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Guernsey praised in KPMG island economies research

Guernsey has fared well in an assessment of island economies and infrastructure carried out by the island offices of [KPMG](#).

The report, entitled *Island Economies and their Infrastructure, An Outlook 2010 and Beyond*, shows how future investment in infrastructure is critical to meeting growing expectations of public services and to ensure the continued prosperity of islands.

Ashley Paxton, Head of Advisory for KPMG in the Channel Islands, said that there was clearly a significant competitive advantage for those governments with a strategic approach to infrastructure development.

“As Guernsey faces up to a number of major infrastructure projects, it is in an advantageous position – it has no external debt and a targeted planning approach with its strategic plan,” he said.

The KPMG research, conducted with data and information support from Island Analysis, covered 16 island jurisdictions, including Guernsey, Jersey and the Isle of Man.

The findings highlighted how many island jurisdictions are struggling to finance their growing infrastructure requirements. Very few had a structured approach to infrastructure planning.

But Guernsey was reflected positively, particularly over the lack of national debt – some regions had ratios in excess of 100 percent and are struggling to finance infrastructure projects. The report gave the island credit for its targeted approach to government infrastructure policy and strategy. Guernsey was one of just a few jurisdictions with a defined process, through the newly-adopted States Strategic Plan.

KPMG International has also commissioned independent research of more than 300 executives and board members of major companies worldwide, which highlighted the view that the private sector believed that significant investment in infrastructure was needed to support future economic growth, and, more specifically, the long-term growth of their organisations.

90 percent of those surveyed said that the quality and availability of infrastructure would directly affect where they locate and expand to. 'Given this statistic it is evident there is scope for Guernsey to use its infrastructure investment plans for real competitive advantage,' added Mr Paxton.

The report also revealed that more than three-quarters of respondents feared that their jurisdictions would not support their long-term growth with sufficient infrastructure investment. 80 percent believed that governments should consider private-public initiatives.

KPMG's islands' research also uncovered significant problems across all island jurisdictions in delivering projects on time or on budget, highlighting a need for improvements in project management, planning and controls.

There is particular pressure on islands to invest in education, healthcare, housing and transport. The majority of island governments surveyed felt that their infrastructure was in average shape – just 11 percent believed it was good and 22 percent said it was poor.

Mr Paxton added: "For many island jurisdictions it is clear that the gap is widening between the expectations of the islanders' infrastructure requirements and the ability of island governments to continue to deliver that infrastructure.

"There is no simple solution to this challenge to close the 'expectation gap'. What is required of island governments is a strong consistent focus on employing all possible best practice solutions, coupled with learning from the experiences of other islands."

Release Ends