

# Guernsey Annual GVA and GDP Bulletin

2018 (First Estimates)  
Issue date 15th August 2019

This bulletin presents estimates of the size of Guernsey's economy and growth compared to previous years, using (revised method) Gross Domestic Product (GDP) as the aggregate measure and (new method) Gross Value Added (GVA) for analysis by sector.



States of Guernsey  
Data and Analysis

## 1.1 Introduction

This bulletin is the third to present estimates of the size of Guernsey's economy using the method introduced in 2017. It includes a time series for Gross Domestic Product (GDP) from 2009 to 2018 and information on Gross Value Added (GVA) and factor income by economic sector.

Guernsey (like many other small jurisdictions) measures its economy using an 'income' approach, and has done so since 1965. The income approach used in Guernsey was revised in 2017 to better align it with the international standard. The revised method was audited by Gross Domestic Product statisticians from the Office for National Statistics in early November 2017. They confirmed that the revised methodology represents "a significant improvement in data quality", but that "the use of only the Income approach to measuring GDP will always leave room for further improvements". Appendix 1 provides more detail on the plans for further improvements to the methodology.

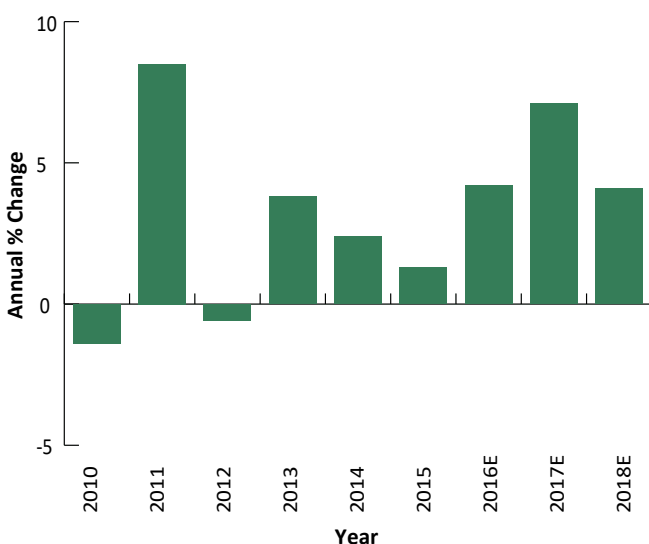
Economic output, using the income approach, is calculated as the sum of:

- Compensation of employees (which includes remuneration in the form of wages paid to employees plus estimates of pension and social security contributions paid on their behalf by their employer)
- Gross operating surplus (which is equated to company trading profits and public sector trading body surpluses)
- Mixed income (the remuneration and profits of sole traders)
- Income of households (rental income and owner occupied imputed rents, net of maintenance costs and borrowing costs)

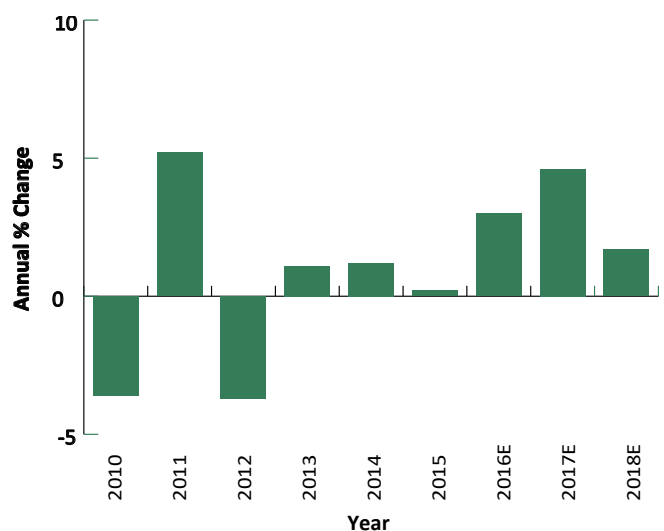
## 1.2 Headlines

- Guernsey's total GDP for 2018 is estimated at £3,272 million, which is 1.7% higher than the estimate for 2017 in real terms (constant prices).
- Guernsey GDP per capita in 2018 is £52,531; 65% greater than in the UK in 2018 and 29% greater than Jersey GVA per capita in 2017 (the latest published data).
- The largest two components of GDP are Compensation of employees, which represented 42% of total GDP in 2018, and Gross operating surplus, which represented 43%.
- Guernsey's GVA at basic prices (which equates to GDP before the inclusion of taxes and removal of subsidies on products) is estimated at £3,201 million for 2018.
- The finance sector remains the largest single sector, accounting for 41% of the total GVA (£1,318 million) or 45% of Factor income in 2018. GVA is the total for all sectors including the households sector. Factor income is the total for all industry sectors and excludes the household sector.
- Non-finance industry sectors collectively contributed 51% of the total GVA (£1,620 million) or 55% of Factor Income in 2018. Of this, £187 million (6% of total GVA and 6% of Factor Income) was Legal, Accounting, Auditing, Office Administrative and other primarily finance industry support activities.
- Households contributed 8% of the Island's total GVA in 2018.
- Finance Sector GVA increased by 1.3% between 2017 and 2018 in real terms. Several non-finance sectors recorded growth, most notably Administration and support service activities and Professional, business, scientific and technical activities. Conversely the Manufacturing sector saw GVA decline between 2017 and 2018. Households saw a slight increase, matching trends in residential property rental and purchase prices at this time.
- Productivity (Factor income per worker) was £99,760 per worker in 2018; a 1% decrease in real terms from 2017. The Finance sector had the highest productivity, at £211,011 per worker in 2018.

**Figure 1.2.1 Annual percentage change in GDP (at current prices)**



**Figure 1.2.2 Annual percentage change in GDP (at constant prices)**



## 2.1 GDP

**Table 2.1.1 GDP Market**

	GDP (£ millions, current prices)	Annual % change in current GDP	GDP (£ millions, constant prices)	Annual % change in constant GDP
2009	2,458	-	2,982	-
2010	2,423	-1.4	2,876	-3.6
2011	2,629	8.5	3,025	5.2
2012	2,615	-0.6	2,914	-3.7
2013	2,715	3.8	2,946	1.1
2014	2,779	2.4	2,980	1.2
2015	2,816	1.3	2,986	0.2
2016E	2,934	4.2	3,076	3.0
2017E	3,143	7.1	3,218	4.6
2018E	3,272	4.1	3,272	1.7

Estimated total GDP for 2018 in Guernsey is £3,272 million, which is 4.1% higher than 2017 in current prices (nominal terms), as shown in **Table 2.1.1** and **Figure 2.1.1**.

In nominal terms, GDP in Guernsey has grown year on year since 2012.

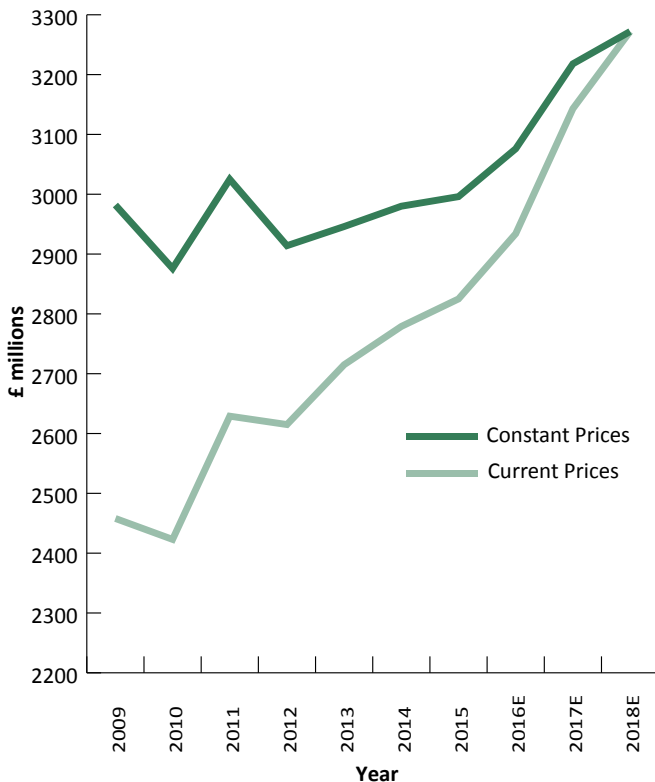
Guernsey GDP is also calculated on the basis of constant prices (in real terms), as shown in **Table 2.1.1** and **Figure 2.1.1**. Estimates of GDP are reflatd using the all items Retail Price Index (RPI) in Guernsey. This measure can be more informative when considering trends in economic performance through time, as it removes the effects of price inflation.

Estimated total GDP in Guernsey in 2018 is 1.7% higher than 2017 in real terms (constant prices).

In constant prices, the level of total GDP in 2018 is £247 million above the previous peak seen in 2011.

In real terms, GDP in Guernsey has grown year on year since 2012.

**Figure 2.1.1 GDP**



## 2.2 GDP per capita

In 2018 GDP per capita (per head of population) was estimated to be £52,531 in current prices, which was 3.7% higher than 2017 in current prices (nominal terms), as shown in **Table 2.2.1** and **Figure 2.2.1**.

In nominal terms, GDP per capita in Guernsey has grown year on year since 2012.

Guernsey GDP per capita is also calculated on the basis of constant prices (in real terms), as shown in **Table 2.2.1** and **Figure 2.2.1**. This measure can be more informative when considering trends in economic performance through time, as it removes the effect of price inflation.

In 2018, estimated total GDP per capita was 1.3% higher than 2017 in real terms (constant prices).

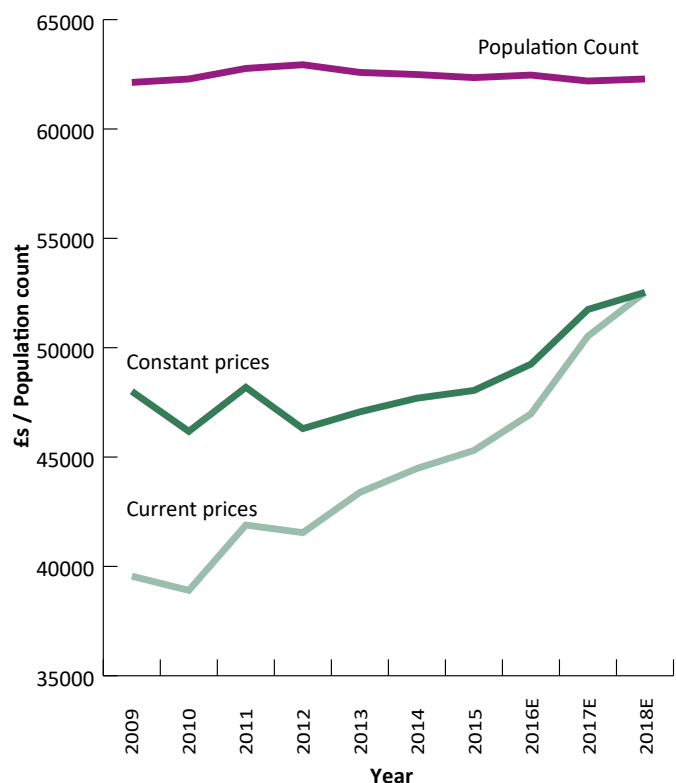
In real terms, GDP per capita in Guernsey has also grown year on year since 2012.

Throughout this time period Guernsey's population has been relatively stable, reaching a high of 62,938 in 2012 before declining to a low of 62,056 in 2017 before increasing again to 62,286 in 2018 as shown in **Figure 2.2.1**.

**Table 2.2.1 GDP per capita**

	GDP per capita (£s, current prices)	Annual % change in current GDP per capita	GDP per capita (£s, constant prices)	Annual % change in constant GDP per capita
2009	39,555	-	48,005	-
2010	38,904	-1.6	46,174	-3.8
2011	41,891	7.7	48,188	4.4
2012	41,544	-0.8	46,300	-3.9
2013	43,385	4.4	47,067	1.7
2014	44,583	2.8	47,804	1.6
2015	45,241	1.5	47,981	0.4
2016E	47,169	4.3	49,452	3.1
2017E	50,642	7.4	51,862	4.9
2018E	52,531	3.7	52,531	1.3

**Figure 2.2.1 GDP per capita**

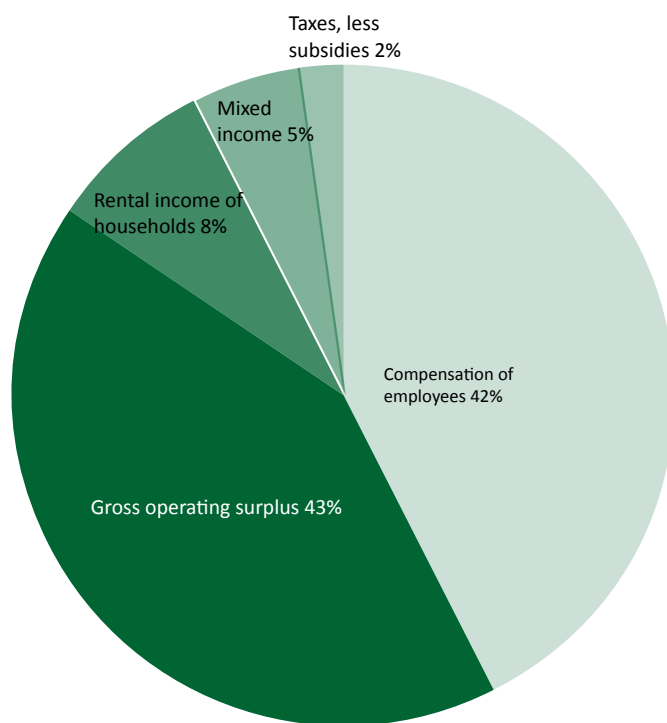


## 2.3 GDP components

**Table 2.3.1 GDP Components (£millions, current prices)**

	2014	2015	2016E	2017E	2018E
Compensation of employees	1,216	1,261	1,294	1,334	1,376
Gross operating surplus	1,107	1,103	1,188	1,340	1,392
Mixed income	155	151	147	151	171
Rental income of households	244	244	242	251	262
<b>GVA Basic</b>	<b>2,723</b>	<b>2,759</b>	<b>2,872</b>	<b>3,076</b>	<b>3,201</b>
Taxes, less subsidies (on products)	+ 56	+ 56	+62	+67	+71
<b>GDP</b>	<b>2,779</b>	<b>2,816</b>	<b>2,934</b>	<b>3,143</b>	<b>3,272</b>

**Figure 2.3.1 GDP Components 2018**



GDP comprises the following components; Compensation of employees (remuneration in the form of wages paid to employees plus estimates of pension and social security contributions paid on their behalf by their employer), Gross operating surplus (which is equated to company trading profits and public sector trading body surpluses), Mixed income (the remuneration and profits of sole traders), Income of households (generated from the ownership of property and including owner occupiers' imputed rent, net of maintenance and borrowing costs and rental income of private households) and Taxes (including excise and import duty and document duty) less subsidies.

The largest components of GDP in 2018 were Compensation of employees, representing 42%, £1,376 million of total GDP and Gross operating surplus, which represented 43%, £1,392 million. Other components included Mixed income, which represented 5% (£171 million), Households, which represented 8% (£262 million) and Taxes less subsidies, which represented 2% (£71 million) as shown in **Table 2.3.1** and **Figure 2.3.1**.

In current prices (nominal terms) between 2017 and 2018 Compensation of employees increased by 3.1%, whilst Gross operating surplus increased by 3.9%. Overall there was a £129 million increase in GDP.

## 3.1 GVA Basic

GVA Basic comprises the following components; Compensation of employees (remuneration in the form of wages paid to employees plus estimates of pension and social security contributions paid on their behalf by their employer), Gross operating surplus (which is equated to company trading profits and public sector trading body surpluses), Mixed income (the remuneration and profits of sole traders), Income of households (generated from the ownership of property). GVA Basic equates to GDP before the inclusion of taxes on products and removal of subsidies on products.

For 2018, GVA is estimated to be £3,201 million in current prices which is 4.1% higher than the estimate for 2017 in current prices (nominal terms), as shown in **Table 3.1.1** and **Figure 3.1.1**.

In nominal terms, GVA Basic in Guernsey has grown year on year since 2012.

Guernsey GVA Basic is also calculated on the basis of constant prices (in real terms), as shown in **Table 3.1.1** and **Figure 3.1.1**. This measure can be more informative when considering trends in economic performance through time, as it removes the effect of price inflation.

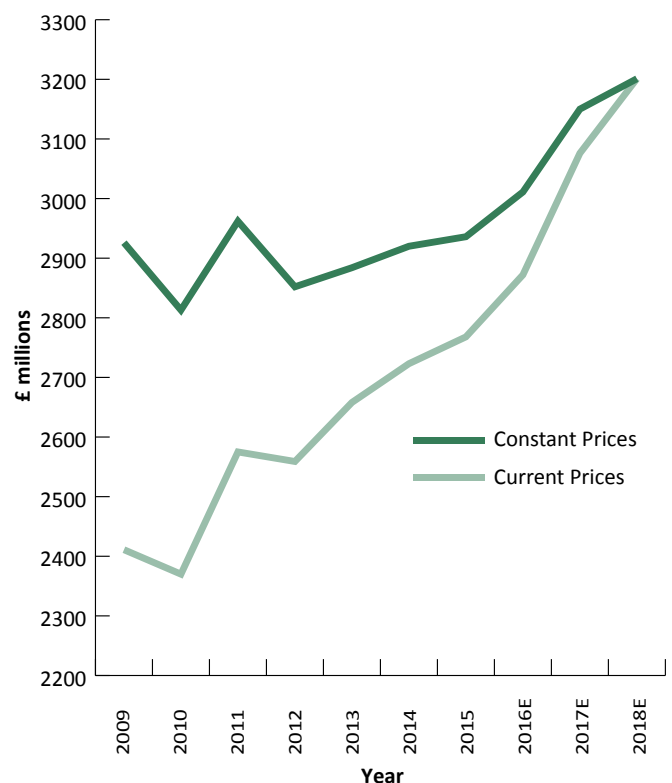
In 2018 estimated total GVA Basic was 1.6% higher than 2017 in real terms (constant prices), and above the previous peak recorded in 2011 of £2,962 million.

In real terms, GVA in Guernsey has also grown year on year since 2012.

**Table 3.1.1 GVA Basic**

	GVA (£ millions, current prices)	Annual % change in current GVA	GVA (£ millions, constant prices)	Annual % change in constant GVA
2009	2,411	-	2,926	-
2010	2,370	-1.7	2,813	-3.9
2011	2,575	8.6	2,962	5.3
2012	2,559	-0.6	2,852	-3.7
2013	2,658	3.9	2,884	1.1
2014	2,723	2.4	2,920	1.2
2015	2,759	1.3	2,926	0.2
2016E	2,872	4.1	3,011	2.9
2017E	3,076	7.1	3,150	4.6
2018E	3,201	4.1	3,201	1.6

**Figure 3.1.1 GVA Basic**



## 3.2 GVA by sector - largest contributors

Figure 3.2.1 GVA by sector in 2018 (constant prices)

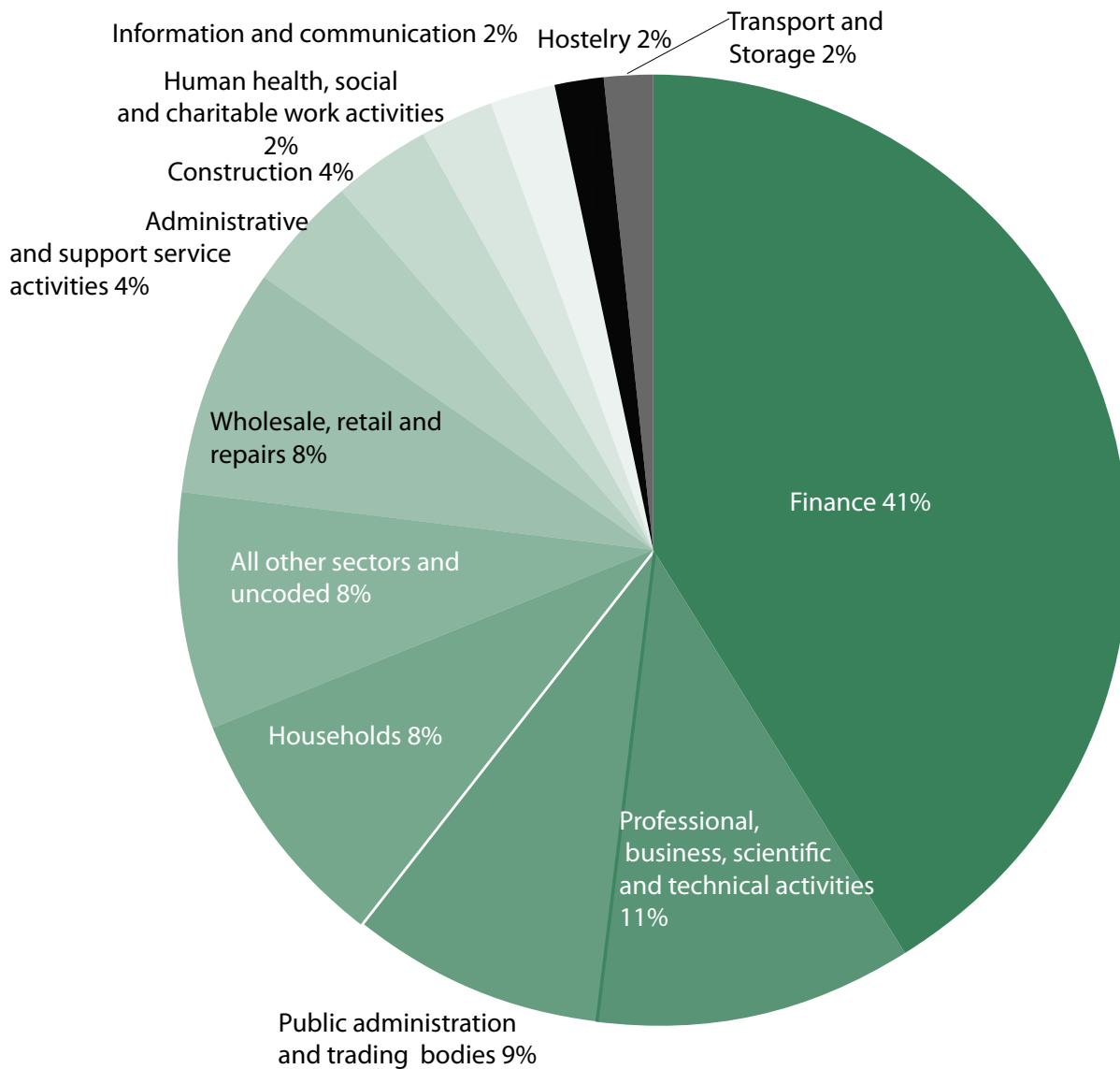


Figure 3.2.1 illustrates GVA in 2018 for Guernsey's largest sectors. The Finance sector was the largest component of GVA in 2018, accounting for 41% of GVA. Professional, business, scientific and technical activities and Public administration were the next largest sectors, accounting for 11% and 9% of GVA respectively. Households were the fourth largest sector in 2018, accounting for 8% of GVA. In previous publications Households were included within the 'Other' component, but were not presented as a sector. By presenting data specifically for Households this enables comparison with other jurisdictions.

A change in the economic sector classification code has been applied to one large employer, which has led to revisions in GVA in the Finance and Professional, business, scientific and technical activities sectors. Corrections have been applied to the time series from 2013 onwards to maintain continuity and comparability in this bulletin. However, it should be noted that the figures on GVA by sector in this bulletin are not comparable with those presented in previous editions.



## 3.2 GVA by sector - largest contributors

Figure 3.2.2 GVA by sector 2013 (constant prices)

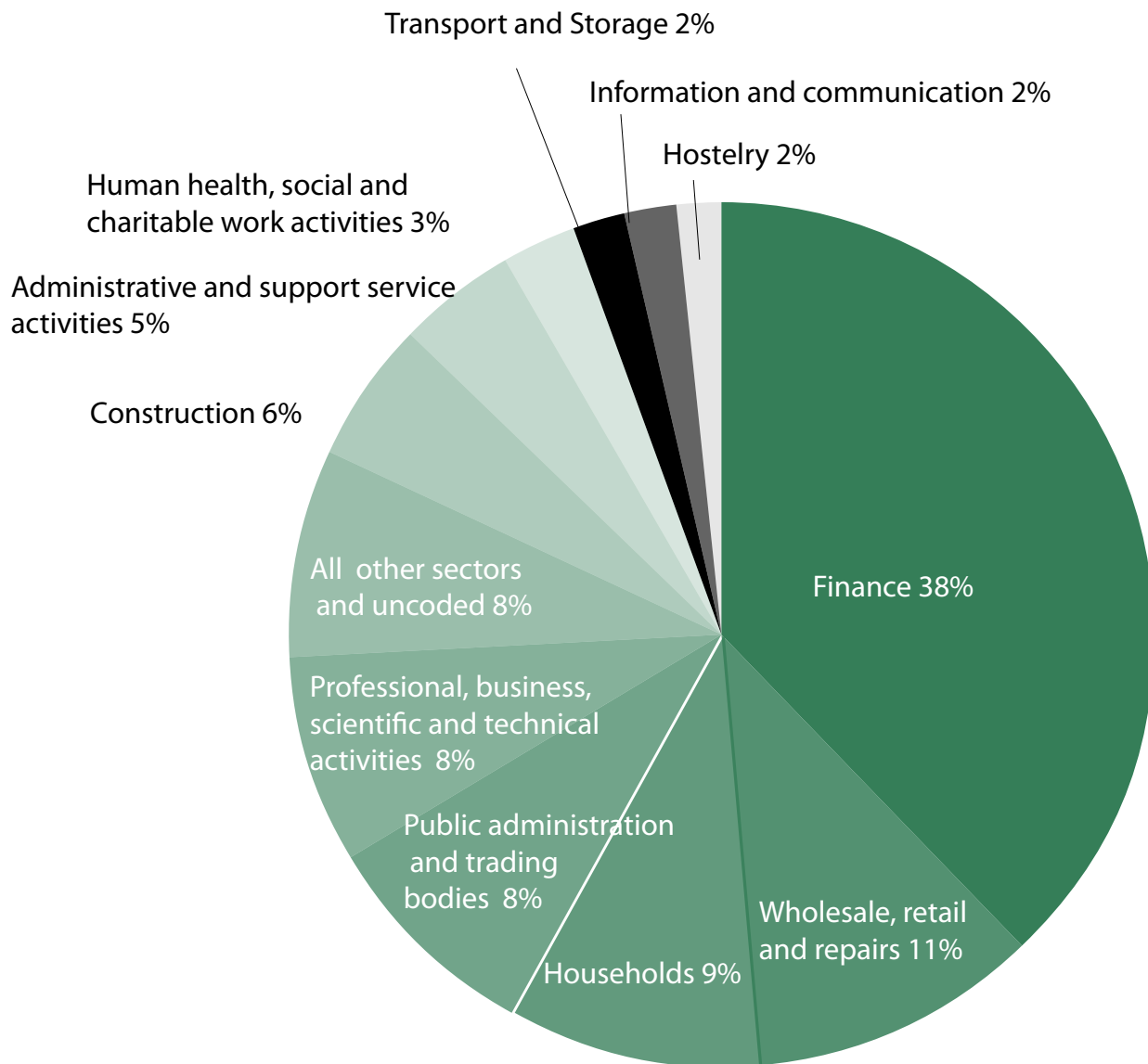


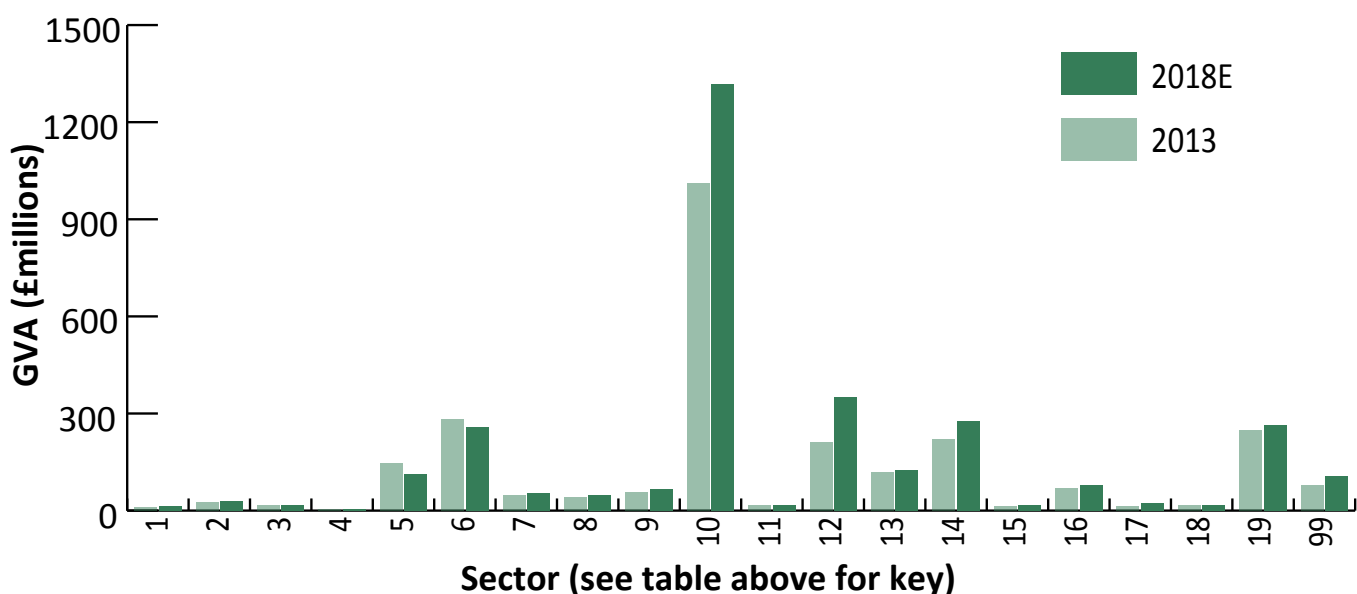
Figure 3.2.2 illustrates GVA for Guernsey's largest sectors five years ago, in 2013. The Finance sector was also the largest component of GVA in 2013, although it represented a smaller proportion of Guernsey's GVA than in 2018. Wholesale, retail and repairs was the second largest sector, accounting for 11% of GVA. Households was the third largest sector in 2013, accounting for 9% of GVA.

### 3.3 GVA by sector - all

Table 3.3.1 GVA by sector (£millions, current prices)

		2013	2014	2015	2016E	2017E	2018E
1	Agriculture, horticulture, fishing and quarrying	12	10	13	14	13	14
2	Manufacturing	27	25	29	33	30	30
3	Electricity, gas, steam and air conditioning supply	17	17	15	15	15	16
4	Water supply, sewerage, waste management and remediation activities	4	3	3	4	4	5
5	Construction	147	119	113	107	111	114
6	Wholesale, retail and repairs	283	282	289	255	256	259
7	Hostelry	49	49	52	53	55	55
8	Transport and storage	41	46	43	46	48	49
9	Information and communication	56	57	58	62	65	67
10	Finance	1,011	966	1,080	1,135	1,270	1,318
11	Real estate activities	17	20	18	17	17	17
12	Professional, business, scientific and technical activities	211	293	216	311	327	351
13	Administrative and support service activities	118	136	115	113	115	124
14	Public administration and trading bodies	221	225	253	261	266	277
15	Education	14	15	15	15	16	16
16	Human health, social and charitable work activities	69	72	73	73	74	79
17	Arts, entertainment and recreation	15	22	29	21	22	23
18	Other service activities	18	19	19	17	17	18
19	Households	250	245	244	242	252	263
99	Uncoded	79	101	83	78	102	107
	<b>GVA Basic</b>	<b>2,658</b>	<b>2,723</b>	<b>2,759</b>	<b>2,872</b>	<b>3,076</b>	<b>3,201</b>

Figure 3.3.1 GVA by sector (£millions, current prices)



### 3.3 GVA by sector - all

**Table 3.3.2 Annual Percentage Change in GVA by sector (% , current prices)**

		2014	2015	2016E	2017E	2018E	Overall % change 2013-2018
1	Agriculture, horticulture, fishing and quarrying	-11.4	26.4	6.1	-2.3	6.2	23.2%
2	Manufacturing	-6.7	15.8	13.7	-8.8	-0.9	11.1%
3	Electricity, gas, steam and air conditioning supply	3.2	-11.2	-1.2	-0.5	3.7	-6.6%
4	Water supply, sewerage, waste management and remediation activities	-24.3	-1.0	25.5	15.0	5.6	14.2%
5	Construction	-18.6	-5.5	-5.0	3.7	2.3	-22.5%
6	Wholesale, retail and repairs	-0.2	2.4	-11.5	0.2	1.1	-8.4%
7	Hostelry	1.0	6.1	0.7	3.1	0.7	12.2%
8	Transport and storage	13.0	-7.7	8.4	4.7	1.4	20.1%
9	Information and communication	1.6	1.5	7.9	3.8	4.4	20.7%
10	Finance	-4.4	11.7	5.1	11.9	3.8	30.4%
11	Real estate activities	18.3	-8.9	-4.6	-1.1	0.9	2.5%
12	Professional, business, scientific and technical activities	38.8	-26.2	43.8	5.3	7.2	66.3%
13	Administrative and support service activities	14.6	-15.3	-1.7	2.1	7.7	4.9%
14	Public administration and trading bodies	1.9	12.4	3.2	2.0	4.1	25.6%
15	Education	8.4	-4.4	3.8	2.5	1.3	11.7%
16	Human health, social and charitable work activities	4.2	1.4	-1.0	2.0	6.5	13.7%
17	Arts, entertainment and recreation	48.4	31.9	-26.3	3.0	3.0	53.0%
18	Other service activities	1.1	-0.1	-10.6	1.9	5.3	-3.2%
19	Households	-2.3	-0.1	-0.8	3.8	4.5	4.9%
99	Uncoded	27.9	-17.4	-6.5	30.8	5.0	35.5%
	<b>GVA Basic</b>	<b>2.4</b>	<b>1.3</b>	<b>4.1</b>	<b>7.1</b>	<b>4.1</b>	<b>20.4%</b>

Fifteen of the nineteen economic sectors have recorded an increase in GVA in current prices between 2013 and 2018, as shown in [Table 3.3.1](#) and [Figure 3.3.1](#). The Finance sector, recorded the largest GVA in 2018, at £1,318 million, whilst the Water supply, sewerage, waste management and remediation sector recorded the lowest GVA in 2018 at £5 million.

Between 2017 and 2018, Administrative and support service activities and Professional, business, scientific and technical activities recorded the highest growth, at 7.7% and 7.2% respectively, whilst the Manufacturing sector recorded a 0.9% decline in GVA, as shown in [Table 3.3.2](#). The Finance sector, the largest single sector in terms of contribution to GVA in 2018, increased by 3.8% compared to 2017.

Over the past 5 years, 2013 to 2018, overall change in GVA was highest in the Professional, business, scientific and technical activities sector at 66% and lowest in Construction, -23%.

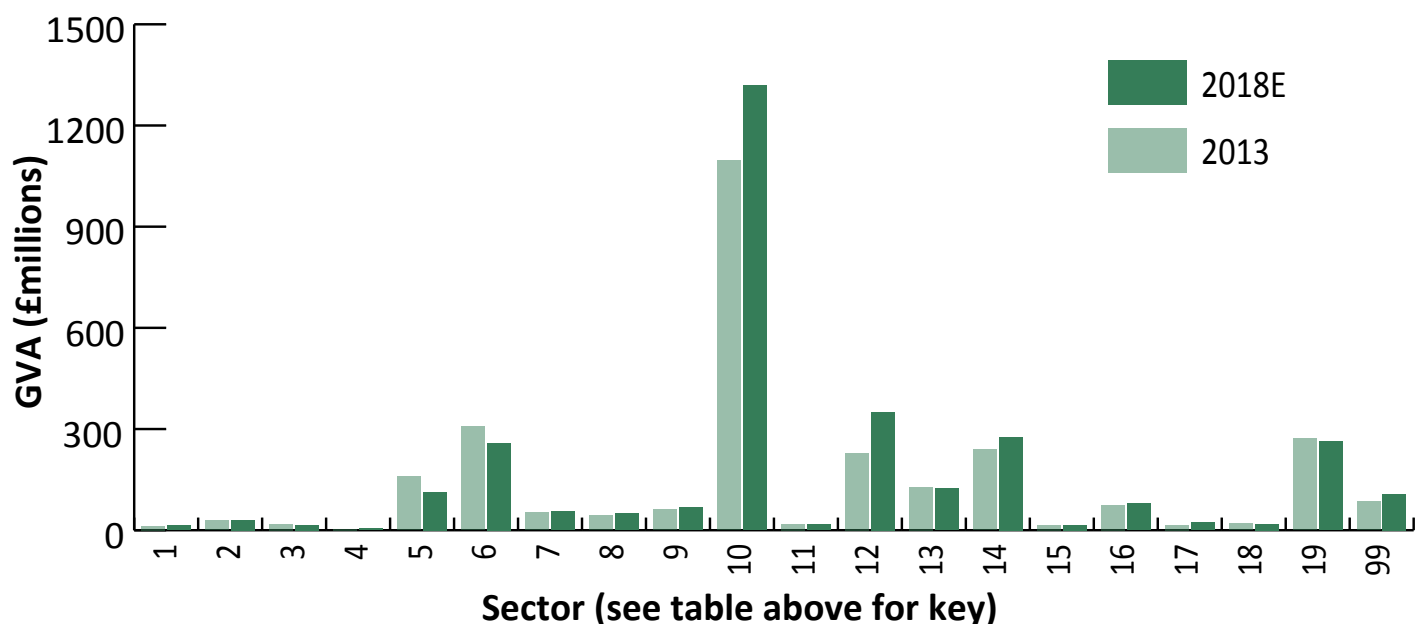
A change in the economic sector classification code has been applied to one large employer, which has led to revisions in annual changes in GVA in the finance and professional, business, scientific and technical activities sectors. Corrections have been applied to the time series from 2013 onwards to maintain continuity and comparability in this bulletin. However, it should be noted that the figures on annual change in GVA by sector in this bulletin are not comparable with those presented in previous editions.

### 3.3 GVA by sector - all

Table 3.3.3 GVA by sector (£millions, constant prices)

		2013	2014	2015	2016E	2017E	2018E
1	Agriculture, horticulture, fishing and quarrying	13	11	14	14	14	14
2	Manufacturing	29	27	31	35	31	30
3	Electricity, gas, steam and air conditioning supply	18	19	16	16	15	16
4	Water supply, sewerage, waste management and remediation activities	4	3	3	4	4	5
5	Construction	159	128	120	112	114	114
6	Wholesale, retail and repairs	307	302	306	268	262	259
7	Hostelry	53	53	56	55	56	55
8	Transport and storage	44	50	45	49	50	49
9	Information and communication	61	61	61	65	66	67
10	Finance	1,097	1,036	1,145	1,190	1,301	1,318
11	Real estate activities	18	21	19	18	17	17
12	Professional, business, scientific and technical activities	229	314	229	326	335	351
13	Administrative and support service activities	128	145	122	118	118	124
14	Public administration and trading bodies	239	241	268	273	273	277
15	Education	15	17	16	16	16	16
16	Human health, social and charitable work activities	75	77	78	76	76	79
17	Arts, entertainment and recreation	16	24	31	23	23	23
18	Other service activities	20	20	20	17	17	18
19	Households	272	262	259	254	258	263
99	Uncoded	85	108	88	82	104	107
	<b>GVA Basic</b>	<b>2,884</b>	<b>2,920</b>	<b>2,926</b>	<b>3,011</b>	<b>3,150</b>	<b>3,201</b>

Figure 3.3.3 GVA by sector (£millions, constant prices)



### 3.3 GVA by sector - all

**Table 3.3.4 Annual Percentage Change in GVA by sector (% , constant prices)**

		2014	2015	2016E	2017E	2018E	Overall % change 2013-2018
1	Agriculture, horticulture, fishing and quarrying	-12.5	25.0	4.9	-4.6	3.7	13.6%
2	Manufacturing	-7.8	14.6	12.4	-10.9	-3.2	2.4%
3	Electricity, gas, steam and air conditioning supply	2.0	-12.2	-2.3	-2.8	1.3	-13.9%
4	Water supply, sewerage, waste management and remediation activities	-25.2	-2.1	24.0	12.4	3.1	5.2%
5	Construction	-19.5	-6.5	-6.1	1.3	-0.1	-28.5%
6	Wholesale, retail and repairs	-1.4	1.2	-12.5	-2.1	-1.2	-15.6%
7	Hostelry	-0.1	4.9	-0.5	0.8	-1.6	3.4%
8	Transport and storage	11.7	-8.7	7.1	2.3	-0.9	10.7%
9	Information and communication	0.4	0.4	6.7	1.4	2.0	11.3%
10	Finance	-5.5	10.5	3.9	9.3	1.3	20.2%
11	Real estate activities	16.9	-9.9	-5.7	-3.4	-1.5	-5.5%
12	Professional, business, scientific and technical activities	37.2	27.0	42.1	2.9	4.7	53.3%
13	Administrative and support service activities	13.3	-16.3	-2.8	-0.2	5.1	-3.3%
14	Public administration and trading bodies	0.8	11.1	2.0	-0.3	1.7	15.8%
15	Education	7.2	-5.5	2.6	0.2	-1.1	3.0%
16	Human health, social and charitable work activities	3.0	0.3	-2.1	-0.3	4.0	4.8%
17	Arts, entertainment and recreation	46.7	30.4	-27.1	0.6	0.6	41.0%
18	Other service activities	-0.1	-1.2	-11.7	-0.4	2.8	-10.8%
19	Households	-3.5	-1.2	-1.9	1.4	2.0	-3.3%
99	Uncoded	26.4	-18.3	7.6	27.8	2.5	24.9%
	<b>GVA Basic</b>	<b>1.2</b>	<b>0.2</b>	<b>2.9</b>	<b>4.6</b>	<b>1.6</b>	<b>11.0%</b>

In constant prices, twelve of the nineteen economic sectors have recorded an increase in GVA between 2013 and 2018, as shown in [Table 3.3.3](#) and [Figure 3.3.3](#).

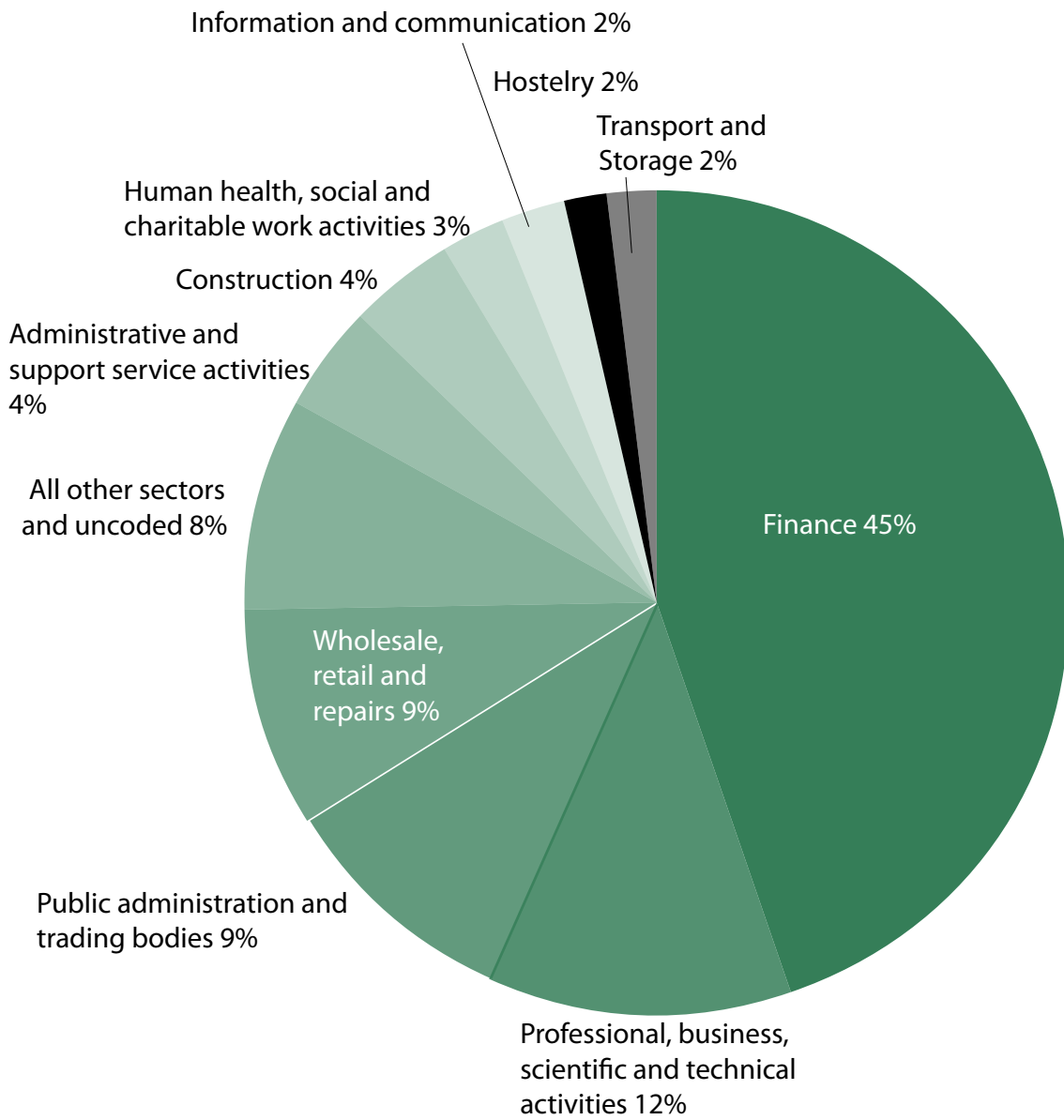
Between 2017 and 2018, Administrative and support service activities and Professional, business, scientific and technical activities recorded the highest growth in constant prices, at 5.1% and 4.7% respectively, whilst the Manufacturing sector recorded the largest decline in GVA at 3.2%, as shown in [Table 3.3.4](#). The Finance sector, the largest single sector in terms of contribution to GVA in 2018, increased by 1.3% in real terms compared to 2017.

Over the past 5 years, 2013 to 2018, overall change in GVA at constant prices was highest in the Professional, business, scientific and technical activities sector at 53% and lowest in Construction, -29%. In real terms, GVA grew within the Finance sector by 20.2% during the period 2013 to 2018.

A change in the economic sector classification code has been applied to one large employer, which has led to revisions in annual changes in GVA in the Finance and Professional, business, scientific and technical activities sectors. Corrections have been applied to the time series from 2013 onwards to maintain continuity and comparability in this bulletin. However, it should be noted that the figures on annual change in GVA by sector in this bulletin are not comparable with those presented in previous editions.

### 3.4 Factor income by sector - largest contributors

Figure 3.4.1 Factor income by sector (2018)



Factor income is the total GVA for all the industry sectors excluding the Households sector. **Figure 3.4.1** illustrates the largest contributors to Factor incomes by sector. The Finance sector made the largest contribution to GVA in 2018, at 44.9%, followed by Professional, business, scientific and technical activities at 11.9% and Public administration and trading bodies at 9.4%.

A change in the economic sector classification code has been applied to one large employer, which has led to revisions to factor incomes in the Finance and Professional, business, scientific and technical activities sectors. Corrections have been applied to the time series from 2013 onwards to maintain continuity and comparability in this bulletin. However, it should be noted that the figures on factor incomes in this bulletin are not comparable with those presented in previous editions.

### 3.4 Factor income by sector - largest contributors

Figure 3.4.2 Factor income by sector (2013)

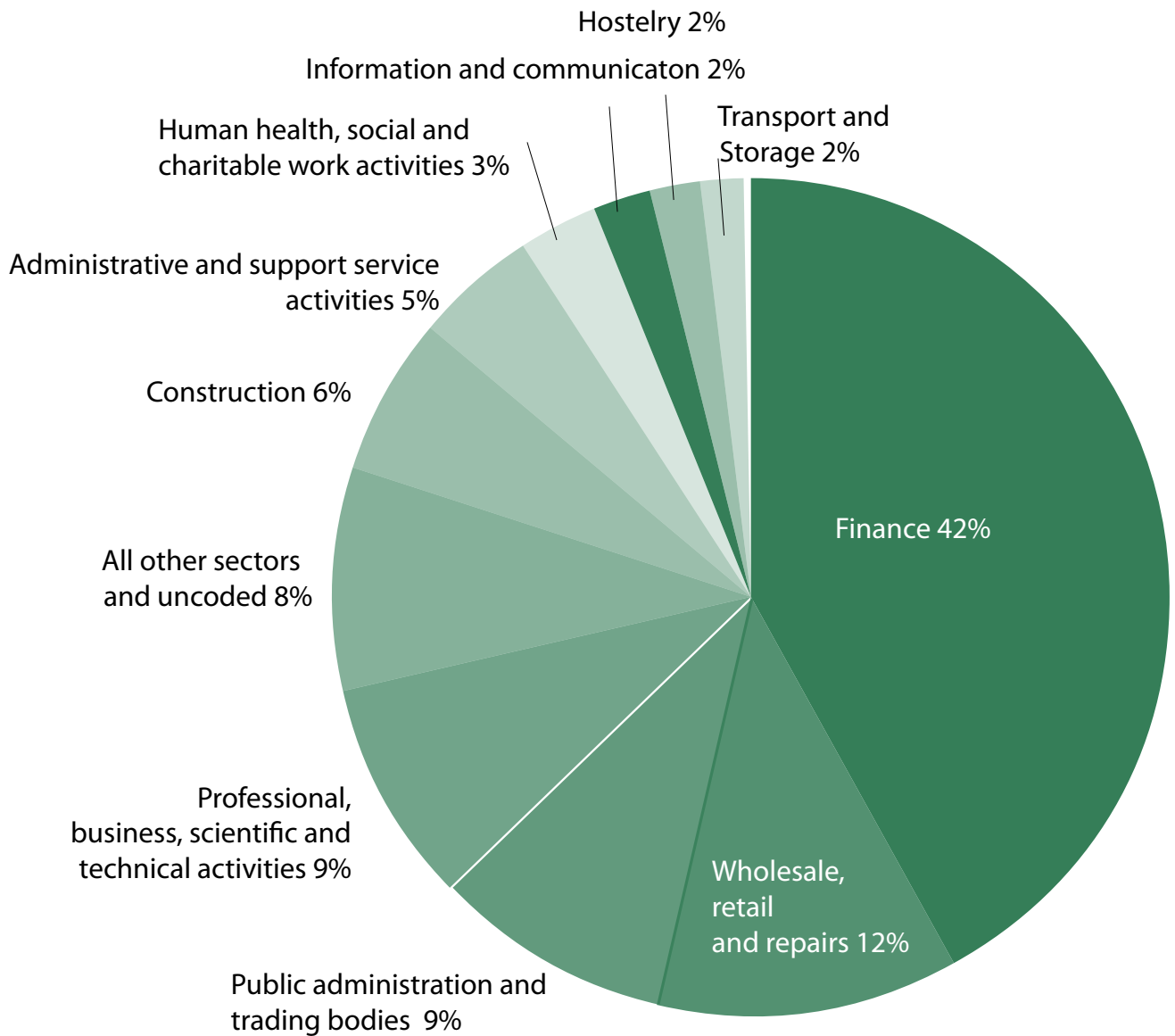


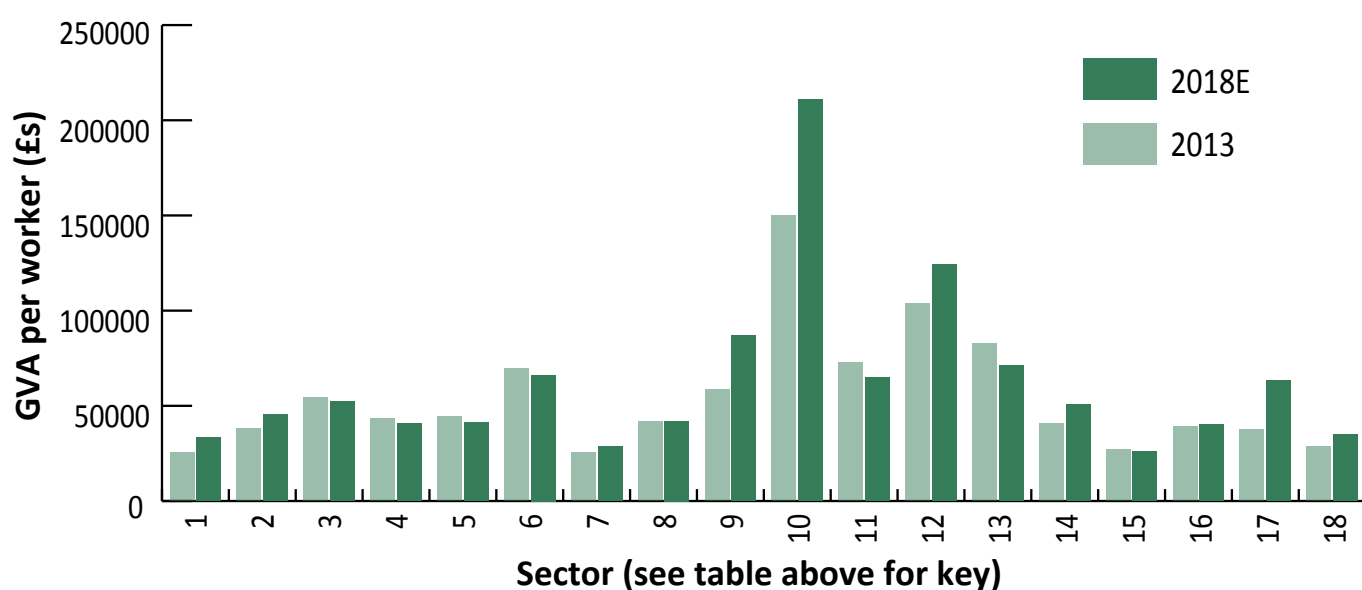
Figure 3.4.2 illustrates the largest contributors to Factor incomes five years ago, in 2013. The Finance sector was also the largest component in 2013, although it represented a slightly smaller proportion (42%) than in 2018. Wholesale, retail and repairs was the second largest sector, accounting for 12% of Factor income. Public administration and trading bodies was the third largest sector in 2013, accounting for 9%.

## 3.5 Factor income per worker by sector

Table 3.5.1 Factor income per worker by sector (£s, current prices)

		2013	2014	2015	2016E	2017E	2018E
1	Agriculture, horticulture, fishing and quarrying	25,501	22,000	29,189	31,463	31,751	33,317
2	Manufacturing	38,053	36,133	42,476	49,000	45,770	45,572
3	Electricity, gas, steam and air conditioning supply	54,465	57,126	52,783	53,836	52,073	52,033
4	Water supply, sewerage, waste management and remediation activities	43,489	28,225	33,712	37,987	37,563	40,724
5	Construction	44,428	35,941	37,995	38,033	40,595	41,110
6	Wholesale, retail and repairs	69,470	71,298	70,724	62,748	64,180	66,193
7	Hostelry	25,691	24,336	27,021	27,099	28,096	28,492
8	Transport and storage	41,683	48,492	37,569	36,763	41,930	42,025
9	Information and communication	58,620	58,498	73,482	80,748	82,445	87,001
10	Finance	149,901	147,257	175,113	181,888	204,337	211,011
11	Real estate activities	72,971	82,678	63,089	63,292	62,583	65,037
12	Professional, business, scientific and technical activities	103,927	147,103	81,617	114,089	117,710	124,244
13	Administrative and support service activities	82,498	95,064	69,559	70,150	68,170	71,402
14	Public administration and trading bodies	40,573	41,826	46,811	47,988	48,658	50,721
15	Education	27,243	27,697	26,770	26,493	25,740	26,237
16	Human health, social and charitable work activities	39,164	40,064	41,661	40,438	38,535	40,311
17	Arts, entertainment and recreation	37,580	59,887	85,001	59,881	59,494	63,339
18	Other service activities	28,632	32,269	37,319	33,828	33,525	34,742

Figure 3.5.1 Factor income per worker by sector (£s, current prices)





## 3.5 Factor income per worker by sector

**Table 3.5.2 Annual Percentage Change in Factor income per worker by sector (% , current prices)**

	2014	2015	2016E	2017E	2018E	Overall % change 2013-2018
1 <b>Agriculture, horticulture, fishing and quarrying</b>	-13.7	32.7	7.8	0.9	4.9	30.6
2 <b>Manufacturing</b>	-5.0	17.6	15.4	-6.6	-0.4	19.8
3 <b>Electricity, gas, steam and air conditioning supply</b>	4.9	-7.6	2.0	-3.3	-0.1	-4.5
4 <b>Water supply, sewerage, waste management and remediation activities</b>	-35.1	19.4	12.7	-1.1	8.4	-6.4
5 <b>Construction</b>	-19.1	5.7	0.1	6.7	1.3	-7.5
6 <b>Wholesale, retail and repairs</b>	2.6	-0.8	-11.3	2.3	3.1	-4.7
7 <b>Hostelry</b>	-5.3	11.0	0.3	3.7	1.4	10.9
8 <b>Transport and storage</b>	16.3	-22.5	-2.1	14.1	0.2	0.8
9 <b>Information and communication</b>	-0.2	25.6	9.9	2.1	5.5	48.4
10 <b>Finance</b>	-1.8	18.9	3.9	12.3	3.3	40.8
11 <b>Real estate activities</b>	13.3	-23.7	0.3	-1.1	3.9	-10.9
12 <b>Professional, business, scientific and technical activities</b>	41.5	-44.5	39.8	3.2	5.6	19.6
13 <b>Administrative and support service activities</b>	15.2	-26.8	0.8	-2.8	4.7	-13.5
14 <b>Public administration and trading bodies</b>	3.1	11.9	2.5	1.4	4.2	25.0
15 <b>Education</b>	1.7	-3.3	-1.0	-2.8	1.9	-3.7
16 <b>Human health, social and charitable work activities</b>	2.3	4.0	-2.9	-4.7	4.6	2.9
17 <b>Arts, entertainment and recreation</b>	59.4	41.9	-29.6	-0.6	6.5	68.5
18 <b>Other service activities</b>	12.7	15.6	-9.4	-0.9	3.6	21.3

Factor incomes per worker are a measure of the total output or GVA of each sector expressed in relation to the number of employees and self employed within each sector.

Administration and support service activities and Real estate activities saw the largest decrease in factor income per worker between 2013 and 2018 by 13.5% and 10.9% respectively. By contrast Arts, entertainment and recreation and Information and communication recorded the largest increase in factor incomes per worker in current prices between 2013 and 2018, 68.5% and 48.4% respectively, as shown in [Table 3.5.2](#). The Finance sector had the largest factor income per worker in 2018, at £211,011 per worker as shown in [Table 3.5.1](#) and [Figure 3.5.1](#).

Between 2017 and 2018, the Water supply, sewerage, waste management and remediation sector recorded the highest growth in factor incomes per worker, at 8.4%, whilst the Manufacturing and Electricity, gas, steam and air conditioning supply sectors recorded a 0.4% and 0.1% decline in factor incomes per worker in 2018, as shown in [Table 3.5.2](#). The Finance sector, the largest single sector in terms of contribution to GVA in 2018, recorded a 3.3% increase in factor incomes per worker between 2017 and 2018.

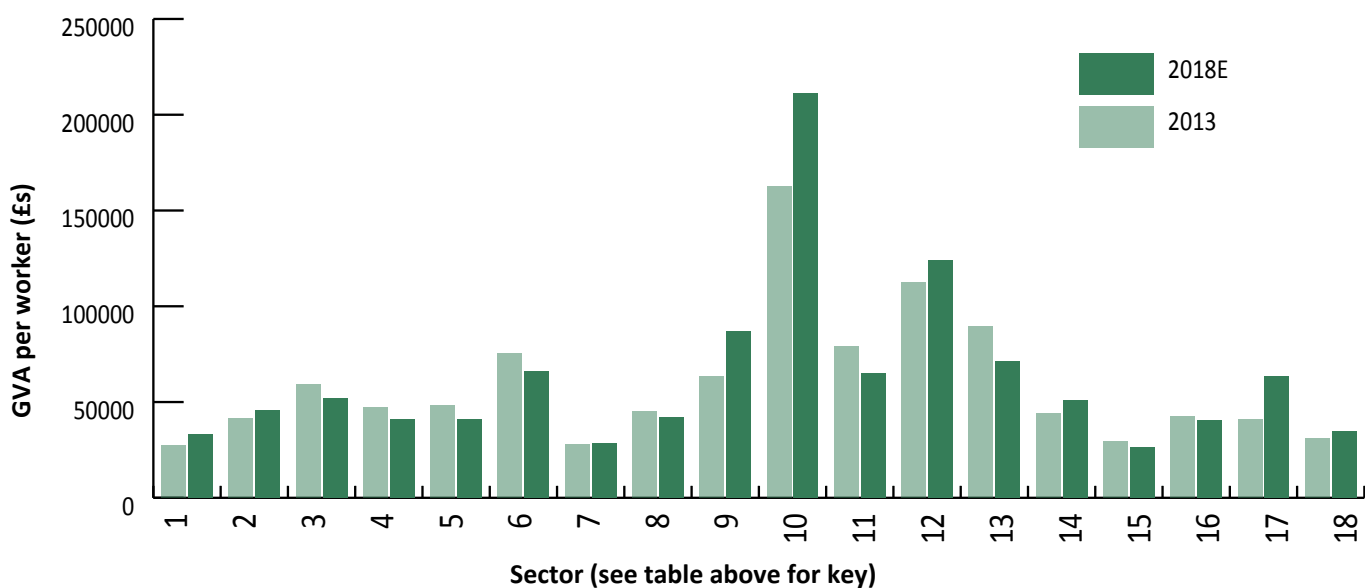
A change in the economic sector classification code has been applied to one large employer, which has led to revisions to factor incomes in the Finance and Professional, business, scientific and technical activities sectors. Corrections have been applied to the time series from 2013 onwards to maintain continuity and comparability in this bulletin. However, it should be noted that the figures on factor incomes in this bulletin are not comparable with those presented in previous editions.

## 3.5 Factor income per worker by sector

Table 3.5.3 Factor income per worker by sector (£s, constant prices)

		2013	2014	2015	2016E	2017E	2018E
1	Agriculture, horticulture, fishing and quarrying	27,665	23,589	30,957	32,985	32,516	33,317
2	Manufacturing	41,282	38,744	45,048	51,372	46,873	45,572
3	Electricity, gas, steam and air conditioning supply	59,087	61,253	55,980	56,441	53,327	52,033
4	Water supply, sewerage, waste management and remediation activities	47,179	30,264	35,753	39,826	38,467	40,724
5	Construction	48,198	38,537	40,296	39,874	41,573	41,110
6	Wholesale, retail and repairs	75,365	76,450	75,007	65,784	65,725	66,193
7	Hostelry	27,872	26,094	28,657	28,411	28,773	28,492
8	Transport and storage	45,220	51,996	39,845	38,543	42,940	42,025
9	Information and communication	63,595	62,725	77,932	84,656	84,431	87,001
10	Finance	162,622	157,897	185,718	190,690	209,258	211,011
11	Real estate activities	79,163	88,651	66,909	66,355	64,090	65,037
12	Professional, business, scientific and technical activities	112,746	157,731	86,560	119,610	120,544	124,244
13	Administrative and support service activities	89,499	101,933	73,772	73,544	69,812	71,401
14	Public administration and trading bodies	44,016	44,848	49,646	50,310	49,830	50,721
15	Education	29,555	29,698	28,391	27,776	26,359	26,237
16	Human health, social and charitable work activities	42,488	42,959	44,184	42,395	39,463	40,311
17	Arts, entertainment and recreation	40,769	64,214	90,149	62,778	60,927	63,339
18	Other service activities	31,061	34,600	39,579	35,465	34,332	34,742

Figure 3.5.3 GVA per worker by sector (£s, constant prices)



## 3.5 Factor income per worker by sector

**Table 3.5.4 Annual Percentage Change in Factor income per worker by sector (% , constant prices)**

		2014	2015	2016E	2017E	2018E	Overall % change 2013-2018
1	Agriculture, horticulture, fishing and quarrying	-14.7	31.2	6.6	-1.4	2.5	20.4
2	Manufacturing	-6.1	16.3	14.0	-8.8	-2.8	10.4
3	Electricity, gas, steam and air conditioning supply	3.7	-8.6	0.8	-5.5	-2.4	-11.9
4	Water supply, sewerage, waste management and remediation activities	-35.9	18.1	11.4	-3.4	5.9	-13.7
5	Construction	-20.0	4.6	-1.0	4.3	-1.1	-14.7
6	Wholesale, retail and repairs	1.4	-1.9	-12.3	-0.1	0.7	-12.2
7	Hostelry	-6.4	9.8	-0.9	1.3	-1.0	2.2
8	Transport and storage	15.0	-23.4	-3.3	11.4	-2.1	-7.1
9	Information and communication	-1.4	24.2	8.6	-0.3	3.0	36.8
10	Finance	-2.9	17.6	2.7	9.7	0.8	29.8
11	Real estate activities	12.0	-24.5	-0.8	-3.4	1.5	-17.8
12	Professional, business, scientific and technical activities	39.9	-45.1	38.2	0.8	3.1	10.2
13	Administrative and support service activities	13.9	-27.6	-0.3	-5.1	2.3	-20.2
14	Public administration and trading bodies	1.9	10.7	1.3	-1.0	1.8	15.2
15	Education	0.5	-4.4	-2.2	-5.1	-0.5	-11.2
16	Human health, social and charitable work activities	1.1	2.8	-4.0	-6.9	2.1	-5.1
17	Arts, entertainment and recreation	57.5	40.4	-30.4	-2.9	4.0	55.4
18	Other service activities	11.4	14.4	-10.4	-3.2	1.2	11.9

Factor incomes per worker are a measure of the total output or GVA of each sector expressed in relation to the number of employees and self employed within each sector. **Table 3.5.3**, **Table 3.5.4** and **Figure 3.5.3** express these values in constant prices (i.e in real terms, adjusted for price inflation).

Nine out of the eighteen industry sectors have recorded an increase in factor incomes per worker in constant prices between 2013 and 2018, as shown in **Table 3.5.3** and **Figure 3.5.3**. The Finance sector, recorded the largest factor income per worker in 2018, at £211,011.

Between 2017 and 2018, the Water supply, sewerage, waste management and remediation sector recorded the highest growth in factor incomes per worker (at constant prices), at 5.9%, whilst the Manufacturing sector recorded a 2.8% decline in factor incomes per worker (at constant prices) in 2018, as shown in **Table 3.5.4**. The Finance sector, the largest single sector in terms of contribution to GVA, recorded a 0.8% increase in factor income per worker (at constant prices) between 2017 and 2018. Over the past 5 years, the overall change in factor incomes in constant prices was highest in the Arts, entertainment and recreation sector at 55.4% and lowest in Administrative and support service activities at -20.2%.

A change in the economic sector classification code has been applied to one large employer, which has led to revisions to factor incomes in the Finance and Professional, business, scientific and technical activities sectors. Corrections have been applied to the time series from 2013 onwards to maintain continuity and comparability in this bulletin. However, it should be noted that the figures on factor incomes in this bulletin are not comparable with those presented in previous editions.

## 4.0 Appendix 1 - Differences between old and new methodology

As explained at the start of this bulletin, Guernsey (like many other small jurisdictions) measures its economy only using an 'income' approach (and has done so since 1965). Guernsey's GVA and GDP figures are used as targets within the fiscal framework and for overseas aid contributions, so it is important that the method follows best practice. Other larger jurisdictions use up to three approaches in order to produce full National Accounts and cross-check the total GDP figure that is resultant.

The income approach method used in Guernsey was revised in 2017, to better align it with the international standard defined by the United Nations (as described by the framework known as the System of National Accounts). The Office for National Statistics audited the revised method in November 2017 and agreed that it is now better aligned, but that further improvements can always be made; both within the income approach method and by introducing an additional output approach as a cross check. Further details of the revisions and feedback from the Office for National Statistics are included with the 2016 and 2017 editions of the Guernsey Annual GVA and GDP Bulletin, available from [www.gov.gg/gdp](http://www.gov.gg/gdp).

As a result, the Data & Analysis team plan to investigate the feasibility and costs of introducing a second (output) approach as well as introducing some further improvements to the income approach as part of a programme of improvements to the national statistics that are published. The States of Guernsey will be asked to approve the legislation that has been drafted to enable these further improvements at their meeting on 4th September 2019 (see <https://www.gov.gg/article/172311/The-Economic-Statistics-Guernsey-and-Alderney-Law-2019>).

The new legislation will allow controlled sharing of some of the data collected for Income Tax purposes with the Data & Analysis service, so companies do not need to provide the same information twice. The new legislation will also enable the Data & Analysis service to run a regular business census to fill the remaining data gaps. This is expected to begin in 2021 at the earliest. The additional information that is sought is as follows:

- Separation of information from employers on wages paid to current employees from pensions paid to past employees
- Value of employer contributions to occupational / secondary pension schemes
- Overall (rather than taxable) profits/losses of locally trading sole traders, companies and other legal persons carrying on an undertaking in Guernsey or Alderney
- Depreciation of capital assets of not-for-profit and charitable organisations

This should enable greater accuracy and higher confidence in published figures, particularly first estimates, which currently tend to be subject to significant revisions following their first publication. This in turn will help improve Guernsey's international reputation (for example, in Standard & Poor reports).

The process for submitting any extra data will be developed in consultation with local businesses (via business groups initially). If you are interested in being involved in the design of this process (for example, volunteers will be needed for pilot groups in the last quarter of this year) or would like any further information, please contact [dataandanalysis@gov.gg](mailto:dataandanalysis@gov.gg).

## 5.0 Contact details

You may also be interested in other publications from States of Guernsey Data and Analysis Services, which are all available online at [www.gov.gg/data](http://www.gov.gg/data). Please contact us for further information.

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