



# Jersey's Economy

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Knowledge Centre**



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## Introduction

Jersey has its own distinct economy, quite different from that of the United Kingdom. The nature of its economy reflects Jersey being an island and also a British Crown Dependency with substantial freedom to make its own laws, particularly in respect of taxation and regulation. Today, finance centre activities are the dominant industry in Jersey accounting for nearly 40% of economic activity and 70% of tax revenue.

## Structure of the economy

There are several different ways of measuring the size and structure of an economy. For Jersey, the most relevant is “gross value added” (GVA), which is the value of the output less the value of inputs to produce that output. Table 1 shows the gross value added in 2024.

**Table 1 Gross value added by sector, 2024**

<b>Sector</b>	<b>Gross Value Added £M</b>	<b>Percentage</b>
Financial and insurance activities	2,638	38.5
Real estate activities	744	10.8
Public administration, defence, social security	684	10.0
Professional, scientific and technical	612	8.9
Construction, mining and quarrying	512	7.5
Wholesale and retail	416	6.1
Accommodation and food services	216	3.1
Human health and social work	206	3.0
Information and communication	176	2.6
Transportation and storage	149	2.2
Administrative and support services	142	2.1
Utilities	93	1.4
Manufacturing	57	0.8
Education	56	0.8
Agriculture, forestry and fishing	54	0.8
Arts, entertainment and recreation	36	0.5
Activities of households as employers	19	0.3
<b>Total</b>	<b>6,858</b>	<b>100.0</b>

Source: Statistics Jersey: [Measuring Jersey's Economy GDP and GVA – 2024](#).

Figures for the last few years have been significantly distorted by the effects of Covid. GVA fell by 10.0% in 2020 before recovering by 10.6% in 2021. In 2022, GVA increased by 6.1% and in 2023 by 7.7%. In 2024 GVA fell by 0.7%.

The table shows that financial and insurance services dominate the economy, accounting for 38.5% of gross value added. Agriculture, one of

Jersey's traditional industries, accounted for under 1% of GVA. The figure for real estate activities needs some explanation. It is largely accounted for by a notional figure for the amount that owner-occupiers would pay themselves if they rented their homes. The concept enables meaningful international comparisons to be made.

A second way of looking at the economy of Jersey is to examine the distribution of the working population. Table 2 shows the figures.

**Table 2 Jersey, Distribution of the working population, December 2024**

<b>Sector</b>	<b>Employment</b>	<b>Percentage</b>
Financial and legal activities	14,180	21.9
Miscellaneous business activities	6,280	9.7
Hotels, restaurants and bars	5,660	8.7
Manufacturing	880	1.4
Agriculture and fishing	900	1.4
Wholesale and retail	7,010	10.8
Construction and quarrying	6,120	9.4
Transport and storage	2,130	3.3
Utilities and waste	810	1.3
Private education, health & other services	9,200	14.2
Information and communications	1,740	2.7
Public sector	9,880	15.2
<b>Total</b>	<b>64,790</b>	<b>100.0</b>

Source: Statistics Jersey: [Labour Market, December 2024](#).

There is a reasonable correlation between the two tables. However, it will be noted that financial services accounted for a much higher proportion of GVA than of the working population. This largely reflects the fact that pay in the financial services sector is very high compared with other sectors.

## Financial services

Jersey is one of a number of international financial centres (IFCs), an expression that is best defined as a physical area from which financial services are provided for people and activities in other countries. A successful IFC has to be attractive to businesses not operating in the jurisdiction. In practice, this means that an IFC has to meet a number of inter-related requirements, predominantly relating to stability and resources –

- Political stability - that is no prospect of a radical change in the governance of the jurisdiction.

- The rule of law - that is a skilled and independent judiciary, free from corruption and political influence, combined with a legal system that provides a reasonable degree of certainty and efficiency.
- Financial services are heavily regulated activities. IFCs need to strike a balance between having attractive regulatory regimes in relation to other financial centres while at the same time operating within internationally accepted norms.
- Regulatory stability. The key features of the regulatory regime need to be stable, with any changes being introduced only after very careful consideration and with an adequate lead-in time and also that regulatory actions should not be subject to political interference.
- A tax regime that is low tax rather than no tax, stable and predictable and meets international standards. It is particularly important that there should be no retrospective taxation.
- Economic stability - broadly speaking an inflation rate around the norm for comparable jurisdictions and a relatively stable exchange rate.
- Appropriate infrastructure including modern offices, high quality and reliable electronic communication links and good international air links.
- Access to talent, which requires an open and welcoming environment for foreigners and an education system that produces the many qualified people needed to fill lower and middle level positions.

No IFC fully meets all of the requirements, but Jersey scores very well in respect of each of them. It also has the advantage of being a British Crown Dependency, a status that reinforces its political stability. These factors explain why over a period of many years Jersey has been successful in attracting international business.

Jersey's finance industry consists of over 13,500 professionals specialising in various disciplines such as banking, holding companies, trust and company administration, legal services, accountancy, compliance and fund administration.

Jersey's finance centre activity covers several different types of finance (figures Q2 2025) –

- Banking. 19 banks operate in Jersey. All are major banks, with headquarters in the UK and other leading financial centres, and include over a third of the world's top 25 banks. They held £182.7 billion of deposits.
- Administration of regulated funds. Jersey has developed particular expertise in fund administration. 608 funds were authorised in Jersey and funds under administration totalled £465.9 billion.

- Investment management. £36.1 billion of investments were directly managed, plus a further £5.2 billion in total assets under management within the qualifying segregated managed accounts.
- Company administration. 36,015 companies were on the company register.
- Insurance. 163 businesses were authorised to conduct insurance business.
- Jersey is a destination of choice for complex, cross border, multijurisdictional corporate business.

Source: [Jersey Financial Services Industry, Quarterly Report, Period ended 30 June 2025.](#)

The Jersey Government has been determined that the Island strikes the right balance between being competitive in a very competitive market and operating in accordance with the highest international standards. It achieves this by ensuring that appropriate legislation is in place and most importantly by having a strong independent regulator, the [Jersey Financial Services Commission](#).

Finance centre activities are sometimes controversial – in the jurisdictions in which they are based and globally. Jersey is not alone in having to justify its finance industry, and it does so by [participating fully in international fora](#), including being reviewed by international organisations, for example on money laundering controls. It also publishes a great deal of information. An important role is played here by [Jersey Finance](#), the promotional body for the industry.

The importance of finance to the Island's economy is well illustrated in the two tables above – 22.0% of the labour force and 38.5% of GVA. Perhaps a more important indicator is the proportion of tax revenue derived from finance centre activity. This is estimated at around 70%. Most of this derives not from the taxation of businesses but rather is the personal tax paid by people employed in the businesses.

A key concept which is often misunderstood is the concept of tax neutrality. Such misconceptions have led to Jersey, alongside other IFCs, being labelled a “tax haven”. The concept of tax neutrality is simple: it is a tool that avoids imposing additional layers of tax on top of what investors and companies owe in their own jurisdictions in compliance with their domestic tax rules.

Being tax neutral is not the same as being a tax haven. A tax haven offers an environment with minimal transparency, a poor regulatory regime and little or no compliance with international standards on tax and transparency. A tax neutral jurisdiction, such as Jersey, supports cross

border flows and positively impacts individuals and economies around the world.

To consider the wider implications of Jersey's finance centre activity, Jersey Finance commissioned the consultancy Capital Economics to evaluate the economic, financial and fiscal linkages between Jersey and the United Kingdom. The resultant report *Jersey's Value to Britain* was published in October 2016. Its conclusions included -

- Jersey is a conduit for an estimated almost £500 billion of foreign investment into the United Kingdom, which is equivalent to 5% of the total stock of foreign owned assets in the country.
- Although Jersey benefits from the United Kingdom's defence and foreign representation activities to the tune of £55 million per annum, on a pro rata basis activity in Jersey generates around £5.0 billion in United Kingdom tax revenue a year.
- Jersey supports an estimated 250,000 British jobs, of which 190,000 from foreign investment alone, and adds £14 billion to the United Kingdom economy.

Jersey Finance continues to work with its key partners both locally and internationally to maintain its world-class international finance centre and ensure that the financial services eco-system is well placed to continue to support Jersey's future prosperity. The industry is confident in its historic ability to adapt to change in an ever-evolving financial landscape.

Sustainable finance is a key area of focus for the industry. It is aware of its responsibility to pivot towards greener investments in response to the shifting ambitions of the international investment community. The long-term vision is that by 2030, Jersey will be recognised by its clients, key stakeholders and other partners as the leading sustainable international finance centre in the markets it serves. Its ambitions are to build strong stakeholder partnerships, provide the tools to integrate sustainability within a joined-up policy framework, nurture green finance and increase the industry's capacity to upskill to be ready to adapt to the global trends in this area.

Jersey also has ambitions to be a world-class centre for fintech. Several vital factors combine to create successful digital jurisdictions, including demand from incumbent industries, proactive regulation, enabling government policies, robust digital infrastructure and available digital talent. Jersey has all the enablers in place to support business innovation and growth, and strategies to continue to improve. The result is a microcosm environment which is strong, stable and supportive – put simply, an ideal location for fintech to flourish. Jersey has a forward-thinking regulatory approach, which sets it apart, and this has been vital in cementing its standing as a highly-successful digital jurisdiction.

In respect of international rules on tax and transparency the industry feels that having demonstrated its credentials and adaptability over the past 60 years, it is well placed to adapt again and continue to offer a stable, well-regulated and innovative commercial environment that attracts cross-border investment. It is also aware of the need to continue to attract and retain talent into the industry as Jersey faces an ageing population, emerging technologies and increasing digitisation, all of which will have a role to play in terms of the Jersey's workforce of the future.

## **Agriculture and fishing**

At first sight agriculture and fishing play a minor role in the Jersey economy, accounting for under 2% of output and employment. However, these bare figures underestimate the importance of these sectors to the economy and to society. Over half of land in Jersey is cultivated, so the Island has a rural feel. Cultivation contributes to the appearance of the Island, which makes it attractive to visitors and as a place in which to live.

The Jersey cow has a worldwide reputation because of the quality of its milk. The breed has remained pure through a ban on imports of other breeds that dates back to 1763. Since 1860 the lineage of every cow in Jersey has been recorded in the Herd Book. Today, there are large herds of Jersey cows in many countries. In the USA and New Zealand it is estimated that Jerseys account for about 10% of milking cattle, about 850,000 cows in the USA and 450,000 in New Zealand. Worldwide there are about 4 million Jersey cows.

Today in Jersey there are 13 herds of Jerseys with about 2,500 milking cows out of a total of about 4,000. [Jersey Dairy](#) is responsible for collecting milk from farmers and turning it into milk products – butter, ice cream and yoghurt as well as milk itself. Sales of milk to Jersey Dairy are worth about £16 million a year. Milk products are exported to a number of countries. 150 people are employed on cattle farms and a further 70 at Jersey Dairy.

Jersey new potatoes are another industry of huge historical significance. Today, potatoes are the main crop grown in the Island accounting for just 21,438 vergées, 66% of the 32,748 cultivated vergées. Exports are about £30 million a year.

Fishing is another traditional industry that remains important today. Whelks, oysters, mussels, scallops, crabs and lobster are the main varieties. Much of the shellfish has been exported to France. Britain's exit from the European Union has had significant implications for the industry which are still being worked through.

Jersey also has one vineyard, which produces wines, spirits and other products.

## Tourism

Tourism was the Island's principal industry for much of the post-War period. The climate, beaches, cheap alcohol and tobacco and relative ease of accessibility from the UK combined to make Jersey an attractive destination for families. However, over time the growth of cheap air travel and package holidays have made other destinations comparatively more attractive. In 2023 it is estimated that there were 526,500 visits to the Island, compared with over 1,000,000 in 1997. 321,700 were holidays, 56,500 were business visits and 117,400 were visits to families and friends. In addition, there were 46,400 day trips. The number of bed spaces was estimated at 9,300.

## Other business activities

The two tables show that around 9% of the economy was accounted for by "professional, scientific and technical services" and "other business activities". This covers a variety of activities, increasingly in respect of technology. An important role in this respect is played by [Digital Jersey](#), which describes itself as –

The Government-backed economic development agency and industry association dedicated to the growth of the digital sector. We develop strategies to help on-Island industry thrive and remove barriers for inward investors choosing Jersey as their world-leading base for digital innovation.

It is estimated that there are over 500 specific digital economy businesses in Jersey, employing 3,000 people and that the sector has been growing four times as fast as the economy as a whole. The Island has the fastest internet speeds in the world, which has facilitated the development of many globally successful tech businesses.

The Island also played a globally significant role in the emergence of E-commerce in the 1990s, giving rise to the world's first e-commerce site and Europe's first electronic payment system – Worldpay, which was acquired for \$43 billion in 2019.

Digital innovation forms a key part of Jersey's overseas aid programme, which focusses on three themes – financial inclusion, conservation livelihoods and dairy.

## Industry bodies

Business in Jersey is well represented by a number of industry bodies. [Jersey Finance](#) and [Digital Jersey](#) have already been mentioned because of the key roles that they play.

[The Jersey Chamber of Commerce](#), established in 1768, is the largest independent business membership organisation in Jersey, representing businesses of all sizes and sectors. It hosts networking events and has an input into Government policy through a number of specialist committees.

[IoD Jersey](#), founded in 1966, has over 600 members from all sectors of the business community. It seeks to influence Government policy and runs a professional training programme to help promote high standards of corporate governance.

[Jersey Business](#) is not a representative body but rather provides free, independent, confidential advice and support to businesses in Jersey.

There are also a number of sectoral bodies. Jersey Finance has already been mentioned. Others include –

- The [Royal Jersey Agricultural and Horticultural Society](#), founded in 1883, represents Jersey's traditional farming sector. It also runs an educational programme and a showground.
- The [Jersey Hospitality Association](#) represents the hospitality and tourism industry.

## **The Fiscal Policy Panel**

The Jersey Government's [Fiscal Policy Panel](#) provides independent economic advice on tax and spending policy. The Panel comprises three eminent UK economists and is currently chaired by Sir Jon Cunliffe. It publishes an annual report and regular "economic assumptions". These publications provide the best regular analyses of the state of the Jersey economy.