

Guernsey Annual GVA and GDP Bulletin

2021 (First Estimates)
Issue date 10 November 2022

This bulletin presents estimates of the Gross Domestic Product of Guernsey, along with the Gross Value Added by each sector.



States of Guernsey
Data and Analysis

1.1 Introduction

This bulletin is the sixth 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 2011 to 2021 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, calculations used information from the new Economic Activity Return, which was launched in April 2022 and completed by a representative sample of over 480 selected employers in Guernsey. The Economic Activity Return has enabled the change in Gross operating surplus, which is a relatively volatile component of GDP and GVA and has historically been challenging to estimate with much accuracy, to be estimated with greater confidence than in the past. Appendix 1 provides more detail on the plans for further improvements to the methodology and the likely revisions that may take place as the Economic Activity Return becomes an established and embedded source of data for these calculations.

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)

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, Gross Operating Surplus of corporations, which typically constitutes 36% to 42% of GVA (and is the most unpredictable component) is an area where revisions can be significant. To reflect this, upper and lower estimates are used to indicate the most likely range for figures once finalised and percentage changes are presented rounded to the nearest whole number. 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 throughout.

2021 is the second year in which Government subsidies on production, such as payroll co-funding and the business support schemes, have needed to be accounted for within GDP calculations.

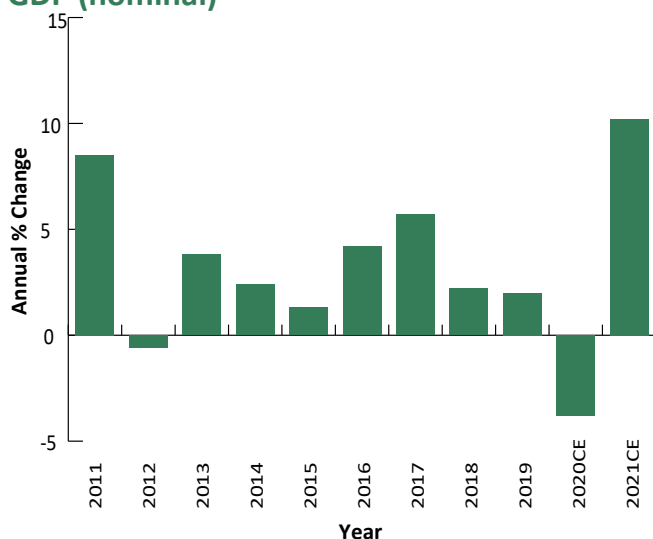
Analysis by sector is presented as close to "market prices" as possible i.e. with all tax payments included and all subsidies excluded by sector (as far as possible) to better show the contribution of each sector to the overall GDP. GDP equals GVA at market prices.

1.2 Headlines

- Guernsey's total GDP (also known as GVA at market prices) for 2021 is estimated at £3,446 million, which is 10% higher than the estimate for 2020 in nominal terms and 6% higher in real terms. In real terms Guernsey's GDP estimate for 2021 is 1% higher than in 2019.
- Government subsidies, such as the payroll co-funding scheme and business support schemes relating to COVID-19, totalled £20 million in Guernsey in 2021. These are included (as a negative figure) within GDP.
- Guernsey GDP per capita in 2021 is £54,329; 61% greater than in the UK in 2021 and 20% greater than Jersey GVA per capita in 2019*. In nominal terms Guernsey's GDP per capita is 10% higher than the estimate for 2020 and 5% higher in real terms.
- The largest two components of GDP are: Compensation of employees, which represented 44% of total GDP in 2021, and Gross operating surplus, which represented 42%.
- The finance sector contributed the highest portion (£1,243 million); 36% of the total GDP or 41% total Factor income in 2021. Factor income is the total for all industry sectors excluding the household sector. The GVA of the finance sector increased by 7% in nominal terms and 3% in real terms between 2020 and 2021, following a decline of 8% in nominal terms and 9% in real terms between 2019 and 2020.
- During 2021, the highest increase in GVA was within the Transport and Storage sector at 92% in nominal terms and 84% in real terms and follows a decline of 64% in both nominal and real terms during 2020. This sector contributed 1% of 2021 GDP.
- GVA growth was lowest in the Professional, business, scientific and technical activities sector in 2021, at 2% in nominal terms and -2% in real terms. This follows growth of 12% in nominal terms and 11% in real terms for this sector during 2020.
- Guernsey's GVA at basic prices (which equates to GDP before the inclusion of taxes and removal of subsidies on products) is estimated at £3,362 million for 2021.

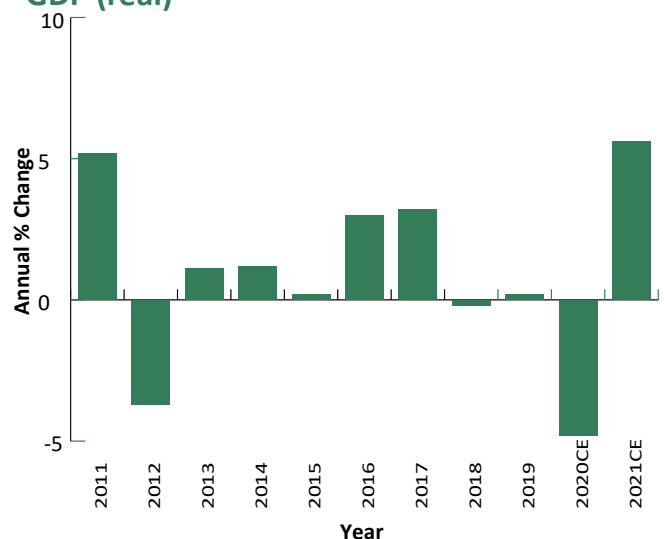
*2021 GVA per capita figures for Jersey are awaiting updated population figures from Jersey's 2021 census.

Figure 1.2.1 Annual percentage change in GDP (nominal)



Note: CE is Central Estimate

Figure 1.2.2 Annual percentage change in GDP (real)



2.1 GDP

Table 2.1.1 GDP

	GDP (£ millions, nominal)	Annual % change in nominal GDP	GDP (£ millions, real)	Annual % change in real GDP
2011	2,629	9	3,263	5
2012	2,615	-1	3,144	-4
2013	2,715	4	3,178	1
2014	2,779	2	3,215	1
2015	2,816	1	3,221	0
2016	2,934	4	3,318	3
2017	3,101	6	3,425	3
2018	3,170	2	3,419	0
2019	3,248	2	3,425	0
2020CE	3,125	-4	3,262	-5
2021CE	3,446	10	3,446	6

Note: CE is the Central Estimate. Upper and Lower Estimates for 2020 and 2021 are illustrated below to give the most likely outcome for GDP once finalised.

Figure 2.1.1 GDP (nominal)

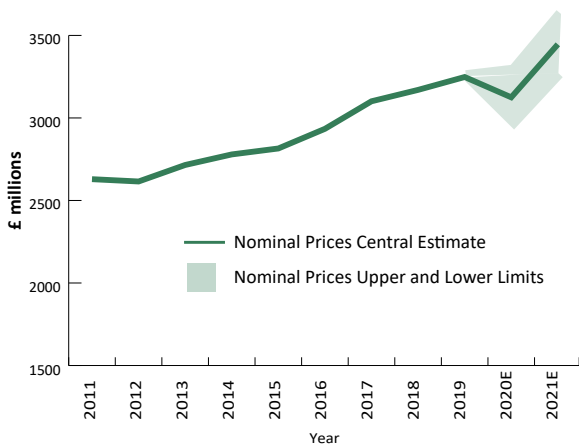
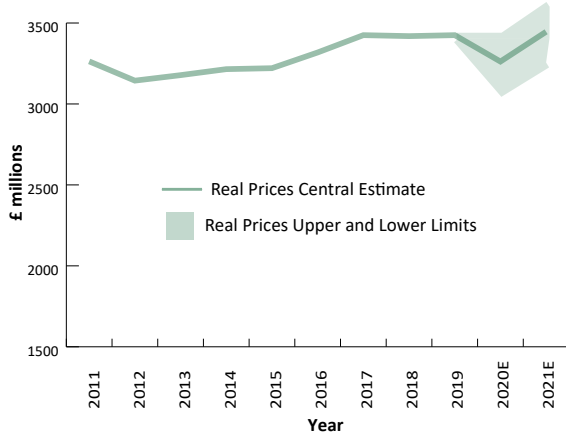


Figure 2.1.2 GDP (real)



Estimated total GDP for 2021 in Guernsey is £3,446 million, which is 10% higher than 2020 in nominal terms, as shown in **Table 2.1.1**. The increase in Guernsey's GDP in 2021 follows a 4% decline in nominal terms during 2020.

Guernsey GDP is also calculated in real terms, as shown in **Table 2.1.1** and **Figure 2.1.2**. Estimates of GDP are reflat using the all items Retail Price Index (RPI) in Guernsey at December 2021. 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 2021 is 6% higher than 2020 in real terms. The increase in GDP in real terms during 2021 follows a 5% decline in GDP in real terms in 2020. In real terms GDP in 2021 is 1% higher than GDP in 2019.

GDP for 2020 and 2021 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 2020 and 2021 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 nominal and real prices (two years after figures first published).

2.2 GDP per capita

In 2021 GDP per capita (per head of population) was estimated to be £54,329, which was 10% higher than 2020 in nominal terms, as shown in **Table 2.2.1** and **Figure 2.2.1**.

In nominal terms, the increase in GDP per capita in Guernsey in 2021 follows a 4% decline in GDP per capita during 2020.

Guernsey GDP per capita is also calculated 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 2021, estimated total GDP per capita was 5% higher than 2020 in real terms. The increase in GDP per capita in real terms during 2021 follows a 5% decline in GDP per capita during 2020. GDP per capita in 2021 in real terms is 1% lower than the equivalent figure for 2019.

Until 2017 Guernsey's population was relatively stable, reaching a high of 63,085 in 2012 before declining to a low of 62,106 in 2017. Since 2017, Guernsey's population has been slowly increasing to reach 63,381 in 2021 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 2020 and 2021 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 nominal and real prices (two years after figures first published).

Table 2.2.1 GDP per capita

	GDP per capita (£s, nominal)	Annual % change in nominal GDP per capita	GDP per capita (£s, real)	Annual % change in real GDP per capita
2011	41,890	8	51,983	4
2012	41,545	-1	49,947	-4
2013	43,385	4	50,774	2
2014	44,583	3	51,570	2
2015	45,242	1	51,756	0
2016	47,170	4	53,343	3
2017	49,930	6	55,154	3
2018	50,885	2	54,889	0
2019	51,811	2	54,638	0
2020CE	49,524	-4	51,683	-5
2021CE	54,329	10	54,329	5

Note: CE is the Central Estimate. Upper and Lower Estimates for 2020 and 2021 are illustrated below to give the most likely outcome for GDP once finalised.

Figure 2.2.1 GDP per capita (nominal)

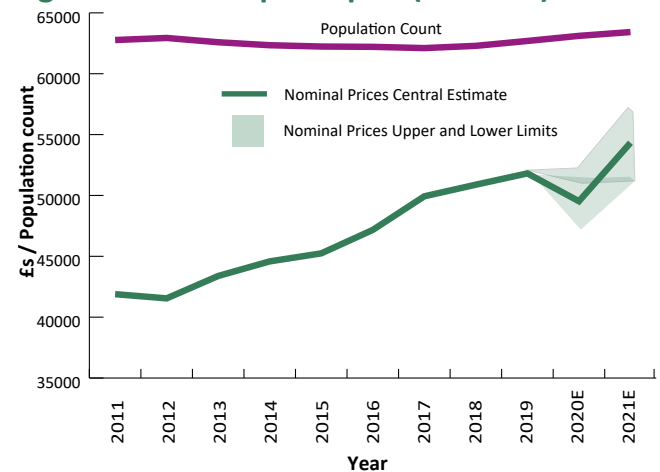
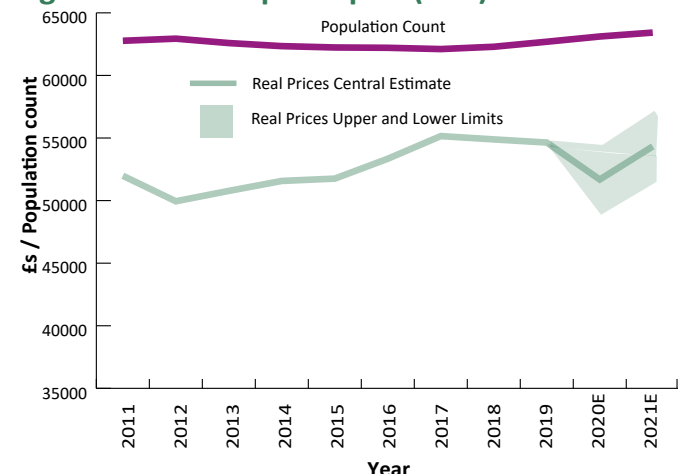


Figure 2.2.2 GDP per capita (real)



2.3 GDP components

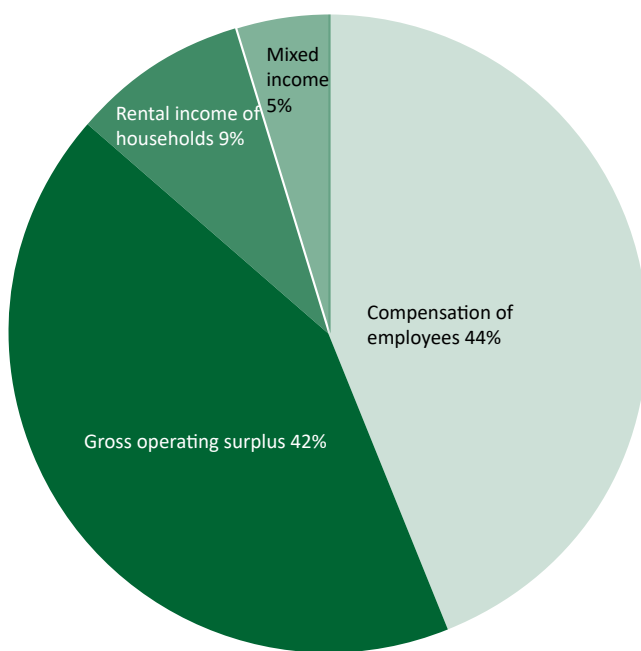
Table 2.3.1 GDP components (£millions, nominal)

	2016	2017	2018	2019	2020CE	2021CE	% change 2020-2021
Compensation of employees	1,294	1,344	1,389	1,435	1,432	1,516	6
Gross operating surplus	1,175	1,276	1,288	1,294	1,208	1,377	14
Mixed income	147	148	145	157	148	157	6
Rental income of households	242	251	261	275	284	313	10
<i>Plus taxes and less subsidies on production*</i>	+14	+15	+15	+16	-23	-0.5	-98
GVA basic	2,872	3,034	3,099	3,176	3,049	3,362	10
<i>Plus taxes and less subsidies on products*</i>	+62	+67	+71	+72	+77	+84	9
GDP (equal to GVA market)	2,934	3,101	3,170	3,248	3,125	3,446	10

* In GDP calculations taxes and subsidies on products and production are included within Gross operating surplus component, but are shown explicitly here for information. Prior to 2020, there were no subsidies on production.

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

Figure 2.3.1 GDP components 2021



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) and includes the addition of taxes on products and production and the deduction of subsidies on products and production, 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).

Guernsey's payroll co-funding and business support schemes, which provided financial support for businesses adversely affected by the pandemic, totalled £20 million in subsidies on production in 2021. In 2020 subsidies on production totalled £44 million. Prior to 2020, there were no subsidies on production.

The largest components of GDP in 2021 were Compensation of employees (representing 44%, £1,516 million of total GDP) and Gross operating surplus (which represented 42%, £1,460 million). Other components included Mixed income at 5% (£157 million), Households, 9% (£313 million) as shown in **Figure 2.3.1**. Taxes less subsidies on products and production are included within Gross operating surplus, they are shown in **Table 2.3.1** and totalled £83 million in 2021.

3.1 Sector contributions (nominal) - all

This year the analysis by sector is presented as close to “market prices” as possible i.e. with taxes included and subsidies excluded from the relevant sector as far as possible to better show the contribution of each sector to the overall GDP. GDP equals GVA at market prices. Previously the sector analysis had been presented at “basic prices”, which showed the contribution of each sector before all taxes were added on and subsidies were netted off (as some of these adjustments were made at whole economy level). This change is purely presentational and not methodological.

All nineteen economic sectors recorded an increase in GVA between 2020 and 2021, as shown in **Table 3.1.1** and **Figure 3.1.1**. The Finance sector, recorded the largest GVA in 2021, at £1,243 million, whilst the Water supply, sewerage, waste management and remediation sector recorded the lowest GVA in 2021 at £5 million.

Between 2020 and 2021, GVA increased most within the Transport and storage sector, 92%, which followed a 64% decline for this sector between 2019 and 2020. The Professional, business, scientific and technical activities sector recorded the smallest increase in GVA between 2020 and 2021, at 2%, which follows a 12% increase for this sector between 2019 and 2020. The Finance sector saw a 7% increase in GVA between 2020 and 2021, which follows an 8% decline between 2019 and 2020. In nominal terms Finance sector GVA in 2021 is 2% below its value in 2019.

Table 3.1.1 GVA Market by sector (£millions, nominal)

		2016	2017	2018	2019	2020CE	2021CE
1	Agriculture, horticulture, fishing and quarrying	12	13	12	12	11	14
2	Manufacturing	33	31	31	32	28	36
3	Electricity, gas, steam and air conditioning supply	15	17	15	24	23	36
4	Water supply, sewerage, waste management and remediation activities	4	4	4	5	4	5
5	Construction	107	112	119	126	111	139
6	Wholesale, retail and repairs	290	291	299	298	308	334
7	Hostelry	60	62	63	68	40	43
8	Transport and storage	59	58	61	62	22	43
9	Information and communication	62	62	62	66	72	81
10	Finance	1,135	1,250	1,256	1,265	1,162	1,243
11	Real estate activities	17	18	17	18	19	21
12	Professional, business, scientific and technical activities	311	337	349	356	398	407
13	Administrative and support service activities	113	114	122	132	118	142
14	Public administration and trading bodies	261	267	278	284	301	316
15	Education	15	16	16	17	16	20
16	Human health, social and charitable work activities	69	72	76	77	77	84
17	Arts, entertainment and recreation	21	13	16	15	12	16
18	Other service activities	17	17	17	17	13	22
19	Households	242	252	262	276	284	315
99	Uncoded*	90	95	96	99	104	130
	GDP (equal to GVA market)	2,934	3,101	3,170	3,248	3,125	3,446

* Most GVA, taxes and subsidies can be allocated by sector. But where this has not been feasible they are included as "uncoded".

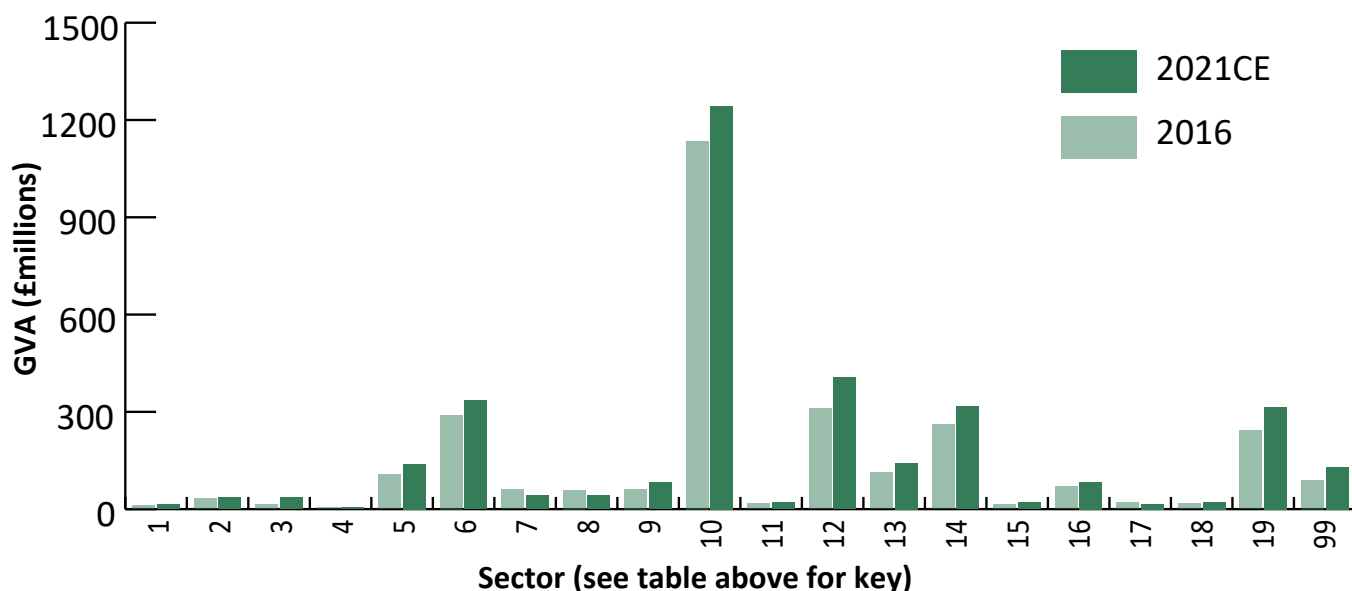
3.1 Sector contributions (nominal) - all

Table 3.1.2 Annual percentage change in GVA Market by sector (% , nominal)

		2017	2018	2019	2020CE	2021CE	Overall % change 2016 to 2021
1	Agriculture, horticulture, fishing and quarrying	8	-10	3	-5	26	19
2	Manufacturing	-7	1	3	-11	25	8
3	Electricity, gas, steam and air conditioning supply	15	-17	68	-5	55	136
4	Water supply, sewerage, waste management and remediation activities	21	-1	4	-8	9	23
5	Construction	4	6	6	-12	26	30
6	Wholesale, retail and repairs	0	3	0	4	8	15
7	Hostelry	4	1	8	-41	6	-28
8	Transport and storage	-1	4	2	-64	92	-27
9	Information and communication	0	0	6	9	13	30
10	Finance	10	0	1	-8	7	10
11	Real estate activities	7	-7	4	5	13	23
12	Professional, business, scientific and technical activities	8	4	2	12	2	31
13	Administrative and support service activities	1	6	9	-11	21	26
14	Public administration and trading bodies	2	4	2	6	5	21
15	Education	3	1	7	-5	26	33
16	Human health, social and charitable work activities	4	6	1	0	9	21
17	Arts, entertainment and recreation	-39	22	-5	-20	29	-27
18	Other service activities	2	2	1	-25	65	30
19	Households	4	4	5	3	11	30
99	Uncoded	5	0	3	5	26	44
	GDP (equal to GVA market)	6	2	2	-4	10	17

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

Figure 3.1.1 GVA Market by sector (£millions, nominal)



3.2 Sector contributions - largest contributors

Figure 3.2.1 GVA by sector in 2021

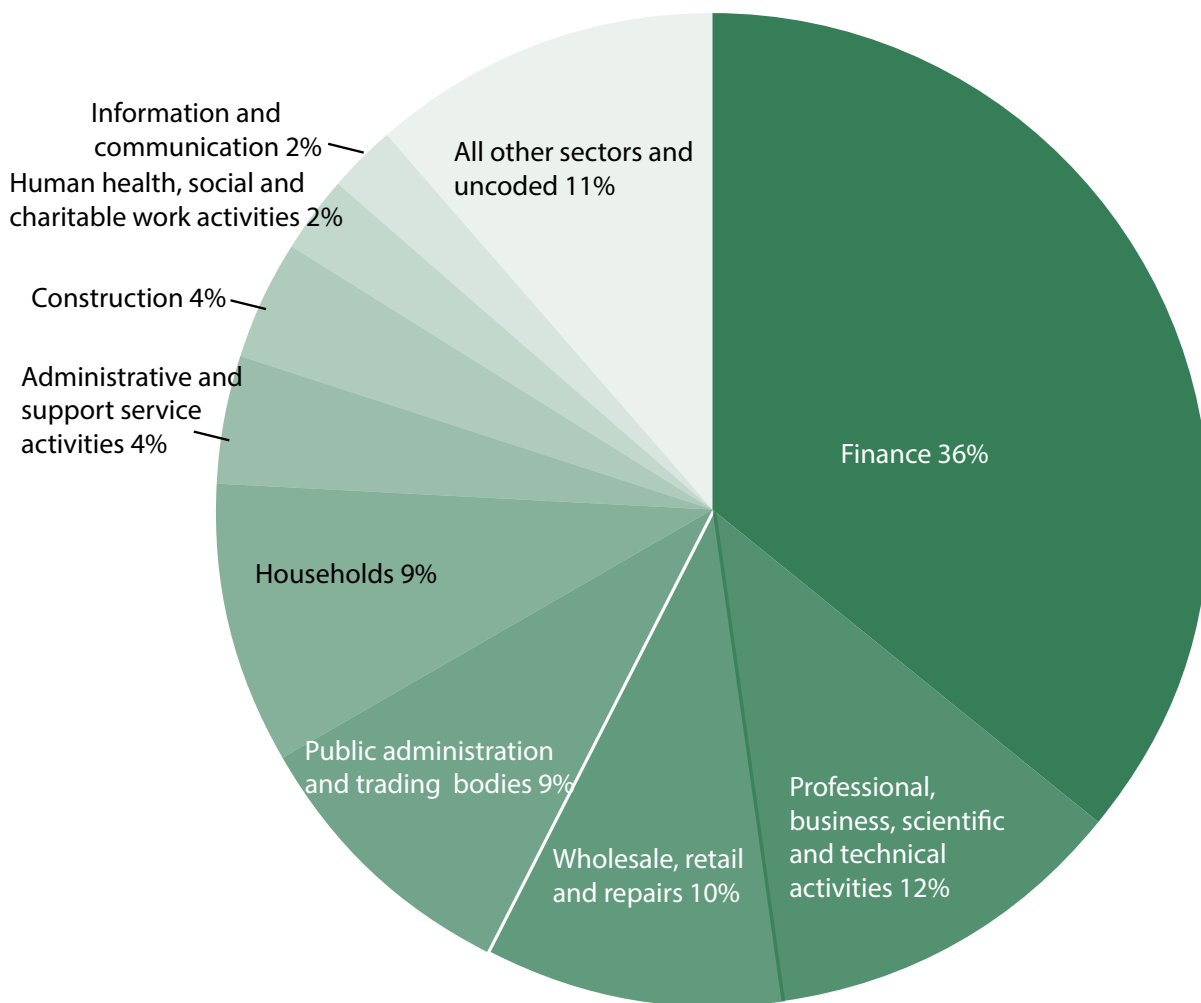


Figure 3.2.1 illustrates GVA in 2021 for Guernsey's largest sectors. The Finance sector was the largest component of GVA in 2021, accounting for 36% of GVA. Professional, business, scientific and technical activities and Wholesale, retail and repairs were the next largest sectors, accounting for 12% and 10% of GVA respectively. Public administration and trading bodies were the fourth largest sector in 2021, accounting for 9% 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 2021 (see page 2 for further details).

3.2 Sector contributions - largest contributors

Figure 3.2.2 GVA by sector 2016

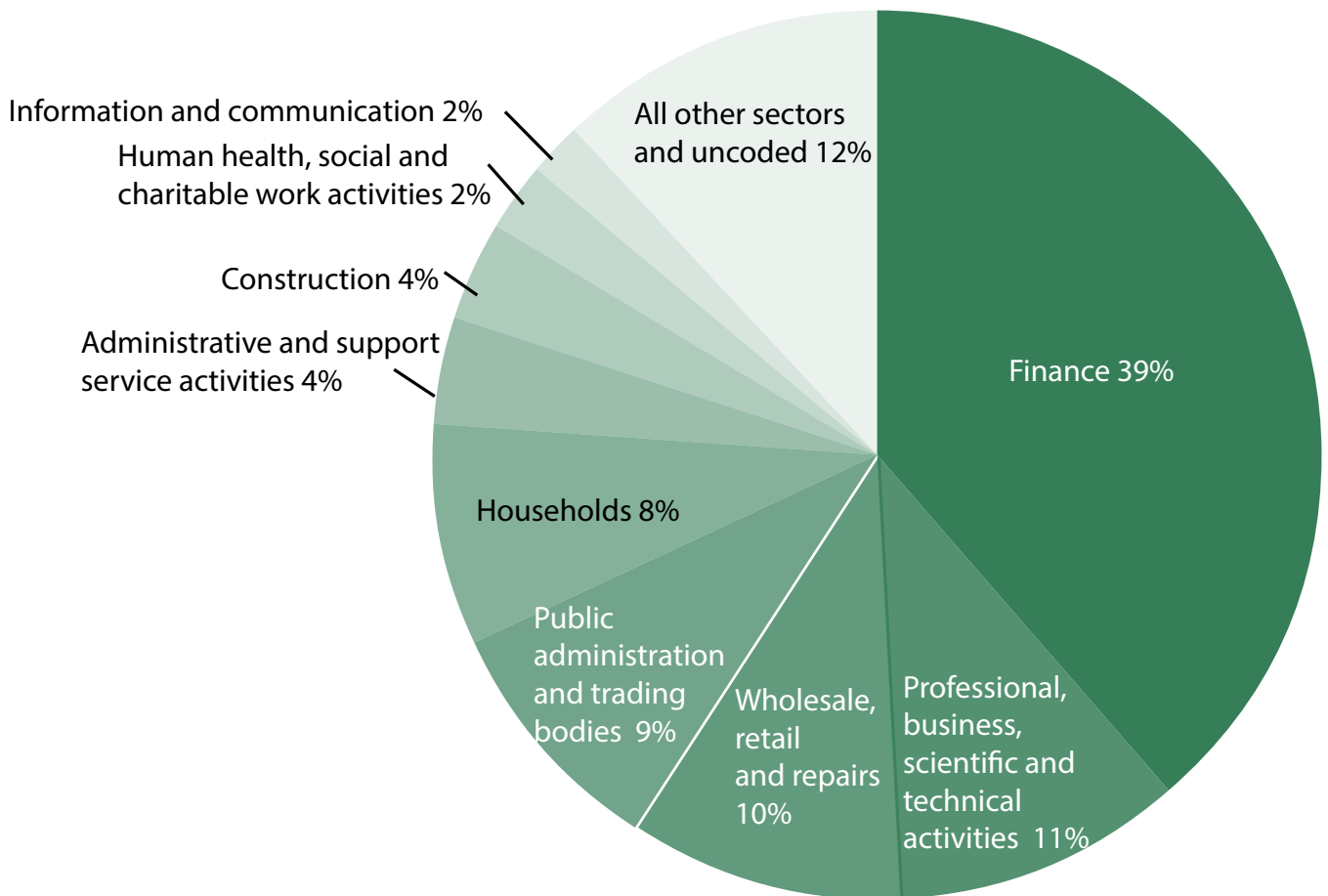


Figure 3.2.2 illustrates GVA for Guernsey's largest sectors five years ago, in 2016. The Finance sector was also the largest component of GVA in 2016, although it represented a higher proportion of Guernsey's GVA than in 2021. As with 2021, Professional, business, scientific and technical activities was the second largest sector in 2016, accounting for 11% of GVA. Wholesale, retail and repairs was the third largest sector, accounting for 10% of GVA in 2016. Public administration and trading bodies was the fourth largest sector, accounting for 9% of GVA.

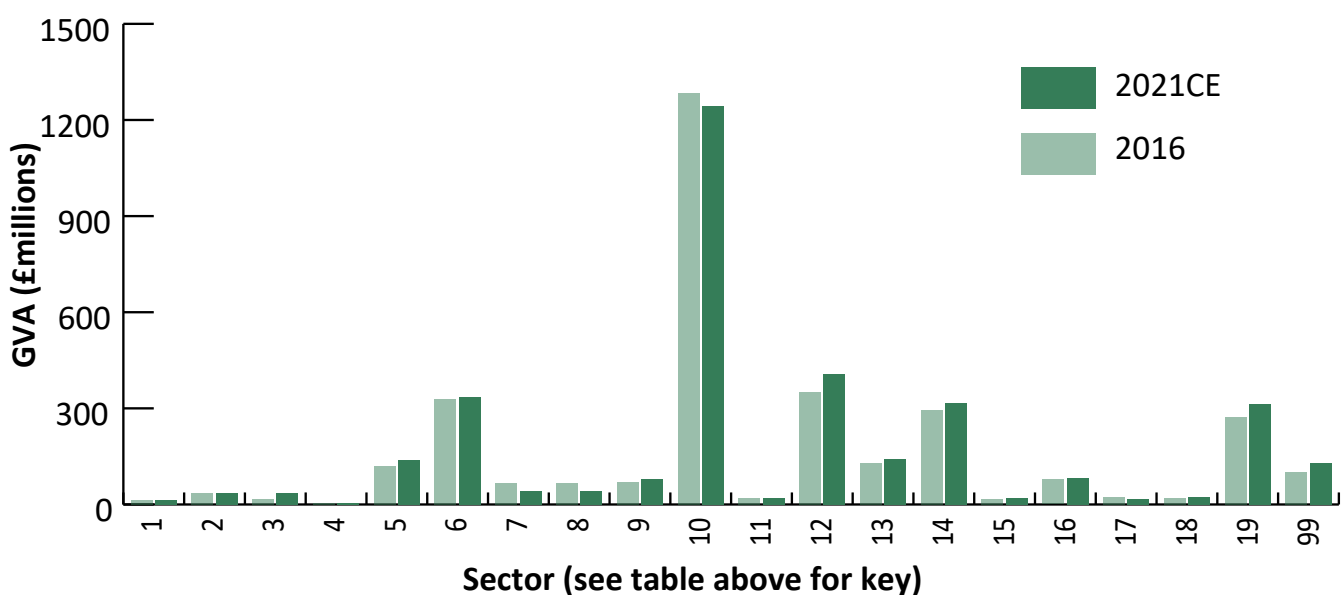
3.3 Sector contributions (real) - all

Table 3.3.1 GVA Market by sector (£millions, real)

		2016	2017	2018	2019	2020CE	2021CE
1	Agriculture, horticulture, fishing and quarrying	14	15	13	13	12	14
2	Manufacturing	37	34	33	34	30	36
3	Electricity, gas, steam and air conditioning supply	17	19	16	26	24	36
4	Water supply, sewerage, waste management and remediation activities	4	5	5	5	4	5
5	Construction	121	123	128	133	115	139
6	Wholesale, retail and repairs	328	321	322	314	322	334
7	Hostelry	67	69	68	72	42	43
8	Transport and storage	66	64	65	65	23	43
9	Information and communication	70	69	67	69	75	81
10	Finance	1,284	1,381	1,354	1,334	1,213	1,243
11	Real estate activities	19	20	18	19	19	21
12	Professional, business, scientific and technical activities	351	372	376	375	416	407
13	Administrative and support service activities	128	126	131	140	123	142
14	Public administration and trading bodies	295	294	300	299	314	316
15	Education	17	17	17	18	17	20
16	Human health, social and charitable work activities	78	79	82	81	81	84
17	Arts, entertainment and recreation	24	15	17	16	13	16
18	Other service activities	19	19	19	18	14	22
19	Households	274	278	282	291	297	315
99	Uncoded	102	105	103	104	108	130
	GDP (equal to GVA market)	3,318	3,425	3,419	3,425	3,262	3,446

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

Figure 3.3.1 GVA by sector (£millions, real)



3.3 Sector contributions (real) - all

Table 3.3.2 Annual percentage change in GVA by sector (% , real)

		2017	2018	2019	2020CE	2021CE	Overall % change 2016-2021
1	Agriculture, horticulture, fishing and quarrying	6	-12	0	-6	21	5
2	Manufacturing	-9	-1	0	-12	20	-5
3	Electricity, gas, steam and air conditioning supply	12	-19	64	-6	49	108
4	Water supply, sewerage, waste management and remediation activities	18	-4	2	-9	4	9
5	Construction	2	4	4	-13	20	15
6	Wholesale, retail and repairs	-2	0	-3	2	4	2
7	Hostelry	2	-1	6	-41	2	-36
8	Transport and storage	-3	2	0	-64	84	-36
9	Information and communication	-2	-2	3	8	8	15
10	Finance	8	-2	-2	-9	3	-3
11	Real estate activities	5	-9	1	4	8	8
12	Professional, business, scientific and technical activities	6	1	0	11	-2	16
13	Administrative and support service activities	-1	4	6	-12	15	12
14	Public administration and trading bodies	0	2	0	5	1	7
15	Education	0	-1	5	-6	21	18
16	Human health, social and charitable work activities	1	4	-1	-1	4	7
17	Arts, entertainment and recreation	-40	20	-7	-21	23	-35
18	Other service activities	-1	0	-1	-26	58	15
19	Households	1	2	3	2	6	15
99	Uncoded*	3	-2	1	4	21	27
	GDP (equal to GVA market)	3	0	0	-5	6	4

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

In real terms, eighteen of the nineteen economic sectors have recorded an increase in GVA between 2020 and 2021, as shown in [Table 3.3.2](#).

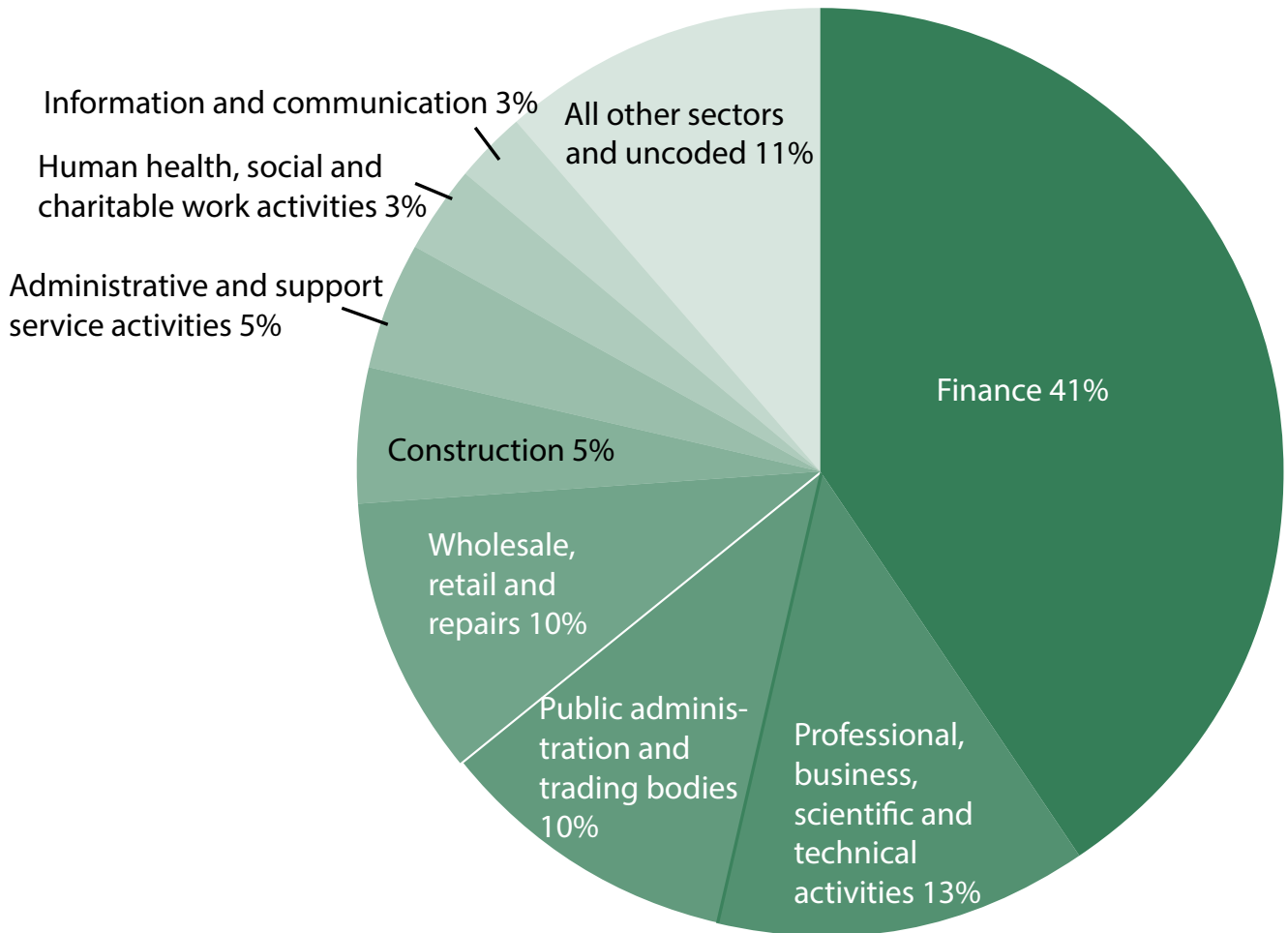
Between 2020 and 2021 overall increase in GVA in real terms was highest in the Transport and storage sector at 84%, this follows a real terms decline for this sector of 64% between 2019 and 2020. The Transport and storage sector accounts for 1% of GVA at market prices in 2021.

The only decline in GVA, between 2020 and 2021 was the Professional, business, scientific and technical activities at -2%, this sector accounts for 12% of GVA at market prices in 2021. The decline in the Professional, business, scientific and technical activities sector during 2021 follows an increase in real terms of 11% between 2019 and 2020.

Over the past five years, 2016-2021, overall change in GVA in real terms was highest in the Electricity, gas, steam and air conditioning supply sector at 108% and lowest in the Transport and storage and Hostelry sectors, both -36%. Both Transport and storage and Hostelry sectors saw significant declines in GVA during 2020, -64% and -41% respectively.

3.4 Factor income by sector - largest contributors

Figure 3.4.1 Factor income by sector 2021



Factor income excludes the Households sector contribution to GVA and just includes industry sector contributions. **Figure 3.4.1** illustrates the largest contributors to Factor income by sector. The Finance sector made the largest contribution to Factor income in 2021, at 41%, followed by Professional, business, scientific and technical activities at 13% 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 2021 (see **page 2** for further details).

3.4 Factor income by sector - largest contributors

Figure 3.4.2 Factor income by sector 2016

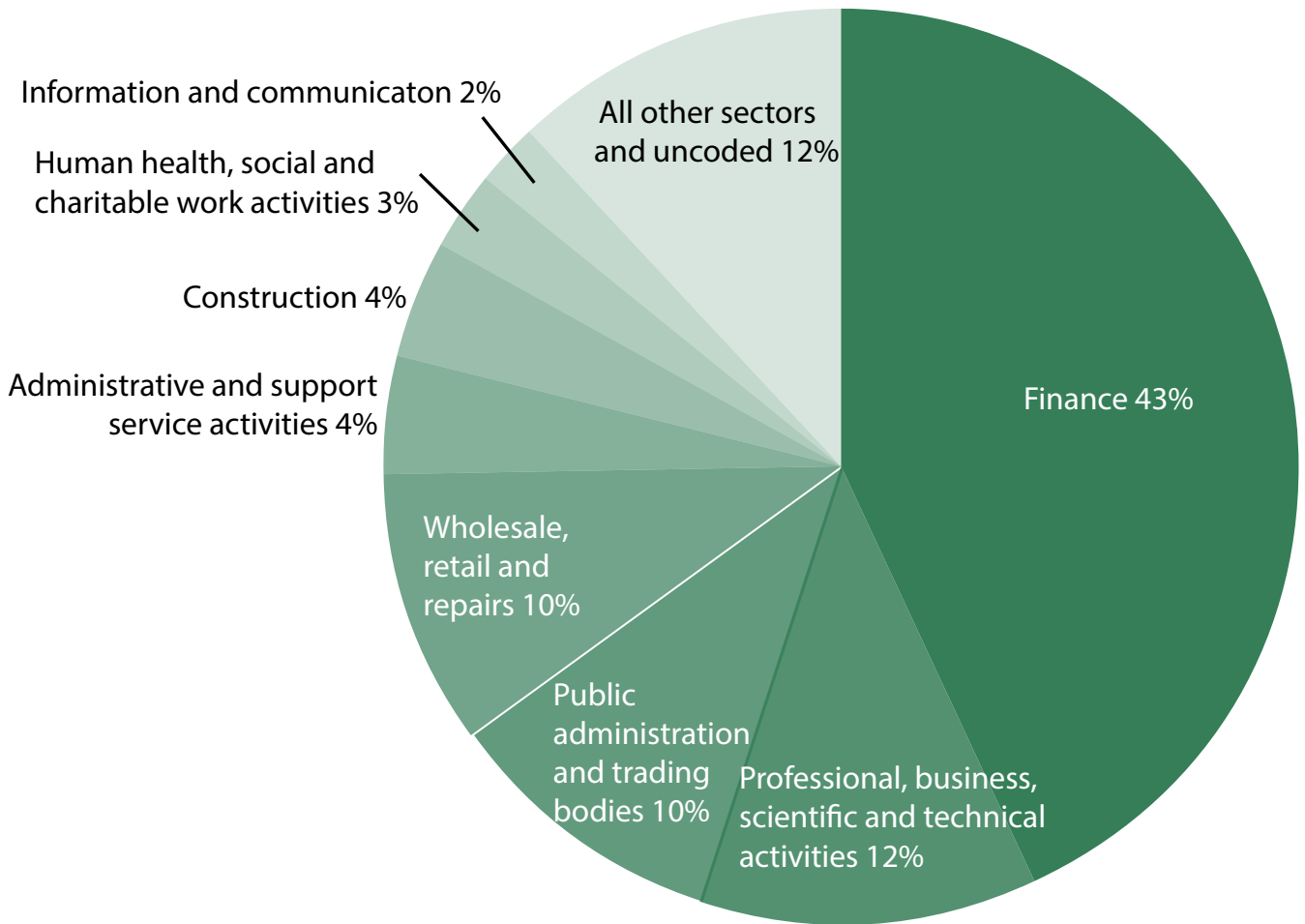


Figure 3.4.2 illustrates the largest contributors to Factor incomes five years ago, in 2016. The Finance sector was also the largest component in 2016, although it represented a higher proportion (43%) than in 2021. Professional, business, scientific and technical activities was the second largest sector, accounting for 12%, representing a smaller proportion of factor income than in 2021. Public administration and Trading bodies was the third largest sector, accounting for 10% of Factor income.

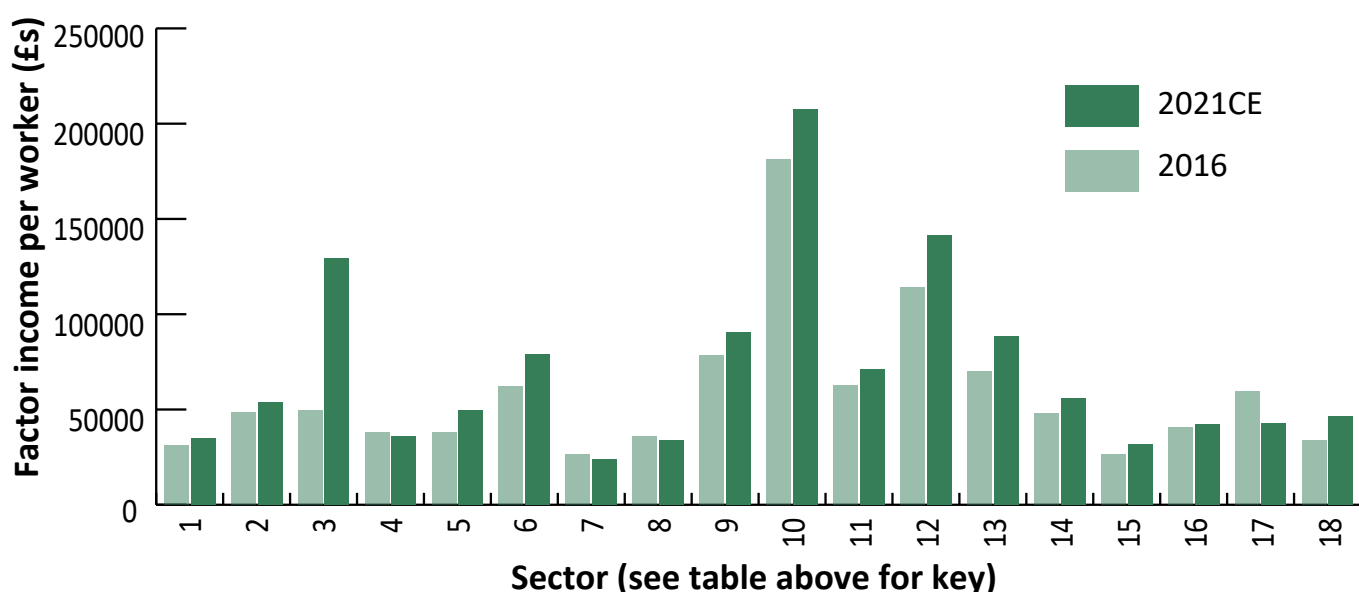
3.5 Factor income by sector - per worker

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

		2016	2017	2018	2019	2020CE	2021CE
1	Agriculture, horticulture, fishing and quarrying	31,331	34,203	30,161	31,277	28,544	34,853
2	Manufacturing	48,451	45,943	46,684	47,420	44,616	53,825
3	Electricity, gas, steam and air conditioning supply	49,678	55,915	44,082	80,294	79,789	129,563
4	Water supply, sewerage, waste management and remediation activities	37,987	39,466	39,957	40,426	37,103	35,868
5	Construction	38,033	40,810	42,928	45,188	40,618	49,540
6	Wholesale, retail and repairs	62,240	63,588	66,215	66,188	71,107	79,179
7	Hostelry	26,531	27,725	28,047	30,832	23,333	23,655
8	Transport and storage	35,935	38,597	40,163	42,496	15,723	33,823
9	Information and communication	78,515	77,112	78,213	78,940	79,779	90,646
10	Finance	181,096	200,197	200,154	199,694	192,249	207,331
11	Real estate activities	62,545	67,193	64,265	65,273	62,501	71,257
12	Professional, business, scientific and technical activities	113,888	120,862	123,232	125,560	140,063	141,545
13	Administrative and support service activities	69,810	67,320	69,772	76,988	72,115	88,483
14	Public administration and trading bodies	47,988	48,732	50,909	51,099	53,185	55,681
15	Education	26,493	25,805	26,230	26,429	25,509	31,779
16	Human health, social and charitable work activities	40,438	39,043	40,678	40,320	38,698	42,312
17	Arts, entertainment and recreation	59,714	35,311	44,693	43,041	33,391	42,861
18	Other service activities	33,828	33,459	33,562	35,206	29,998	46,358

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

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



3.5 Factor income by sector - per worker

Table 3.5.2 Annual percentage change in Factor income per worker by sector (% , nominal)

		2017	2018	2019	2020CE	2021CE	Overall % change 2016-2021
1	Agriculture, horticulture, fishing and quarrying	9	-12	4	-9	22	11
2	Manufacturing	-5	2	2	-6	21	11
3	Electricity, gas, steam and air conditioning supply	13	-21	82	-1	62	161
4	Water supply, sewerage, waste management and remediation activities	4	1	1	-8	-3	-6
5	Construction	7	5	5	-10	22	30
6	Wholesale, retail and repairs	2	4	0	7	11	27
7	Hostelry	5	1	10	-24	1	-11
8	Transport and storage	7	4	6	-63	115	-6
9	Information and communication	-2	1	1	1	14	15
10	Finance	11	0	0	-4	8	14
11	Real estate activities	7	-4	2	-4	14	14
12	Professional, business, scientific and technical activities	6	2	2	12	1	24
13	Administrative and support service activities	-4	4	10	-6	23	27
14	Public administration and trading bodies	2	4	0	4	5	16
15	Education	-3	2	1	-3	25	20
16	Human health, social and charitable work activities	-3	4	-1	-4	9	5
17	Arts, entertainment and recreation	-41	27	-4	-22	28	-28
18	Other service activities	-1	0	5	-15	55	37

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

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

The Electricity, gas, steam and air conditioning supply and Other service activities sectors saw the largest increase in factor incomes per worker between 2016 and 2021, 161% and 37% respectively. By contrast Arts, entertainment and recreation and Hostelry recorded the largest decrease in factor incomes per worker in nominal terms between 2016 and 2021, at 28% and 11% respectively, as shown in **Table 3.5.2**. The Finance sector had the largest factor income per worker in 2021, at £207,331 per worker as shown in **Table 3.5.1** and **Figure 3.5.1**.

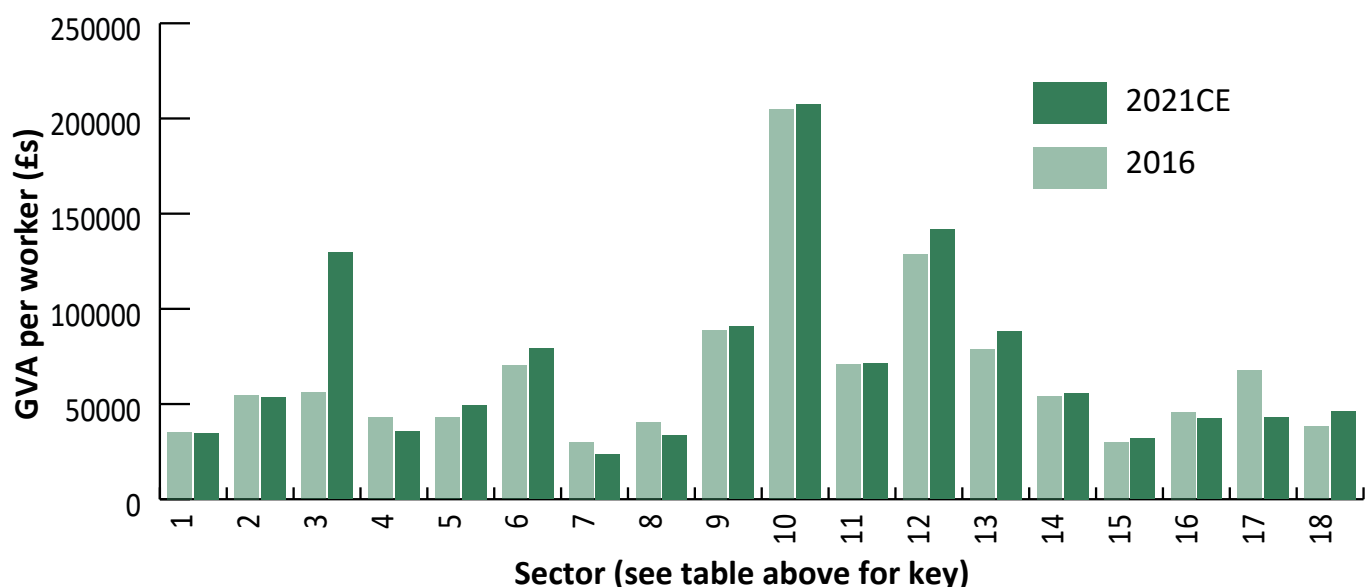
3.5 Factor income by sector - per worker

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

		2016	2017	2018	2019	2020CE	2021CE
1	Agriculture, horticulture, fishing and quarrying	35,431	37,782	32,534	32,983	29,789	34,853
2	Manufacturing	54,791	50,750	50,358	50,007	46,561	53,825
3	Electricity, gas, steam and air conditioning supply	56,179	61,766	47,551	84,675	83,268	129,563
4	Water supply, sewerage, waste management and remediation activities	42,958	43,595	43,102	42,631	38,721	35,868
5	Construction	43,010	45,080	46,307	47,653	42,389	49,540
6	Wholesale, retail and repairs	70,385	70,242	71,425	69,800	74,208	79,179
7	Hostelry	30,003	30,626	30,254	32,514	24,350	23,655
8	Transport and storage	40,637	42,635	43,324	44,814	16,408	33,823
9	Information and communication	88,789	85,181	84,368	83,247	83,258	90,646
10	Finance	204,794	221,145	215,905	210,590	200,632	207,331
11	Real estate activities	70,730	74,223	69,323	68,835	65,226	71,257
12	Professional, business, scientific and technical activities	128,791	133,508	132,930	132,411	146,170	141,545
13	Administrative and support service activities	78,945	74,364	75,263	81,189	75,259	88,483
14	Public administration and trading bodies	54,267	53,831	54,915	53,887	55,504	55,681
15	Education	29,960	28,505	28,294	27,871	26,622	31,779
16	Human health, social and charitable work activities	45,729	43,128	43,879	42,520	40,386	42,312
17	Arts, entertainment and recreation	67,528	39,006	48,210	45,389	34,847	42,861
18	Other service activities	38,255	36,960	36,203	37,126	31,306	46,358

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

Figure 3.5.3 Factor incomes per worker by sector (£s, real)



3.5 Factor income by sector - per worker

Table 3.5.4 Annual percentage change in Factor income per worker by sector (% , real)

		2017	2018	2019	2020CE	2021CE	Overall % change 2016-2021
1	Agriculture, horticulture, fishing and quarrying	7	-14	1	-10	17	-2
2	Manufacturing	-7	-1	-1	-7	16	-2
3	Electricity, gas, steam and air conditioning supply	10	-23	78	-2	56	131
4	Water supply, sewerage, waste management and remediation activities	1	-1	-1	-9	-7	-17
5	Construction	5	3	3	-11	17	15
6	Wholesale, retail and repairs	0	2	-2	6	7	12
7	Hostelry	2	-1	7	-25	-3	-21
8	Transport and storage	5	2	3	-63	106	-17
9	Information and communication	-4	-1	-1	0	9	2
10	Finance	8	-2	-2	-5	3	1
11	Real estate activities	5	-7	-1	-5	9	1
12	Professional, business, scientific and technical activities	4	0	0	10	-3	10
13	Administrative and support service activities	-6	1	8	-7	18	12
14	Public administration and trading bodies	-1	2	-2	3	0	3
15	Education	-5	-1	-1	-4	19	6
16	Human health, social and charitable work activities	-6	2	-3	-5	5	-7
17	Arts, entertainment and recreation	-42	24	-6	-23	23	-37
18	Other service activities	-3	-2	3	-16	48	21

Note: CE is the Central Estimate. Data for 2020 and 2021 will be finalised two years after first published.

Factor incomes per worker are a measure of the total GVA of each sector expressed in relation to the number of employees and self employees within each sector. [Table 3.5.3](#), [Table 3.5.4](#) and [Figure 3.5.3](#) express these values in real terms, adjusted for price inflation.

Eleven of the eighteen industry sectors have recorded an increase in Factor incomes per worker in real terms between 2016 and 2021, as shown in [Table 3.5.3](#) and [Figure 3.5.3](#). The Finance sector, recorded the largest factor income per worker in 2021, at £207,331.

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 1% increase in factor income per worker in real terms. Between 2016 and 2021, the overall change in factor incomes in real terms was highest in the Electricity, gas, steam and air conditioning supply sector at 131% and lowest in Arts, entertainment and recreation at -37%.

4.1 Appendix 1 - 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 <https://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 approach as well. In 2020, [The Economic-Statistics \(Guernsey and Alderney\) Law, 2019](#) was enacted. This allowed controlled sharing of some of the data collected for Income Tax purposes with the Data & Analysis service. It has also highlighted inadequacies of using data collected for Income Tax purposes for the purpose of calculating GVA and GDP. Specifically around the Gross Operating Surplus of entities that are part of multi-national enterprises; including those operating across more than one of the islands within the Channel Islands.

To address these inadequacies, the Data & Analysis service launched a mandatory annual Economic Activity Return for employers in April 2022. The Economic Activity Return comprised a form which was completed by a stratified sample of employers (see <https://gov.gg/economicactivityreturn>). Over 480 employers in Guernsey completed the return this year and the information provided by them was extremely valuable to those undertaking GVA and GDP calculations and forecasts this year. As this is a new data source further validation is required before it can fully replace previous sources of data. Once full confidence in the new information source has been established, currently published GVA and GDP statistics may need to be re-stated.

Further improvements will be aligned with work to implement a Secondary pension scheme in Guernsey, which will require individuals and organisations that are employers to provide some additional details via their employer returns, such as:

- Separation of information on wages paid to current employees from pensions paid to past employees
- The occupation of each employee (coded using <https://gov.gg/ocodes>)
- The number of hours worked by each employee (or the hours the employee is contracted to work)
- The value of employer contributions to occupational / secondary pension schemes

This information will be used both within GVA and GDP calculations and to improve measures of average earnings.

It is hoped that the planned improvements will enable greater accuracy and higher confidence in published figures, particularly first estimates, which historically have been 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 approach being taken is intended to be the least administratively burdensome approach to gathering the additional information needed to provide GVA and GDP figures with an acceptable degree of confidence.

If you are interested in being involved in the design of this process or would like any further information, please contact dataandanalysis@gov.gg.

5.1 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.

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For more information
go to gov.gg/data