing	14	45	-2	-2	-4
Electricity, gas and water	28	32	-6	-1	-7
Construction	150	281	5	-3	2
Wholesale and retail	128	191	-8	-17	-24
Hotels, restaurants and bars	93	149	32	8	40
Transport, storage and communication	56	141	6	6	12
Financial services	1,432	1,044	405	-10	395
Other business activities	122	544	-18	19	1
Rental income of private households	832	0	-43	0	-43
Public administration	0	538	0	2	2
Total	2,876	2,997	367	1	368

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