

## The Channel Islands' contribution to UK growth and investment



# Overview

Jersey and Guernsey each bring distinct strengths to the UK, yet together they form a complementary network of British-centric international finance centres (IFCs) that support the UK's economic resilience and global competitiveness. For generations, the Channel Islands have acted as close partners to the UK, enabling capital to flow efficiently, transparently and securely into key sectors of the British economy, from infrastructure and housing to innovation, private enterprise and employment.

Both Jersey and Guernsey offer sophisticated, high-quality financial services with deep expertise across funds, private wealth, corporate services and cross-border investment. Each island has developed its own strengths within these sectors, shaped by history, market demand and regulatory design, and together they provide a breadth and depth of capability. Both have proven track records in supporting alternative investment structures, sustainable finance initiatives and specialist solutions that meet the needs of global investors who ultimately deploy significant capital into the UK.

Despite differences in emphasis, both share the qualities that matter most to the UK: high, internationally recognised regulatory standards; political and fiscal stability; and a continued commitment to transparency, good governance and responsible growth. Both islands meet or exceed global expectations around compliance and oversight, providing a level of security and confidence that strengthens the UK's international reputation. Each island offers a mature, well-regulated environment in which global investors can operate with trust, supporting the UK through periods of change and uncertainty.

Individually, each island adds value to the UK. Together, their contribution is significantly greater. The combined expertise of the Channel Islands strengthens the UK's access to global capital, enhances the resilience of its financial services ecosystem and reinforces its position on the world stage. The islands' differences serve to broaden the UK's reach, while their shared standards and values ensure that this contribution is delivered responsibly and consistently. Jersey and Guernsey stand together as committed partners to the UK, aligned in purpose, complementary in capability and united in supporting a thriving, confident and forward-looking British economy.

# Investment from the Channel Islands

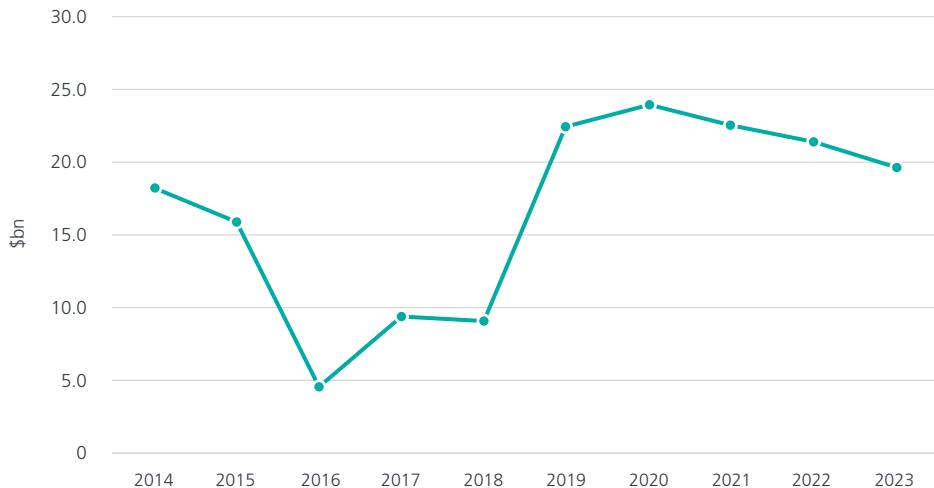
Foreign direct investment (FDI) from Jersey and Guernsey, both known for their well-regulated and investor-friendly financial sectors, provides a useful measure of their significant roles in global capital flows. This paper aims to explore the patterns of outward FDI originating from these jurisdictions, with a particular focus on investment flows to some key destinations, including the UK.<sup>1</sup>

## Outward FDI from Jersey

Jersey's outward direct investment amounted to \$19.7bn in 2023 (latest available data). Over the decade to 2023, outward FDI from Jersey increased by an annual average rate of 17.1%. However, it is important to note that outward investment from Jersey exhibited considerable volatility over the decade with the recent minor dip partly reflecting the effects of the Covid-19 pandemic, which temporarily impeded usual capital flows as markets responded to global uncertainty; see Figure 1.

**FIGURE 1:** Outward direct investment from Jersey, 2014-2023

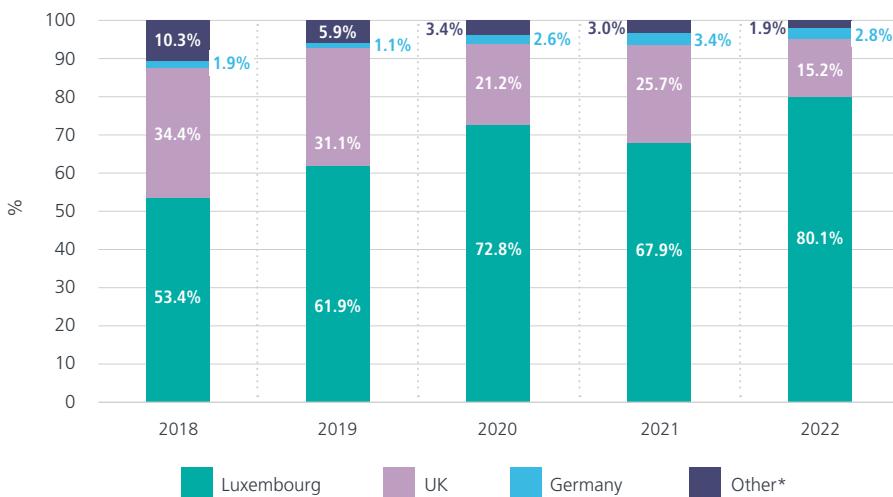
Source: TheCityUK calculations based on IMF data



Europe remained the primary principal destination for Jersey's FDI, accounting for nearly 100% of outward investment in 2022.<sup>2</sup> Luxembourg received the largest share, at 80.1%, followed by the UK at 15.2%, and Germany at 2.8%. These countries have consistently ranked among the main leading destinations for Jersey's investment over the five-year period 2018-2022; see Figure 2.

**FIGURE 2:** Jersey's outward direct investment by destination country, % share, 2018-2022

Source: TheCityUK calculations based on IMF data



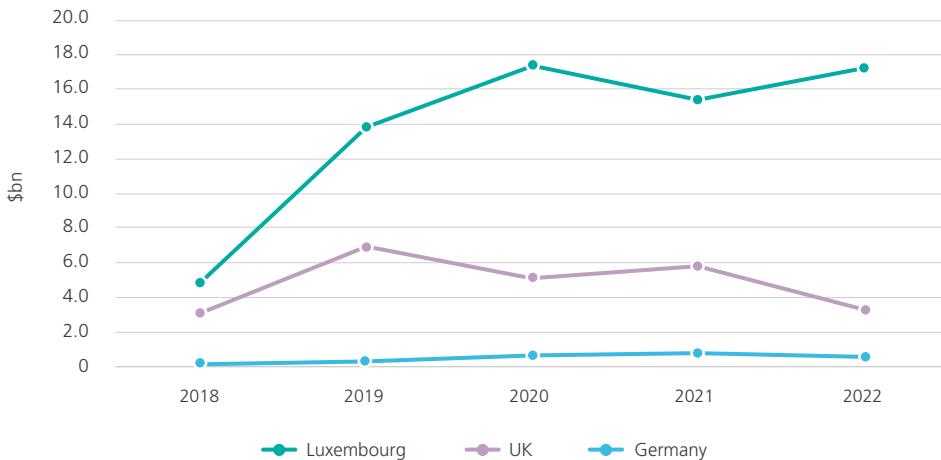
\*'Other' includes Cyprus, Paraguay, Bulgaria, Canada, Malta, Poland, Ireland, Mauritius.



Jersey's **outward direct investment** into the UK was  
**£3.3BN** in 2022

**FIGURE 3: Jersey's outward direct investment to main destinations, 2018-2022**

Source: TheCityUK calculations based on IMF data

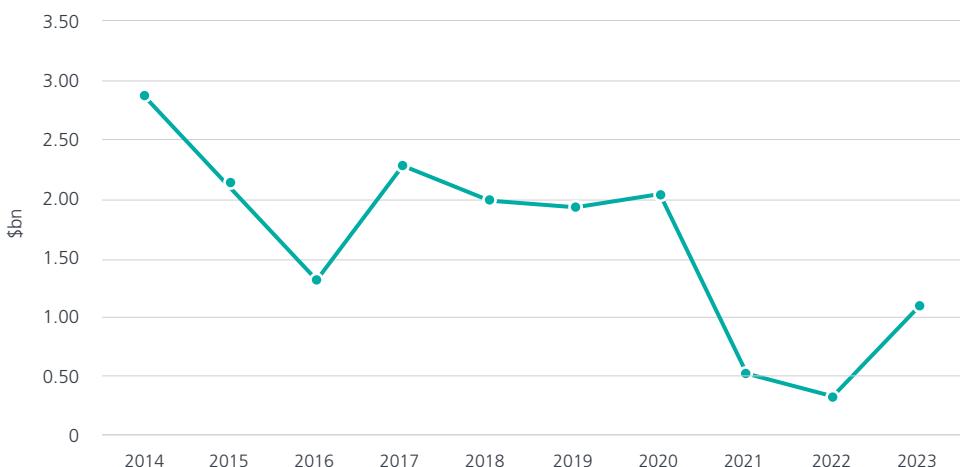


## Outward FDI from Guernsey

According to research by Frontier Economics, Guernsey-domiciled fund investment into the UK is growing at double the growth rate of the UK's FDI. Outward direct investment from Guernsey followed a generally downward trend over the decade to 2023. While technically the annual average rate of growth over the period was 12.7%, this figure is not particularly representative of the trend as it was significantly influenced by sharp fluctuations from year to year. Notably, the drop in investment can be attributed in part to the market disruptions caused by the Covid-19 pandemic, which temporarily slowed down usual capital flows and contributed to the sharp decline seen in 2021. In particular, 2023 recorded a pronounced rebound in outward FDI: after reaching its lowest point of \$339m in 2022, investment surged to over \$1.1bn in 2023. This recovery from near-zero levels in 2022 skews the average rate, highlighting that the overall trend was one of volatility rather than a steady decline; see Figure 4.

**FIGURE 4:** Outward direct investment from Guernsey, 2014-2023

Source: TheCityUK calculations based on IMF data



The UK was the leading destination, attracting 72.2% of this investment, followed by Luxembourg with 17.8%, Germany with 7.1%, and Bulgaria with 2.6%. In 2023, Luxembourg's share was one third of its level in 2019. Conversely, the UK's share rose from around 40% in 2019 to nearly three quarters of the total investment in 2023.<sup>3</sup> Both Germany and Bulgaria almost doubled their shares over the same period; see Figure 5.



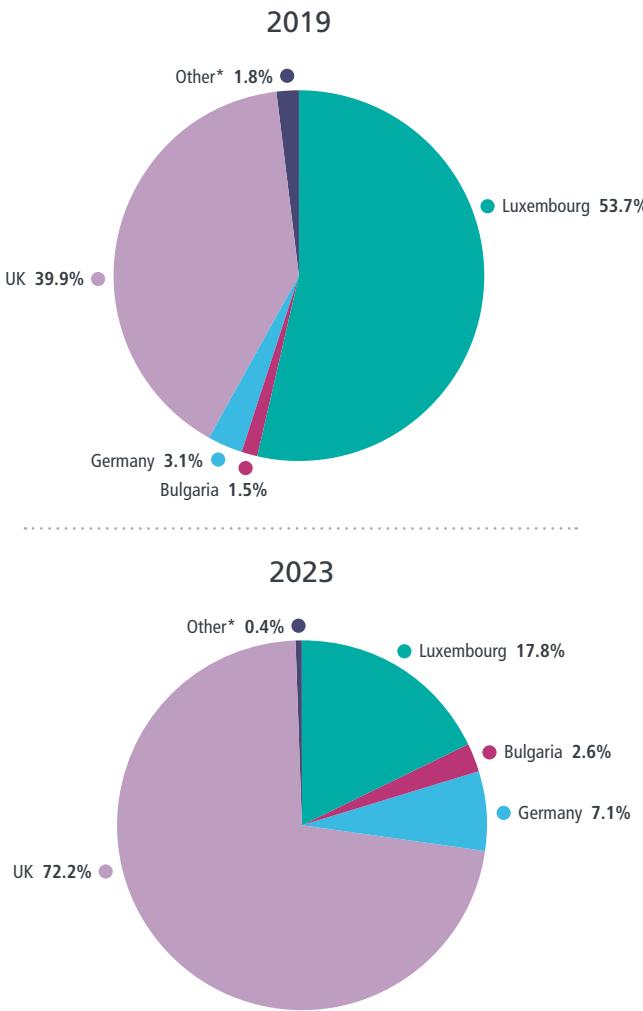
Over **72%** of Guernsey's **foreign direct investment** in 2023 went to the UK



St Peter Port, Guernsey

**FIGURE 5:** Outward direct investment from Guernsey by destination country, % share, 2019 and 2023

Source: TheCityUK calculations based on IMF data

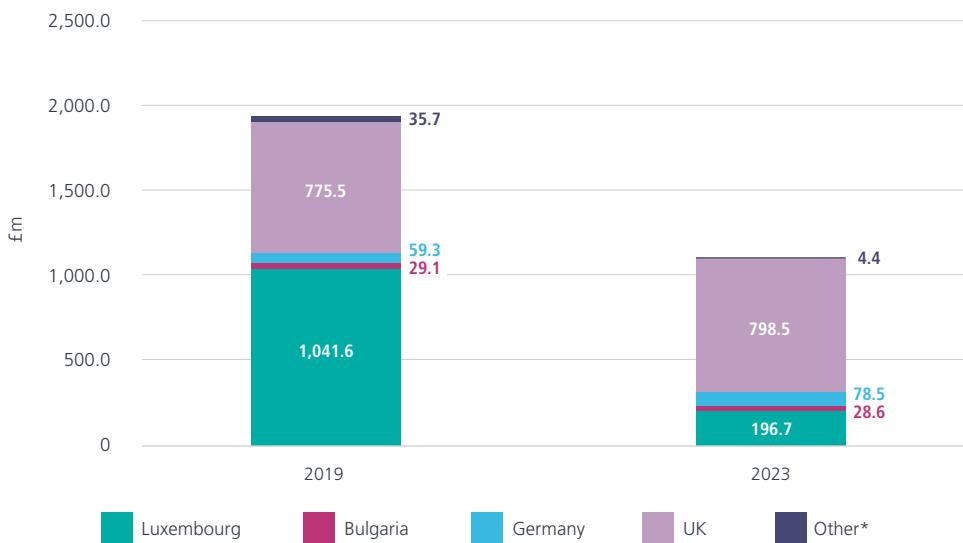


\*'Other' includes Mexico, the Czech Republic and Poland.

In nominal terms, in 2023, Luxembourg received \$196.7m in foreign investment from Guernsey, an 81% decrease compared to 2019. Meanwhile, FDI from Guernsey to the UK reached \$798.5m in 2023, reflecting a 3.0% increase since 2019. FDI from Guernsey to Germany was \$78.4m in 2023, up 32.3% from 2019. Investment in Bulgaria totalled \$28.6m, representing a decline of 1.6% from 2019; see Figure 6.

**FIGURE 6:** Comparison of main destinations for outward direct investment from Guernsey in 2019 and 2023

Source: TheCityUK calculations based on IMF data



\*'Other' includes Mexico, the Czech Republic and Poland.

The analysis of outward FDI from Jersey and Guernsey demonstrates the important role they play in international finance, particularly across Europe. Jersey's investments, though volatile, continue to favour Luxembourg and the UK, with Germany showing notable growth. Guernsey's FDI has become increasingly concentrated in the UK, as its share in Luxembourg has declined and investments in Germany and Bulgaria have expanded.

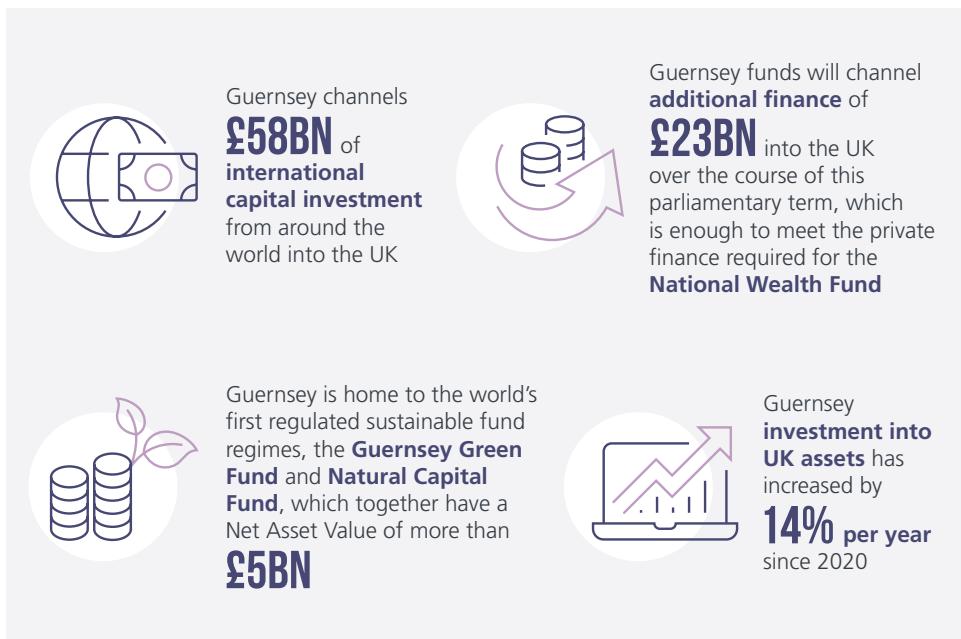


St. Peter Port Harbour, Guernsey

# Guernsey overview

## Value to Britain:

- Guernsey-domiciled fund investment into the UK is growing at double the growth rate of the UK's FDI.
- Guernsey provides specialist solutions to UK businesses and individuals, boosting the competitiveness of UK professional services and generating investment returns of £7bn a year for UK investors. This is underpinned by world-leading sustainable finance regimes, cutting-edge FinTech, including the first commercial blockchain deployment for private equity, and a century of captive insurance expertise used to reduce risk costs.
- 40% of FTSE 100 companies use Guernsey for their captive insurance and risk management, saving UK businesses almost £100m.
- Guernsey's international pensions industry utilises UK-based investment management services, providing £30m in fees.
- Investments made by Guernsey-domiciled funds are spread across key strategic infrastructure within the UK economy.
- The social value for the UK from this investment (Guernsey domiciled funds) includes benefits for UK residents from improved infrastructure in the energy, health or education sectors as well as extensive social housing stocks. It is estimated that these investments are collectively worth approximately £3bn-£4bn per year to the UK.<sup>4</sup>



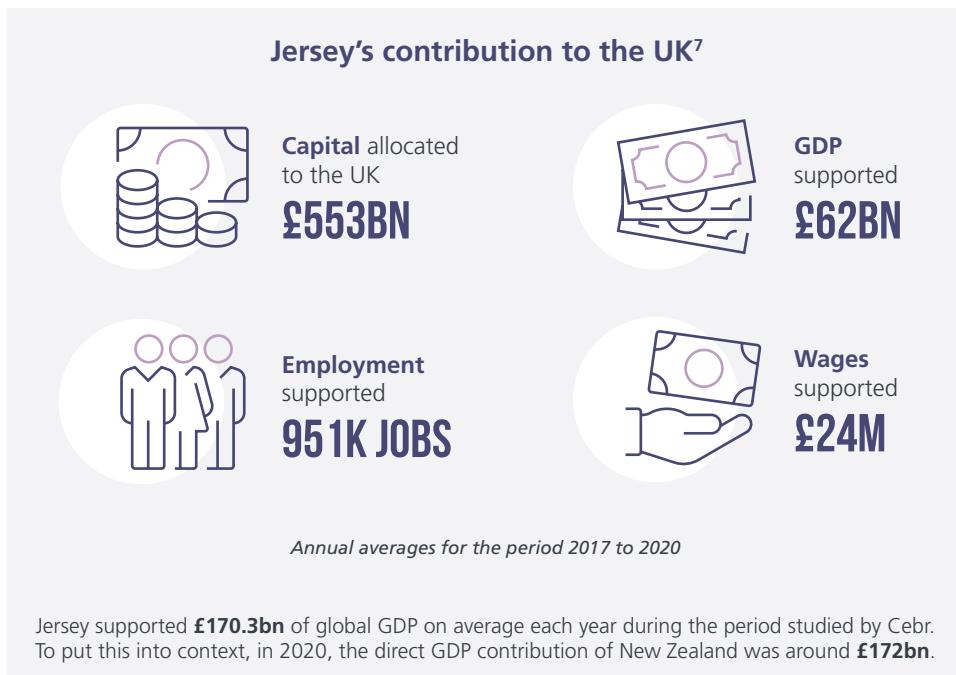
# Jersey overview

## Value to Britain:

- Jersey is a gateway for almost £500bn of foreign investment into the UK, comprising 5% of the entire stock of foreign-owned assets.
- £1 in every £20 of foreign investment by individuals and companies in UK-based assets is channelled via Jersey.
- Each year, Jersey banks send around £120bn of their deposits to parent operations in the UK, representing 1.5% of the funding of the whole UK banking system.
- UK net tax receipts generated by the activities of Jersey are around £2.3bn a year.
- About half the combined value held in the stewardship of the Island's trusts and other structures, funds and banks have been invested in assets located in Britain.<sup>5</sup>

## Global Value Chains – UK specific:

In 2020, Jersey's combined financial services sector allocated £1.44trn of capital around the world, increasing from £1.30trn in 2017. Of this total, £529bn was allocated to the UK alone. Across the period examined by Cebr (2017-2020), the UK was the most significant destination for Jersey-allocated capital.



## UK FDI into real estate and Jersey's contribution

- The UK remains a desirable destination for FDI in real estate and infrastructure. Foreign investors are drawn to the UK's attractive investment environment, with publicly available data suggesting that overseas investors continue to dominate net investment into UK real estate.
- A significant part of FDI into UK real estate is invested through funds and holding structures in Jersey. Jersey is a centre of excellence for real estate funds, attracting international investors with its range of specialist fund structures, the expertise of its finance community, as well as its proximity and strong links to the UK.
- Jersey is also a key gateway for UK FDI from tax-exempt investors such as pension funds and sovereign wealth funds (SWFs). Research shows that of the estimated £246 bn of funds under administration in Jersey, approximately £39bn (16%) comes from pension funds and around £14bn (6%) from other tax-exempt institutional investors including SWFs. Of the £39bn pension fund assets under administration in Jersey, around 19% are invested in real estate.

Mont Orgueil Castle, Jersey



# Channel Islands' investments into the UK

## Digital investment and inclusion

Gresham House, through Guernsey-domiciled funds<sup>6</sup>, actively invests in three platform companies, Elevate, Wildanet and GoFibre, which are dedicated to improving digital inclusion across the UK. These companies focus on delivering full-fibre, high-speed internet to under-served areas, particularly rural communities that have traditionally been overlooked by larger broadband providers. Each company targets specific regions, ranging from major urban hubs such as Leeds and Manchester to more isolated areas in rural Scotland and Cornwall.

## UK infrastructure

Guernsey-domiciled infrastructure fund<sup>7</sup>, Equitix III has been investing in UK transport projects since 2014. These include buildings key sections of the M25 motorway network, and Crossrail, where Equitix is a co-owner and financier of the fleet of trains operating on the Elizabeth Line.



Admiral Park, Guernsey

## Sustainable energy

Guernsey Green Fund, Bluefield Solar Income Fund<sup>7</sup>, invests in various battery storage facilities around the UK, such as an 89 megawatt capacity site in the North East of England. Over 200 sites across the UK, from Cornwall to Aberdeenshire and Londonderry/Derry, spanning over 16 counties generating more than 800 megawatt. It also invests in numerous onshore and offshore wind farms, with sites in Aberdeenshire and Norfolk.

Gresham House uses Guernsey-domiciled funds to invest in businesses across all UK regions:

- Fischer Farms – innovative vertical farming producing leafy green vegetables more efficiently and sustainably.
- Large scale wind farm – renewable energy project capable of powering up to 30,000 homes annually.
- Waste management businesses – facilities including Europe's largest pelletiser, turning waste into pellets to replace coal in the cement and steel industries.
- Environment bank – investing in a national network of habitat banks that turn unproductive land into woodlands, wetlands and grasslands to create biodiversity net gains.

## Supported housing

Guernsey-headquartered The International Stock Exchange (TISE) listed Fundamentum Social Housing Real Estate Investment Trust (REIT)<sup>7</sup>, invests in social housing across the UK. Fundamentum's investments provide homes for individuals with specialist care needs requiring on-site carers. In 2024, the REIT updated its investment objective by broadening the focus to include affordable housing. This change has been brought about by the housing crisis in the UK and the substantial need for social housing. Investor interest in the REIT has grown over time, and since listing on TISE, Fundamentum has scaled its supporting and affordable housing investments in the UK from around £5m in 2019 to £26m in 2024. As Fundamentum's REIT has grown in size, its investments have grown across the UK, and Fundamentum now holds 21 properties across all regions of the UK.

## Foodtech

Guernsey-domiciled Cibus Capital's Rem3dy Health fund by way of investing into foodtech, has delivered tailored vitamin gummies, selling over 53m units, expanding into retailers and being recognised on the 'Sunday Times 100 Tech' list. The capital investment has supported jobs in innovation, in Birmingham and the West Midlands.

## Student accommodation

The Curlew Student Fund – a Guernsey fund – has supported the construction of new and affordable student accommodation across Russell Group Universities in Durham, Exeter and Liverpool.

## Urban investment

Battersea Power Station, the largest brick structure in Europe and a Grade II-listed 1930s landmark, had stood abandoned for three decades, with several unsuccessful restoration attempts. In 2012, the site on London's riverside was acquired for £400m by a three-member consortium from Malaysia. Notably, one of the investors is a Jersey-incorporated subsidiary of Malaysia's Employees' Provident Fund (EPF), which holds a significant stake in the London commercial property market, making Malaysia the sector's second-largest overseas investor.

As of June 2024, the redeveloped site is home to over 140 shops, bars, and restaurants, more than 2,500 residents, unique leisure venues, and office space - including Apple's new 500,000 sq ft UK headquarters and the newly launched 50 Electric Boulevard, a 200,000 sq ft state-of-the-art office building designed by Foster + Partners. The project has generated substantial economic and social benefits for the area, supporting more than 6,500 jobs (in the station building alone) and attracting over 11.2 million visitors in 2023.

## Sustainable energy

Through the close collaboration of a Jersey private wealth firm and their client (a multi-generational family), philanthropic interests were channelled into a major conservation initiative. The result was the Dalnacardoch project, in which a Jersey Foundation became the owner of 7,650 hectares in Scotland (76.5 sq km). This land has been leased to Durrell, who will oversee rewilding efforts through a newly formed charity for the next 100 years.

The intention is to manage a transition away from Dalnacardoch's historic use as a sporting estate, moving towards a diversified range of activities that will provide economic, social and environmental benefits. The plan is to work closely with neighbouring landowners and the local community, developing a lasting vision that reflects the unique environmental and cultural heritage of the area.



Corbiere Lighthouse, Jersey

## ESG fund launch

International Investment Gate, SAED Executive Properties and BLOMINVEST BANK launched their £300m SAED Green UK Fund in Jersey. This was a recognition of the key strengths and features of Jersey's IFC, its Sharia-compliant structuring expertise and its forward-thinking, well-regulated environment.

The Jersey domiciled ESG-focused and Sharia-compliant fund will be investing in the UK property market and is regulated by the Saudi Capital Markets Authority (CMA).

## UK infrastructure

iPort in Doncaster was developed with an investment of over £500m from a significant North American pension fund whose resources are administered in Jersey. The development includes a newly built motorway link road and the first new rail terminal constructed in the UK in approximately 50 years. These transport connections mean that not only is 91% of the UK within a four-hour drive, but the region's economic stability has been boosted by creating an integrated logistics network. The investment is structured through Jersey, which is renowned for its robust regulatory framework. The flexibility of Jersey's corporate law, coupled with the Administrator's expertise in real estate administration, allows for effective and efficient structuring for large-scale projects such as this logistics hub.

The prime logistics space has many high-profile tenants, with one market-leading online retailer alone occupying over one million square feet of warehouse space. The concentration of major companies underlines this regional distribution centre's role as a critical part of the UK's supply chain. South Yorkshire's new logistics hub highlights the key role of Jersey in facilitating and structuring international investments that drive economic growth and development in the UK.

## Leisure investment

Two Jersey organisations, law firm Carey Olsen and fund administrators Oakbridge, have jointly supported private equity investor Sullivan Street Partners with its development capital investment into Wave Group, a UK-based inland surf park operator. Carey Olsen provided regulatory, structuring and legal advice in establishing Sullivan Street's investment vehicle, Wave Jersey LP, with Oakbridge facilitating the set up and ongoing fund administration services. There is an increasing number of PE and VC houses using the Jersey limited partnership for special situation investments, attracted by its light regulatory framework and associated speed to market.

## Start-ups and scale-ups

Global law firm Walkers' Jersey team supported Floww Markets, an innovative FinTech business backed by the London Stock Exchange Group (LSEG), on its electronic platform launch which is set to transform private capital investment.

Floww brings together private market participants – companies looking to raise funds, venture capital firms and eligible investors as well as financial intermediaries and innovation clusters – to connect and transact more efficiently based on data and analytics. The platform aims to make investment in private companies as streamlined as investing in listed companies.

A Walkers team advised on the Jersey law aspects and regulatory permissions needed to set up a Jersey-managed trust company, a crucial operational aspect of Floww's platform.

Walkers in Jersey has a leading cross-practice team in debt capital markets, fintech, regulatory, corporate and investment funds and is at the forefront of developing innovative financial services products including AMCs, collateralised loan obligations (CLOs), note issuers, securitisation vehicles and 'tokenisation' issuers and platforms.

# Appendix

**Sources are referenced by page number where applicable to maintain clarity and readability in the main report.**

- 1 The variable used for this analysis is 'Outward Direct investment, Liabilities (gross), Debt instruments, All entities' included in the IMF's Direct Investment Positions by Counterpart Economy dataset (formerly Coordinated Direct Investment Survey). According to the IMF, this dataset could face limitations from data quality, coverage (some nations couldn't have reported the actual data), and potential asymmetries.
- 2 2023 data at country level is only available for certain countries, so this disaggregated analysis goes up to 2022.
- 3 Note that continuous data for the analysed period are not available; as a result, the comparison presented here is limited to the years 2023 and 2019 only where we do have complete information.
- 4 Page 11 – Guernsey overview  
<https://www.frontier-economics.com/media/x5sfweh3/the-value-of-guernseys-funds-industry-to-the-uks-growth-ambitions.pdf>
- 5 Page 12 – Jersey overview  
Jersey Finance Value to Britain, 2016
- 6 Page 14 – Channel Islands investments into the UK  
<https://www.frontier-economics.com/media/x5sfweh3/the-value-of-guernseys-funds-industry-to-the-uks-growth-ambitions.pdf>
- 7 Working Together for Global Success and Prosperity (jerseyfinance.com)

# About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK and internationally that drive competitiveness, support job creation and enable long-term economic growth. The industry contributes over 12% of the UK's total economic output and employs almost 2.5 million people – with two thirds of these jobs outside London across the country's regions and nations. It is a major contributor to the government tax revenue and the largest net exporting industry. The industry plays an important role in enabling the transition to net zero and driving economic growth across the wider economy through its provision of capital, investment, professional advice and insurance. It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and manage risk.

# About Jersey Finance

Jersey Finance represents and promotes Jersey as a leading international finance centre. Established in 2001, it works with the Government of Jersey, the jurisdiction's regulator – the Jersey Financial Services Commission, and over 195 member firms as of end of Oct 2025 to champion the highest standards of regulation, compliance and investor protection, while actively promoting Jersey's strengths and expertise on the global stage.

Through its presence in Jersey, Dubai, Hong Kong, Johannesburg, London, New York and Singapore, Jersey Finance engages with intermediaries, institutions and private clients across global markets, showcasing Jersey's capabilities in private wealth, funds, banking, investment management and corporate services as well as the wider professional services that support this ecosystem.

Jersey Finance drives the international profile of the Island's finance industry by delivering thought leadership, market insights, research and events that highlight Jersey's role in supporting global capital flows and investment. It also supports innovation and collaboration across areas such as sustainable finance, fintech and skills development.

By representing the interests of its Members and promoting Jersey's stable, well-regulated environment and forward-thinking approach, Jersey Finance helps ensure the Island remains a trusted and competitive jurisdiction for international financial services.

# About Guernsey Finance

Guernsey Finance is a joint government and industry initiative tasked with promoting and connecting Guernsey as a leading international finance centre in key markets.

Guernsey, located in the Channel Islands between the UK and France, is a Crown Dependency of the UK. It is outside the EU but is granted access to European markets through demonstrated regulatory compliance. Its finance industry is regulated, governed and operated by pragmatic domestic institutions to the highest international standards. Guernsey is home to approximately 150 licensed Trust and Company providers, with circa £280bn total Net Asset Value of Guernsey funds. Sustainable Finance Guernsey is the brand through which Guernsey Finance delivers on Guernsey's strategic commitment to sustainable finance.

Guernsey is a proud member of the British family and committed to the scaling up of sustainable finance, through our membership of organisations such as TheCityUK where we are members of the International Climate Finance Working Group and Green and Sustainable Finance Working Group, and the United Nations Financial Centres for Sustainability, where we are members of the British and Irish Isles Transition Finance Working Group. Guernsey was proudly visited by His Majesty King Charles III during 2024 where we shared with him our leading work on sustainable finance and our commitment to working with His Sustainable Markets Initiative.

As a leading international finance centre, Guernsey oversees more than £1 trillion in assets. Guernsey-based funds currently channel £58bn of investment from around the world into the UK economy, a number that has increased by 14% year on year since 2020. This capital is channelled across the regions in the UK into key sectors such as private equity, infrastructure, property and venture capital. Guernsey's world first green and natural capital investment fund regimes now channel over £5bn into investments such as wind, solar and forestry.

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