

OPEN AGENDA

Copy No:

No: 21/2018

Memorandum for Executive Council

SUBJECT

Sustainable Economic Development Plan (SEDP) (2018-2028)

Memorandum by Chairman of the Economic Development Committee

ADVICE SOUGHT

1. **Executive Council is asked to approve the attached Sustainable Economic Development Plan (SEDP) (2018-2028), so that it can be taken forward for implementation.**

BACKGROUND & CONSIDERATIONS

2. A new SEDP has been developed for St Helena. The objectives of the Plan are to:
 - Provide a vision for the Island's economic growth
 - Help investors understand St Helena's strengths as a place to do business
 - Provide direction for decision making, to make it easier for businesses which contribute to economic development
 - Help set direction for Enterprise St Helena
3. The SEDP (2018-2028) vision is to achieve development which is economically, environmentally and socially sustainable. It aims to do this by increasing standards of living and quality of life; no longer relying on aid payments from the UK, whilst affording to maintain the island's infrastructure, achieve more money coming into St Helena than going out and sustain and improve St Helena's natural resources for this generation and the next.
4. In order to achieve this vision, the focus of the SEDP (2018-2028) is to improve the balance of payments, by increasing exports and reducing imports, where St Helena has competitive advantages.
5. St Helena's competitive advantages are related to its heritage, natural resources and geography; language, currency and time zone similarities to the UK; inexpensive labour and property costs relative to the developed world; low crime, and zero toleration for bribery.
6. The previous SEDP (SHG, 2012-2022) focused on using tourism as the mechanism by which to grow the economy. Whilst that approach is still very valid, it is now time to widen the focus to other sectors.
7. The SEDP (2018-2028) focuses on the following import substitution sectors: Agriculture; Timber; Bricks, Blocks, Minerals and Rocks and Bottled Water.

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8. The SEDP (2018-2028) focuses on the following export sectors: Tourism; Fisheries; Coffee; Satellite Ground Stations; Work from Home Jobs; Honey and Honey Bees; Academia, Research and Conferences; Liquor, Wines and Beers; Ship Registry and Sailing Qualifications; Traditional Products and Film Location.

FINANCIAL IMPLICATIONS

9. As part of implementation, all of the actions outlined in the SEDP have been allocated target years for starting and achieving, and where additional SHG or ESH expenditure is required, this has been flagged.

10. Any funding required to deliver projects within the SEDP will be requested on an individual basis as part of the usual MTEF process. Affordability will affect the speed in which economic development can be delivered.

11. The financial magnitude, pros and cons of each of these issues shall be considered as part of the annual budgeting process, and as part of specific Memos which will be presented to the appropriate Committees, as normal.

ECONOMIC IMPLICATIONS

12. The SEDP 2018-2028 outlines the economic plan for the island. Improving the trade balance has the potential to make significant gains with respect to the wealth of the island, the amount of money circulating the economy, SHG tax revenues and ability to fund public services.

13. The SEDP is crucial for economic development on St Helena.

CONSISTENCY WITH INVESTMENT POLICY PRINCIPLES

14. The SEDP 2018-2028 is consistent with all of the investment principles:

1. Make Saint Helena a desirable and competitive destination to do business by removing barriers to investment.
2. Support an economy which is accessible to all potential investors and promote investments across the economy.
3. Support the locally based private sector to compete in an open economy but, where possible, avoid being overly protective.
4. Promote fair, consistent, timely and transparent decision making.
5. Encourage growth through import substitution, export promotion and domestic production.

PUBLIC / SOCIAL IMPACT

15. The aim is to improve quality of life for all St Helenians. One of the goals in particular is to mitigate impacts of inflation on the lowest income groups which involves avoiding a reduction in purchasing power by advocating a regular review of the Minimum Wage and Social Security benefits.

ENVIRONMENTAL IMPACT

16. The SEDP advocates renewable energy and economic development which is also environmentally sustainable. St Helena's key competitive advantage is its natural resources and geography. The plan focuses on enhancing the environment particularly to support sectors such as research, tourism, fisheries, honey production, timber, agriculture and film production. The SEDP encourages a replace and enhance approach to any environmental contributions to the economic market.

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PREVIOUS CONSULTATION / COMMITTEE INPUT

17. A presentation was made and initial thoughts were gathered from SHG directors at BDG on 30 June 2017.
18. One to one discussion with sector representatives was undertaken in June-July 2017.
19. Initial discussion with Chamber of Commerce was undertaken on 1 August 2017.
20. A participation survey was available online and in paper format between July and September 2017 and two press releases were provided to ask the community to contribute. 69 responses from the public were provided which were used to develop the draft SEDP.
21. A summary of the consultation so far and the draft SEDP was provided to EDC on 18 December 2017. The dates and method of consultation was decided at this meeting.
22. The Tourism Sub-Committee received a presentation on the SEDP and provided feedback on 9 March 2018.
23. The Economic Development Committee led a six week consultation which included eight district meetings.
24. The Chairperson of EDC and the Government Economist undertook radio interviews for SAMS and Saint FM in January.
25. Two hundred and thirty two individual points were made during the six week consultation period. The points were followed up and responses collated. Where changes to the draft SEDP 2018-2028 were required as a result of the comment, this was indicated. EDC was presented with consultation responses within the open section of the meeting on Thursday, 1 March 2018. A small working group including Hon Clint Beard, Hon Cruyff Buckley and Martin George from ESH were tasked with reviewing the responses. A summary of comments has been prepared at Annex B.

PUBLIC REACTION

26. The public have been very engaged in this process and we therefore expect a positive public reaction to the SEDP.

PUBLICITY

27. A press release is required to inform people that the Final SEDP 2018-2028 has been published alongside the consultation FAQ.
28. Radio interviews should be undertaken to update the public after the previous radio appearance in January.
29. Internal messages should be developed and cascaded throughout SHG through management chains.

SUPPORT TO STRATEGIC OBJECTIVES

30. Supports the Ten Year Plan 'Altogether Wealthier' goal.

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AGENDA ITEM
Corporate Services
DATE OF MEMO

Open

17 April 2018