

Guernsey Annual GVA and GDP Bulletin

2019 (First Estimates)

Issue date 13th November 2020

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 fourth 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 2019 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". This year sees the inclusion of more detailed information on Gross operating surplus to enhance our understanding of this relatively volatile component of GDP and provide a baseline 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)

The release of this publication was delayed in 2020 to enable new data, available as a result of the [Economic Statistics \(Guernsey and Alderney\) Law, 2019](#), to be used in calculations. While the same in content as data previously used, it was provided this year at a more granular level of detail. This enabled 2017 and 2018 figures to be refined with greater confidence. It also enabled a confidence level to be apportioned to 2019 first estimates. As such, for the first time this bulletin illustrates graphically an upper and lower estimate for GDP Market, GDP per capita and GVA Basic for 2018 and 2019, alongside the central estimate (CE). Figures for 2018 and 2019 will be finalised two years after first publication.

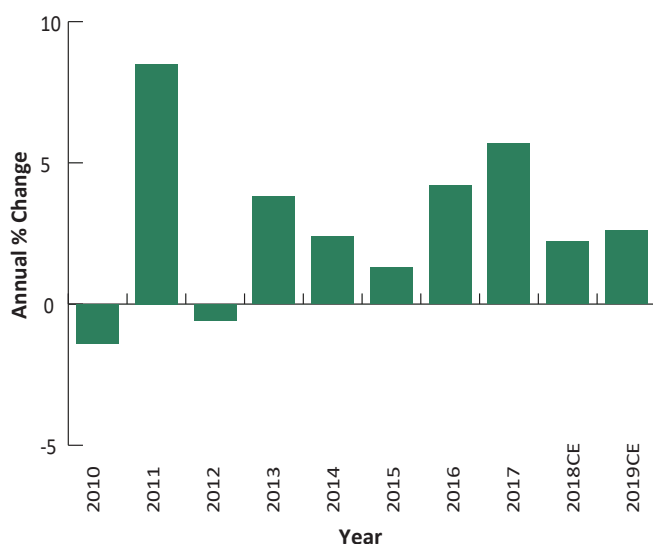
Most components change very little between first estimates and being finalised two years later, such as Compensation of Employees, Mixed Income and the Income of Households. However, the Gross Operating Surplus of corporations, which typically constitutes 36 to 42% of GVA (and is the most unpredictable component) does not become available until after first estimates are published. As a result, this is an area where revisions can be significant. The use of upper and lower estimates indicates the most likely range for figures once finalised.

For ease of use, only the central estimate (CE) is shown in the more detailed breakdowns in the report (such as GVA by sector and factor incomes per worker per sector), but the same level of uncertainty applies.

1.2 Headlines

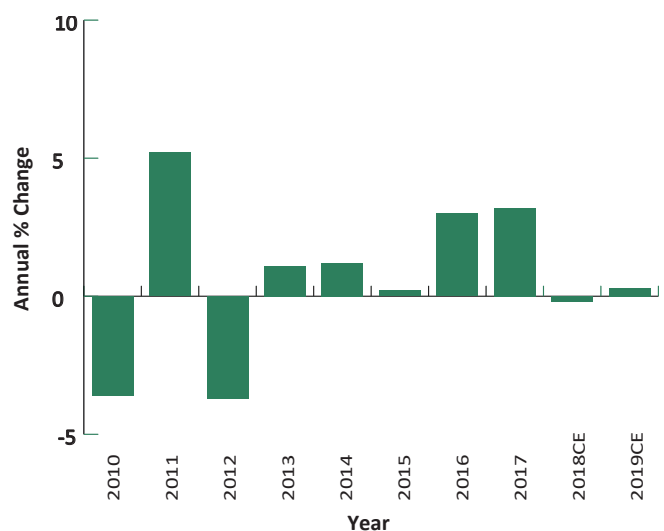
- Guernsey's total GDP for 2019 is estimated at £3,252 million, which is 2.6% higher than the estimate for 2018 in nominal terms (current prices).
- Guernsey GDP per capita in 2019 is £51,868; 56% greater than in the UK in 2018 and 14% greater than Jersey GVA per capita in 2019.
- The largest two components of GDP are Compensation of employees, which represented 44% of total GDP in 2019, and Gross operating surplus, which represented 41%.
- Guernsey's GVA at basic prices (which equates to GDP before the inclusion of taxes and removal of subsidies on products) is estimated at £3,181 million for 2019.
- The finance sector remains the largest single sector, accounting for 40% of the total GVA (£1,280 million) or 44% of Factor income in 2019. GVA is the total for all sectors including the household sector. Factor income is the total for all industry sectors and excludes the household sector.
- Non-finance industry sectors collectively contributed half of the total GVA (£1,631 million) or 56% of Factor Income in 2019. Of this, £191 million (6% of total GVA and 7% 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 2019.
- Over the five years from 2014 to 2019, GVA growth in real terms was strongest in the Water supply, sewerage, waste management and remediation activities sector at 35%, although this sector accounts for just 0.1% of GVA. Electricity, gas, steam and air conditioning supply recorded the second highest growth over this time period at 33%, although this sector accounts for just 0.8% of GVA. The finance sector recorded the third highest GVA growth over this time period, at 21%.
- Arts, entertainment and recreation saw the largest decline in GVA, a 39% fall in real terms between 2014 and 2019; again this sector accounts for only a small proportion of GVA, just 0.5%. The second largest decline in GVA was the Real Estate Activities sector, where GVA fell by 18% for this time period. Real Estate Activities account for 0.6% of GVA.

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



*CE is Central Estimate

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



*CE is Central Estimate

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	-	3,051	-
2010	2,423	-1.4	2,942	-3.6
2011	2,629	8.5	3,094	5.2
2012	2,615	-0.6	2,981	-3.7
2013	2,715	3.8	3,013	1.1
2014	2,779	2.4	3,049	1.2
2015	2,816	1.3	3,054	0.2
2016	2,934	4.2	3,147	3.0
2017	3,101	5.7	3,248	3.2
2018CE	3,169	2.2	3,242	-0.2
2019CE	3,252	2.6	3,252	0.3

*CE is the Central Estimate. Upper and Lower Estimates for 2018 and 2019 are illustrated below to give the most likely outcome for GDP once finalised.

Figure 2.1.1 GDP current prices

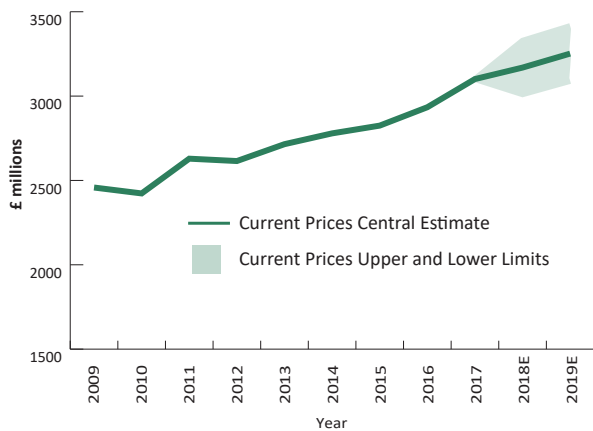
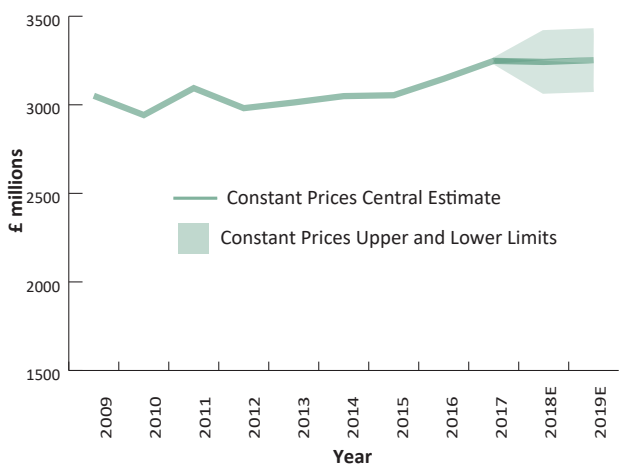


Figure 2.1.2 GDP constant prices



Estimated total GDP for 2019 in Guernsey is £3,252 million, which is 2.6% higher than 2018 in current prices (nominal terms), as shown in **Table 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 2.1.2**. 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 2019 is 0.3% higher than 2018 in real terms (constant prices). GDP in real terms has been relatively static since 2017.

In real terms (constant prices), the level of total GDP in 2019 is £158 million above the previous peak seen in 2011.

GDP for 2018 and 2019 are estimates only. The data presented in **Table 2.1.1** is the central estimate.

Figure 2.1.1 and **Figure 2.1.2** provide upper and lower limits for the 2018 and 2019 estimates, as represented by the shaded portion of the graph, alongside the central estimate. The upper and lower limits provide an indication of the likely final outcome for GDP Market once finalised, in current and constant prices (two years after figures first published).

2.2 GDP per capita

In 2019 GDP per capita (per head of population) was estimated to be £51,868 in current prices, which was 1.9% higher than 2018 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 2.2.2**. This measure can be more informative when considering trends in economic performance through time, as it removes the effect of price inflation.

In 2019, estimated total GDP per capita was 0.4% lower than 2018 in real terms (constant prices). A small increase in population levels during this time period was the principal reason for this slight decline.

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 62,106 in 2017 before increasing again to 62,706 in 2019 as shown in **Figure 2.2.1** and **Figure 2.2.2**.

Figure 2.2.1 and **Figure 2.2.2** provide upper and lower limits for the 2018 and 2019 estimates, as represented by the shaded portion of the graph, alongside the central estimate. The upper and lower limits provide an indication of the likely final outcome for GDP per capita once finalised, in current and constant prices (two years after figures first published).

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	-	49,107	-
2010	38,904	-1.6	47,233	-3.8
2011	41,891	7.7	49,294	4.4
2012	41,544	-0.8	47,362	-3.9
2013	43,385	4.4	48,147	1.7
2014	44,583	2.8	48,901	1.6
2015	45,241	1.5	49,077	0.4
2016	47,169	4.3	50,583	3.1
2017	49,930	5.9	52,301	3.4
2018CE	50,886	1.9	52,050	-0.5
2019CE	51,868	1.9	51,868	-0.4

*CE is the Central Estimate. Upper and Lower Estimates for 2018 and 2019 are illustrated below to give the most likely outcome for GDP once finalised.

Figure 2.2.1 GDP per capita current prices

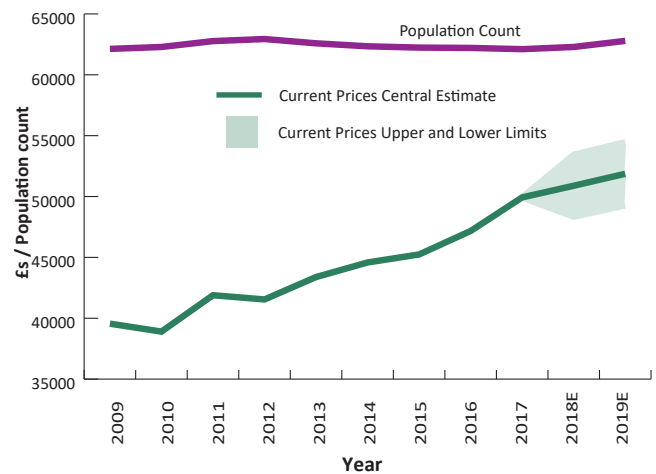
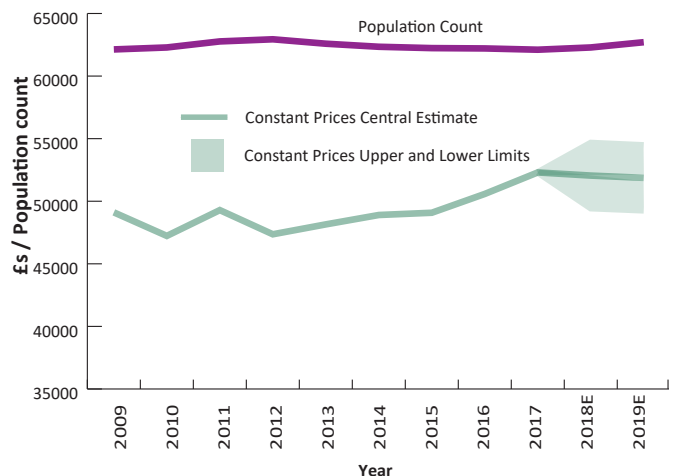


Figure 2.2.2 GDP per capita constant prices



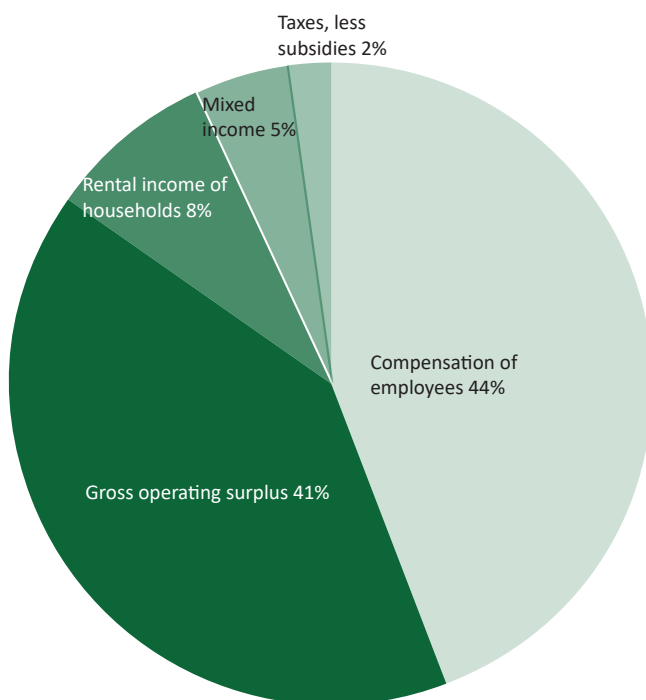
2.3 GDP components

Table 2.3.1 GDP Components (£millions, current prices)

	2015	2016	2017	2018CE	2019CE
Compensation of employees	1,261	1,294	1,344	1,389	1,439
Gross operating surplus	1,103	1,188	1,291	1,303	1,321
Mixed income	151	147	148	145	152
Rental income of households	244	242	251	261	268
GVA Basic	2,759	2,872	3,034	3,099	3,181
Taxes, less subsidies (on products)	+ 56	+62	+67	+71	+72
GDP	2,816	2,934	3,101	3,169	3,252

*CE is the Central Estimate. Data for 2018 and 2019 will be finalised two years after first published.

Figure 2.3.1 GDP Components 2019



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.

Data presented for 2018 and 2019 in **Table 2.3.1** and **Figure 2.3.1** are based on the central estimate. Most components of GDP change very little between first estimates and being finalised 2 years later. That said, data on Gross operating surplus, the most unpredictable component, does not become available until after first estimates are published. As a result, this is an area where revisions can be significant.

The largest components of GDP in 2019 were Compensation of employees, representing 44%, £1,439 million of total GDP and Gross operating surplus, which represented 41%, £1,321 million. Other components included Mixed income at 5% (£152 million), Households, 8% (£268 million) and Taxes less subsidies, 2% (£72 million) as shown in **Table 2.3.1** and **Figure 2.3.1**. In current prices (nominal terms) between 2018 and 2019 Compensation of employees increased by 3.6%.

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 2019, GVA is estimated to be £3,181 million in current prices which is 2.6% higher than the estimate for 2018 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 3.1.2**. This measure can be more informative when considering trends in economic performance through time, as it removes the effect of price inflation.

In 2019 estimated total GVA Basic was 0.3% higher than 2018 in real terms (constant prices). GVA Basic in real terms (constant prices) has been relatively static since 2017.

Figure 3.1.1 and **Figure 3.1.2** provide upper and lower limits for the 2018 and 2019 estimates, as represented by the shaded portion of the graph, alongside the central estimate. The upper and lower limits provide an indication of the likely outcome for GVA Basic once finalised, in current and constant prices (two years after figures first published).

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	-	2,993	-
2010	2,370	-1.7	2,878	-3.9
2011	2,575	8.6	3,030	5.3
2012	2,559	-0.6	2,917	-3.7
2013	2,658	3.9	2,950	1.1
2014	2,723	2.4	2,987	1.2
2015	2,759	1.3	2,993	0.2
2016	2,872	4.1	3,080	2.9
2017	3,034	5.6	3,178	3.2
2018CE	3,099	2.1	3,170	-0.3
2019CE	3,181	2.6	3,181	0.3

*CE is the Central Estimate. Upper and Lower Estimates for 2018 and 2019 are illustrated below to give the most likely outcome for GDP once finalised.

Figure 3.1.1 GVA Basic current prices

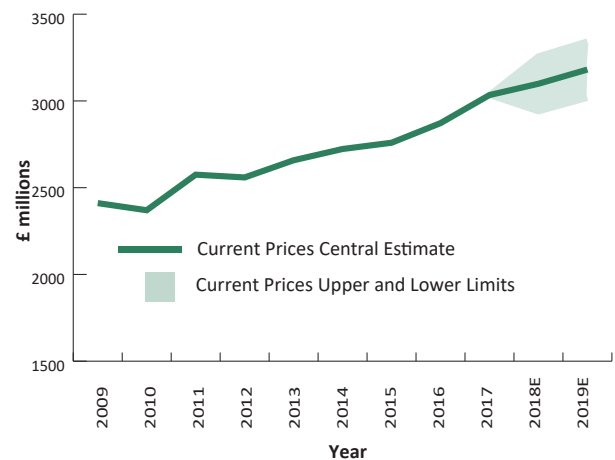
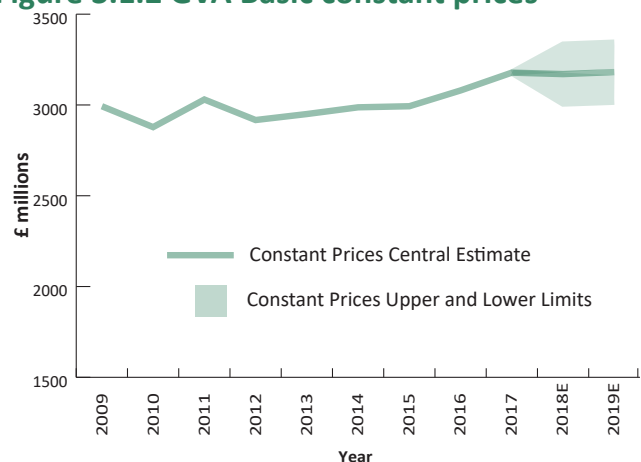


Figure 3.1.2 GVA Basic constant prices



3.2 GVA by sector - largest contributors

Figure 3.2.1 GVA by sector in 2019 (constant prices)

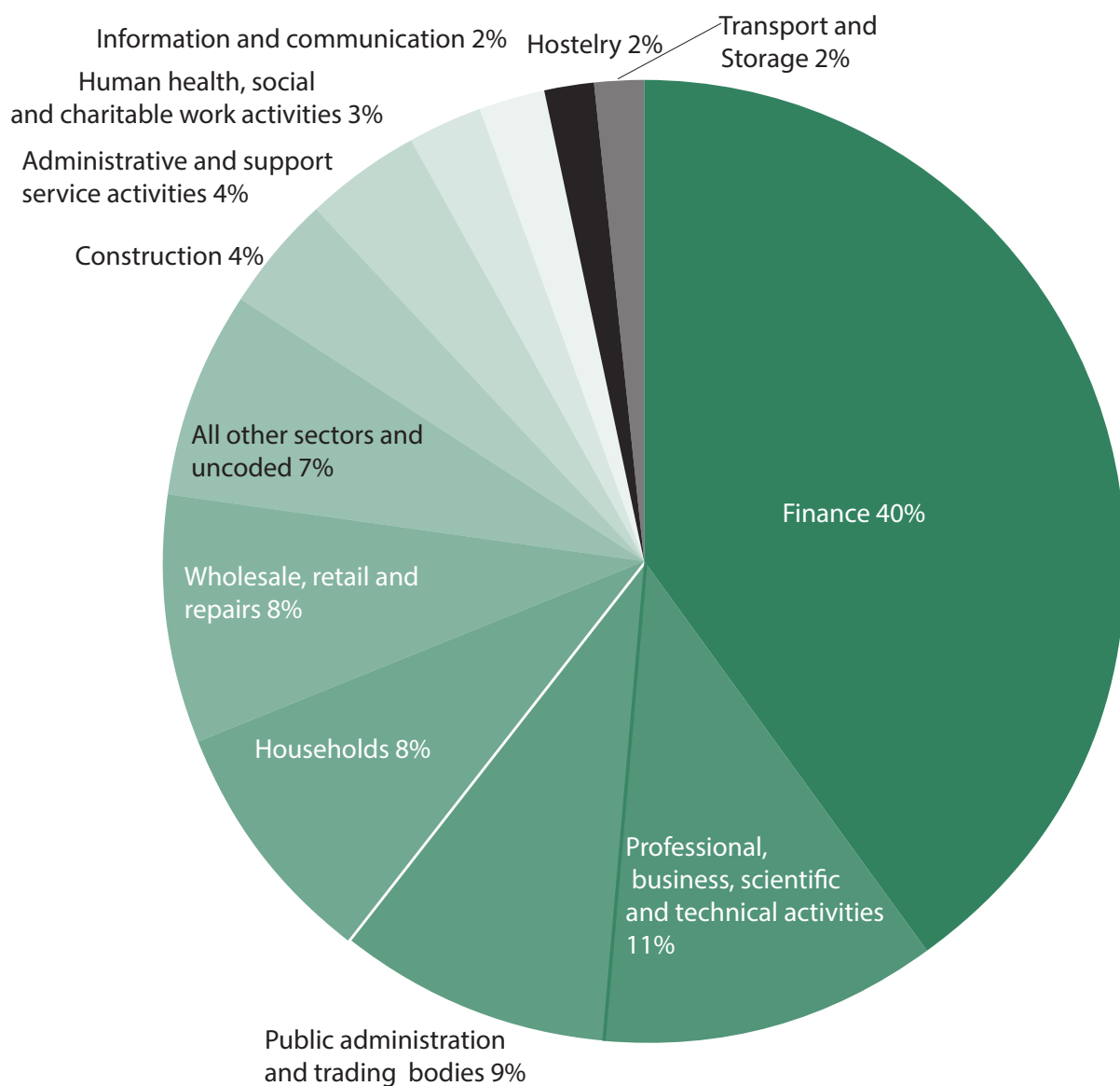


Figure 3.2.1 illustrates GVA in 2019 for Guernsey's largest sectors. The Finance sector was the largest component of GVA in 2019, accounting for 40% of GVA. Professional, business, scientific and technical activities and Public administration were the next largest sectors, accounting for 11% and 9% of GVA respectively. Households were the fourth largest sector in 2019, 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. Sector data as presented in Figure 3.2.1 relates to the central estimate for GVA in 2019 (see page 2 for further details).

3.2 GVA by sector - largest contributors

Figure 3.2.2 GVA by sector 2014 (constant prices)

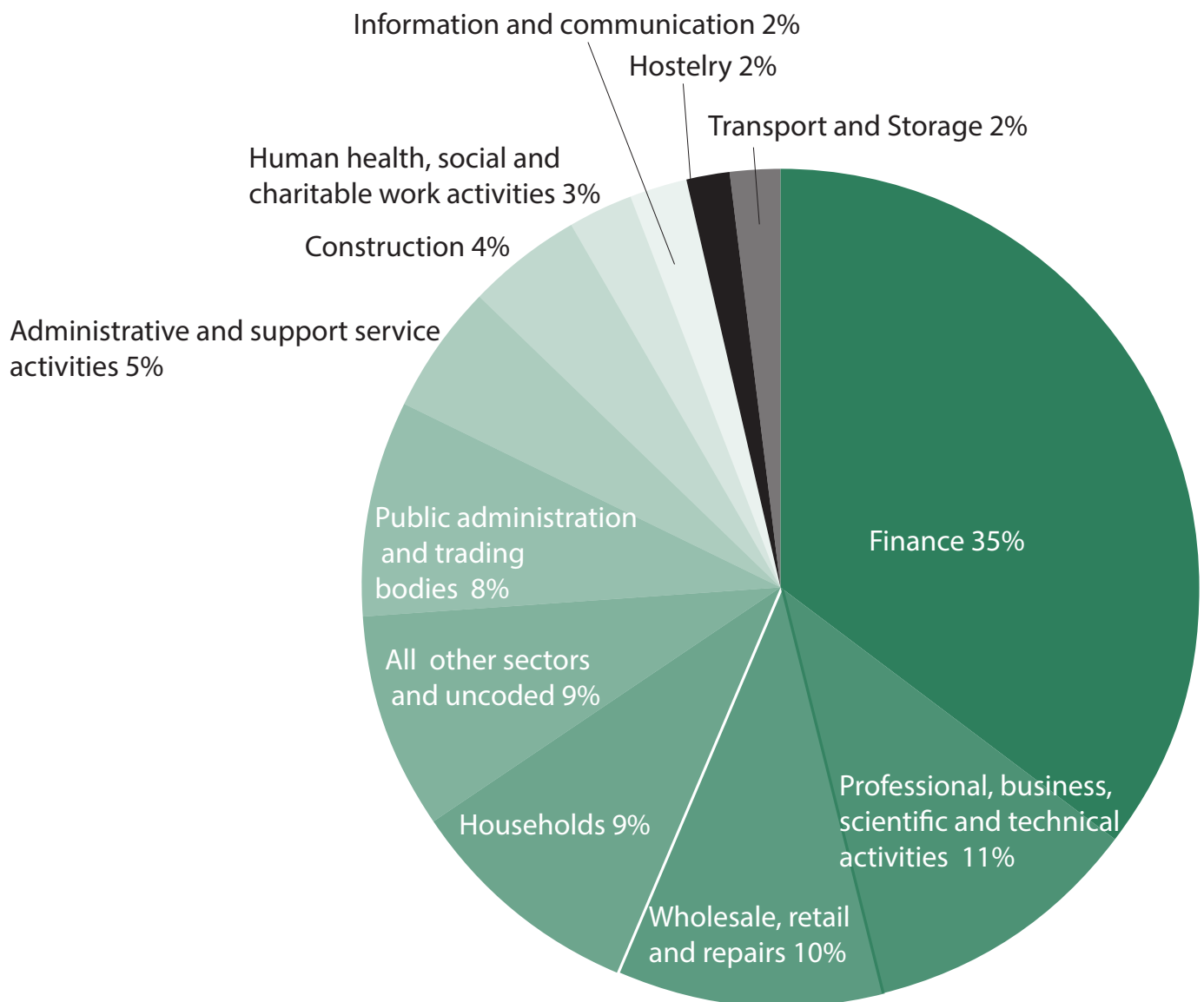


Figure 3.2.2 illustrates GVA for Guernsey's largest sectors five years ago, in 2014. The Finance sector was also the largest component of GVA in 2014, although it represented a smaller proportion of Guernsey's GVA than in 2019. As with 2019 Professional, business, scientific and technical activities was the second largest sector, accounting for 11% of GVA. Wholesale, retail and repairs was the third largest sector, accounting for 10% of GVA in 2014.

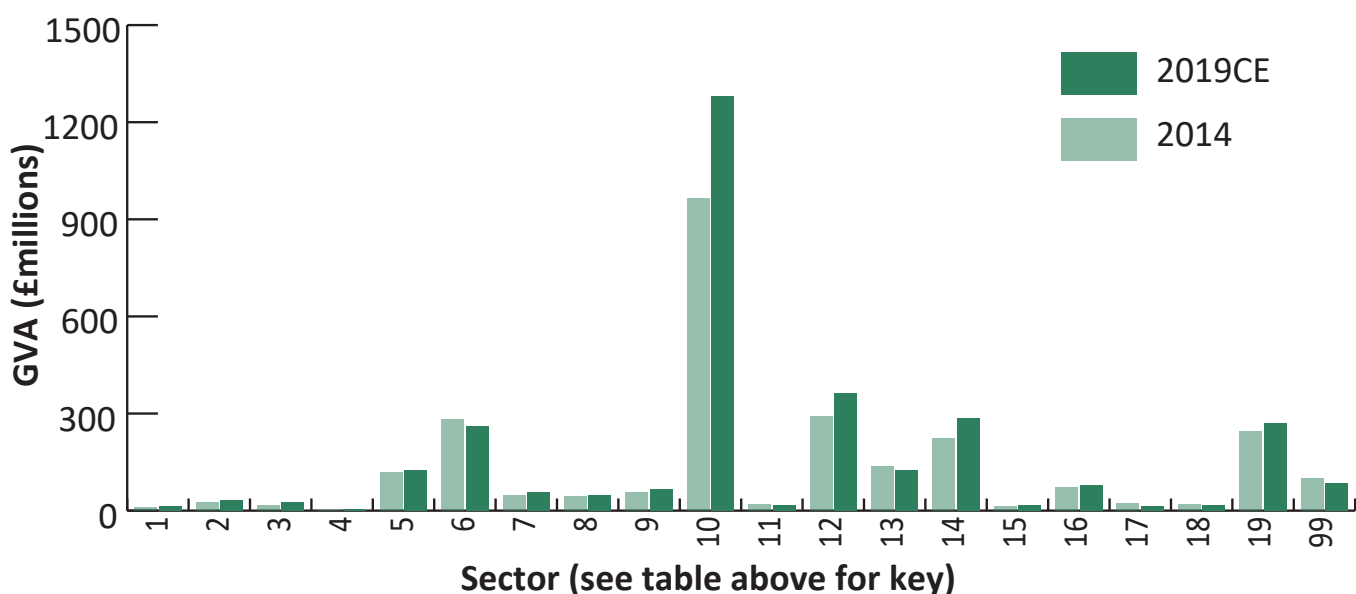
3.3 GVA by sector - all

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

		2014	2015	2016	2017	2018CE	2019CE
1	Agriculture, horticulture, fishing and quarrying	10	13	14	15	13	13
2	Manufacturing	25	29	33	31	31	31
3	Electricity, gas, steam and air conditioning supply	17	15	15	18	15	25
4	Water supply, sewerage, waste management and remediation activities	3	3	4	4	4	4
5	Construction	119	113	107	112	119	126
6	Wholesale, retail and repairs	282	289	255	256	261	261
7	Hostelry	49	52	53	55	55	57
8	Transport and storage	46	43	46	46	48	48
9	Information and communication	57	58	62	62	62	65
10	Finance	966	1,080	1,135	1,247	1,253	1,280
11	Real estate activities	20	18	17	18	17	18
12	Professional, business, scientific and technical activities	293	216	311	336	348	362
13	Administrative and support service activities	136	115	113	114	122	124
14	Public administration and trading bodies	225	253	261	267	278	286
15	Education	15	15	15	16	16	17
16	Human health, social and charitable work activities	72	73	73	75	80	80
17	Arts, entertainment and recreation	22	29	21	13	16	15
18	Other service activities	19	19	17	17	17	17
19	Households	245	244	242	252	262	269
99	Uncoded	101	83	78	80	80	84
	GVA Basic	2,723	2,759	2,872	3,034	3,099	3,181

*CE is the Central Estimate. Data for 2018 and 2019 will be finalised two years after first published.

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)

		2015	2016	2017	2018CE	2019CE	Overall % change 2014 to 2019
1	Agriculture, horticulture, fishing and quarrying	26.4	6.1	5.6	-10.8	-1.2	25.0
2	Manufacturing	15.8	13.7	-7.3	1.2	0.2	23.7
3	Electricity, gas, steam and air conditioning supply	-11.2	-1.2	20.1	-16.7	66.1	46.0
4	Water supply, sewerage, waste management and remediation activities	-1.0	25.5	20.9	-1.4	0.3	48.4
5	Construction	-5.5	-5.0	4.2	6.3	5.8	5.2
6	Wholesale, retail and repairs	2.4	-11.5	0.1	2.1	-0.1	-7.6
7	Hostelry	6.1	0.7	3.9	0.6	2.9	14.9
8	Transport and storage	-7.7	8.4	-1.2	5.4	-0.7	3.4
9	Information and communication	1.5	7.9	0.1	0.4	4.4	14.9
10	Finance	11.7	5.1	9.9	0.4	2.2	32.5
11	Real estate activities	-8.9	-4.6	7.4	-7.1	3.8	-10.0
12	Professional, business, scientific and technical activities	-26.2	43.8	8.2	3.6	4.0	23.7
13	Administrative and support service activities	-15.3	-1.7	1.2	6.4	1.7	-8.8
14	Public administration and trading bodies	12.4	3.2	2.2	4.4	2.7	27.0
15	Education	-4.4	3.8	2.8	1.0	4.8	7.9
16	Human health, social and charitable work activities	1.4	-1.0	3.4	6.0	0.6	10.8
17	Arts, entertainment and recreation	31.9	-26.3	-38.6	22.4	-7.8	-32.7
18	Other service activities	-0.1	-10.6	2.6	1.7	-3.0	-9.6
19	Households	-0.1	-0.8	3.8	4.1	2.7	10.0
99	Uncoded	-17.4	-6.5	3.3	0.2	4.0	-17.0
	GVA Basic	1.3	4.1	5.6	2.1	2.6	16.8

*CE is the Central Estimate. Data for 2018 and 2019 will be finalised two years after first published.

Fourteen of the nineteen economic sectors have recorded an increase in GVA in current prices between 2014 and 2019, as shown in **Table 3.3.1** and **Figure 3.3.1**. The Finance sector, recorded the largest GVA in 2019, at £1,280 million, whilst the Water supply, sewerage, waste management and remediation sector recorded the lowest GVA in 2019 at £4 million.

Over the past 5 years, 2014 to 2019, overall change in GVA was highest in the Water supply, sewerage, waste management and remediation sector at 48%, although as noted above this is the smallest economic sector by GVA. Electricity, gas, steam and air conditioning supply recorded the second highest growth between 2014 and 2019 at 46%; again this sector represents a small proportion of GVA. The Finance sector recorded the third highest growth between 2014 and 2019 at 32%. Overall change in GVA between 2014 and 2019 was lowest in Arts, entertainment and recreation, -33% and Real estate activities at -10%.

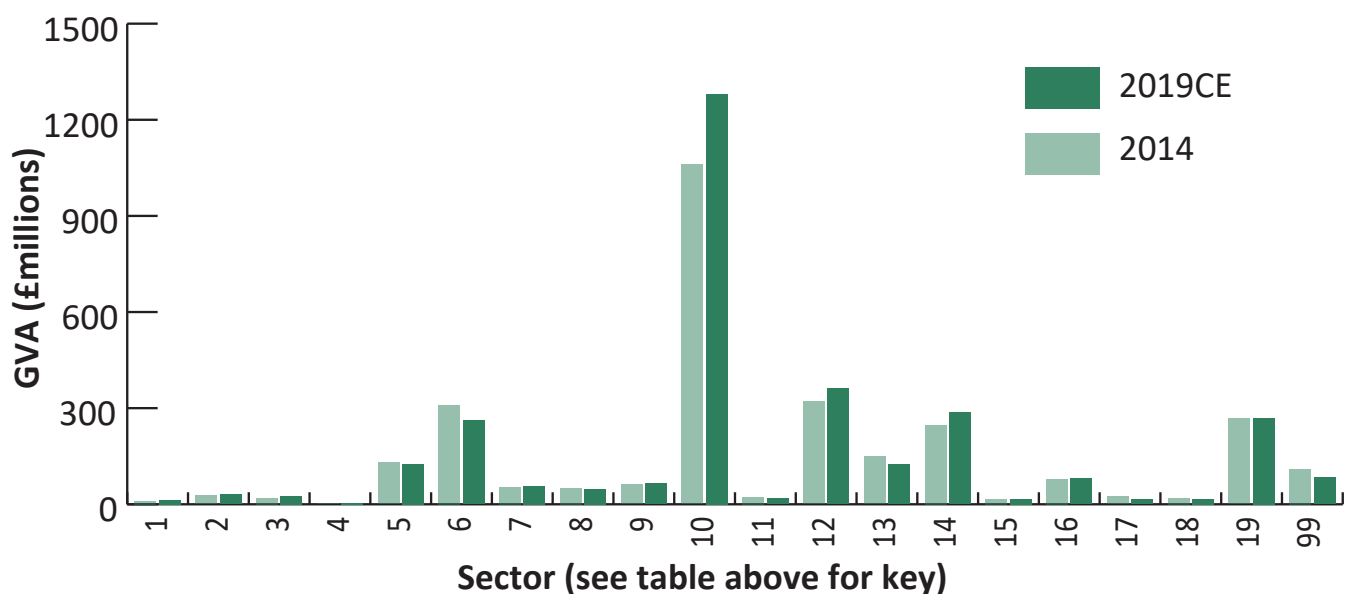
3.3 GVA by sector - all

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

		2014	2015	2016E	2017	2018CE	2019CE
1	Agriculture, horticulture, fishing and quarrying	11	14	15	15	13	13
2	Manufacturing	28	32	35	32	32	31
3	Electricity, gas, steam and air conditioning supply	19	17	16	19	16	25
4	Water supply, sewerage, waste management and remediation activities	3	3	4	5	5	4
5	Construction	131	122	115	117	121	126
6	Wholesale, retail and repairs	309	313	274	268	267	261
7	Hostelry	54	57	57	57	56	57
8	Transport and storage	51	46	50	48	49	48
9	Information and communication	62	62	67	65	64	65
10	Finance	1,060	1,171	1,217	1,307	1,282	1,280
11	Real estate activities	22	20	18	19	17	18
12	Professional, business, scientific and technical activities	321	234	333	352	356	362
13	Administrative and support service activities	149	125	121	120	124	124
14	Public administration and trading bodies	247	274	280	279	285	286
15	Education	17	16	16	16	16	17
16	Human health, social and charitable work activities	79	79	78	79	81	80
17	Arts, entertainment and recreation	24	32	23	14	17	15
18	Other service activities	20	20	18	18	18	17
19	Households	268	265	260	264	268	269
99	Uncoded	111	90	83	84	82	84
	GVA Basic	2,987	2,993	3,080	3,178	3,170	3,181

CE is the Central Estimate. Data for 2018 and 2019 will be finalised two years after first published.

Figure 3.3.2 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)

	2015	2016	2017	2018CE	2019CE	Overall % change 2014-2019
1 Agriculture, horticulture, fishing and quarrying	25.0	4.9	3.2	-12.8	-3.4	14.0
2 Manufacturing	14.6	12.4	-9.4	-1.2	-2.1	12.8
3 Electricity, gas, steam and air conditioning supply	-12.2	-2.3	17.4	-18.6	62.4	33.1
4 Water supply, sewerage, waste management and remediation activities	-2.1	24.0	18.1	-3.7	-2.0	35.3
5 Construction	-6.5	-6.1	1.8	3.8	3.5	-4.1
6 Wholesale, retail and repairs	1.2	-12.5	-2.2	-0.3	-2.4	-15.7
7 Hostelry	4.9	-0.5	1.5	-1.7	0.6	4.8
8 Transport and storage	-8.7	7.1	-3.5	2.9	-2.9	-5.7
9 Information and communication	0.4	6.7	-2.3	-1.9	2.0	4.8
10 Finance	10.5	3.9	7.3	-1.9	-0.1	20.8
11 Real estate activities	-9.9	-5.7	4.9	-9.3	1.5	-17.9
12 Professional, business, scientific and technical activities	-27.0	42.1	5.7	1.1	1.7	12.7
13 Administrative and support service activities	-16.3	-2.8	-1.1	3.9	-0.6	-16.9
14 Public administration and trading bodies	11.1	2.0	-0.2	1.9	0.4	15.8
15 Education	-5.5	2.6	0.4	-1.4	2.4	-1.6
16 Human health, social and charitable work activities	0.3	-2.1	1.0	3.5	-1.6	1.0
17 Arts, entertainment and recreation	30.4	-27.1	-40.0	19.5	-9.9	-38.6
18 Other service activities	-1.2	-11.7	0.3	-0.6	-5.2	-17.6
19 Households	-1.2	-1.9	1.4	1.6	0.4	0.3
99 Uncoded	-18.3	-7.6	0.9	-2.1	1.6	-24.3
GVA Basic	0.2	2.9	3.2	-0.3	0.3	6.5

CE is the Central Estimate. Data for 2018 and 2019 will be finalised two years after first published.

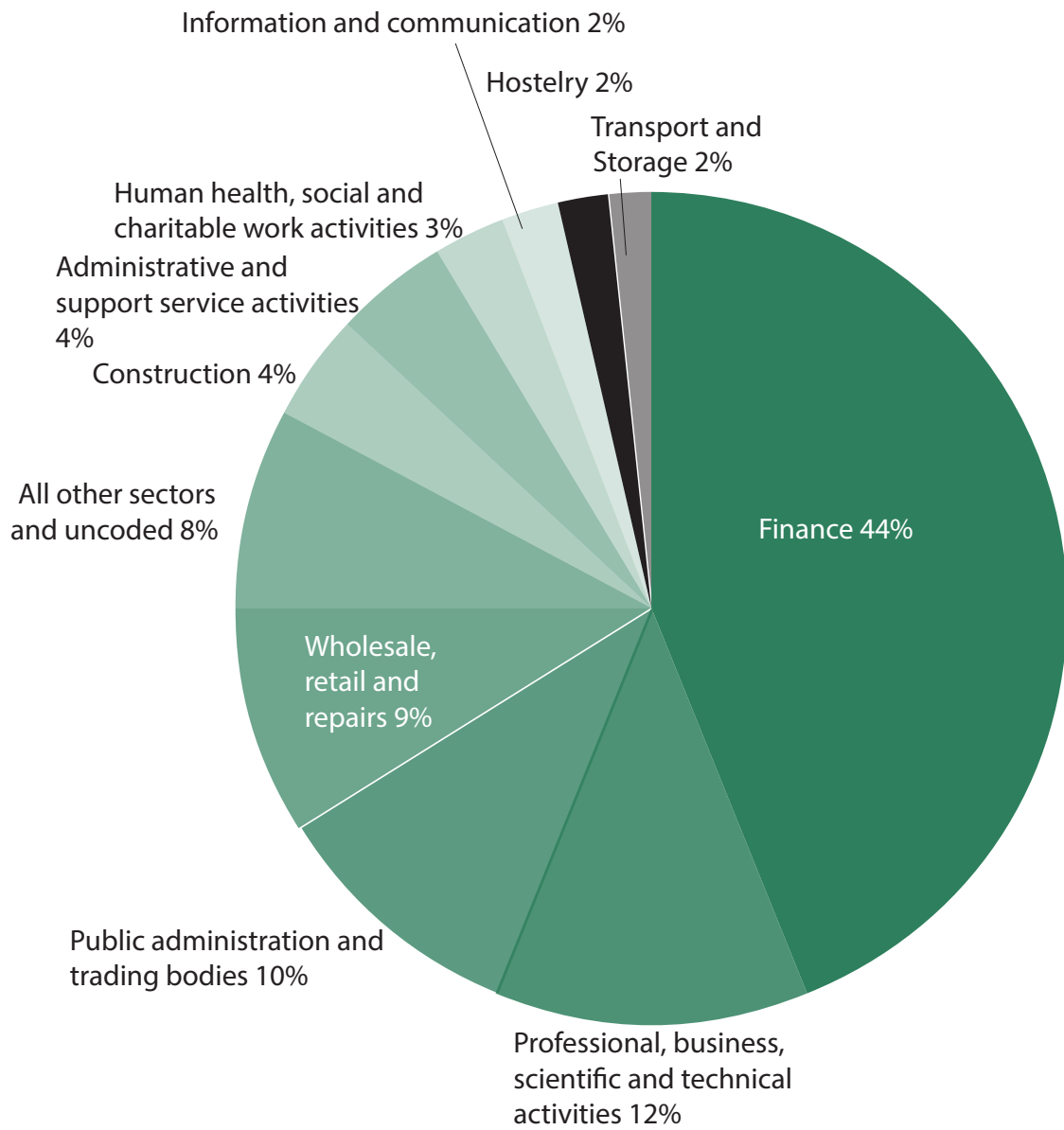
In constant prices, eleven of the nineteen economic sectors have recorded an increase in GVA between 2014 and 2019, as shown in [Table 3.3.3](#) and [Figure 3.3.2](#).

Over the past 5 years, 2014 to 2019, overall change in GVA at constant prices was highest in the Water supply, sewerage, waste management and remediation sector at 35%, albeit this is the smallest sector by GVA. The second highest increase in GVA over this time period was the Electricity, gas, steam and air conditioning supply sector at 33%. The Finance sector saw the third highest growth, 21%.

The lowest change in GVA was the Arts, entertainment and recreation sector, which fell by 39% in real terms between 2014 and 2019 and Real Estate Activities, at -18%.

3.4 Factor income by sector - largest contributors

Figure 3.4.1 Factor income by sector (2019)



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 Factor income in 2019, at 44%, followed by Professional, business, scientific and technical activities at 12% and Public administration and trading bodies at 10%. Factor income by sector data as presented in **Figure 3.4.1** relates to the central estimate for Factor incomes in 2019 (see page 2 for further details).

3.4 Factor income by sector - largest contributors

Figure 3.4.2 Factor income by sector (2014)

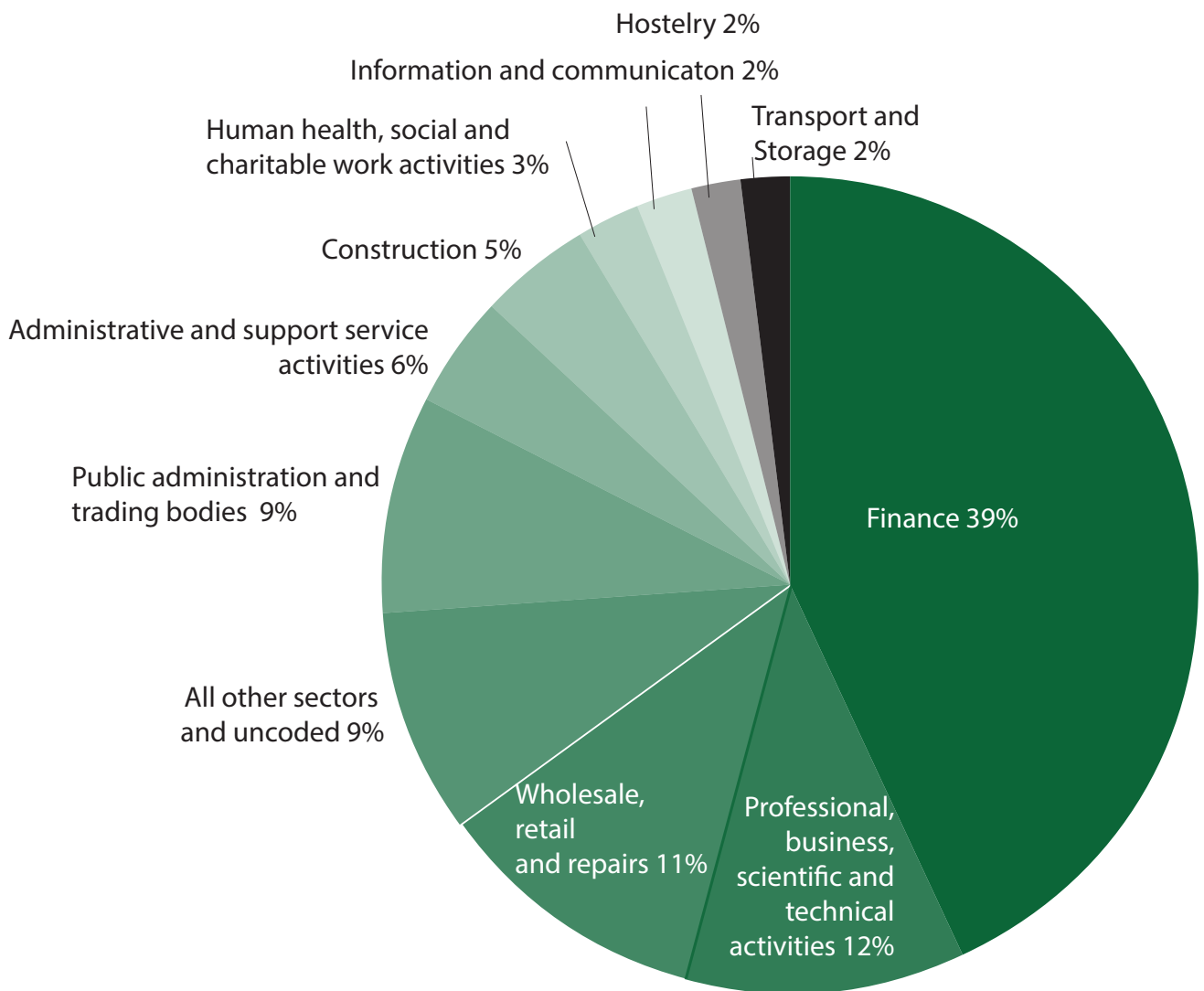


Figure 3.4.2 illustrates the largest contributors to Factor incomes five years ago, in 2014. The Finance sector was also the largest component in 2014, although it represented a smaller proportion (39%) than in 2019. Professional, business, scientific and technical activities was the second largest sector, accounting for 12% of Factor income. Wholesale, retail and repairs was the third largest sector, accounting for 11%.

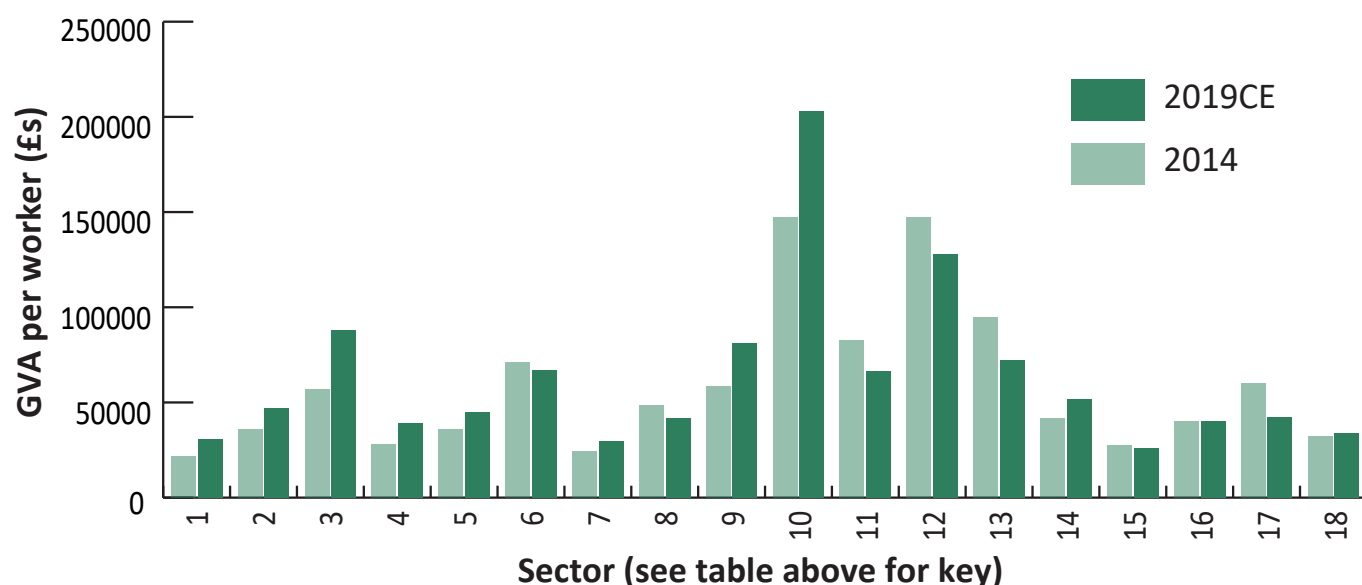
3.5 Factor income per worker by sector

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

		2014	2015	2016	2017	2018CE	2019CE
1	Agriculture, horticulture, fishing and quarrying	22,000	29,189	31,463	34,334	30,287	30,796
2	Manufacturing	36,133	42,476	49,000	46,526	47,284	46,866
3	Electricity, gas, steam and air conditioning supply	57,126	52,783	53,836	62,897	50,499	87,985
4	Water supply, sewerage, waste management and remediation activities	28,225	33,712	37,987	39,466	39,957	39,016
5	Construction	35,941	37,995	38,033	40,807	42,921	45,115
6	Wholesale, retail and repairs	71,298	70,724	62,748	64,140	66,764	66,890
7	Hostelry	24,336	27,021	27,099	28,292	28,660	29,780
8	Transport and storage	48,492	37,569	36,763	39,551	41,185	41,868
9	Information and communication	58,498	73,482	80,748	79,462	80,614	80,911
10	Finance	147,257	175,113	181,888	200,640	200,540	202,995
11	Real estate activities	82,678	63,089	63,292	67,976	65,042	66,268
12	Professional, business, scientific and technical activities	147,103	81,617	114,089	120,923	123,289	128,113
13	Administrative and support service activities	95,064	69,559	70,150	67,565	69,966	72,422
14	Public administration and trading bodies	41,826	46,811	47,988	48,734	50,907	51,491
15	Education	27,697	26,770	26,493	25,805	26,229	25,823
16	Human health, social and charitable work activities	40,064	41,661	40,438	39,063	40,697	40,128
17	Arts, entertainment and recreation	59,887	85,001	59,881	35,475	44,851	42,033
18	Other service activities	32,269	37,319	33,828	33,756	33,811	34,042

CE is the Central Estimate. Data for 2018 and 2019 will be finalised two years after first published.

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)

		2015	2016	2017	2018CE	2019CE	Overall % change 2014-2019
1	Agriculture, horticulture, fishing and quarrying	32.7	7.8	9.1	-11.8	1.7	40.0
2	Manufacturing	17.6	15.4	-5.0	1.6	-0.9	29.7
3	Electricity, gas, steam and air conditioning supply	-7.6	2.0	16.8	-19.7	74.2	54.0
4	Water supply, sewerage, waste management and remediation activities	19.4	12.7	3.9	1.2	-2.4	38.2
5	Construction	5.7	0.1	7.3	5.2	5.1	25.5
6	Wholesale, retail and repairs	-0.8	-11.3	2.2	4.1	0.2	-6.2
7	Hostelry	11.0	0.3	4.4	1.3	3.9	22.4
8	Transport and storage	-22.5	-2.1	7.6	4.1	1.7	-13.7
9	Information and communication	25.6	9.9	-1.6	1.4	0.4	38.3
10	Finance	18.9	3.9	10.3	0.0	1.2	37.9
11	Real estate activities	-23.7	0.3	7.4	-4.3	1.9	-19.8
12	Professional, business, scientific and technical activities	-44.5	39.8	6.0	2.0	3.9	-12.9
13	Administrative and support service activities	-26.8	0.8	-3.7	3.6	3.5	-23.8
14	Public administration and trading bodies	11.9	2.5	1.6	4.5	1.1	23.1
15	Education	-3.3	-1.0	-2.6	1.6	-1.5	-6.8
16	Human health, social and charitable work activities	4.0	-2.9	-3.4	4.2	-1.4	0.2
17	Arts, entertainment and recreation	41.9	-29.6	-40.8	26.4	-6.3	-29.8
18	Other service activities	15.6	-9.4	-0.2	0.2	0.7	5.5

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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.

The Arts, entertainment and recreation and Administration and support service activities sectors saw the largest decrease in factor incomes per worker between 2014 and 2019 by 30% and 24% respectively. By contrast Electricity, gas, steam and air conditioning supply and Agriculture, Horticulture, Fishing and Quarrying recorded the largest increase in factor incomes per worker in current prices between 2014 and 2019, at 54% and 40% respectively, as shown in **Table 3.5.2**. The Finance sector had the largest factor income per worker in 2019, at £202,995 per worker as shown in **Table 3.5.1** and **Figure 3.5.1**.

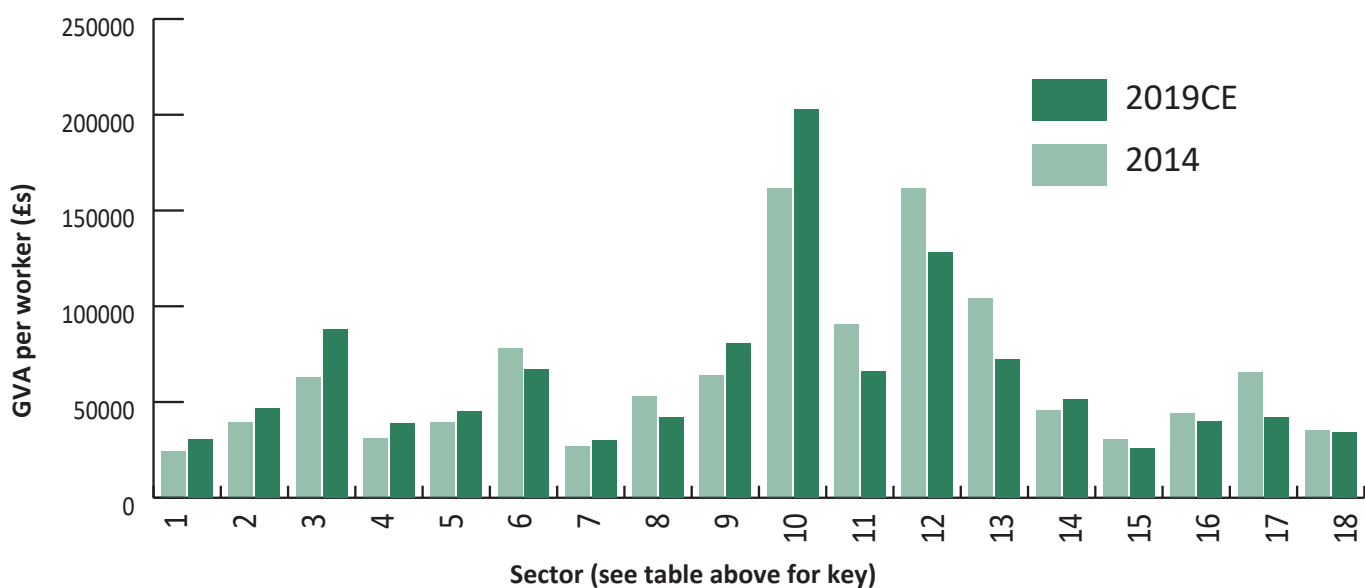
3.5 Factor income per worker by sector

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

		2014	2015	2016	2017	2018CE	2019CE
1	Agriculture, horticulture, fishing and quarrying	24,131	31,664	33,739	35,964	30,980	30,796
2	Manufacturing	39,633	46,078	52,546	48,735	48,366	46,866
3	Electricity, gas, steam and air conditioning supply	62,659	57,259	57,731	65,884	51,654	87,985
4	Water supply, sewerage, waste management and remediation activities	30,958	36,570	40,736	41,340	40,872	39,016
5	Construction	39,422	41,217	40,785	42,745	43,904	45,115
6	Wholesale, retail and repairs	78,204	76,721	67,287	67,186	68,292	66,890
7	Hostelry	26,693	29,312	29,060	29,636	29,316	29,780
8	Transport and storage	53,189	40,755	39,423	41,429	42,128	41,868
9	Information and communication	64,164	79,713	86,590	83,235	82,459	80,911
10	Finance	161,521	189,961	195,059	210,167	205,130	202,995
11	Real estate activities	90,686	68,438	67,872	71,204	66,530	66,268
12	Professional, business, scientific and technical activities	161,351	88,538	122,344	126,665	126,110	128,113
13	Administrative and support service activities	104,272	75,457	75,225	70,774	71,567	72,422
14	Public administration and trading bodies	45,877	50,781	51,460	51,048	52,072	51,491
15	Education	30,379	29,039	28,410	27,030	26,829	25,823
16	Human health, social and charitable work activities	43,945	45,193	43,364	40,917	41,629	40,128
17	Arts, entertainment and recreation	65,688	92,209	64,213	37,160	45,877	42,033
18	Other service activities	35,394	40,483	36,276	35,359	34,585	34,042

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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)

	2015	2016	2017	2018CE	2019CE	Overall % change 2014-2019
1 Agriculture, horticulture, fishing and quarrying	31.2	6.6	6.6	-13.9	-0.6	27.6
2 Manufacturing	16.3	14.0	-7.3	-0.8	-3.1	18.2
3 Electricity, gas, steam and air conditioning supply	-8.6	0.8	14.1	-21.6	70.3	40.4
4 Water supply, sewerage, waste management and remediation activities	18.1	11.4	1.5	-1.1	-4.5	26.0
5 Construction	4.6	-1.0	4.8	2.7	2.8	14.4
6 Wholesale, retail and repairs	-1.9	-12.3	-0.2	1.6	-2.1	-14.5
7 Hostelry	9.8	-0.9	2.0	-1.1	1.6	11.6
8 Transport and storage	-23.4	-3.3	5.1	1.7	-0.6	-21.3
9 Information and communication	24.2	8.6	-3.9	-0.9	-1.9	26.1
10 Finance	17.6	2.7	7.7	-2.4	-1.0	25.7
11 Real estate activities	-24.5	-0.8	4.9	-6.6	-0.4	-26.9
12 Professional, business, scientific and technical activities	-45.1	38.2	3.5	-0.4	1.6	-20.6
13 Administrative and support service activities	-27.6	-0.3	-5.9	1.1	1.2	-30.5
14 Public administration and trading bodies	10.7	1.3	-0.8	2.0	-1.1	12.2
15 Education	-4.4	-2.2	-4.9	-0.7	-3.8	-15.0
16 Human health, social and charitable work activities	2.8	-4.0	-5.6	1.7	-3.6	-8.7
17 Arts, entertainment and recreation	40.4	-30.4	-42.1	23.5	-8.4	-36.0
18 Other service activities	14.4	-10.4	-2.5	-2.2	-1.6	-3.8

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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 2014 and 2019, as shown in **Table 3.5.3** and **Figure 3.5.3**. The Finance sector, recorded the largest factor income per worker in 2019, at £202,995.

As shown in **Table 3.5.4**, over the past five years, the Finance sector, the largest single sector in terms of contribution to GVA, recorded a 26% increase in factor income per worker (at constant prices). Between 2014 and 2019, the overall change in factor incomes in constant prices was highest in the Electricity, gas, steam and air conditioning supply sector at 40% and lowest in Arts, entertainment and recreation at -36%.

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 figures that are 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 within the 2016 and 2017 editions of the Guernsey Annual GVA and GDP Bulletin, available via www.gov.gg/gdp.

The Data & Analysis team have begun to introduce some further improvements to the income approach as part of a programme of improvements to the national statistics that are published and plan to investigate the feasibility and costs of introducing a second (output) approach as well. The States of Guernsey approved the legislation 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>) and the legislation (<http://www.guernseylegalresources.gg/article/177061/Economic-Statistics-Guernsey-and-Alderney-Law-2019>) was registered at the Royal Court in April 2020.

The new legislation has allowed controlled sharing of some of the data collected for Income Tax purposes with the Data & Analysis service (as mentioned in the introduction). 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 and planning for this has begun. 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) or would like any further information, please contact 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. Please contact us for further information.

E-mail: dataandanalysis@gov.gg



For more information
go to gov.gg/data