

## **Open letter to SHG regarding the “Terminal Handling Charges”**

This letter is in response to the Government press release issued last Thursday, 17.09.09, which announced the postponement of hefty additional Terminal Handling Charges for freight movements on the RMS St. Helena. The Press Release indicates that the original announcement with the title “Proposed Terminal Handling Charges” was “pre-emptive” and that the withdrawal is to be seen merely as a “delay”.

The Governor speaks of “proposed”, while the RNC Ships Agency has already “instructed” these charges to be implemented, as per e-mail sent from “rncships” on 15.09.09. A website search reveals that “The RNC Ships Agency Services is the South African appointed agent for the RMS St. Helena”. Who instructs who?

It appears that it remains the intention of the Governor (presumably using his discretionary powers with regard to shipping matters) to introduce these charges shortly, subject to an explanation to EXCO, but decided upon already.

### ***Shipping decisions – who makes them ?***

The episode has highlighted an issue that the Chamber has been concerned with for a long time: Having seen an organigram of the structure some time ago, which included the Governor, Saint Helena Line, Executive Council, The Shipping Officer, Solomons, Andrew Weir, the DfID representative, SHG representatives in UK and RSA, and probably others (like RNC ships), the Chamber asks how it (or anyone else) can make meaningful representations to, and request appropriate information and explanations from bodies that operate in a web so complicated that it is not possible to pin down a decision maker. After all, this construction leaves the island (despite the substantial subsidy to the RMS) with one of the most expensive ships in the world!

The Chamber therefore urges the Governor to simplify the structure and to publish definitive roles and responsibilities for those involved.

### ***The RMS is not a business***

The Chamber has repeatedly argued, that the RMS service should not be administered as a self-contained business, whose aim is to make a profit or at least to minimise financial losses. Instead, the Chamber regards the RMS as a part of St. Helena’s infrastructure, a common economic facility akin to a bridge or a road, the building and operation of which is never intended to sustain a business case of its own, but is seen as a capital and current expense incurred knowingly in order to bring benefits to both ends, including promoting a bilateral economic relationship and stimulating trade by facilitating the flow of freight and passengers. Of course, a side effect is the improved access for purely social reasons.

The introduction of Terminal Handling Charges cannot be justified unless the only concern is to support the bottom line of the RMS trading account. Its introduction will, however, increase the burden on every St. Helena family budget and the inevitable drop in average disposable income will



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simply harm local businesses. The Chamber therefore urges the Governor to abandon the initiative for these reasons.

### ***Good Governance***

It is one of the Chamber's roles to highlight inadequacies of the Administration in order that improvements are to the benefit of the private sector and the economic development of St. Helena. The manner in which the original introduction of the Terminal Handling Charges was made, bypassing Executive Council and the Government's own Shipping Officer (and who knows who else), does not conform in any degree to a democratic model, which the Governor only days before denoted as important, when announcing the dissolution of Legislative Council in preparation for new elections. He claims that the discussions were held in April with St. Helena Line, but none of our Elected Members, neither of Executive Council nor of Legislative Council, were aware of these discussions, let alone of an agreement.

We trust that the new Elected Members will live up to their role to invoke a much higher degree of transparency and accountability, stemming the decline imposed on the island by the "pause" on air access as well as the ever increasing cost of shipping.

J Wolf, President of the Chamber of Commerce St. Helena