

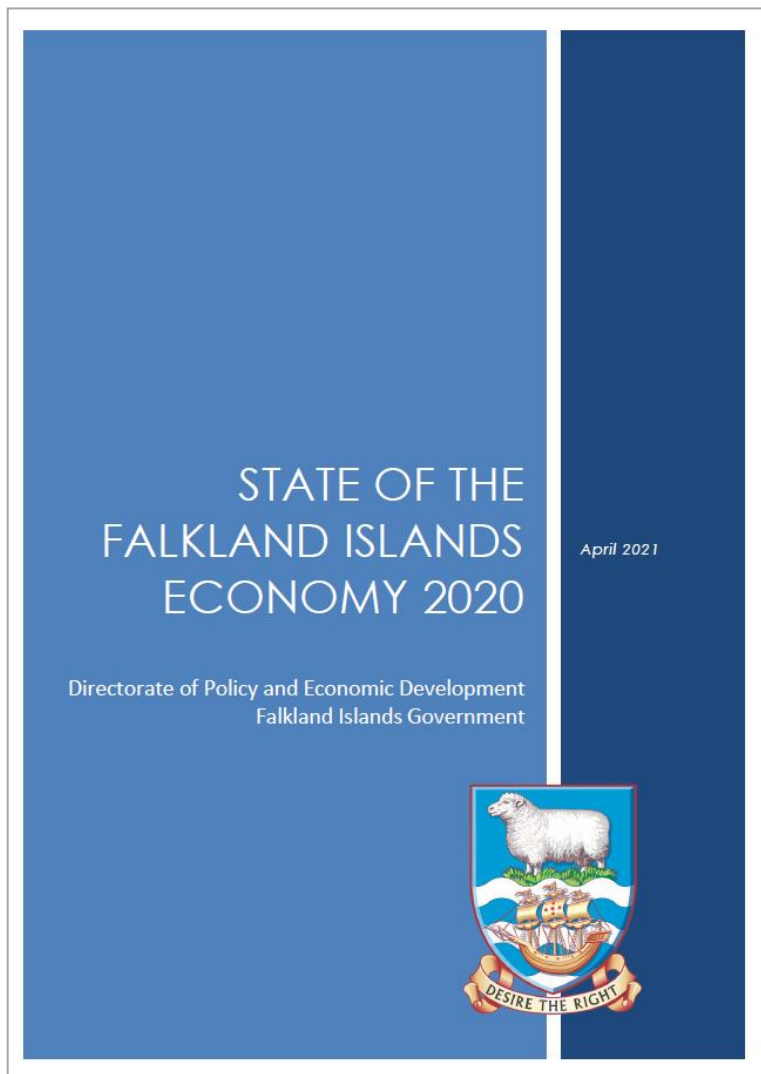
An overview of the economy of the Falkland Islands

Falkland Islands Chamber of
Commerce

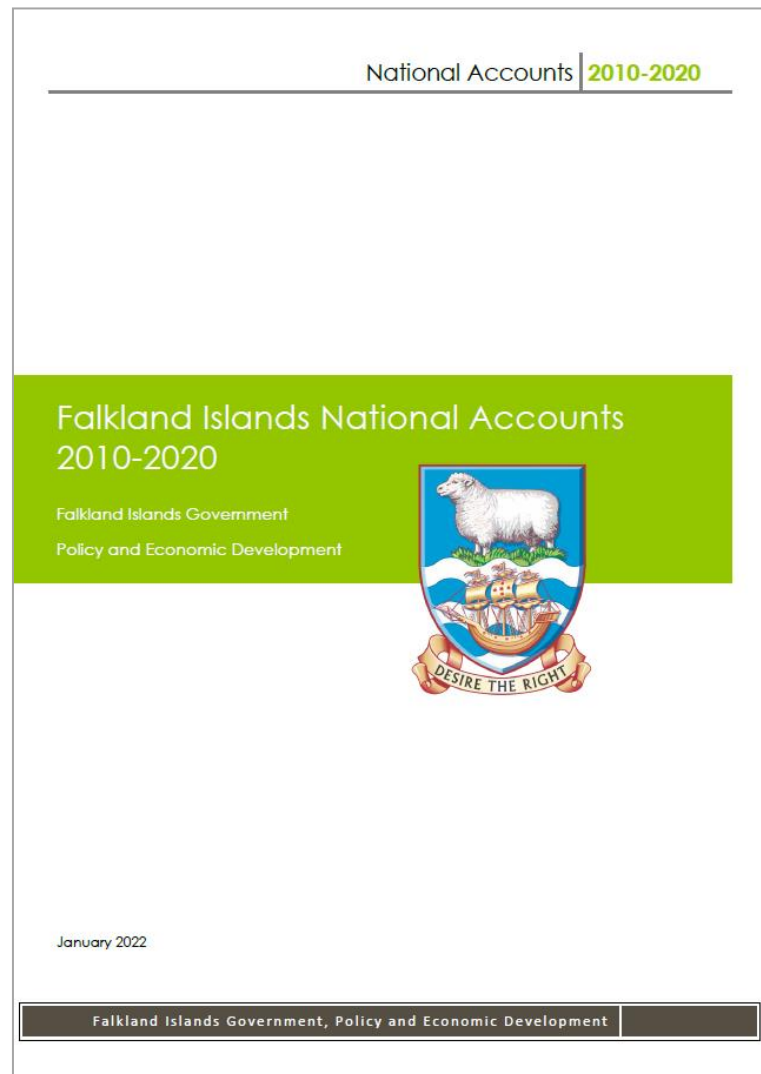
31 January 2022

*Directorate of Policy and Economic
Development*

Economic reports

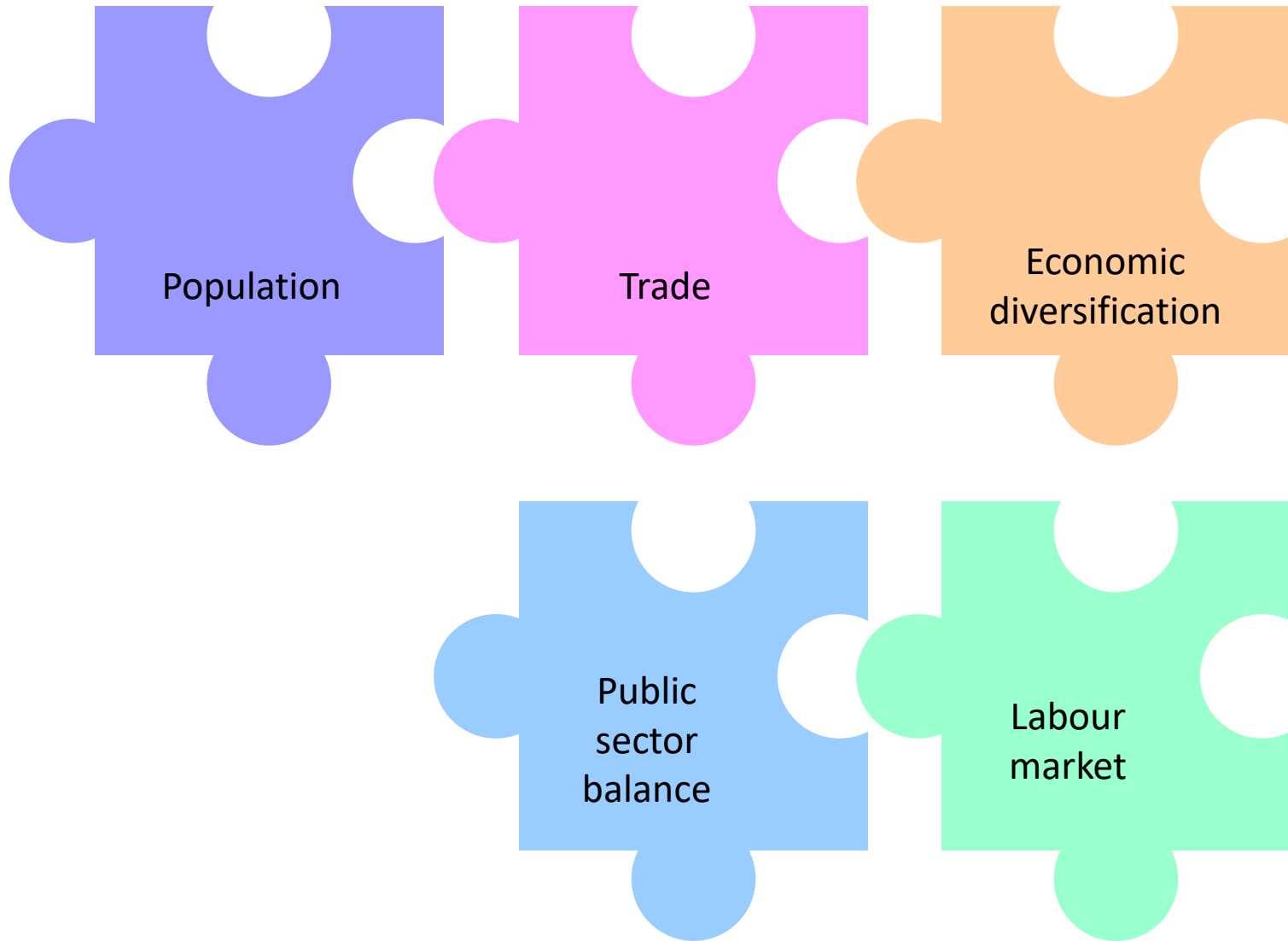


Available at this link:
<https://www.falklands.gov.fk/policy/downloads/category/9-national-accounts-reports>

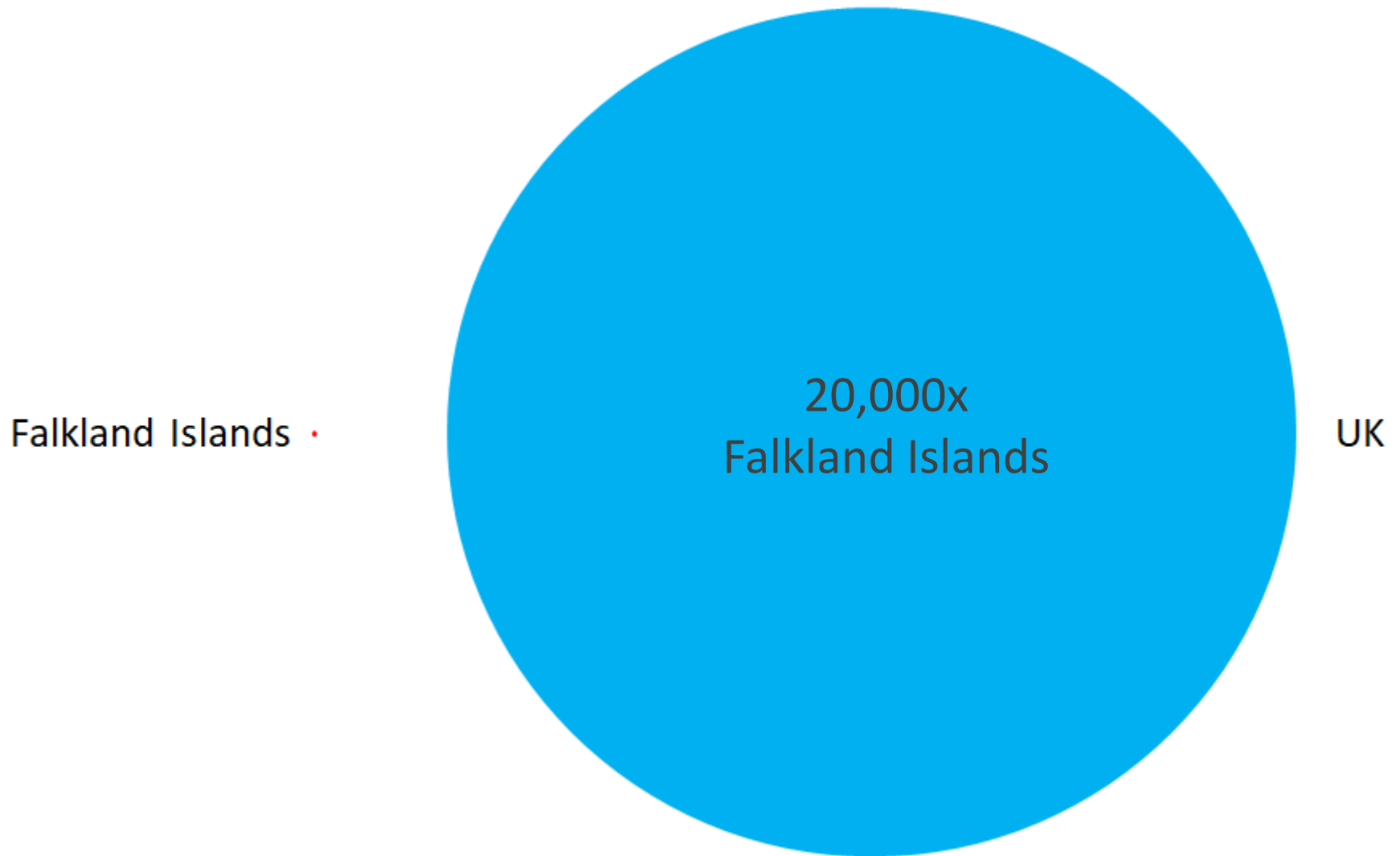


COMING SOON

Five key features of the Falkland Islands economy



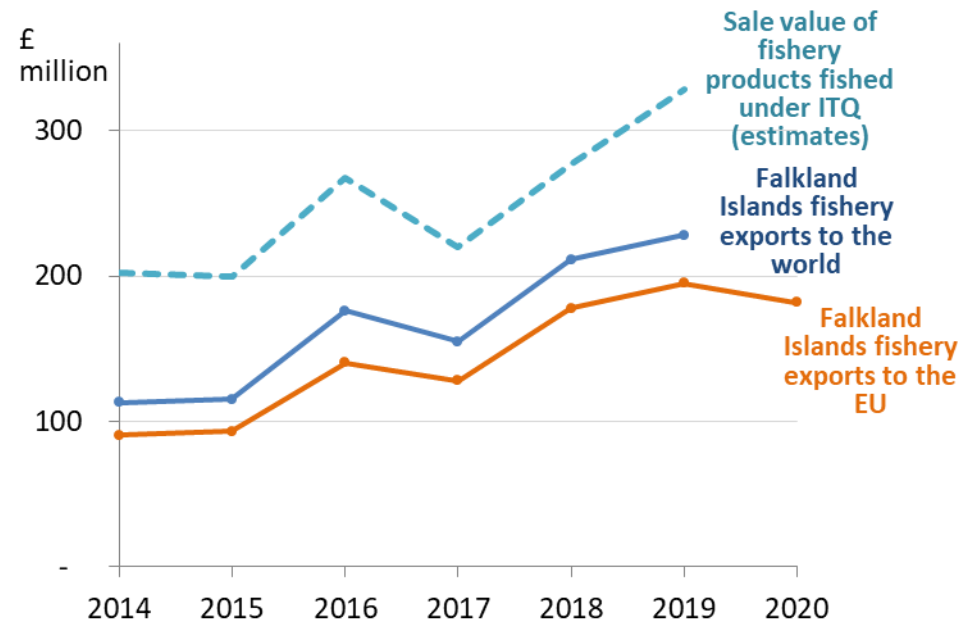
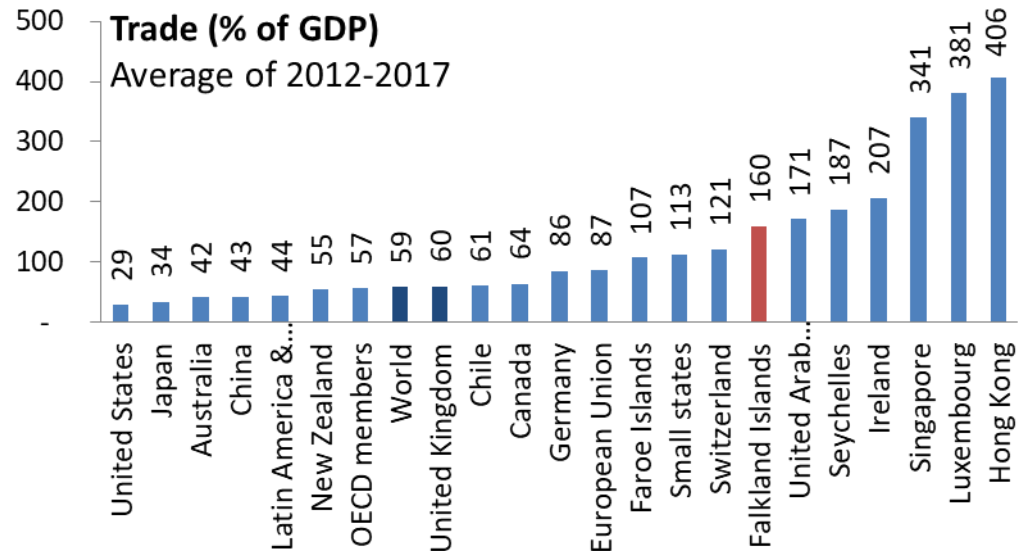
A small population



- Small population size affecting economic development patterns & strategies
→ domestic-market-led economic development is not possible

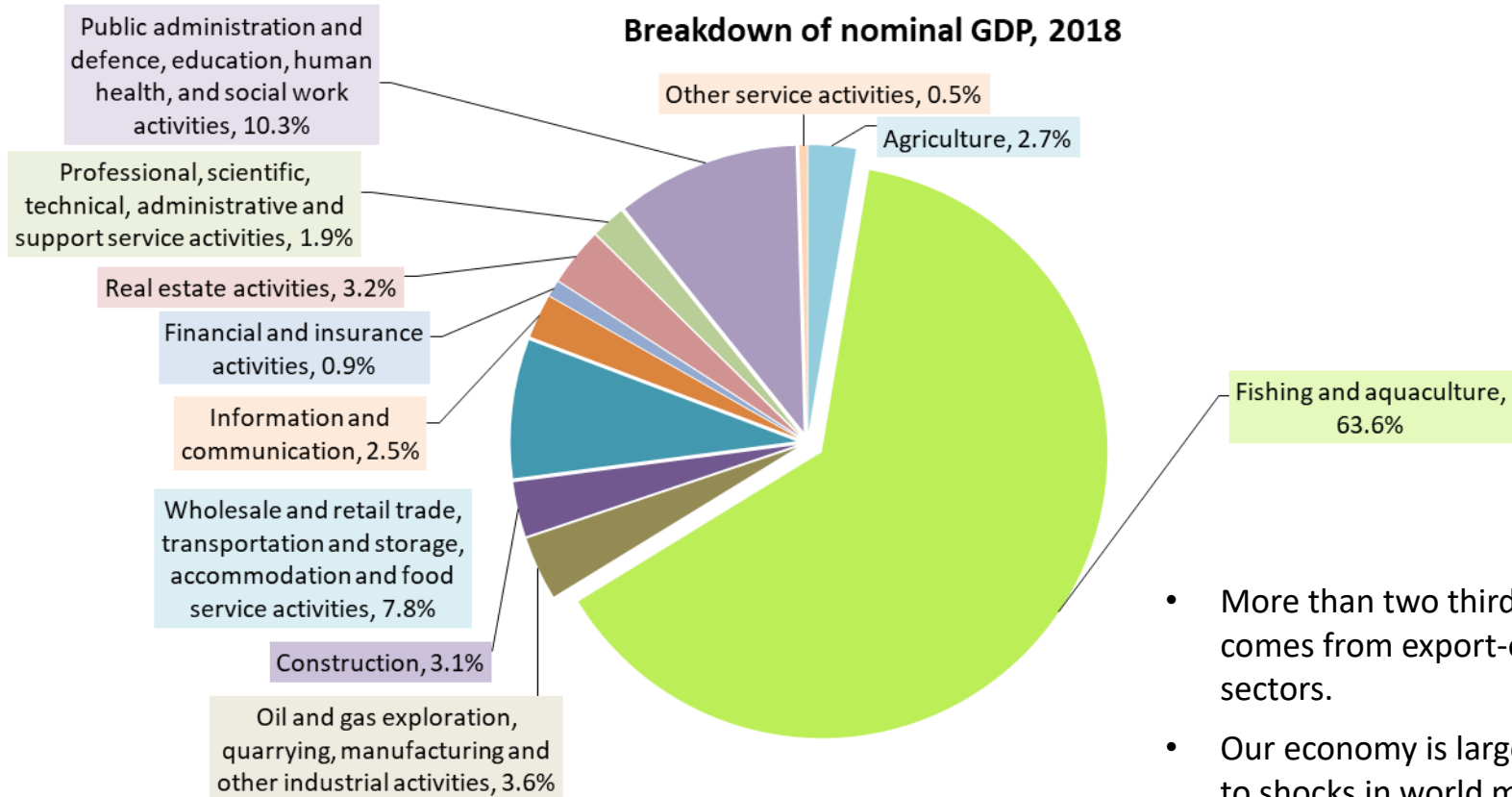
A very open to trade country

- Trade (exports + imports) ~ some 160% of GDP.
- This percentage would be even higher if sales of fish & squid caught by Spanish flagged vessels were classified as exports from the Falkland Islands as well.
- Falkland Islands' main exports:
 - fishery products (on average between 2015 and 2019: £175m or 92% of total exports);
 - wool (£9.4m or 4.9% of total);
 - meat (£2.0m or 1.1% of total).
- Tourism is another significant export sector: ca. £13m in 2018 (though it's not reported among the 'export of goods' statistics).



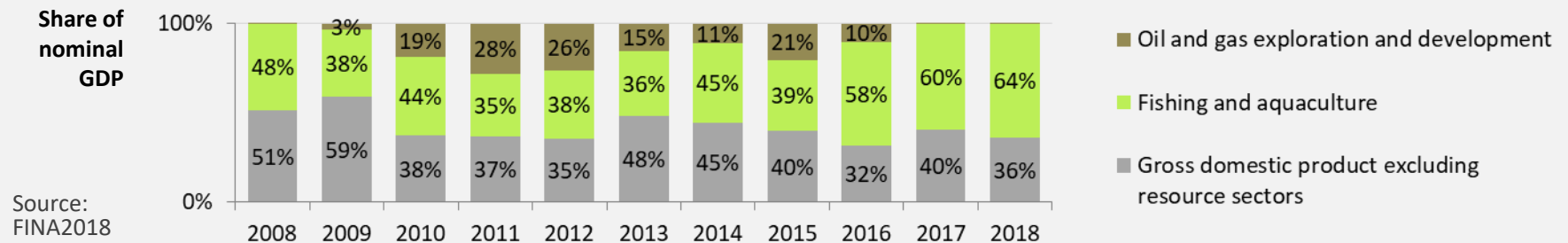
An economy over reliant on a single sector

Breakdown of nominal GDP, 2018



- More than two thirds of GDP comes from export-oriented sectors.
- Our economy is largely exposed to shocks in world markets.

The fishing sector's quota of nominal GDP has been increasing from 35% in 2011 to 64% in 2018.



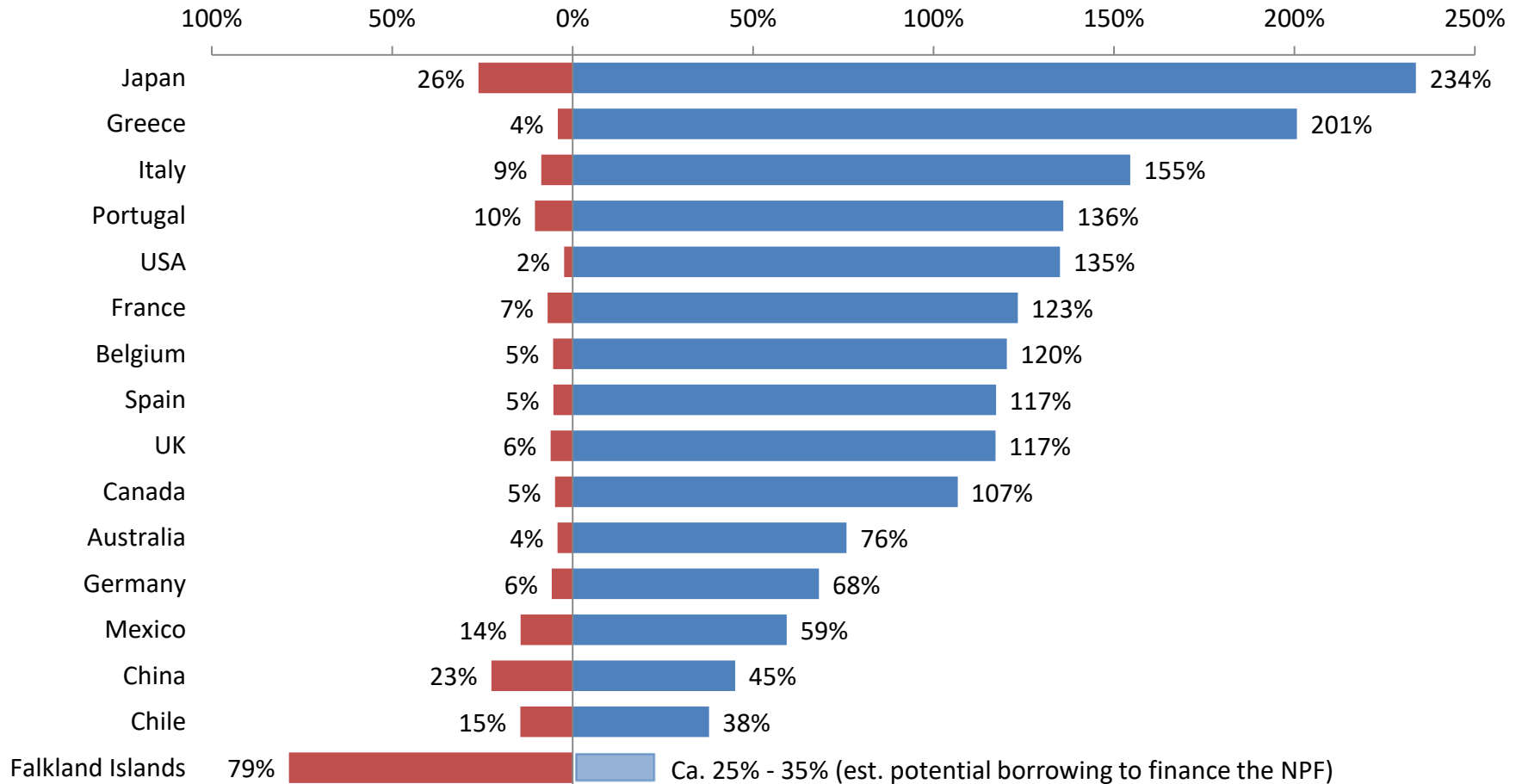
Source:
FINA2018

Positive public sector balance

No public debt – healthy amount of public reserves kept in the Consolidated Fund.

■ Debt ■ Reserves

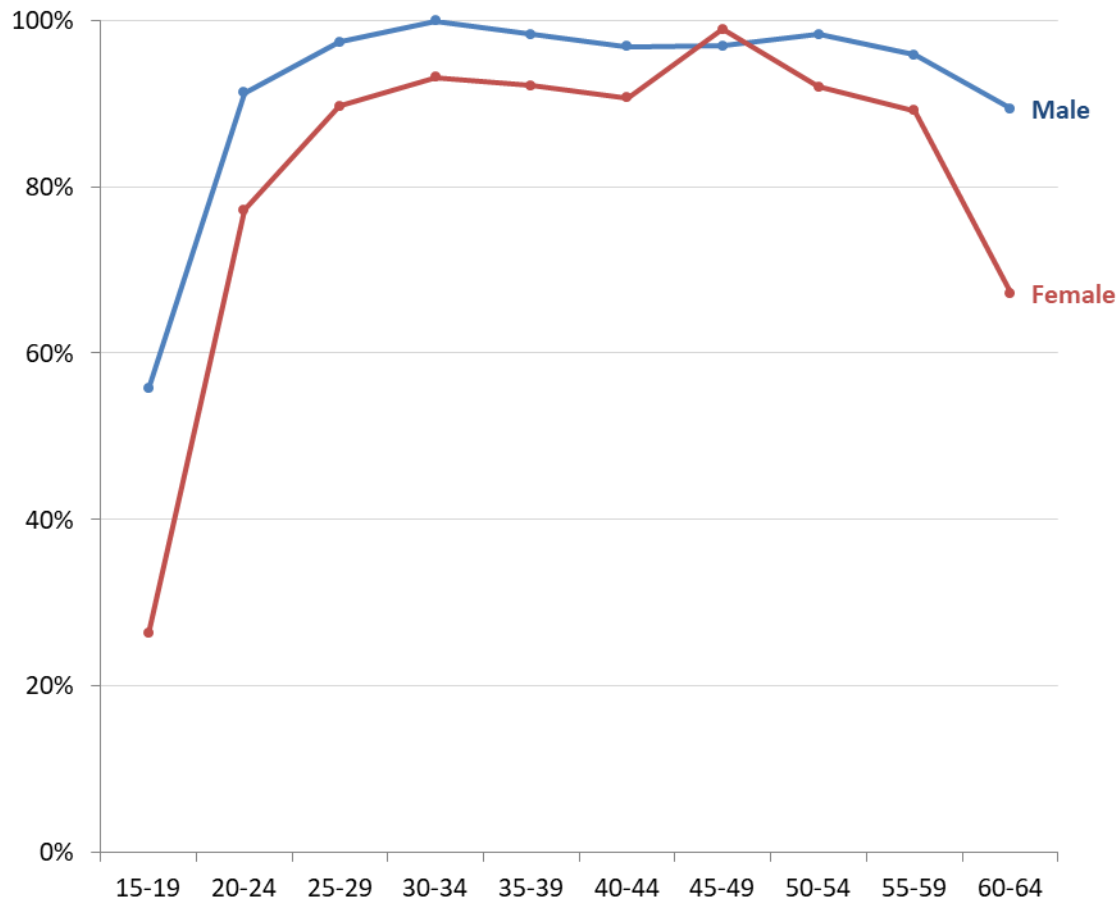
Percentage of GDP
2019 (Falkland Islands: 2018)



A tight labour market

The unemployment rate in the Falkland Islands in 2016 was just 1.0%, suggesting the economy is at full capacity.

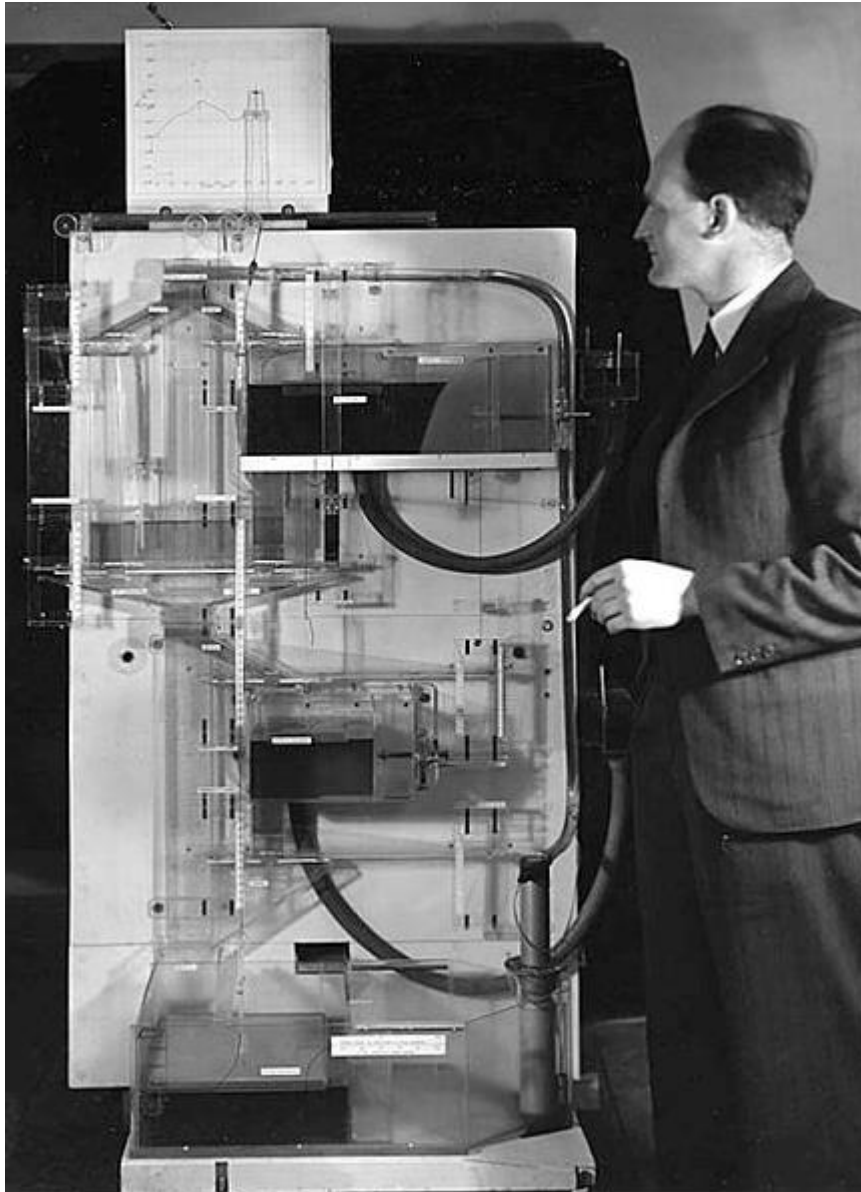
Labour force participation rate by sex and age group
(excluding MPC), 2016



- Labour force participation rate is very high: 89% in 2016.
- Prime age (25-64) employment/population ratio = 94% (males 96%) in 2016. – compared to 83% in the UK, 79% in the European Union, 78% in the United States, 77% on average in OECD countries, and 69% in Italy in the same year.

Source:
Falkland Islands Census
2016

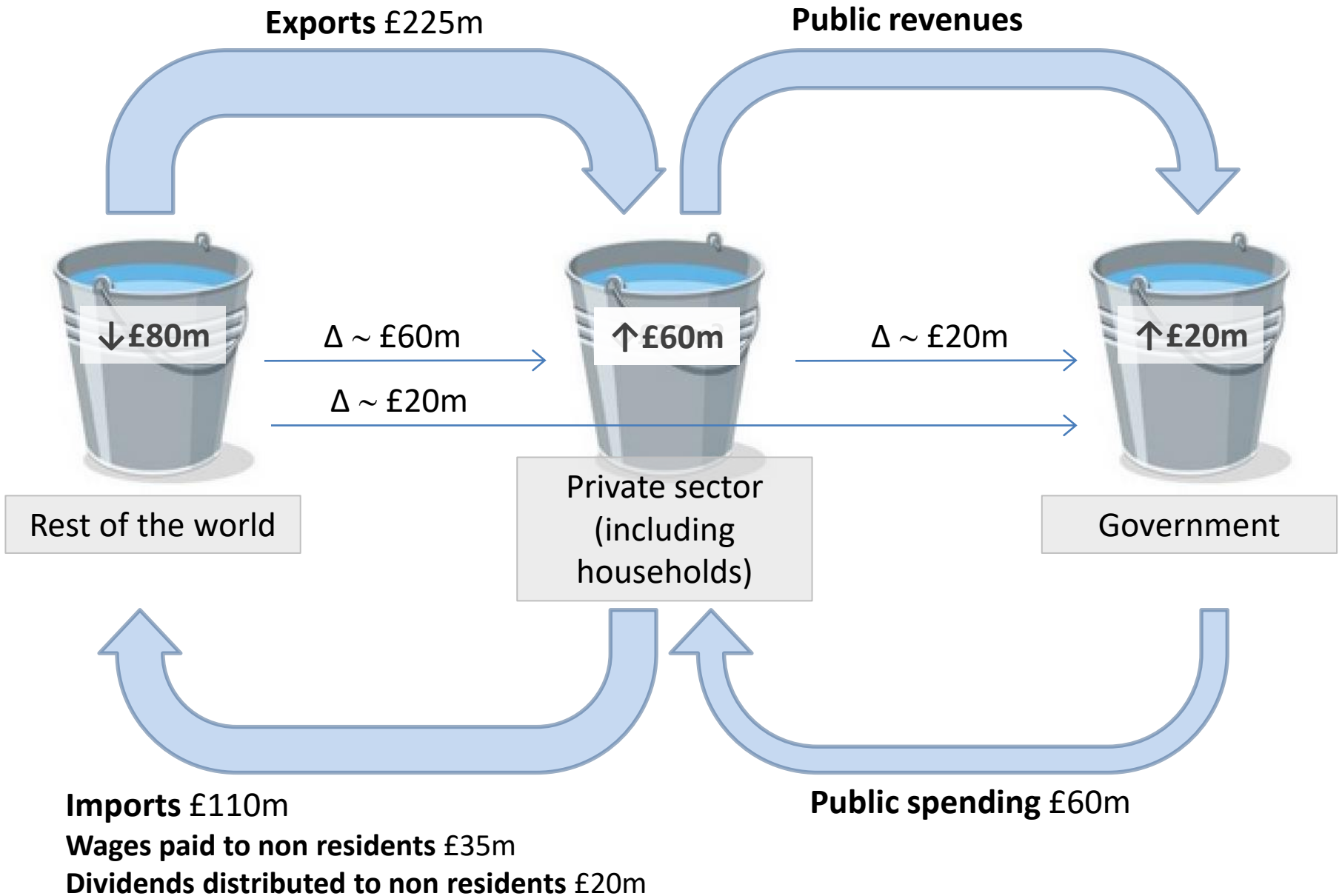
Putting the puzzle pieces together



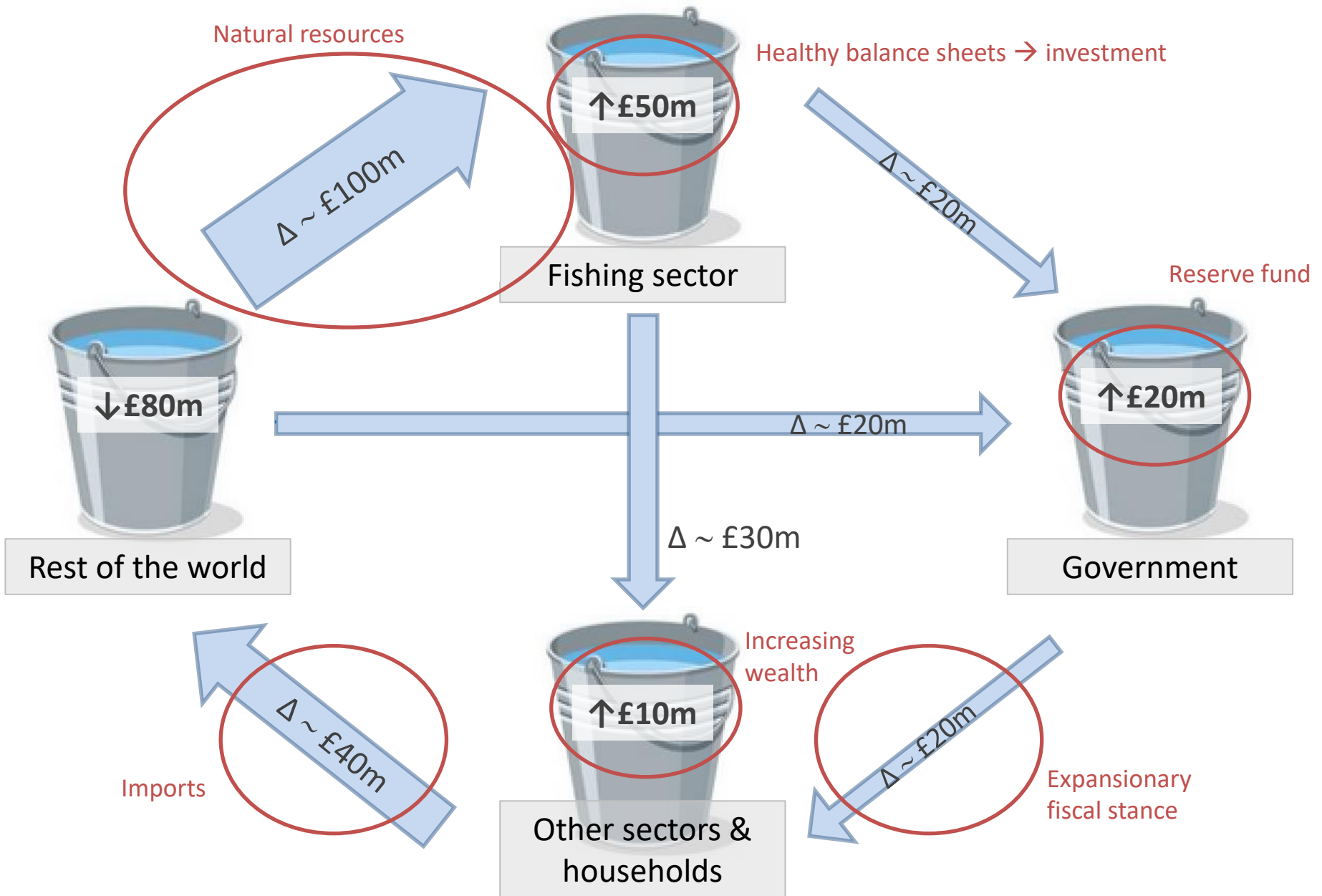
Hydraulic macroeconomics – a study of the economy that treats money as a form of liquid that circulates through the economic plumbing.

William Phillips, a famous economist and creator of the Phillips curve, invented the MONIAC, a hydraulic computer which simulated the British economy, in 1949.

Sectoral financial balances



Sectoral financial balances



Thank you
Questions / comments?

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