Policy Centre Jersey

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Website: https://policy.je
Email: info@policy.je

Policy Brief

Economic trends

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Introduction

This Brief provides a summary of the key data on trends in the Jersey economy, in particular the major variables – economic growth, retail prices and earnings. It also summarises the analysis by the Government's Fiscal Policy Panel (FPP), which includes forecasts for the next three years.

Summary

- Financial and insurance activities account for 34.8% of Jersey's economy.
- Jersey's economy decreased by 1.7% in 2025. The FPP has estimated an increase of 0.2% in 2025 and is assuming a fall of 0.1% in 2026 and growth of 0.9% in 2027.

- Retail prices increased by 3.0% in the year to September 2026. The FPP's July 2026 forecast is that the underlying rate of inflation will be 4.4% in 2026 and 3.7% in 2027.
- Average earnings increased by 4.1% in the year to June 2026. The FPP's July 2026 forecast is for an increase of 4.4% in 2026 and 4.6% in 2027.
- The all-sector business activity indicator in September 2026 was neutral.
- The FPP's July 2026 forecast for house prices is increases of 0.5% in 2026 and 1.0% in 2027.

Structure of the economy

The annual report Measuring Jersey's Economy GDP and GVA – 2025 was published on 2 October 2026. Table 1 shows a breakdown of Gross Value Added (GVA) by sector in 2025.

Table 1 Gross value added by sector, 2025

Sector	Gross value added £m	Percentage %
Financial and insurance activities	2,616	34.7
Real estate activities	763	11.0
Public administration, defence, compulsory social security	720	10.3
Professional, scientific and technical	649	9.3
Construction, mining and quarrying	503	7.3
Wholesale and retail	421	6.0
Human health and social work	237	3.4
Accommodation and food services	224	321
Information and communication	184	2.6
Transportation and storage	129	1.9
Administrative and support services	141	2.0
Utilities	96	1.4
Agriculture, forestry and fishing	58	0.8
Manufacturing	57	0.8
Other service activities	53	0.8
Education	51	0.7
Arts, entertainment and recreation	41	0.6
Activities of households as employers	19	0.3
Total	**6,962**	**100.0**

The breakdown uses the revised 2007 Standard Industrial Classification. Most of these sectors are self-explanatory but the following should be noted –

- Financial and insurance activities include a number of sub-sectors such as banking, trust and company administration 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.
- Real estate activities include rental income of private households which was previously presented separately. This includes both rental income earned by private households as well as owner-occupied imputed rental costs (a notional figure of the rent that would be payable on owner-occupied properties), which represents 57% of the GVA in this sector.
- Public administration includes the Government of Jersey, non-ministerial departments and 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 include (as mentioned above) the activities of legal and accounting services.

The key statistics on Gross Domestic Product (GDP) are –

- GDP decreased by 1.7% in real terms compared with 2024.
- GDP was £6,962 million.
- GDP per head of population decreased in real terms by 2.0% compared with 2023.
- GDP per head of population was £66,000.

A sectoral breakdown of Gross Value Added (GVA) shows –

- The annual decrease in overall GDP was driven by lower profits in the financial and insurance activities sector, particularly banking.
- Excluding the financial and insurance activities sector, the GVA for the rest of the economy increased in real terms by 0.2%.

Labour productivity measured as GVA per full-time equivalent worker, decreased by 2.5% in real terms in 2025. This decrease was again driven by decreased profits in the financial and insurances activities sector. Excluding finance, overall productivity across the rest of the economy decreased by 0.1%.

Economic growth

The report gives links to detailed statistical tables, which enable the longer run performance of the economy to be analysed. The economy grew rapidly in the late 1990s and then was fairly stagnant until 2007. By 2013 the economy had shrunk by 15% and, given the increase in population, GVA per head had fallen by over 20%. There was then a steady recovery until 2020 when the pandemic caused a 10% reduction in the size of the economy. This was reversed in 2021 and strong growth of 6.1% was recorded in 2022 and 7.7% in 2023 before the downturn in 2024 and 2025. It was only in 2022 that GVA in real terms exceeded the 2000 figure. However, given the increase in population, real GVA per head in 2025 was 10% lower than in 2000.

Table 2 summarises these trends. The figures are taken from tables that can be accessed from the 2025 report.

Table 2 Growth of the Jersey economy 2012-2025

Year	Gross value added £m, 2025 prices	Percentage increase	Gross value added per head £, 2025 prices	Percentage increase
2012	5,640		57,400	
2013	5,561	0.4	57,200	0.4
2014	5,888	4.0	59,100	4.0
2015	5,953	1.1	59,100	1.1
2016	5,961	0.1	58,600	0.1
2017	6,025	1.1	58,800	
2018	6,141	1.9	59,700	1.4
2019	6,269	2.1	60,688	1.9
2020	5,636	–10.1	54,500	–10.2
2021	6,235	10.6	60,300	10.6
2022	6,618	6.1	64,100	6.2
2023	7,140	7.9	68,900	7.2
2024	7,085	-0.8	68.800	-1.3
2025	6.962	-1.7	66.600	-1.3

Retail prices and earnings

Statistics Jersey publishes quarterly retail price reports.

On 23 October 2026, Statistics Jersey released the Jersey Retail Prices Index September 2026 report. Key points –

- the All-Items Retail Prices Index (RPI) increased by 3.0% in the year to September 2026 to stand at 247.5 (June 2000 = 100)
- the increase in the RPI was 0.2 percentage point higher than in the year to June 2026 (2.8%)
- household services, alcoholic drinks and food were the price groups that made the largest contributions to the annual rate of inflation
- in the year to September 2026 -
    - RPI(Y), which measures underlying inflation, increased by 3.5%
    - RPI(X), which excludes mortgage interest payments, increased by 3.6%
    - RPI Pensioners increased by 4.3%
    - RPI Low Income increased by 3.6%
- the rate of inflation in Jersey, as measured by the RPI (3.0%), was lower than the UK CPIH (3.6%), which is the broadly comparable headline rate of inflation for the UK.

The following graph of Jersey's RPI and the UK CPIH is reproduced from the report.

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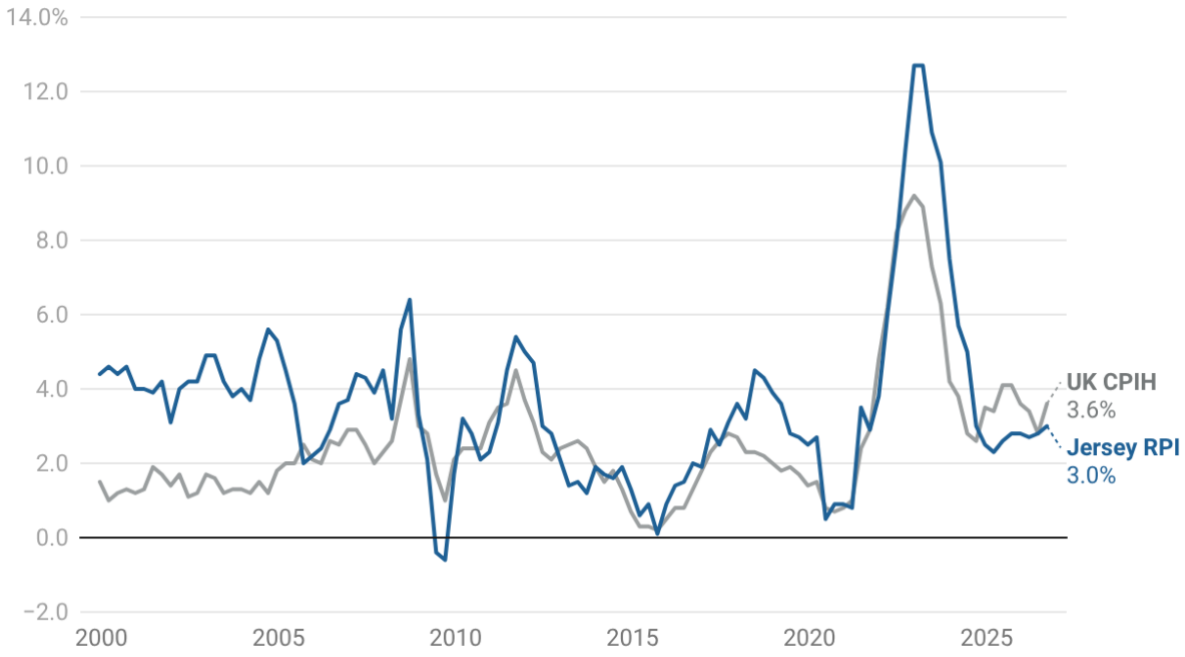
Annual percentage changes in the Jersey RPI and UK CPIH, December 1999 to September 2026



Source: Statistics Jersey • Created with Datawrapper

Figures on average earnings are published for June each year. Index of average earnings June 2026 was published on 21 August 2026.

Key figures are set out below –

In June 2026:

- average earnings per full-time equivalent employee (FTE) were 4.1% higher than in June 2025
- after adjusting for inflation (the headline rate of inflation in Jersey in June 2026 was 2.8%), average earnings increased in real terms by 1.2%
- over the last 10 years, average earnings have decreased in real terms by 0.8%.
- over the last 12 months:
    - average earnings in the private sector increased by 3.7% in nominal terms (before adjusting for inflation) and in real terms increased by 0.9%
    - average earnings in the public sector increased by 5.8% in nominal terms and in real terms increased by 2.9%
- on a sectoral basis:
    - the utilities and waste sector saw the lowest increase in average earnings (0.9% on an annual basis)
    - the miscellaneous business sector saw the highest annual increase, up 6.1% on an annual basis
- mean average earnings of full-time equivalent employees was £1,100 a week
- the range of weekly average earnings was from £1,420 in financial and legal activities to £690 in hotels, restaurants and bars.

Business trends

On 21 October 2026 Statistic Jersey published the Business Tendency Survey, September 2026. The key points were –

- The all-sector business activity indicator was neutral with a balance of +8 percentage points.
- The expectation for future business activity was moderately positive with a balance of +10 percentage points.
- Labour and non-labour cost indicators had strongly positive balances of +31 percentage points and +44 percentage points respectively.
- The main factor limiting business activity was cited as being staff and/or skills shortage (46%).
- In respect of sectoral differences
    - in the finance sector, the business activity indicator was moderately positive (+17 percentage points).
    - in the non-finance sector, recent business activity was neutral.

Fiscal Policy Panel analysis and forecast

Statistics Jersey publishes statistics. Analysis of the statistics and forecasts for the future are made by Jersey's Fiscal Policy Panel, a group of

economists who provide the Government with independent advice on trends in the economy and the economic outlook. The Panel published a Medium term report on 18 September 2026. Following is a summary of the section on recent economic trends.

Since the Fiscal Policy Panel's last Medium Term Report in 2022, global interest rate rises have been the main force shaping Jersey's economy. Because its banks hold large international deposits, the island gained when central banks tightened policy. Bank profits rose 144% between 2021 and 2023, which drove real GVA growth of 14.3% over that period, or 6.9% a year on average. Bank profits fell in 2024 and pulled GVA down, although the rest of financial and related professional services (FRPS) performed strongly. That pattern appears to have continued into 2025. Financial services employment rose 1.0%, ahead of the assumed 0.8%, even though bank profits probably fell again.

Growth has been heavily concentrated. Between 2021 and 2024, FRPS grew 31.4% in real terms, while the economy outside FRPS and the public sector grew by just 0.02%. Retail and hospitality both shrank in real terms. The labour market shows the same imbalance. Jobs rose by 1,700 between 2022 and 2025, but more than half of that increase was in the public sector, whose share of the workforce rose from 14.3% to 15.3%. The public sector wage bill grew by over a third, compared with a quarter in the private sector. Staff costs rose from 53% (£492 million) to 59% (£695 million) of government spending. A partial recruitment freeze since August 2024 has slowed public hiring. Meanwhile, non-finance employment fell 0.9% from 2024 to 2025, the largest drop on record apart from the 2020 pandemic. Non-local workers' share of jobs also rose, from 12.8% to 13.6%, growing faster than jobs held by entitled residents.

Unemployment remains low, with about 830 people registered as actively seeking work and 210 long-term unemployed. However, that number has risen by over 100 since May 2025. Advertised vacancies have fallen steadily. Private sector postings dropped from 2,914 in 2023 to 1,956 in 2025, and public sector postings fell from 696 to just 26. Together these figures point to a softening but still tight labour market.

Inflation is the main concern. RPI peaked at 12.7% and has since eased, but underlying RPIX inflation remains around 4%, well above its historical average of 2.4%. Since late 2024, RPIX has averaged 3.6%, compared with 3.0% for UK CPI, which signals growing price pressure generated on the island. One contributor is the minimum wage, which has risen 63% since 2022 to £13.59 an hour, far outpacing 25% growth in average earnings. Higher freight costs have also added to prices. Because Jersey's economy is small and interconnected, these pressures can spread quickly, and the island has no monetary or fiscal levers to counter them. The resumed

Business Tendency Survey shows these rising costs are now holding back activity in non-finance sectors.
Table 3 reproduces the Panel's assumptions for the main economic variables, published in July 2026.

The main changes in the assumptions for 2026 compared with the forecasts in May 2025 are –

- A fall in real gross value added of 0.1% (+0.9%)
- An increase in underlying inflation to 4.4% (3.6%)
- An increase in interest rate to 4.1% (3.7%)
- 0.5% increase in house prices (2.0%)

For 2027 the key assumptions are growth in real gross value added of 0.9%, increase in underlying RPI of 3.7%, increase in average earnings of 4.6% and increase in house prices of 1.0%.

Table 3 Key economic variables

Fiscal Policy Panel Economic Assumptions 2026

Source: Statistics Jersey, Fiscal Policy Panel

% change unless otherwise specified	2024	2025	2026	2027	2028	2029	2030
Real GVA	-0.7	0.2	-0.1	0.9	1.8	1.7	1.7
RPI	4.1	2.6	4.1	4.1	2.3	2.3	2.4
RPI(X)=RPI(Y)	3.7	3.8	4.4	3.7	2.4	2.4	2.4
Nominal GVA	2.3	3.5	4.5	4.8	4.3	4.2	4.2
Gross operating surplus (including rental)	-2.5	4.8	5.2	5.4	5.6	5.6	5.6
Financial services profits	-7.4	2.0	5.3	5.7	6.0	6.0	6.0
Compensation of employees (CoE)	7.2	3.9	4.6	5.0	3.9	3.6	3.6
Financial services CoE	6.2	2.0	4.4	4.8	3.8	3.8	3.8
Non-finance CoE	6.1	3.9	4.2	4.5	3.2	3.2	3.2
Employment	0.7	0.0	0.2	0.3	0.3	0.3	0.3
Average earnings	6.4	4.5	4.4	4.6	3.4	3.2	3.2
Interest rates (%)	5.1	4.3	4.1	4.6	4.5	4.3	4.3
House prices	-8.0	-1.0	0.5	1.0	1.0	1.0	1.0
Housing transactions	-15.5	36.4	24.0	-8.0	2.0	2.0	2.0

Further information

The Statistics Jersey website contains details of relevant statistical series.