

# Export Strategy Green Paper

MAY 2022



Government of  
**JERSEY**

## **SUMMARY**

Jersey is a successful exporting nation with internationally renowned goods and world-leading services. There has however never been a dedicated Export Strategy to bring this work together and look at opportunities to grow exports across sectors. This Green Paper is the first step on that journey and opens the public consultation on exports which will be used to develop the strategy ahead of publication at the end of 2022.

This paper sets out a high-level overview of the current context and how exports feature right across Jersey's economy. It also puts forward the 7 broad workstreams which will frame engagement on exports over the next 5 months. These are:

- I.** Improved Data
- II.** New Exporter Support
- III.** Grow Existing Exporters
- IV.** Protect Leading Exporters
- V.** Export Logistics
- VI.** International Engagement
- VII.** Sustainable Trade

Further research, direct stakeholder engagement and a business survey will follow in the coming months to supplement the public consultation.

**Date published: 11 May 2022**

**Closing date: 11 September 2022**

## **How we will use your information**

The information you provide will be processed in compliance with the Data Protection (Jersey) Law 2018 for the purposes of this consultation. For more information, please read our privacy notice published alongside this document.

The Government of Jersey may quote or publish responses to this consultation including (*send to other interested parties on request, send to the Scrutiny Office, quote in a published report, report in the media, published on [www.gov.je](http://www.gov.je), list on a consultation summary etc.*) but will not publish the names and addresses of individuals without consent. Confidential responses will still be included in any summary of statistical information received and views expressed. Under the Freedom of Information (Jersey) Law 2011, information submitted to this consultation may be released if a Freedom of Information request requires it, but no personal data may be released.

**To respond, please complete the [Green Paper consultation](#).**

**Alternatively, you can email:**

**Toby Gladwin**

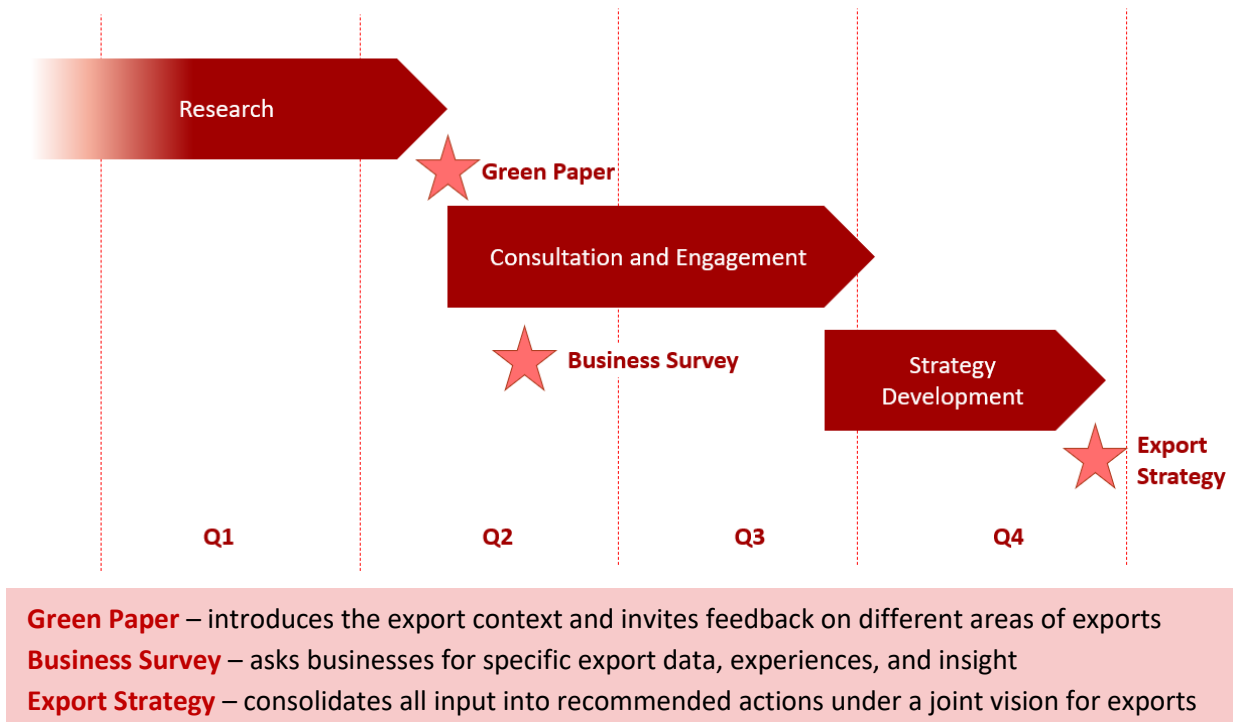
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# 1. INTRODUCTION

- 1.1 Exports are defined as goods and services produced in Jersey that are purchased by residents of another country. Significant parts of the Island's economic activity are therefore underpinned by exports. Businesses that export are typically more productive, pay higher wages and selling internationally unlocks larger economies of scale whilst reducing market dependency. Research by the Office for National Statistics shows that businesses who trade goods internationally are 70% more productive than those that do not.
- 1.2 Jersey has a high-quality global reputation, and this premium identity should be further capitalised on for exports. However, Jersey will never compete on large commodities at a mass scale and therefore must continue to specialise in areas where there is a competitive advantage or niche opportunity. This aligns with research from the World Bank that shows countries typically have a few 'big hits' which account for most of the export value and a 'hit' stems from finding the right product and the right market.
- 1.3 Jersey has a strong trading history as a small island nation operating at a level well above the constraints of the Island's size. This exporting success has been built on the strength of individual areas but there has never been a dedicated Export Strategy to look at exports holistically and maximise their benefits to the Island. In 2019, the Metro – Dynamics report 'Increasing Productivity in Jersey' stated that increasing market share and value was perhaps the area with highest potential for Jersey businesses and recommended expanding to new markets and developing a more diversified offer with higher value goods and services. The growth of Jersey's exports will play a central role in creating a sustainable, vibrant and inclusive economy for the Island.
- 1.4 That is why the Growth and Trade Team within the Department for the Economy have created this Green Paper which sets out a high-level overview of Jersey's current exports and outlines the 7 workstreams that the Government will explore to help boost exports. This is the starting point of the public consultation on exports which will be open until 11 September and be supported by a business survey, further research as well as engagement across Government, business groups, and both existing and potential exporters. All of this evidence will then be consolidated into recommended actions in the Export Strategy which will be published at the end of 2022.

## EXPORT STRATEGY TIMELINE 2022



## 2. CURRENT EXPORTS

- 2.1 Despite the lack of comprehensive export data, services make up the vast majority of Jersey's exports. In 2020, financial services contributed around £1,800m to total Gross Value Added (GVA) and, due to the nature of Jersey's market, this will ultimately be a largely exported service. Other business services including digital exports contribute over £500m to GVA and goods exports will additionally support on-island services such as transport and logistics.
- 2.2 Goods exports are smaller in total value but play an important role in the wider economy and Island identity. For example, around half of Jersey is farmland of which nearly half is dedicated to growing Jersey Royals; 99% of this crop is exported at a total value of around £25m. Other leading goods are exported throughout more of the year such as milk and marine products which are relatively large exports for the Island but typically compete on quality rather than quantity in foreign markets.
- 2.3 Tourism is also categorised as an export as tourists coming to Jersey represent a 'foreign market' that consumes goods and services from the Island. Including indirect GVA, tourism contributed a total of £372m in 2017-18. Therefore, the appeal of Jersey to tourists, whether from its rich heritage or natural environment, can also be considered part of the broader picture of Jersey's export offering.
- 2.4 In terms of destination, an estimated 90% of goods exports from Jersey are sent, at least initially, to the UK. Of the remaining 10%, the vast majority goes to the EU and only around 1% of Jersey goods are exported directly to the rest of the world. As a result of the Customs Arrangement with the UK and the

impact of Brexit, there is far richer data on goods travelling from Jersey to non-British and Irish destinations.

- 2.5 According to manifest Customs data from both sea and air freight, in 2021 there were just over 17,000 consignments sent to the UK with a total mass of 63,000 tonnes. In contrast, there were 25,000 consignments sent to non-UK destinations but only at a total mass of 8,300 tonnes. This accounts for the significant weight of certain items (e.g. potatoes) heading to the UK and a large quantity of low weight items being sent to non-UK destinations, predominantly France then Germany and Italy. Data quality issues prevent robust or more detailed analysis and enhancing the understanding of exports is a key workstream for the strategy as outlined below.
- 2.6 Historically there is precedent for Government support for export activities such as the Trade Promotion Scheme and the Jersey Export Development Initiative that replaced it in 2006. Whilst these schemes are no longer operational, there is a range of in/direct support for exports from Government and Arm's Length Organisations (ALOs) and international engagements are used to showcase potential Jersey exports. From a broad perspective, given that exports feature in large areas of Jersey's economy, existing financial support from Government could help grow exports (see Next Steps for the Productivity Support Scheme). Nevertheless, based on the export strategies of other nations, there are a number of cross-cutting and specific actions that Jersey could take to create and grow export opportunities for Island businesses, which will be further explored in the development of the Export Strategy.

### **3. EXPORT STRATEGY SCOPE**

- 3.1 Whilst all areas could theoretically be focussed on to grow exports, certain key sectors require a bespoke approach and already have well-developed Government support. As such, financial services and tourism will not be the focus of the Export Strategy as they have existing or forthcoming strategies as well as established Government-funded support through Jersey Finance Ltd and Visit Jersey.
- 3.2 This strategy will therefore concentrate on growing and supporting other business services alongside goods exports with any recommended actions. Within goods exports, there will be a distinct focus on goods that genuinely originate or are substantially transformed in Jersey, rather than finished products that are imported, processed, and then transported onward and therefore derive less value both from and for the Island.
- 3.3 As this will still be a broad remit of sectors, a collaborative approach across Government, ALOs and State-Owned Entities is essential. This will mean coordinating with existing strategies in relevant areas and ensuring alignment with the Outline Economic Strategy for Jersey. Beyond the Department for the Economy, key policy and delivery leads include: External Relations, Operations and Transport, Natural Environment, Treasury and Exchequer, Jersey Business, Jersey Product Promotion Ltd, Digital Jersey, Ports of Jersey, Jersey Post, and Jersey Customs and Immigration Service (JCIS).

## 4. EXPORT WORKSTREAMS

4.1 The 7 workstreams that the Government will be engaging on to inform the Export Strategy are set out below. This is a deliberately broad list and the underlying detail for each will evolve and change to reflect the input and opportunities that arise from the consultation. These workstreams do not predetermine the structure or outcomes of the resulting Export Strategy but will help frame engagement to generate clear, measurable recommendations.



- I. **Improved Data** – existing export data does not give a clear picture of the current scale, type, destination and value of Jersey’s exports, which would facilitate a greater understanding of potential growth areas and more effective support. Current manifest data from JCIS only provides a high-level overview of goods exports but enhanced data capture and working with the Island’s largest exporters could provide a richer understanding of Jersey’s goods exports. For services, utilising the Annual Business Survey alongside data sources such as Balance of Payments or Foreign Affiliate Statistics would allow Jersey to meaningfully compare exports in services internationally.

- II. **New Exporter Support** – General information for those looking to start exporting is available from Jersey Business such as the [Exporting from Jersey: A toolkit for selling outside Jersey](#). However, this is not actively promoted and receives less than 1% of the total Jersey Business website traffic. This could be enhanced with proactive work to encourage potential exporters to think beyond the Island’s market as well as identify trends in global markets that could be exploited such as local artisans and artists, the medicinal cannabis sector or Digital Jersey’s Data Stewardship workstream. Utilising existing export support advice and services available in the UK and beyond could save duplicating work.
- III. **Grow Existing Exporters** – This workstream will look at ways of supporting existing or planned exporters on the Island with how best to scale their ambition. As with new exporters, this can cover a range of industries from digital services to food and beverages and the support available would depend on the businesses’ specific ambitions. For example, support could be: international mentoring and training, export regulation advice, market feasibility research and identifying contacts, or promotional activities such as producing marketing material.
- IV. **Protect Leading Exporters** – Jersey has a couple of well-known and well-established goods exporters that not only contribute to the Island’s economy but play a role in the international recognition and reputation of Jersey. Government has existing relationships with these key businesses and could focus additional support on maximising the value of these exports by, for example, greater diversification or concentrating on higher value export products. As the turbulence of the last few years has made clear, there are both barriers and opportunities for businesses that Government can assist with to help secure and increase their market share, export efficiently, and ultimately compete in the global marketplace.
- V. **Export Logistics** – As a small island nation, any goods exports have a significant reliance on the efficient operation of air and sea transport and logistics services. With substantially more goods imported than exported, there is clear potential to use departing freight capacity that is currently underutilised. Equally, strengthening our southern trade route presents export opportunities that should be explored further. As such, working collaboratively with Ports of Jersey, JCIS, and the main logistics firms operating in Jersey will enable Government to respond proactively to challenges that face this vital sector, support changes that could benefit local exporters, and react quickly if issues occur.
- VI. **International Engagement** – With the impact of Brexit becoming clearer and the world emerging from the COVID-19 pandemic, the Government is seizing the opportunity to build a stronger international profile for Jersey. Based on enhanced export data, this engagement could be targeted to seek the most beneficial outcomes from international trade agreements and help overcome specific export requirements such as health certification. In addition, utilising diplomatic engagements such as the 2021 visit by the UAE’s Ambassador to the UK can create business links and export opportunities. Collaboration with External Relations colleagues will be essential and the [Trade, Investment and Growth Framework](#) sets a strong foundation to build upon.
- VII. **Sustainable Trade** – This broad workstream underpins all others and will ensure that the future direction of the strategy and any actions are sustainability focussed. This is both in terms of the long-term viability of specific exports and linking in with the [Carbon Neutral Roadmap](#) on the sustainable production and trade of the goods and services. With the growing wealth of research into sustainable trade and expertise based in the Island, Jersey has an opportunity to position itself as a world-leading green trading nation.



4.2 Beneath these 7 broad workstreams, various options that could enhance exports from Jersey will be further explored. Looking at successful examples from existing export strategies across the world, there are many actions the Island could take if it is considered proportionate to the benefits. These examples include utilising Jersey diaspora by creating honorary trade envoys; exploring export finance options with Jersey banks; and sector specific support that aims to enhance the exports of a cluster of businesses in a certain industry and to a specific market.

## 5. NEXT STEPS

5.1 In the short term, Jersey businesses can apply for Government support for certain export related activity through the Productivity Support Scheme (PSS). The second round of the PSS launched in April 2022 with one of the project categories being 'introduce new markets or increase market share' which would support export activity that demonstrates a productivity improvement. Businesses with potential projects are encouraged to contact Jersey Business.

5.2 This Green Paper opens the consultation for the Export Strategy and is designed as a framework for engagement. Anyone is welcome and encouraged to give their views under any of the 7 workstreams, or exports generally, and should respond to the **Green Paper consultation** in the first instance or email [T.Gladwin@gov.je](mailto:T.Gladwin@gov.je).

5.3 A comprehensive business survey will be published in the coming months which will build on this broader consultation, and both will close on the 11 September 2022.