

Open Agenda

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Memorandum for Executive Council

SUBJECT

St Helena Tourism COVID-19 Recovery Strategy

Memorandum by the Chairman of the Economic Development
Committee

ADVICE SOUGHT

1) **Executive Council is requested to consider and advise whether the St Helena Tourism COVID-19 Recovery Strategy (Annex A) should be endorsed.**

BACKGROUND & CONSIDERATIONS

- 2) Prior to the COVID-19 pandemic, the Tourist Office was drafting the St Helena Tourism Strategy 2020/21. It was intended for the Tourism Strategy 2020/21 to be a refreshed document. The current Enterprise St Helena (ESH) Phase 2 Project will come to an end at 31 March 2021, and the forward plan for economic development has not yet been decided. Therefore, rather than introducing new initiatives, the strategy would have addressed what developments needed concluding before the end of the project.
- 3) In March 2020, the World Health Organization declared COVID-19 a pandemic. Soon after this announcement, South Africa closed its international borders, St Helena followed suit, out of preservation for its small, ageing, and vulnerable population and due to its dependency on South Africa for air access.
- 4) In the Air Service Strategy Group meeting in April 2020, the Governor charged the Tourist Office with creating a post COVID-19 Tourism Strategy. The post COVID-19 Strategy is intended to address how St Helena will recover from the pandemic.
- 5) Since March, risks associated with the pandemic have not decreased and both the aviation industry and international tourism industry have been heavily impacted. International economies continue to suffer the effects and no one is able to predict when the pandemic will end. The only certainty is that a 'new normal' is required. As such, ascertaining assumptions to underpin St Helena's Recovery Strategy has proven difficult.
- 6) To put together the Tourism Recovery Strategy, the Tourist Office consulted with a variety of stakeholders; Air Access, SHG's Aviation Advisor, the UK and French Public Relations Agencies, Elected Members, DFID, Tourism Sub-

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Committee and most importantly St Helena's private sector.

- 7) The Tourist Office also used the advice from the United Nations World Tourism Organisation (UNWTO) and the international travel trade. Data was gained through surveys conducted by organization such as the Times, the Sun, and Wanderlust etc.
- 8) The proposed St Helena Tourism COVID-19 Recovery Strategy aims to address how St Helena will recover from the COVID-19 pandemic.
- 9) The Recovery Strategy is based on the following assumptions:
 1. Air access: assuming the gateway will remain South Africa. St Helena Government (SHG) will establish a contingency plan with data being gathered on direct flights to UK.
 2. COVID-19 measures: majority of people will not travel to St Helena whilst quarantine measures are in place.
 3. Availability of travel insurance: There are a few insurance companies that will provide cancellation policies and emergency medical cover as a result of COVID-19.
- 10) The Recovery Strategy will focus on building on the progress made pre- COVID-19 as in line with UNWTO for the recovery of the tourism industry. The island will need to focus on:
 1. Promotion: to continue encouraging potential and actual customers to travel to St Helena when it is safe to do so.
 2. Product: to continue creating and enhancing St Helena's tourism product sustainably.
 3. Experience: to continue developing and enhancing the quality of services and activities to create unforgettable positive experiences for customers.
- 11) Predicting a timetable for when the island would reopen for tourism remains highly uncertain, if not impossible. This depends not only on how St Helena is responding to COVID-19, but also actions by the rest of the world.
- 12) The Recovery Strategy is not intended to be the document for approval for reopening the island. The Recovery Strategy is a phased approach, based on planning for and adapting to global circumstances, on the island operating in the Immediate to Short Term and Medium to Long Term.

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13) Immediate to Short Term:

1. The here and now whilst the world is responding to COVID-19. The short term is estimated to March 2021
2. The Recovery Strategy focuses on the Promotion, Product and Experience for the Immediate to Short Term. The Strategy aims to use digital platforms to keep St Helena in the forefront of people's minds whilst they are unable to travel internationally or in particularly, long haul. The Product and Experience will ensure Island readiness for when travel starts again. This includes upskilling, best practice development, product maintenance and infrastructure enhancement
3. The Strategy will also develop a new safety and hygiene best practice as guided by the World Tourism and Travel Council to reduce the risk of COVID-19 and provide reassurance to both the Island and potential visitors.

14) Medium to Long Term:

1. This is estimated as from 2021, with visitor numbers starting to show confidence during St Helena's peak season of December 2021 to March 2022
2. To start the flow of visitors the Strategy will focus on the promotion of the products that had drawn the visitors before the pandemic. The tourism industry will implement the best practices and their refreshed skills
3. Products will continue to be enhanced to provide the best possible experience.

15) The development of the Recovery Strategy recognises that ESH Phase 2 is coming to an end and that the future delivery of economic development will be restructured. The Strategy also recognises the financial constraints that St Helena is currently experiencing. The Strategy in its simplicity will allow any and all stakeholders to select specific products to promote or develop, depending on their aims and objectives.

16) The Recovery Strategy was presented to the ESH Board on 30 September 2020 and the Economic Development Committee on 22 October 2020. Both the ESH Board and EDC approved the Strategy.

FINANCIAL IMPLICATIONS

17) The Tourist Office and Marketing and Communications Team have revised their limited budget and resources to prioritise the Immediate to Short Term actions for delivery.

18) The ESH Board has agreed the revision of the FCDO budget.

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- 19) Whilst it is acknowledged that the return on investment made is medium to long term, St Helena needs to remain in the forefront of people's mind. People that are eager to travel again.
- 20) In 2019, St Helena received between £4.8 million and £6 million from tourism. Whilst it will take time to rebuild the economy to reach this baseline, St Helena benefits from the tourism trade.
- 21) In the Immediate to Short Term, the island will continue to experience negative economic impacts as a result of reduced tourist numbers.
- 22) Reduced income to businesses serving tourists put those businesses at risk, but also has negative impacts across the economy. Businesses that supply products or services tourism-related businesses are also impacted due to decreased demand from their customers.
- 23) Sustained losses of income will lead to increased unemployment in near-term. Unemployment Assistance claims in August (60) and September (59) are the highest in the past 7 years. Increased unemployment will have a negative effect on local businesses due to reductions in disposable income.
- 24) Positive economic benefits should materialise in the Medium to Long Term, when there is a flow of new monies to the island through tourism. Therefore it is critical that St Helena plan now in order to reap these benefits when it becomes possible.

ECONOMIC IMPLICATIONS

CONSISTENCY WITH INVESTMENT POLICY PRINCIPLES

- 25) This paper is linked to the following principles laid out in the Investment Policy:
 1. Make St Helena a desirable and competitive destination to do business by removing barriers to investment.
 2. Encourage growth through import substitution, export promotion and domestic production.
 3. Support an economy which is accessible to all potential investors and promote investments across the economy.
 4. Support the local based private sector to compete in an open economy but, where possible, avoid being overly protective.

PUBLIC/SOCIAL IMPACT

- 26) No impact is expected to the public from the Strategy itself. The Immediate to Short Term measures provide the public with a sense of direction with regards to tourism recovery.

ENVIRONMENTAL IMPACT

- 27) The implementation of the Recovery Strategy and individual projects could give rise to environmental impacts both positive and negative. Individual projects will need to

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be assessed to identify potential environmental impacts and the measures that will need to be taken to avoid or minimise negative impacts and enhance positive impacts.

PREVIOUS CONSULTATION/ COMMITTEE INPUT

- 28) The framework of the Recovery Strategy was presented to Elected Members. Elected Members were invited to participate in the Private Sector Engagement Meeting.
- 29) The Recovery Strategy was endorsed by EDC.

PUBLIC REACTION

- 30) The majority of public reaction is expected to be positive. The private sector has had sight of the Recovery Strategy and the opportunity to comment and/or contribute to it.

PUBLICITY

- 31) The decision will be covered and explained in the Executive Council Radio Briefing following the meeting
- 32) If the Strategy is endorsed by Executive Council, ESH should launch the Strategy via separate publicity.
- 33) The Recovery Strategy will be distributed via the usual communication channels, making it available to both the Private Sector and the public.
- 34) The document will also be shared on the SHG website.

SUPPORT TO STRATEGIC OBJECTIVES

- 35) This paper supports the following National Priority:
- Sustainable and ethical economic development.

LINK TO SUSTAINABLE ECONOMIC DEVELOPMENT PLAN GOALS

- 36) This strategy directly supports Goal 3: Attract Visitors and Increase Tourism.

IMPLEMENTATION OF POLICY/LEGISLATION

OPEN/CLOSED AGENDA ITEM

- 37) Recommended for the open session.

Corporate Support
Corporate Services

LAH

05th November 2020

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