



The Falkland Islands Our Islands, Our Home

Falkland Islands Government
Presentation – June 2021

Our Vision

To progress the sustainable economic, social and political development of the Falkland Islands for the benefit of all residents.



Our Community



- More than 3,200 people from more than 60 countries including 6% from Chile and 10% from Saint Helena
- Many Falkland Islanders trace their heritage back through nine generations in the Islands, stretching back nearly 200 years
- Most people live in Stanley, with the remainder spread across settlements which is called living in 'Camp'
- This diversity influences our values of fairness and tolerance
- Falkland Islanders have a right to self-determination, described under the UN Charter
- This was confirmed in the 2013 Referendum - 99.8% of the people of the Falkland Islands voted to remain a self-governing British Overseas Territory



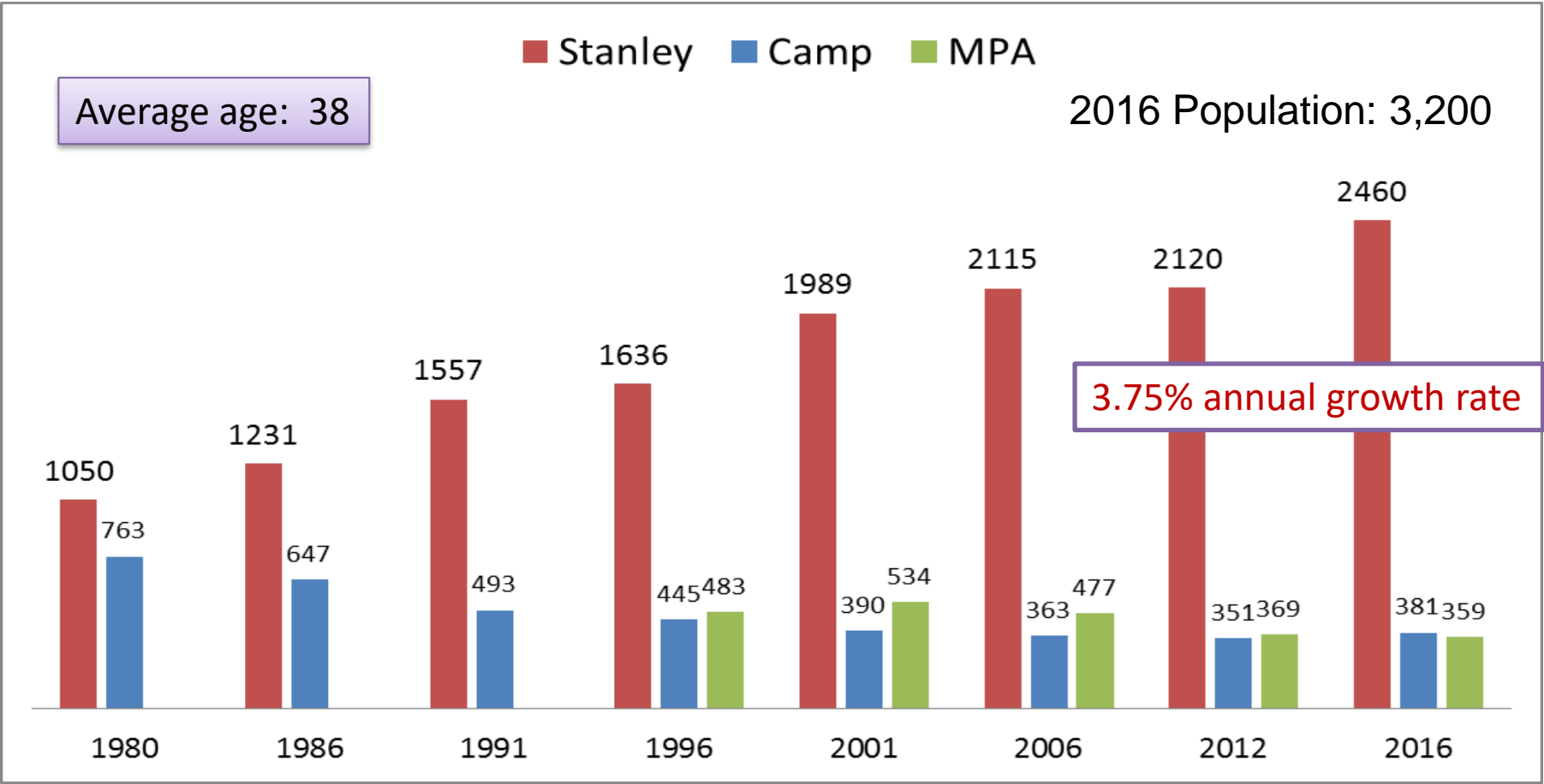
Our Population

■ Stanley ■ Camp ■ MPA

2016 Population: 3,200

Average age: 38

3.75% annual growth rate



Population Age Trends 1986 – 2016

| Age group | 1986 | 1991 | 1996 | 2001 | 2006 | 2012* | 2016 | 2016 % |
|---------------|-------------|-------------|-------------|--------------|-------------|-------------|--------------|--------|
| <15 | 429 | 421 | 399 | 437 | 458 | 455 | 548 | 19.3% |
| 15-64 | 1279 | 1482 | 1478 | 1702 | 1755 | 1703 | 1946 | 68.6% |
| >65 | 170 | 187 | 204 | 237 | 265 | 298 | 345 | 12.1% |
| Total | 1878 | 2090 | 2081 | 2376 | 2478 | 2456 | 2839 | |
| Growth | | 9% | - | 14.2% | 4.3% | - | 15.6% | |

Falkland Islands Census 2016

Old age dependency ratio: 17.7%



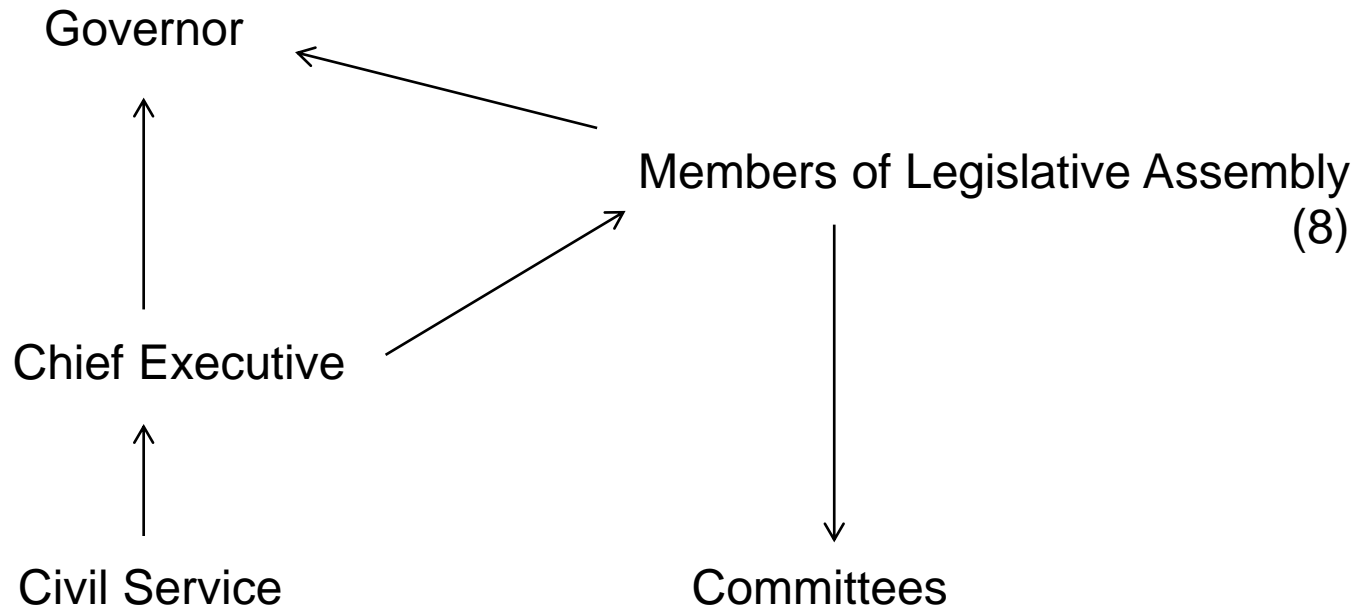
Government and Governance



- Constitution came into force on 1 January 2009 and enshrines accountability, transparency, respect for human, civil and political rights
- 8 elected Members of the Legislative Assembly – 5 represent Stanley and 3 represent Camp - our last election was in November 2017
- Every Member is independent – there are no political parties
- Responsibility for Chairing the Legislative Assembly rotates through all of the MLAs in turn
- As an Overseas Territory, the Falkland Islands has a Governor appointed by the UK, currently His Excellency Nigel Phillips CBE, who came into post in September 2017
- Civil service is headed by Chief Executive Andy Keeling and employs more than 600 people



Government Structure



Executive Council (Cabinet)

Governor, 3 MLAs, Chief Executive and Financial Secretary

Legislative Assembly (Parliament)

8 MLAs, Chief Executive and Financial Secretary



Members of the Legislative Assembly

- We have eight MLAs who carry out their role on a full-time basis; five represent Stanley and three represent Camp
- Every Member is independent – there are no formal or official political parties in the Falkland Islands
- We have a portfolio system of Government and the small size of the Legislative Assembly means that each member is responsible for a wide and diverse range of portfolio issues
- The responsibility for Chairing the Legislative Assembly rotates through all of the MLAs in turn to ensure equity



Member Portfolios

- The Members govern through a portfolio system, and the small size of the Legislative Assembly means that each Member is responsible for a wide and diverse range of portfolio issues
- MLA Teslyn Barkman – Energy and Natural Resources
- MLA Stacy Bragger – Education and Community
- MLA Roger Edwards – Public Works
- MLA Dr Barry Elsby – Development and Commercial Services
- MLA Ian Hansen – Health and Social Services
- MLA Mark Pollard – Trade and Industry, Employment, Training and Immigration
- MLA Leona Roberts – Environment and Public Protection
- MLA Roger Spink – Government Services and Legal/Regulatory Services



Government Issues and Priorities

Economic Growth

- Develop port facilities, new power station and other critical infrastructure
- Advance oil industry development
- Facilitate new investment and grow industry capacity
- Sustainable expansion of the tourism sector
- Enhance local procurement opportunities
- Expand the labour force

Minimise Impact of Brexit

- Advocate for continued tariff and quota-free access for Falkland Islands exports and for continued visa-free travel access



Government Issues and Priorities

Social development

- Continue to enhance high quality education, health care and community policing
- Ensure strong transport and communications links
- Invest in infrastructure to support people
- Support culture and sports development
- Reduce the incidence and impact of poverty
- Ensure robust and appropriate environmental protections

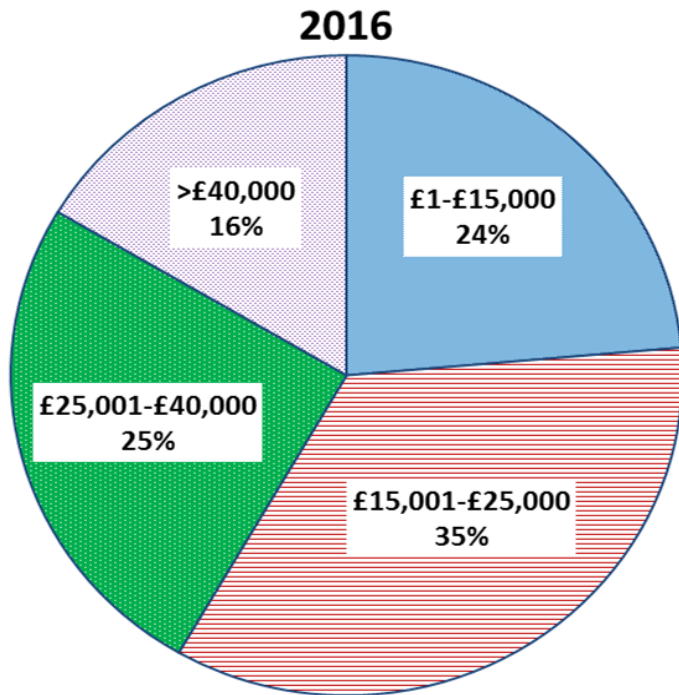
Governance

- Encourage increased democratic engagement and participation
- Review Constitution and Electoral Ordinance to ensure they remain appropriate and relevant
- Maintain financial accountability and transparency

Relationship with Argentina

- The 2016 joint communique between the UK and Argentina outlined a number of goals, including:
 - Removing political obstacles to establishing further air links between the Falkland Islands and third countries in the region
 - Resuming sharing of scientific data on fisheries
 - Removing all remaining trade obstacles which try to limit economic growth and sustainable development of the Falkland Islands
- Since Albert Fernandez became President in December 2019, Argentina has not moved forward with commitments pledged within the 2016 Joint Communique; in many areas it has suspended cooperation and resumed rhetoric in terms of denying the self-determination of Falkland Islanders
- We have supported the humanitarian work of the International Committee of the Red Cross on DNA identification of unnamed Argentine soldiers buried in the Falkland Islands. During the first phase of this project, 115 soldiers were identified and the second phase is due to begin in August 2021, if circumstances permit

Employment and Income - 2016



- 1,829 individuals reported they were in either full-time or part-time employment
- 2016 labour force participating rate: 88.9%
- 2016 unemployment rate: 1.1% (21 people)

| Per capita income | Total | Total (\$) |
|-------------------|---------|------------|
| Mean | £26,352 | \$32,200 |
| Median | £22,500 | \$27,500 |



Falkland Islands GDP (2018)

Contribution made by different industries to Falkland Islands GDP in 2018

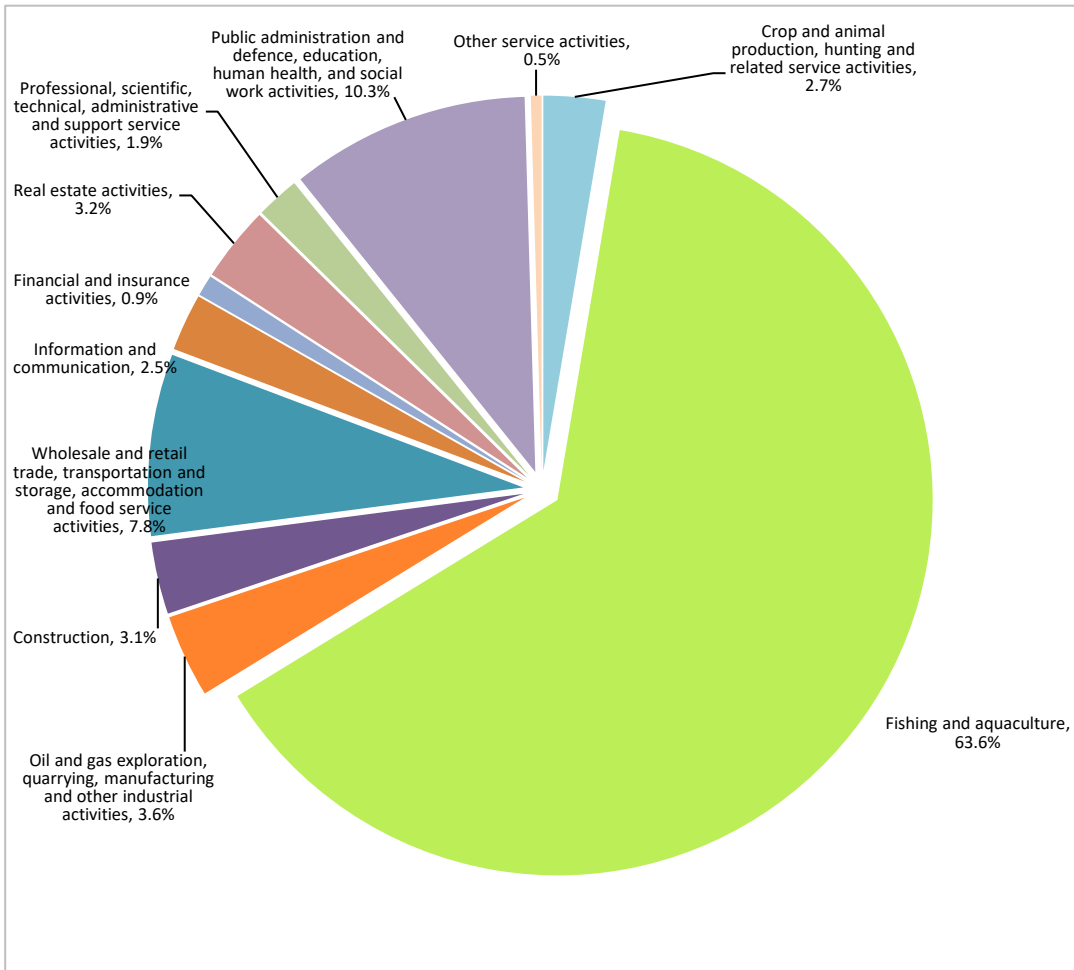


Figure above shows gross value added by industry in 2018, current prices

- 2018 GDP per capita: £81.8k
- 2018 GNI (gross national income) per capita: £54.8K
- Between 2007 and 2018, nominal GDP has grown at a compound annual growth rate of +8.3% per year

Tourism contribution: 2.2%



Our Economy - Fisheries



- 2016 annual GVA: £165.7m
- The EU27 was the destination for 94% of our fish and sea food exports in 2017
- Approximately 8% of the Government's operating budget is spent on scientific research and fisheries protection, which is vital in terms of ensuring the sustainability of fish stocks
- The introduction of a system of ITQs (Individual Transferable Quotas) fishing licensing in our major fisheries has led to more national participation and strong fisheries management, and greater revenue for the Falkland Islands



Our Economy - Agriculture



- Agriculture is the second largest employment sector in the Falklands, accounting for 9.7% of the workforce (2016)
- Total land area of the Islands is 1.2 million hectares of which 93% is dedicated to farming
- 82 working farms
- There are approximately 500,000 sheep and 5,000 cattle
- Export of wool was equal to £12.3m in 2019 (+32.3% on the previous year)
- Due to the challenges of Covid-19 we established a Wool Producers Support Scheme, which saw just under 4,000 bales of wool purchased by the Government for £2.77m – these were stored until markets reopened and almost all have now been sold at an overall cost of £750,000



Our Economy - Tourism



- In 2019/20, the number of cruise ship passenger arrivals was 72,836, the largest number to ever visit the Falklands in a single season
- 1,943 land-based leisure tourists visited the Falkland Islands in 2019
- Ships visiting the Islands vary greatly in size, from small ice-breaking yachts to large luxury vessels with passenger numbers from as little as ten to more than 3,000
- Prior to Covid-19, we received visits from cruise ship passengers as well as land-based tourists – due to the pandemic we did not have an international tourist season in summer 2020/21



Economic Challenges

- Our resource-based economy is reliant on one highly volatile primary sector for 35-64% of our GDP (between 2011 and 2018) and contributes a significant proportion of government revenues, both in licence fees and corporate tax
- Diversification in other sectors is challenged by transportation links and geopolitics
- Changes resulting from Brexit have seen the introduction of tariffs for our fishing exports since January 2021, but the Falkland Islands Government continues to work closely with the UK government to ensure that the impact of these changes is not overlooked
- Full employment drives up both costs to business and government
- Need to balance labour force requirements and immigration policies



Respecting our Environment



- Our Islands are home to a range of flora and fauna so it is vital for us to live in harmony with nature
- 35% of Stanley's energy is derived from wind power, and 90% of households in Camp use renewable energy to complement their energy needs
- Falkland waters are known for their relatively high productivity and for the sustainable management of their fisheries
- SAERI (South Atlantic Environmental Research Institute) has a global academic and research hub here for the scientific study of the natural environment
- A key priority for us is to develop a comprehensive environmental strategy to integrate our policies, laws and initiatives





Thank you for listening.
Questions?

