

Measuring Jersey's Economy

GVA and GDP - 2016

Summary

Gross Value Added (GVA) per head of population

- **the average economic standard of living** of Jersey residents, measured as real-term Gross Value Added (GVA) per head of population:
 - declined marginally in 2016 due to the increase in total economic output (GVA) being lower than the increase in the resident population
 - has been essentially flat during the latest three-year period (2014-2016)
 - has decreased by more than a sixth (18%) since 2007
- GVA per head of population in Jersey in 2016 was £40,200 (current year values) and was 53% greater than in the UK

Gross Value Added – total and sectoral

- **on an annual basis Jersey's economy, as measured by total GVA, grew by 1% in real terms in 2016**
- total GVA in 2016 was £4.19 billion (current year values)
- 2016 represents the third consecutive year that the Island's economy has grown in real terms
- the rental income of private households (both actual and imputed) was the largest contributor to the real-term growth of total GVA in 2016, resulting from an increase in the number of resident households combined with higher rents paid on an annual basis
- several of the non-finance sectors of the economy recorded real-term growth in GVA in 2016, notably the private sector service industries and the construction sector
- in contrast, the financial services and wholesale & retail sectors saw GVA decline on an annual basis, whilst public administration recorded the largest percentage decline in GVA, down by 4% in real terms

Gross Domestic Product (GDP)

- GDP grew by almost 1% in real terms in 2016
- GDP in 2016 was £4.11 billion (current year values)

Labour productivity

- productivity, as measured by GVA per full-time equivalent worker, declined by 2% in 2016
- the non-finance sectors, overall, saw productivity remain essentially unchanged in 2016 (up by 0.2% an annual basis); in contrast, the financial services sector saw productivity decrease by 3%
- over all sectors of the economy, productivity has fallen by more than a fifth (22%) in real terms since 2007, driven by a decline in the productivity of the Island's finance sector of almost a third (32%)
- productivity in the non-finance sectors, overall, has declined by 5% since 2007 but has remained relatively flat over the longer term; in 2016 it was 3% higher than 18 years earlier, in 1998

Introduction

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

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

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

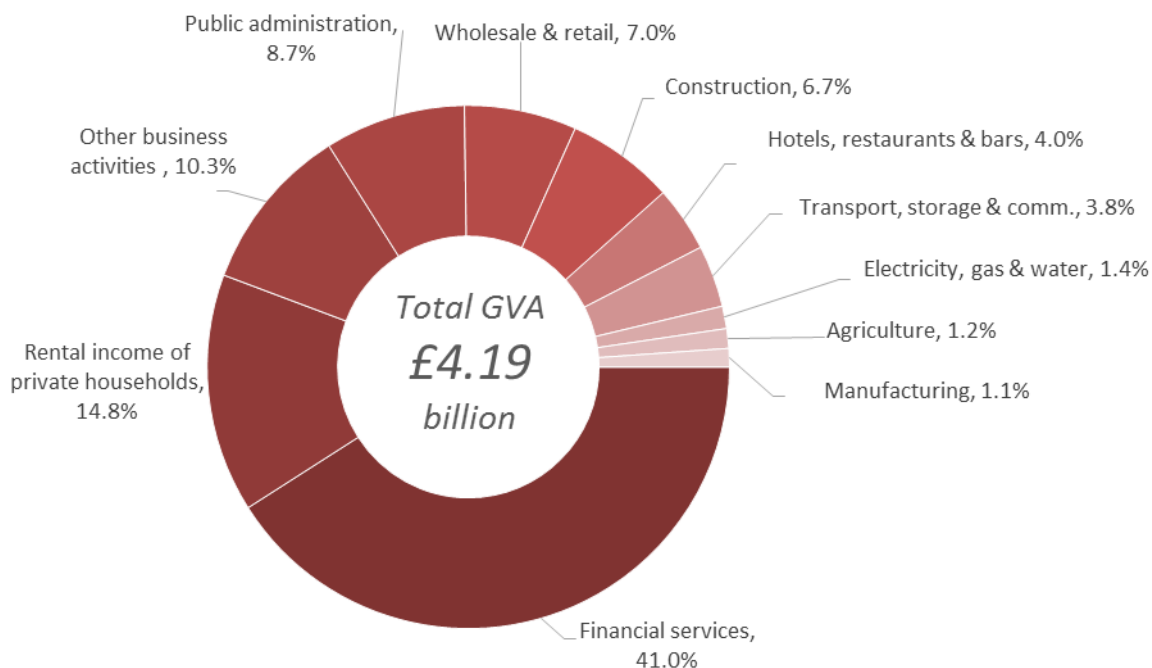
These measures are presented in current year values of income (particular to each calendar year, and referred to as "nominal" values) and in constant year values (adjusted for inflation, and referred to as "in real terms").

Section 1 - Current year values of income

Gross Value Added, GVA

In nominal terms (expressed in current year values of income) the total GVA of Jersey's economy in 2016 was £4.19 billion². The contribution of each sector of the economy to total GVA in 2016 is shown in Figure 1.

Figure 1 – GVA by sector, 2016



The financial services sector represented the largest component of total GVA in 2016, accounting for more than two-fifths (41%) of total GVA and for almost half (48%) of all economic activity excluding the rental income of private households (see Note 2).

The next largest sectors in terms of GVA (excluding the rental income of private households) were other business activities (comprising predominantly private sector service industries) and public administration, accounting for 10% and 9%, respectively, of total GVA in 2016.

Table 1 shows the contribution of each sector of the economy to total GVA in each of the two latest years. In nominal terms (i.e. not adjusted for inflation), total GVA in 2016 was almost 3% higher than in 2015.

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

² Throughout this report, all estimates for 2016 should be considered as provisional.

Table 1 – GVA (basic) by sector at current year values of income, 2015 and 2016: £ million

Sector	2015 (r)	2016
Agriculture	45	51
Manufacturing	44	47
Electricity, gas & water (Utilities)	53	58
Construction	255	280
Wholesale & retail	296	291
Hotels, restaurants & bars	155	169
Transport, storage & communications	160	160
Financial services	1,713	1,714
Other business activities	402	432
Rental income of private households	575	617
Public administration	372	365
Total GVA (basic)	4,070	4,185

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

The majority of sectors of the economy recorded nominal increases in GVA in 2016, notably the private sector service industries, construction and hotels, restaurants & bars. The greatest nominal increase was in the rental income of private households³.

In contrast, the public administration and wholesale & retail sectors recorded nominal decreases in GVA in 2016.

Gross Domestic Product, GDP

The measures presented in Figure 1 and Table 1 show GVA at *basic* prices, that is excluding taxes (GST and impôts) but including subsidies. GDP is defined as total GVA at *market prices* adjusted for the allocation of FISIM (see Note 1). Table 2 shows that in 2015 and 2016 the difference between total GVA at basic and market prices was around £140 million, whilst the downward FISIM adjustment in 2016 was greater than in 2015.

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

	2015 (r)	2016
Total GVA (basic)	4,070	4,185
Total GVA (market)	4,208	4,327
FISIM adjustment	-186	-214
GDP	4,021	4,113

Figures are shown rounded to the nearest £ million.

GDP in 2016 is estimated at £4.11 billion, corresponding to a nominal annual increase of 2%.

³ This component of GVA comprises actual rent, paid by households living in private sector rental accommodation (entitled and registered), and also imputed rent for owner-occupier households (see Note 2).

Section 2 - Constant year values of income

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

Figure 2 shows the total GVA of Jersey’s economy in real terms for each year from 1998 to 2016⁴.

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

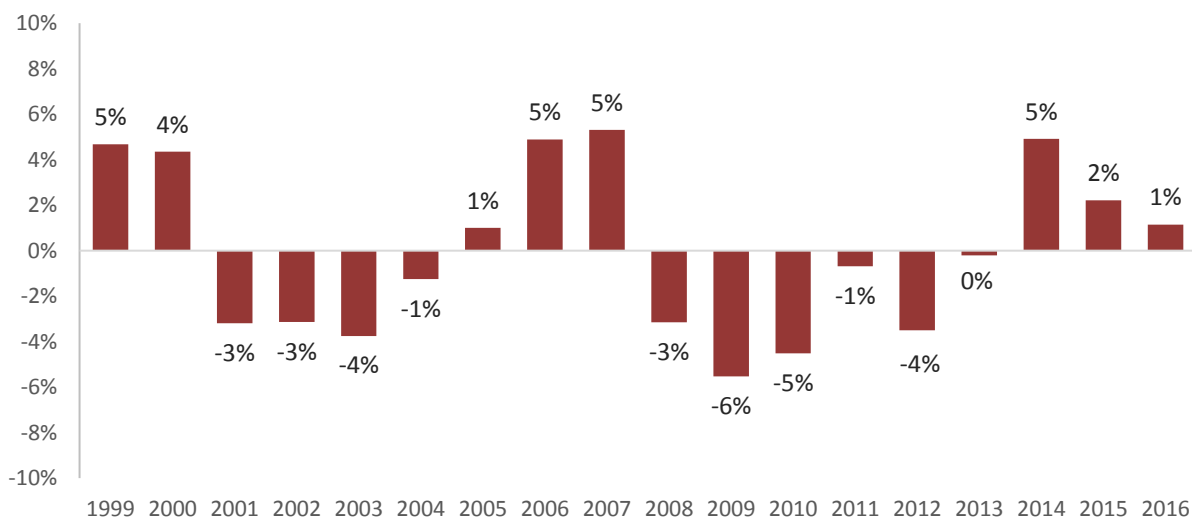


In real terms:

- total GVA increased by almost £50 million in 2016, corresponding to an annual increase of 1%
- the level of total GVA in 2016 was more than £400 million below the previous peak seen in 2007

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

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



During the five-year period from 2007 to 2012 total GVA declined by a sixth (16%) in real terms and was essentially flat in 2013. In each of the latest three years, 2014 to 2016, total GVA has increased in real terms.

⁴ See Appendix Table A1 and data tables at:

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

Table 3 shows the GVA for each sector of the economy in 2015 and 2016 in constant year (2013) values. The annual percentage changes of sectoral GVA in real terms from 2000 to 2016 are shown in Appendix Table A2.

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

	2015 (r)	2016	Real-term change, %
Agriculture	44	49	12%
Manufacturing	43	46	6%
Electricity, gas & water (Utilities)	52	56	8%
Construction	249	269	8%
Wholesale & retail	289	280	-3%
Hotels, restaurants & bars	152	163	7%
Transport, storage & communications	156	154	-1%
Financial services	1,676	1,649	-2%
Other business activities	394	416	6%
Rental income of private households	562	594	6%
Public administration	364	351	-4%
Total GVA (basic)	3,980	4,026	1%

Figures are shown rounded to the nearest £ million.

The real-term growth of total GVA was driven by the non-finance sectors, the majority of which saw real-term growth in GVA in 2016. Overall, the GVA of the non-finance sectors (excluding the rental income of private households) increased by 2% in real terms. In absolute terms, the private sector service industries and construction recorded the greatest real-term growth in GVA, each of around £20 million. Agriculture recorded the greatest percentage increase in GVA, having exhibited some volatility in this measure in recent years.

The rental income of private households (both actual and imputed) was the largest contributor to the real-term growth of total GVA in 2016. The increase in GVA of £32 million recorded by this sector in the latest year was the result of an increased number of resident households together with higher average rents paid.

In contrast, financial services saw GVA decline by £27 million in real-terms in 2016, corresponding to an annual fall of 2%. The transport, storage & communications and wholesale & retail sectors also recorded real-term falls in GVA in 2016, whilst public administration recorded a real-term decline in GVA of £13 million, representing the greatest percentage fall seen across the sectors (Figure 4).

Figure 4 – Percentage change in GVA (basic) in real terms

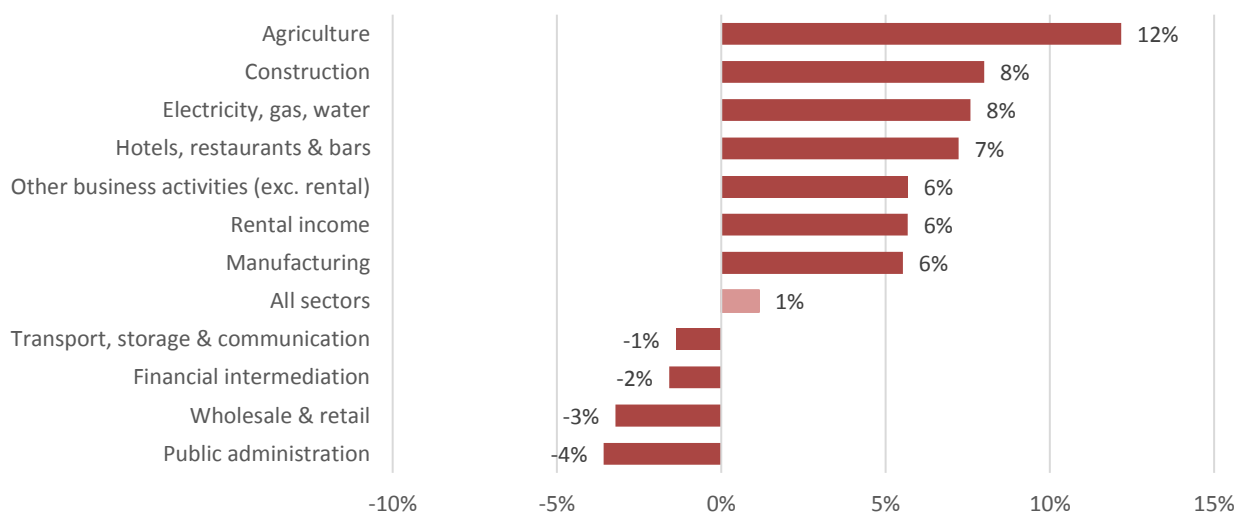
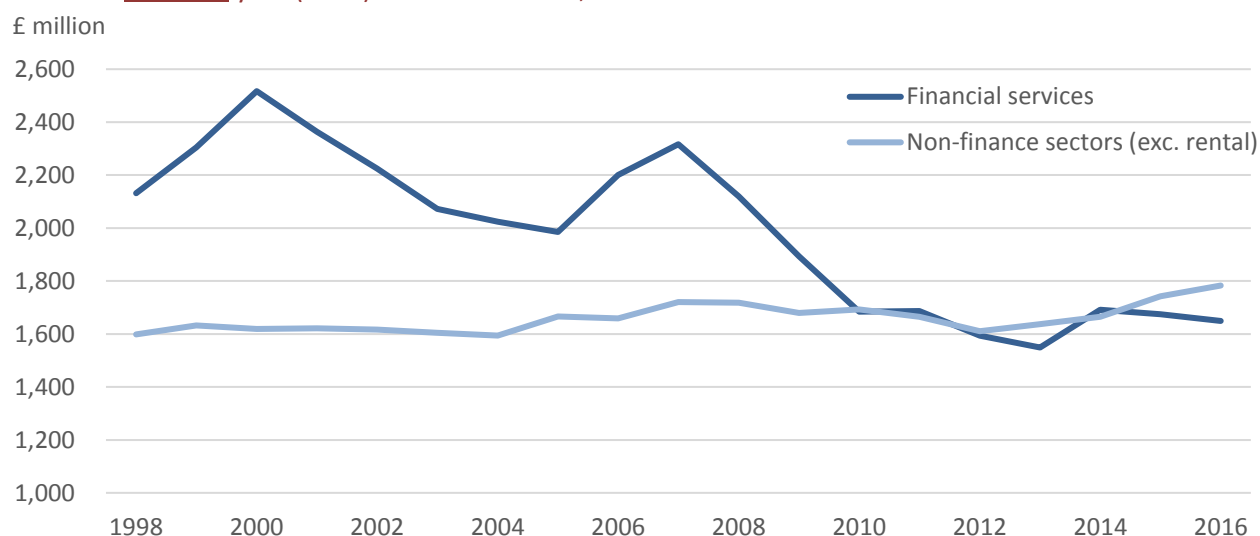


Figure 5 shows total GVA in constant year (2013) values for financial services and the non-finance sectors (overall, excluding the rental income of private households) from 1998 to 2016 (see Appendix Table A1).

Figure 5 – GVA (basic) for finance and non-finance sectors in real terms
constant year (2013) values of income, £ million



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

The performance of the finance sector has been central to the overall performance of the Island’s economy during the period covered by Figures 2 and 5. In particular, the peaks in total GVA seen in 2000 and 2007 were driven by the corresponding peaks in the GVA of the Finance sector in these years. Similarly, the decrease in total GVA of a sixth (16%) between 2007 and 2012 was largely a result of the decline of almost a third (31%) in the GVA of the finance sector over this period.

Components of GVA

The two components of GVA, as measured through the income approach, are gross operating surplus (GOS) and compensation of employees (CoE), in essence “profits” and “earnings”, respectively.

Table 4 shows the contributions of each of these components to GVA in 2016, overall and by sector, in current year values and also the change in each component in constant year (2013) values. From Table 4 it is apparent that in 2016:

- compensation of employees accounted for more than half (53%) of total GVA of £4,185 million (current year values)
- financial services accounted for almost half (47%) of total gross operating surplus and for more than a third (36%) of total compensation of employees

Overall, GOS and CoE contributed similarly to the real-term increase of £46 million in total GVA in 2016.

At a sectoral level, Table 4 shows that the largest contributor to the real-term increase in total GVA in 2016 was the rental income of private households (both real and imputed).

The increase in total CoE was driven by increased employment in both the private sector service industries and construction in 2016, whilst the fall in the CoE of public administration was the result of reduced employment coupled with a real-term fall in average earnings in this sector.

Table 4 – Gross Operating Surplus (GOS), Compensation of Employees (CoE) and GVA in 2016 current (2016) and constant year (2013) values of income: £ million

	2016		Real-term change constant (2013) values		
	GOS	COE	GOS	CoE	GVA
Agriculture	15	36	2	3	5
Manufacturing	11	37	0	2	2
Electricity, gas & water (Utilities)	31	27	4	0	4
Construction	73	207	5	15	20
Wholesale & retail	109	182	-6	-4	-9
Hotels, restaurants & bars	49	120	6	5	11
Transport, storage & communications	49	111	-5	3	-2
Financial services	919	796	-16	-11	-27
Other business activities	75	357	2	21	22
Rental income of private households	617	0	32	0	32
Public administration	0	365	0	-13	-13
Total	1,948	2,237	24	22	46

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

GDP in real terms

On an annual basis, Jersey's GDP increased by almost 1% in real terms, from £3,930 million in 2015 to £3,960 million in 2016, in constant year (2013) values (see Appendix Table A1).

Section 3 - GVA and GDP per head of population

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

In 2016 GVA per head of population was £40,200 and GDP per head of population was £39,500, in current year values of income⁵.

The real-term change in the average economic standard of living of Jersey residents may be examined by considering GVA per head in constant year values over a longer period. The two components of this analysis are shown in Figure 6 for the period 2000 to 2016: the resident population and the total GVA in constant year (2013) values. The total GVA of Jersey’s economy in 2016 was 10% lower than in 2000. Over the same period the resident population increased by some 16,000 people, corresponding to an increase in population of 18%.

Figure 6 – Jersey’s resident population and total GVA (basic) in real terms (£ million), 2001 to 2016

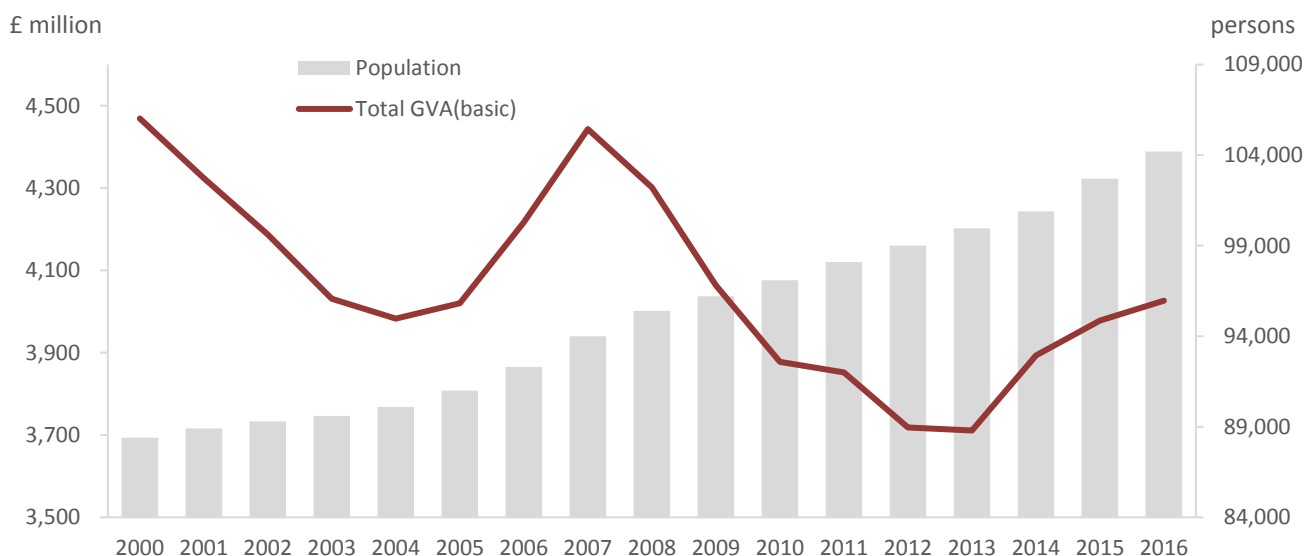
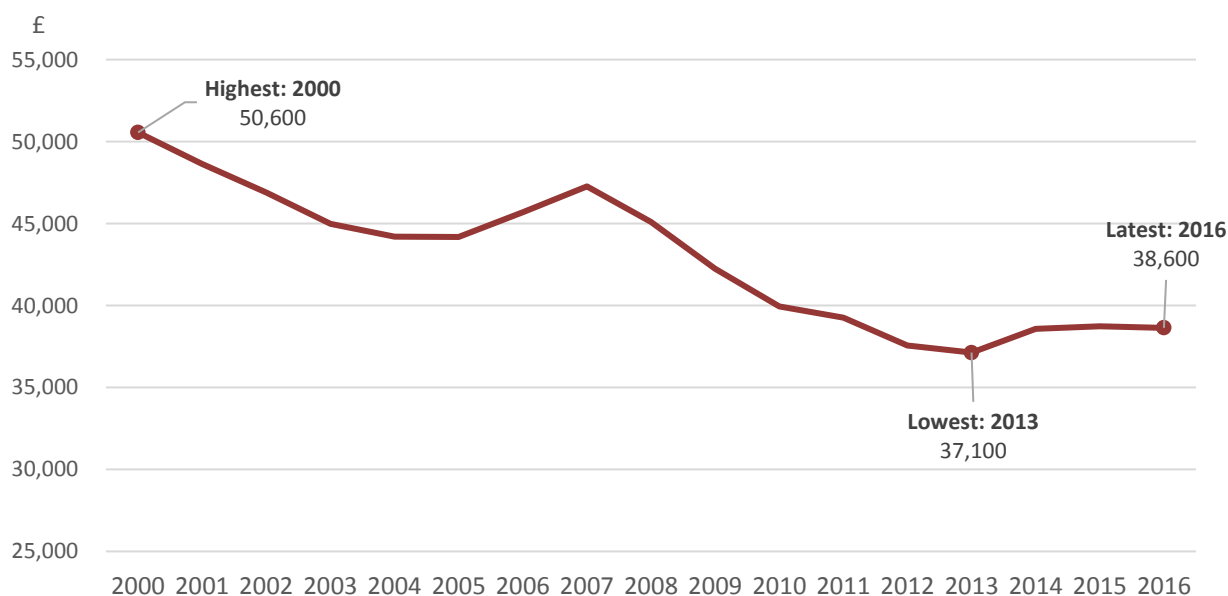


Figure 7 shows GVA per head in constant year (2013) values over this period (see Appendix Table A6).

Figure 7 – Jersey’s GVA per head of population in real terms, 2000 to 2016
constant year (2013) values



⁵ The resident population figures used to calculate GVA per head and GDP per head for Jersey are the year-end estimates published in: “Jersey Resident Population – 2016 estimate”, Statistics Unit, June 2017. The 2001 Jersey Census provides the basis for the estimate of the resident population at year-end 2000; hence, the first year-end estimate available for determining GVA per head is for calendar year 2000.

GVA per head of population in 2016 was marginally lower than a year earlier, down by 0.3% in real terms compared with 2015.

Over the period from 2000 to 2016, the GVA per head of population in Jersey has decreased by almost a quarter (24%) in real terms. Most of this long-term decline occurred after 2007; between 2007 and 2016 the GVA per head of population in Jersey decreased by more than a sixth (18%).

Comparison with the UK

The measures GVA per head and GDP per head for Jersey and the UK in 2016 are shown in Table 5, in current year values of income⁶.

Table 5 – GVA and GDP per head for Jersey and the UK in 2016 (current year values, £)

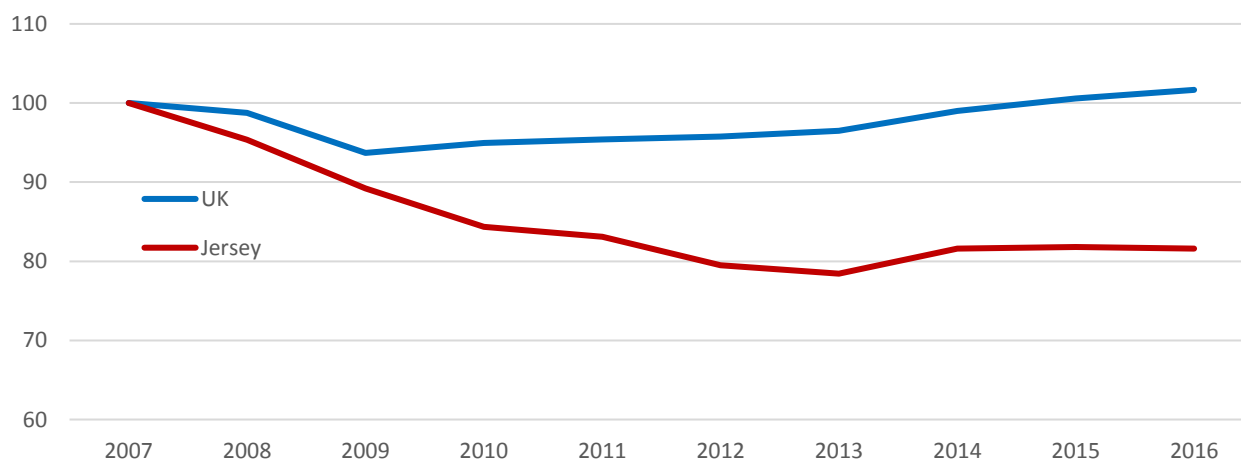
	GVA	GDP
Jersey	40,200	39,500
UK	26,300	29,600

In 2016, the GVA per head of population Jersey was 53% greater than in the UK and GDP per head of population was a third (33%) greater in Jersey than in the UK⁷.

In 2016, both GVA per head and GDP per head in Jersey decreased in real-terms, down by 0.3% and 0.8%, respectively, compared with 2015. In contrast, the UK saw real-term increases in these measures; GVA per head and GDP per head both increased by 1.1% in 2016.

Figure 8 shows the relative performance of the indicators of average economic standard of living (GVA per head in real-terms) for both Jersey and the UK since 2007.

Figure 8 – Average economic standard of living (GVA per head) in real terms; 2007 to 2016
(Indexed 2007 = 100)



Over the nine-year period from 2007 to 2016 (i.e. covering the period from prior to the global economic downturn to the latest calendar year) the average economic standard of living in the UK has increased by 2%, while that in Jersey has decreased by more than a sixth (18%).

During the latest three years, 2014-2016, the average economic standard of living in the UK has increased by 3% and has remained essentially flat in Jersey.

⁶ Measures for the UK are taken directly (GDP per head) or are derived (GVA per head) from datasets published to date by the UK Office for National Statistics.

⁷ When comparing these measures for the two jurisdictions, it should be acknowledged that the most recent (2013) estimate of the overall relative price level for consumer goods and services (including housing, health and education costs) for Jersey was a fifth (20%) greater than the UK average; see: "Jersey-UK Relative Consumer Price Levels for Goods and Services, 2013", Statistics Unit, March 2014.

Section 4 – Labour productivity

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

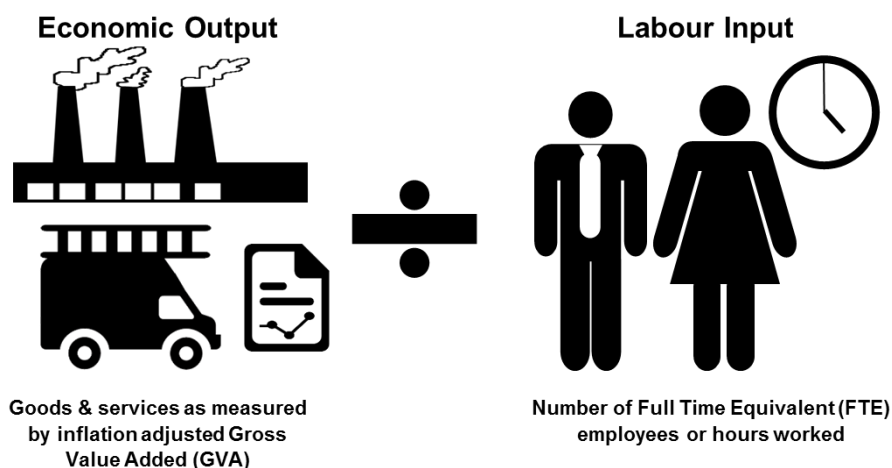


Table 6 shows the labour productivity of Jersey’s economy in 2016, overall and by sector, in current year values and also shows the real-term annual change.

Table 6 – Productivity at current year values and real-term annual change, 2016
£ thousand per FTE and percentages

Sector	2016	Real-term annual change, %
Agriculture	31	15
Manufacturing	45	0
Electricity, gas & water (Utilities)	123	7
Construction	52	2
Wholesale & retail	43	-1
Hotels, restaurants & bars	31	5
Transport, storage & communications	59	-5
Financial services	136	-3
Other business activities	40	-2
Public administration	56	1
All sectors	67	-2
Non-finance sectors	45	0

In 2016, across all sectors of the economy, productivity was £67,000 per FTE (current year values).

In real-terms, productivity in 2016 was 2% lower than in 2015 (see Appendix Table A4).

At a sectoral level, productivity in 2016 ranged from £31,000 per FTE in agriculture and in hotels, restaurants and bars to £136,000 per FTE in financial services (current year values).

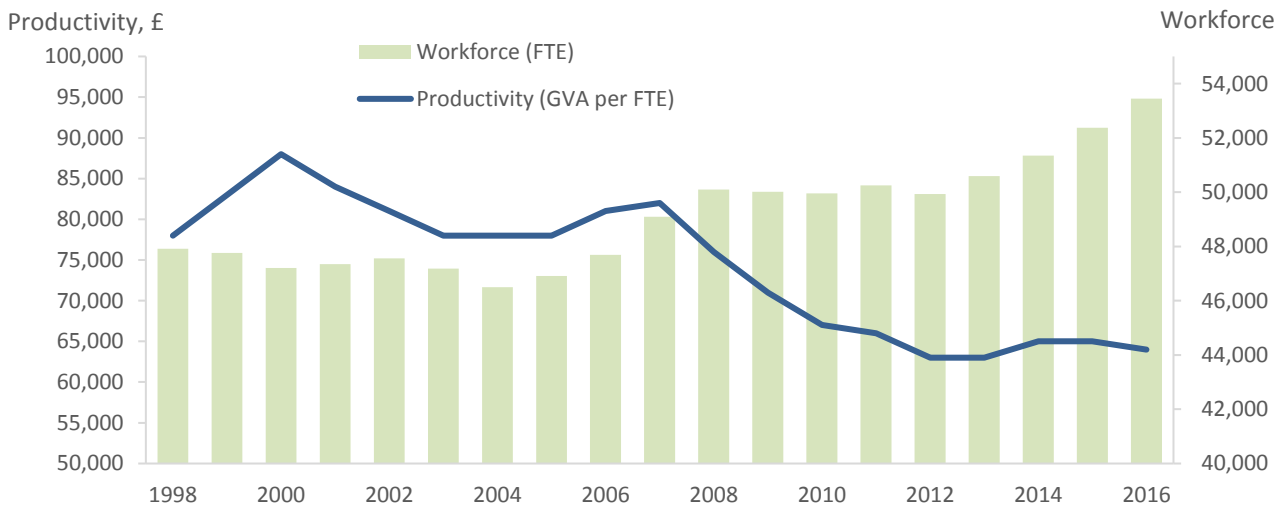
Productivity in the financial services sector in 2016 was three times that in the non-finance sectors overall (£45,000 per FTE in current year values).

Several sectors recorded real-term increases in productivity in 2016, notably agriculture, the utilities and hotels, restaurants and bars.

In contrast, transport, storage & communications, financial services, the private sector service industries and wholesale & retail saw reduced productivity in 2016.

Figure 9 shows that there has been an overall decline in productivity in the Jersey economy throughout most of the last two decades (see Appendix Table A4). Since 1998 the Island’s workforce has increased by some 5,500 FTEs.

Figure 9 – Productivity (GVA per FTE) of Jersey’s economy in real terms and total employment, 1998-2016 productivity index numbers (2013=100)



The long-term decline in productivity has occurred particularly since 2007. Between 2007 and 2016 the productivity of the Island’s economy fell by more than a fifth (22%) in real terms.

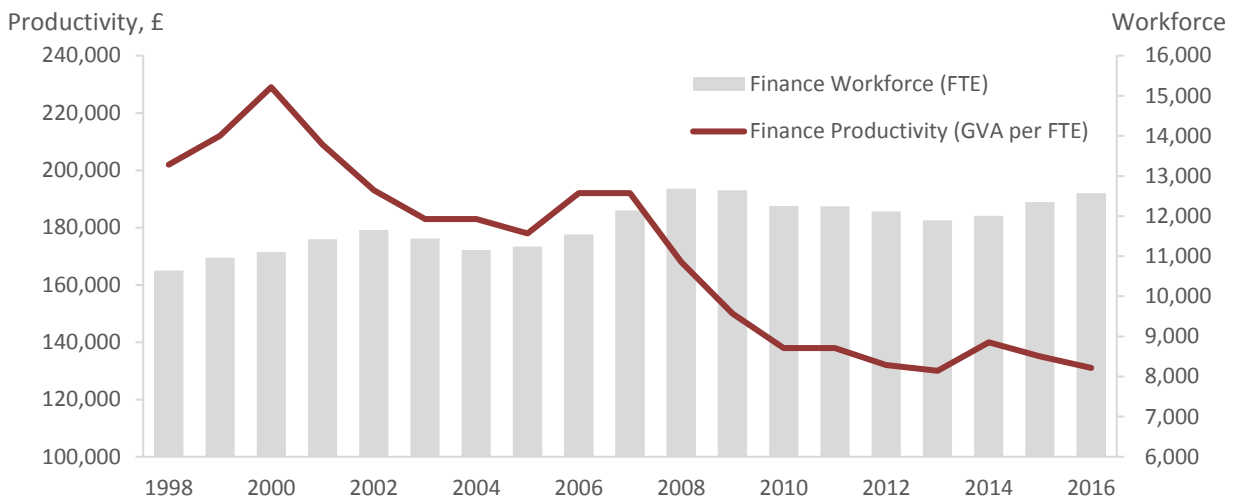
This decline in the productivity of the Island’s economy overall has been driven by a decline in the productivity of the financial services sector (see Figure 10 and Appendix Table A4). Increased levels of employment in lower productivity sectors has also been a factor in recent years.

Most of the long-term decrease in productivity in financial services occurred from 2007 to 2010. A key factor behind the decrease in productivity in financial services during this period was a reduction in the Net Interest Income (NII) of the banking sub-sector. The amount of NII generated by banking in Jersey peaked at £1,040 million in 2008 and accounted for three-fifths of banking revenue in that year. During the subsequent period to 2010 the NII of the banking sub-sector decreased by more than a third, representing a fall of some £400 million in two years⁸.

More recently, the level of NII has remained at a level similar to that in 2010, whilst productivity in financial services in the latest year, 2016, was 5% lower than in 2010.

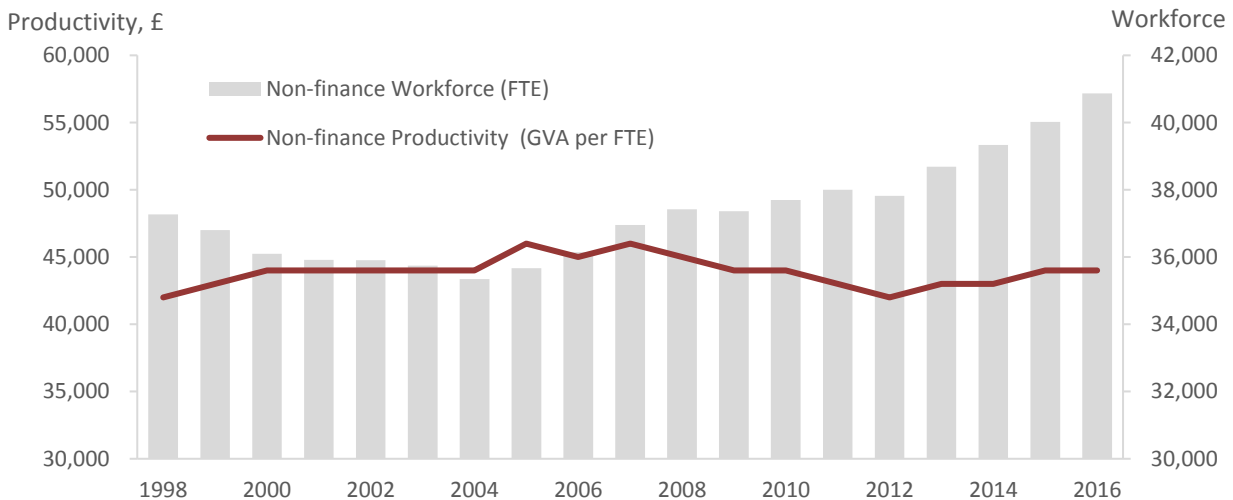
⁸ “Survey of Financial Institutions: GVA and productivity - 2016”, Statistics Unit, June 2017.

Figure 10 – Financial services productivity (GVA per FTE) in real terms and employment, 1998-2016 productivity index numbers (2013=100)



In contrast to the substantial and long-term decline in productivity experienced by the Island’s financial services sector, the productivity of the non-finance sectors overall has been relatively flat (see Figure 11 and Appendix Table A4).

Figure 11 – Non-finances sectors productivity (GVA per FTE) in real terms and employment, 1998-2016 productivity index numbers (2013=100)



Over the long-term, the productivity of the non-finance sectors in 2016 was 3% higher than in 1998 in real terms. The non-finance sectors recorded an increase in productivity of 9% between 1998 and 2007 before seeing a decline in productivity of 5% between 2007 and 2016.

A factor in the decrease in productivity of the non-finance sectors since 2007 has been the greater proportion of the Island’s workforce being employed in lower productivity sectors; in particular, the private sector service industries accounted for 15% of the Island’s workforce in 2007 (on an FTE basis), rising to 20% in 2016⁹.

⁹ For information on employment levels on a headcount basis see: “Jersey Labour Market, December 2016”, Statistics Unit, April 2017.

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

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

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total GVA	4,470	4,320	4,190	4,030	3,980	4,020	4,220	4,440	4,300	4,060	3,880	3,850	3,720	3,710	3,890	3,980	4,030
Financial services	2,520	2,360	2,230	2,070	2,020	1,990	2,200	2,320	2,120	1,890	1,680	1,690	1,590	1,550	1,690	1,680	1,650
Non-finance sectors*	1,620	1,620	1,620	1,610	1,590	1,670	1,660	1,720	1,720	1,680	1,690	1,670	1,610	1,640	1,670	1,740	1,780
GDP													3,6790	3,700	3,860	3,930	3,960

*Overall, excluding the rental income of private households.

Numbers are rounded to the nearest £10 million.

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

Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture	-5	-10	2	-3	-10	3	4	3	5	5	-14	-15	-3	12	-17	11	12
Manufacturing	-1	-3	-5	-7	-9	-7	-6	-6	1	-9	1	-8	-9	-9	6	0	6
Electricity, gas & water	-3	-6	-1	-9	-4	8	-6	-3	8	-13	5	-3	0	3	-1	8	8
Construction	1	3	4	-8	-3	8	5	7	0	-1	4	-5	-8	-2	5	9	8
Wholesale & retail	-1	-3	-2	0	0	3	2	4	-6	-1	-1	2	-9	0	-3	4	-3
Hotels, restaurants & bars	-8	-4	-3	1	-4	-3	1	3	-2	-7	2	2	3	2	6	4	7
Transport, storage & communication	-4	3	-2	-3	0	4	0	4	-4	-1	-3	-2	-3	6	2	5	-1
Financial services	9	-6	-6	-7	-2	-2	11	5	-8	-11	-11	0	-5	-3	9	-1	-2
Other business activities (excluding rental)	2	3	2	5	3	13	-9	3	3	-3	3	0	1	3	2	6	6
Public administration	3	3	1	2	2	1	3	5	3	0	1	-2	-1	2	4	1	-4
Total GVA (including rental)	4	-3	-3	-4	-1	1	5	5	-3	-6	-5	-1	-4	0	5	2	1
Non-finance sectors (overall, excluding rental)	-1	0	0	-1	-1	4	0	4	0	-2	1	-2	-3	2	2	5	2

Percentage changes are calculated from unrounded figures.

Table A3 - GVA (basic) in real terms, 2000-2016 (index numbers; 2013=100)

Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture	127.6	115.5	117.8	114.6	103.3	106.5	111.1	114.5	119.8	126.0	108.5	91.8	89.2	100.0	83.3	92.4	103.6
Manufacturing	219.2	212.2	201.1	187.9	171.3	160.2	150.9	141.8	142.7	130.1	131.0	120.1	109.4	100.0	105.6	106.0	111.8
Electricity, gas & water	127.5	119.5	118.1	107.0	102.9	110.7	104.6	101.9	110.3	95.8	100.2	97.1	97.1	100.0	98.5	106.0	114.0
Construction	96.9	99.8	103.5	95.6	93.2	100.4	105.7	113.3	113.3	112.6	116.7	111.3	102.4	100.0	105.2	115.0	124.2
Wholesale & retail	113.3	110.2	107.6	108.1	107.6	111.1	113.1	118.0	110.7	109.2	107.8	110.0	100.3	100.0	96.9	100.3	97.1
Hotels, restaurants & bars	109.3	104.8	101.2	102.1	98.5	95.8	96.9	99.6	98.1	90.8	93.0	94.9	98.0	100.0	105.6	109.3	117.3
Transport, storage & communication	102.3	105.3	103.1	100.1	100.1	103.8	103.8	107.5	102.9	102.1	99.3	97.2	94.5	100.0	101.7	107.2	105.7
Financial services	162.5	152.6	143.6	133.7	130.6	128.1	142.0	149.5	136.8	122.2	108.7	108.9	102.9	100.0	109.2	108.1	106.4
Other business activities (excluding rental)	77.9	80.5	82.0	86.1	88.7	99.8	91.4	94.2	96.7	93.9	96.4	96.1	96.7	100.0	101.8	107.7	113.8
Public administration	82.3	84.8	85.3	86.8	88.5	89.8	92.2	96.5	99.2	99.2	100.5	99.0	97.8	100.0	104.1	104.8	101.1
Total GVA(including rental)	120.4	116.5	112.8	108.6	107.3	108.3	113.6	119.7	115.9	109.5	104.5	103.8	100.2	100.0	104.9	107.2	108.5
Total GVA (excluding rental)	130.1	125.3	120.7	115.5	113.7	114.7	121.3	126.9	120.6	112.2	106.0	105.2	100.6	100.0	105.4	107.3	107.7
Non-finance sectors (overall, excluding rental)	98.9	99.0	98.7	98.0	97.3	101.7	101.3	105.1	104.9	102.6	103.4	101.7	98.4	100.0	101.7	106.4	108.9

Table A4 - Productivity (GVA per FTE) in real terms, 2000-2016 (index numbers; 2013=100)

Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture	121.1	112.9	117.4	115.5	109.6	109.1	114.1	113.9	123.6	126.5	110.2	99.0	94.9	100.0	85.6	99.5	114.0
Manufacturing	103.1	105.0	100.2	100.6	101.2	103.0	104.3	102.3	103.9	107.2	109.5	109.6	105.7	100.0	108.1	107.4	107.4
Electricity, gas & water	98.8	93.6	97.0	94.6	97.0	105.3	99.1	95.5	103.1	88.5	95.4	92.2	94.3	100.0	98.1	108.9	116.0
Construction	101.9	100.6	101.5	98.2	97.6	99.8	100.3	106.4	104.9	104.1	105.8	101.5	98.7	100.0	103.3	106.1	108.2
Wholesale & retail	107.8	106.2	104.6	104.4	102.5	102.5	103.6	107.7	100.5	100.9	98.7	98.8	94.2	100.0	97.7	100.6	99.6
Hotels, restaurants & bars	102.3	103.5	102.9	105.3	104.8	103.3	102.8	104.1	103.0	97.8	100.2	98.9	100.5	100.0	103.5	106.3	111.4
Transport, storage & communication	96.2	100.0	98.3	98.1	99.4	103.5	104.2	104.9	98.8	98.7	97.4	96.9	94.8	100.0	99.5	103.3	98.4
Financial services	174.7	159.5	147.1	139.6	139.9	136.1	146.9	147.1	128.9	115.4	106.0	106.2	101.4	100.0	108.1	104.1	100.7
Other business activities (excluding rental)	114.6	115.6	116.3	118.6	122.0	136.3	121.2	119.5	116.1	109.0	109.5	105.2	100.8	100.0	98.3	98.9	97.3
Public administration	96.6	98.5	97.7	96.5	97.1	99.4	101.0	100.9	103.5	102.4	102.4	101.5	100.1	100.0	102.8	105.9	106.8
Total GVA (excluding rental)	137.4	131.9	126.5	122.0	121.8	121.8	126.8	128.8	119.9	111.8	105.7	104.4	100.4	100.0	103.0	102.8	101.1
Non-finance sectors (overall, excluding rental)	103.9	104.4	104.2	103.9	104.3	108.1	106.2	107.7	106.2	104.1	103.9	101.4	98.6	100.0	99.0	101.8	102.0

Table A5 - Productivity (GVA per FTE) in constant year (2013) values of income; £ thousand

Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture	31	29	30	30	28	28	29	29	32	33	29	26	25	26	22	26	30
Manufacturing	41	42	40	40	40	41	42	41	42	43	44	44	42	40	43	43	43
Electricity, gas & water	101	96	99	97	99	108	102	98	106	91	98	95	97	103	101	112	119
Construction	46	45	45	44	44	45	45	48	47	47	48	46	45	46	48	49	50
Wholesale & retail	46	45	44	44	43	43	43	45	42	42	41	41	39	41	40	41	41
Hotels, restaurants & bars	26	26	26	27	27	27	27	27	27	26	27	27	27	27	28	29	30
Transport, storage & communication	57	59	58	58	59	61	61	61	57	57	56	56	55	58	58	60	57
Financial services	229	209	193	183	183	178	192	192	168	150	138	138	132	130	140	135	131
Other business activities (excluding rental)	47	47	47	48	49	55	49	48	47	44	44	42	40	40	39	39	38
Public administration	50	51	51	50	50	51	52	52	53	52	52	52	51	51	52	54	54
Total GVA (excluding rental)	88	84	81	78	78	78	81	82	76	71	67	66	63	63	65	65	64
Non-finance sectors (overall, excluding rental)	44	44	44	44	44	46	45	46	45	44	44	43	42	43	43	44	44

Numbers are rounded to the nearest £1,000.

Table A6 - GVA per head of population in constant year (2013) values; £

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GVA per head of population	50,600	48,600	46,900	45,000	44,200	44,200	45,700	47,300	45,100	42,200	39,900	39,300	37,600	37,100	38,600	38,700	38,600

NOTES

1. Definition of terms

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

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

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

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

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

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

3. Deflators

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

4. Revisions

The numbers published in this report include some revisions, particularly for calendar year 2015, compared with those previously published; these revisions are predominantly due to revised estimates of the gross operating surplus of corporations and the compilation of more recent manpower and earnings data.

Statistics Unit

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