

**REPLY BY THE MINISTER OF
THE COMMERCE AND EMPLOYMENT DEPARTMENT
TO A QUESTION ASKED PURSUANT TO RULE 6 OF THE
RULES OF PROCEDURE BY DEPUTY E BEBB**

1. *Has the department given consideration of a TRP payment structure program over 5 years? Allowing startups to pay the largest amounts of TRP when profitable?*

In developing the Economic Development Strategy, which will be published quarter one 2014, the Commerce and Employment Department has worked closely with the Policy Council in order to consider a range of options that might offer financial support for businesses during their start-up phase. This included looking at:

- TRP and Social Security Contribution holidays for start-ups
- Tax breaks for business development
- Cash flow assistance
- Creation of a business debt line
- Fast tracking of states procurement
- The development of an Angel Seed fund

An assessment of the viability and possible impact of these options was considered by the Fiscal and Economic Policy Group. It concluded that the option which could provide the greatest benefit to the economy was the development of an Angel Seed fund. The merits of providing such a fund and an assessment of potential need are currently being investigated.

2. *Has the department given consideration to discussions with the Social Security Department to allow a similar 5 year payment structure program of employer social security payments?*

Please see the answer to question 1.

3. *Has the department entered into discussions with the telecom providers for a package of telephone and internet connections with starting with little cost and then gradually increasing to the full cost.*

The Commerce and Employment Department is working to ensure that the Island's businesses and households have access to quality and affordable telecommunications services. The Department is in regular contact with the Island's telecommunications operators, who have made useful contributions to the Department's work. Your suggestion of initial discounts in the pricing of telephone and internet connections for start-ups is one of a number of initiatives that can assist the growth of start-ups. The Department is aware of such discount pricing structures being offered by companies providing managed office accommodation to SMEs and start-ups, with telephone and internet connections forming part of a wider package of monthly office space rental. However, ultimately the pricing of telephone and internet services to start-ups is first and foremost a commercial decision for the telecommunications operators.

4. *What other proposals has the department considered in relation to encouraging entrepreneurs to set up in Guernsey, including any that were dismissed.*

The Commerce and Employment Department fully understands the potential benefits that incoming entrepreneurs may bring with them when establishing businesses in Guernsey. The Department is currently rebranding and refreshing its online presence for those considering relocating themselves or their businesses. The Department will also raise the profile of named advisory contacts and native guides for those looking to relocate businesses.

This work is alongside the many other promotional efforts undertaken by various private sector businesses and of course Government agencies such as Guernsey Finance. The recent States-approved increase in funds

for Guernsey Finance is also an indication of the seriousness with which Commerce and Employment treats this important promotional matter.’

5. *Does the department envisage laying a policy letter before the States of Deliberation concerning this very important matter within the next year?*

The Department intends to publish the Economic Development Strategy early in the New Year. As this will be a framework document, it is not intended to bring this to the States at this time. However, there are initiatives within the Economic Development Framework which may require placing for before the States.

Date of Receipt of the Question: 12th December 2013

Date of Reply: 20th December 2013
