

Memorandum for Executive Council

SUBJECT

Investment Policy 2018

**Memorandum by Chairperson of the Economic Development
Committee**

ADVICE SOUGHT

- 1. ExCo is asked to advise whether the Investment Policy, 2018 should be approved.**

**BACKGROUND &
CONSIDERATIONS**

2. In May 2018, Executive Council signed off the new Sustainable Economic Development Plan (SEDP). Alongside this, reviews of the Land Development Control and Immigration policies are currently underway. It is a timely point to reconsider the Investment Policy in light of these reviews and agree to the aims and principles of the Investment Policy going forward.
3. The current Investment Policy was developed in 2011, yet despite the passage of time, the policy is still very pertinent today. This may be as a result of the level of consultation which was undertaken during the Policy's development.
4. In 2010, the broad level policy intention was set out by the then 'Economy and Finance Committee' and the content was developed by an Investment Working Group which included the Chair of the Economy and Finance Committee, representatives from the Chamber of Commerce, Tourism Association, Bank of St Helena, St Helena Development Agency and SHG Strategic Policy and Planning Unit.
5. There is no intention to reinvent the wheel; the 2011 Investment Policy has undergone some minor re-wording and re-presented as the 2018 Investment Policy. The only change to the principles is that principle 5 to 'encourage growth through import substitution, export promotion and domestic production' is repositioned as principle 2 to recognise the higher priority of the principle in response to the SEDP goals.
6. . Endorsing the Investment Policy will ensure that the Investment Strategy and then the Investment Prospectus will be developed. The Investment Strategy will be concerned with the practicalities of investment including what would be deemed a 'good investment', how to enable such and who would be involved in the decision making. The Investment Prospectus will be a document aimed at the investor and includes information on opportunities and prime

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	land/property availability.
FINANCIAL IMPLICATIONS	7. There are no financial implications as the aims and principles in the 2011 Investment Policy and 2018 Investment Policy are the same.
ECONOMIC IMPLICATIONS	8. Endorsement of the Investment Policy will give a green light for the Investment Strategy to be drafted and presented to Council. The Investment Strategy will set a framework (including incentives) to enable investment in St Helena, which will help to deliver the goals within the SEDP. Investment is required for many of the SEDP sectors, where new business or services are required, in particular to increase exports and substitute imports. Therefore enabling the Investment Strategy to be developed will provide the environment for economic growth.
CONSISTENCY WITH INVESTMENT POLICY PRINCIPLES	9. This re-supports the previous principles. For ease of reference, there are five policy principles: <i>1. Make Saint Helena a desirable and competitive destination to do business by removing barriers to investment.</i> <i>2. Encourage growth through import substitution, export promotion and domestic production.</i> <i>3. Support an economy which is accessible to all potential investors and promote investments across the economy.</i> <i>4. Support the locally based private sector to compete in an open economy but, where possible, avoid being overly protective.</i> <i>5. Promote fair, consistent, timely and transparent decision making.</i>
PUBLIC / SOCIAL IMPACT	10. An investment friendly environment should lead to economic development which in turn will have a positive public/social impact”
ENVIRONMENTAL IMPACT	11. There are no environmental implications.
PREVIOUS CONSULTATION / COMMITTEE INPUT	12. Members of the Legislative Council were consulted at an informal meeting held on 25 May 2018. The Economic Development Committee (EDC) endorsed the Investment Policy on 7 June 2018.
PUBLIC REACTION	13. There is unlikely to be a significant reaction as there is little change proposed.
PUBLICITY	14. The EDC open meeting summary has provided an update to the public. 15. Radio interviews were conducted by the Chair of the Economic Development Committee and the Government Economist on 18 June.

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SUPPORT TO STRATEGIC OBJECTIVES

16. The Policy supports the following National Goal:

Altogether Wealthier

LINK TO SUSTAINABLE ECONOMIC DEVELOPMENT PLAN GOALS

17. The Policy supports the majority of the SEDP Goals as follows:

1. *Increase Exports*
2. *Substitute Imports*
3. *Attract Visitors and Increase Tourism*
5. *Improve Land Productivity*
7. *Improve Infrastructure*
8. *Develop, Maintain and Attract a Skilled Workforce*
9. *Develop the Digital Economy*
10. *Reduce Leakage of Income*

OPEN /CLOSED AGENDA ITEM

Corporate Support
Corporate Services

DATE OF MEMO

18. Open Agenda

LH

14/06/2018