

Rockfall Protection Project: Local Economic Impacts

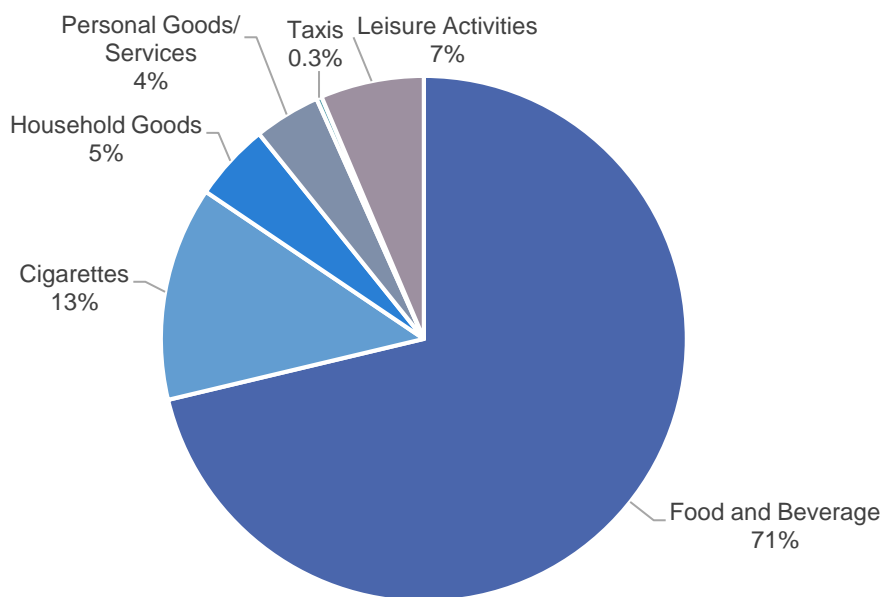
In July 2019, Executive Council approved works to install rockfall protection measures in Rupert's Valley and Upper Jamestown. As this was the first project approved under the Economic Development Investment Programme (EDIP), there was significant public interest in how a project staffed primarily by international contractors would benefit St Helena. While there was broad agreement that the Rockfall Protection Project would have important public safety benefits and was a critical enabling step to locating port operations in Rupert's, there was more uncertainty about what impact there would be on the local economy.

In order to gain a better understanding of the benefits of this specific project and to provide evidence to evaluate future projects requiring support from international contractors, SHG undertook an analysis of local spending associated with the rockfall protection works. Based on a survey of personal expenditures by the contractors and data provided on Project-level expenses, SHG estimates the Rockfall Protection Project added £255,000 - £273,000 to St Helena's economic activity over the course of the six-month project. This equates to roughly £90 per day per contractor. This is similar to the amount spent by a person visiting St Helena to see friends or relatives, according to the Tourism Survey. In addition, the project directly employed 26 local workers on contracts ranging from one week to nearly seven months.

Personal Expenditure Survey

At the end of June, Project team members were asked to complete a brief survey regarding their personal spending habits.¹ The survey included categories for necessities such as food, household goods and toiletries, but also leisure activities, souvenirs and gifts for friends or family. The team reported spending approximately £160 – £210 each per week or £68,000 – £85,000 total. This does not include expenses paid at the Project level such as rental accommodation.

Figure 1. Weekly Personal Expenditure by Category



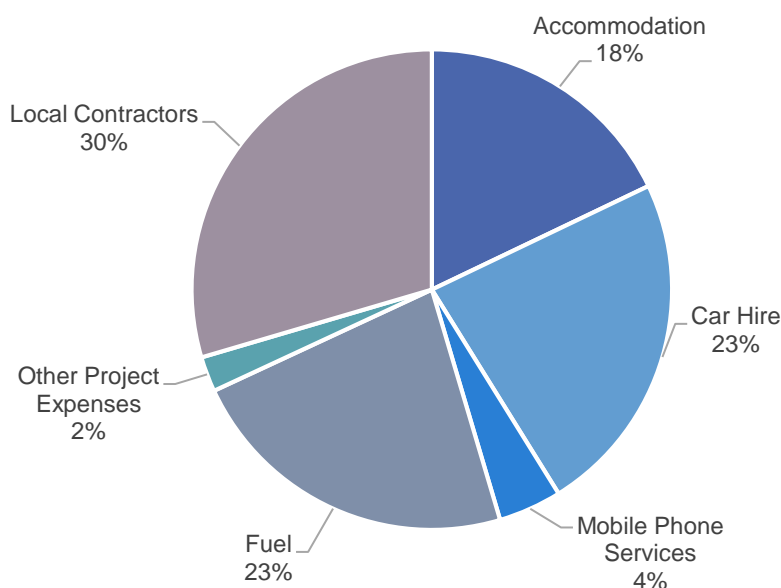
¹ Of the 16 surveys distributed, 15 were completed. Averages were used to estimate expenditures for the missing survey as well as for an additional contractor who departed St Helena in March.

In addition, Project team members were asked what activities they participated in while on St Helena and the results were similar to what would be expected for leisure visitors to the Island. All 12 contractors who completed this portion of the survey reported that they had enjoyed two of St Helena’s signature attractions: swimming with whale sharks and taking at least one Post Box Walk. Three completed dive certification courses while on-Island and most reported that they had been fishing, gone on a boat trip and visited historical sites.

Project-Level Data

Accommodation, car hire, mobile phone services and fuel were purchased at the Project level. These expenses were approximately £127,000 in total over 6 months. Project-specific expenses, such as equipment purchases, land rental and local contracts totalled approximately £60,000 over the duration of the work.

Figure 2. Project-Level Spending by Category



Conclusions

The results of this analysis clearly show a significant positive impact on the local economy from the Rockfall Protection Project, both from the employment of local workers and spending by the Project team. These impacts will have a multiplier effect across the economy as retailers, accommodation providers, restaurant owners and tour operators spend the additional income on other goods and services on-Island. The average daily spending associated with this Project is similar to that of long-stay leisure visitors which suggests a comparable impact could be expected from future EDIP or other capital projects that require specialised expertise from international contractors.

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