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Airport announcement

The Chamber Council welcomes the recent announcement by the Secretary of State for International Development that DfID would fund the construction of an airport on St.Helena.

The Chamber has consistently noted that the future of St.Helena depends on its Private Sector, and the future of the Private Sector depends on substantially improved access, which is why the Chamber were so active in promoting the A-campaign during the completely pointless consultation exercise following the "pause".

It is also encouraging to note that DfID have made the decision to award the contract dependent on four conditions, only one of which relates to any activity that St.Helena can undertake alone, and that that one condition is itself a recognition that the private sector needs to be expanded and supported substantially. Since this condition corresponds well with the Business Environment Enabling FLIT (see below), which needs to be fulfilled by December of this year, we are convinced that St.Helena has a real prospect of an airport project and a future.

Tax review

There is rarely any joy in being able to say "I told you so", but it is a fact that the Chamber Council warned the "Taxman" (John Hayes), Legislative Council and the Financial Secretary that the then proposed Tax Ordinance (which came into effect on 1st April this year) would be too complex and would have a damaging effect on the private sector. We were told that nothing could be done unless there was real evidence for our concerns. At a meeting with a new (!) Tax Review team, the Chamber Council made it clear that the tax regime has already had the effect of closing down small businesses, and that the agricultural sector is in real crisis – which means that other businesses that depend on the agricultural small traders are also experiencing severe difficulties.

Thankfully, the new Tax Review team were listening, and completely open to ideas. They recognised that mistakes had to be rectified and

that time is of the essence, especially with the airport announcement, the fourth condition for which was, realistically, the trigger for the review. So, the Council were happy to endorse the team's proposals to consult with those in the private sector in any way possible, in order to redraft the Tax Ordinance so that the private sector can be supported and grown.

So, whether you are a Chamber member or not, please do make an appointment to meet with the team at one of the surgeries.

The team realise that talking about one's tax arrangements is not always comfortable, but they reminded us that the team is not the Tax Office and have no desire to expose any tax "oversights". By talking to them, you can help them rectify mistakes and help make the second attempt work for you as a business-person.

Tax Review Private Sector consultancy surgeries

| | |
|---------------------------|-------------------|
| 26 th August | - Longwood CC |
| 31 st August | - SHDA, Jamestown |
| 1 st September | - SHDA, Jamestown |
| 2 nd September | - HTH CC |
| 3 rd September | - SHDA, Jamestown |

(For times, see newspaper adverts)

Please ring 2700, or email
pafinancialsecretary@sainthelena.gov.sh
..to make an appointment

Meadow Muffins

"Only infrequently do we find that non-trivial infrastructure implies that important expediency can eradicate superfluous accountability."

Meeting with LegCo

You will remember that the Chamber Council invited the newly-formed Legislative Council Members to a meeting shortly after the election last year. That meeting was, for one or two reasons, shall we say, of limited value.

However, we met again in June of this year, and this time the meeting was hailed as a success by all. Members of Legislative Council were eager to understand what the concerns of the Chamber were and the Chamber Council were pleased to note that LegCo had many Chamber concerns already on their agenda.

It may be that Sue Wardell's visit and the introduction of the Business Environment Enabling FLITs focused the minds of everyone – whatever the reason, the meeting proved to be frank, honest and very constructive; LegCo Members have already suggested that we repeat the experience at intervals.

RMS Future

What is to happen with the RMS? This is a question that has occupied the minds of Chamber Council for years. Recently, we met with SHL to see if the Directors could shed some light, and more recently with Julian Morris, shortly after the announcement of the airport project thaw.

Chamber Council members (with others) also attended a workshop run by Julian Morris to hammer out the most useful conceptual and financially viable future for the RMS. The Chamber attendees were gratified to note that discussions were held in constructive mood, and suggestions and criticisms were based on evidence, rather than mere personal preferences. It was also worth noting that, this time, Julian Morris' Terms of Reference specifically require him to consider the overall effect of itinerary choices and scheduling on the economy of St.Helena as a whole, and not simply to focus on the limited issue of the "bottom line" of the RMS business.

We look forward to seeing the fruits of our work shortly.

Business Environment Enabling FLIT

Arising out of work undertaken last year by the Chamber of Commerce, SHDA and the then Government Economist, SHG and DfID have now agreed and finalised a FLIT (a condition which must be fulfilled before grant aid from DfID is released) which is designed to support the development of the private sector.



There are five subgoals:

- Reform of the Investment Policy
- Reform of the Taxation regime
- Better/easier access to information
- Review of the Outsourcing Policy
- Reform of the Lands Policy

We also know that SHG are committed to reducing "red tape" and have introduced a "one-stop-shop" concept which should help entrepreneurs and investors to determine what is required of them when setting up a business. The Chamber submitted a paper outlining what the major hurdles are in this regard. You can read this paper on our website.

We hope to see concrete changes before the end of the year, since the first deadline for some of these reforms is December 2010.

Chamber Council summary

Council is made up of 9 Council Members:

| | |
|-----------------------|------------------|
| Stuart Moors | - President |
| John Styles | - Vice-President |
| Brenda Moors-Clingham | - Secretary |
| Julie Lawrence | - Treasurer |
| Nigel George | - Member |
| Chris Bargo | - Member |
| Gary Stevens | - Member |
| Pat Williams | - Member |
| Hazel Wilmot | - Member |

Our website address is:

www.chamberofcommerce.org.sh