Socio-economic Impact Assessment of Salmon Farming in the Falkland Islands

A Final Report by Hatch

July 2025

Falkland Islands Government

Socio-economic Impact Assessment of Salmon Farming in the Falkland Islands

July 2025

www.hatch.co.uk

Contents Page

Contents Page		1
1.	**Executive summary**	2
2.	**Introduction**	8
3.	**Socio-economic baseline**	10
4.	**Literature review**	26
5.	**Primary data collection**	37
6.	**Scope and framework of the socio-economic impact assessment**	38
7.	**Socio-economic impact assessment**	57
8.	**Conclusions**	101
9.	**References**	105

1. Executive summary

Introduction

1.1 As part of its broader consideration of sustainable aquaculture development, the Falkland Islands Government (FIG) is considering the potential for large-scale commercial salmon farming. Hatch Associates Limited (Hatch) and MacAlister Elliott & Partners (MEP) have been commissioned to assess the socio-economic impacts of this potential new industry.

1.2 This report represents the Socio-Economic Impact Assessment (SEIA) produced by Hatch and MEP, which aims to facilitate a deeper understanding of the socio-economic impacts associated with commercial salmon farming operations, and to inform the public consultation on salmon farming in the Falkland Islands.

Scope

1.3 The scope of the SEIA on the potential impacts of large-scale commercial salmon farming covers:

- Salmon farming options: Evaluation of different scenarios including no salmon farming, commercial salmon farming limited by environmental carrying capacity, commercial salmon farming well below carrying capacity, and niche methods such as organic production.
  - Option 1: No salmon farming.
  - Option 2: Commercial salmon farming limited by environmental carrying capacity (30,300 mt/year).
  - Option 3: Commercial salmon farming well below carrying capacity (27,300 mt/year).
  - Option 4: Niche methods such as organic production (24,100 mt/year).
- Socio-economic baseline: Analysis of the current socio-economic conditions in the Falkland Islands, including the existing population, economic sectors, and infrastructure.
- Potential production volumes: Estimation of salmon production volumes under different farming options.
- Core economic impacts: Assessment of the potential impacts on gross domestic product (GDP), corporate taxes, and employment.
- Population and housing: Evaluation of the potential impacts on population growth and housing requirements.
- Wider socio-economic effects: Consideration of broader impacts such as inflationary pressures, skills and training needs, impacts on infrastructure, services, tourism and recreation, as well as impacts on the existing fishing sector.

1.4 The impact assessment is based on modelling conducted using Unity Marine's Project Description. The modelling assumes an all-in, all-out production approach, in line with one of the recommendations from MEP's legislative review. It is worth noting that alternative

production methods could support higher production rates, provided they remain within the carrying capacity of an area.

1.5 The scope of the assessment was designed with the aim of providing FIG with the necessary insights to make informed decisions regarding the development of a commercial salmon farming industry in the Falkland Islands.

Socio-economic context

1.6 The Falkland Islands' population in 2021 was close to 3,700, having grown by 8% since 2016, driven mainly by net migration. There were close to 2,000 individuals in employment across the Falkland Islands in 2021. The majority of the Falkland Islands population resides in the capital of Stanley. Other notable settlements include the Mount Pleasant Complex (MPC), Goose Green and Port Howard.

1.7 The cultural identity of the Falkland Islands is described as British, with distinct traits influenced by the Islands' ancestry, location, and size. Culture and heritage are deeply intertwined with the natural environment, particularly through farming, outdoor recreation and social events.

1.8 Gross domestic product (GDP) is a measure of the economic performance of a country. It represents the total monetary value of all goods and services produced within a country's borders over a specific time period, usually annually or quarterly. The economy of the Falkland Islands is growing, with GDP approaching £300 million in 2023.

1.9 The Falkland Islands' economy traditionally relied on sheep farming and wool production. However, in recent years the economy has diversified, and now fishing, oil exploration and tourism are more prominent economic sectors alongside agriculture. Public sector employment, including defence, education, health, and social work, is also an important contributor to the economy.

1.10 Companies in the Falkland Islands must pay corporate income tax on global income and gains, while foreign companies must pay tax on income earned within the Islands. The fiscal regime includes a 26% corporation tax on adjusted chargeable profits above £500,000. This is an important point to keep in mind when considering the economic potential of any new commercial development.

Methodology

1.11 The SEIA has employed a comprehensive and multi-faceted approach to evaluate the potential impacts of large-scale commercial salmon farming in the Falkland Islands. The methodology includes both quantitative and qualitative techniques to ensure a thorough analysis. The methods employed are consistent with similar assessments undertaken on major infrastructure development proposed in the Falkland Islands. It should also be noted that, due to the early stage of development, the precision on inputs is a key limitation of this study.

Qualitative research

Desk-based research

1.12 A comprehensive review of existing studies, reports, and data related to salmon farming and its socio-economic impacts in similar regions was undertaken. To inform the assessment, relevant socio-economic data was gathered from reputable sources such as FIG census data.

Primary data collection:

1.13 To gather insights from local stakeholders, including residents, businesses, and government officials, interviews, workshops, and site visits were conducted. The observations and insights obtained through firsthand consultation were integrated into the overall understanding of the local context and used to inform the assessment.

Quantitative modelling

1.14 Using a bespoke economic model, quantitative modelling was undertaken to determine both the carrying capacity and the production levels that could be achieved from a number of known potential salmon farming sites. Economic, housing, and population impacts were also modelled, as follows.

Carrying capacity modelling

- DEPOMOD: Predicts the deposition footprint of waste feed and faeces on the seabed, assessing the impact on the benthic community.
- ECE Model: Estimates the impact of nutrient discharges on water quality.

Production volumes:

- Scenario Analysis: Estimation of salmon production volumes under different farming options, including commercial farming limited by environmental carrying capacity, well below carrying capacity, and niche methods such as organic production.

Economic impact modelling

Economic growth and fiscal impact

- GDP Uplift: Calculated by estimating sales revenues, profit margins, and employment costs.
- Corporate Taxes: FIG collects tax revenues based on profits, with rates of 21% for profits under £500,000 and 26% for profits over £500,000. Income to FIG was calculated by applying these rates to estimated profits.
- Other Revenues: Potential income from licensing fees and royalties was assessed based on evidence from other jurisdictions.

Employment

- Direct Jobs: Roles directly employed by fish farm operators draws upon the Unity Marine and are scaled based on the production level under each scenario.
- Indirect Jobs: Supply chain activities such as feed manufacturing and processing are estimated using an economic multiplier based on review of multipliers and application to a small island economy such as the Falkland Islands.
- Induced Jobs: Employment supported by personal expenditure of direct and indirect employees was estimated using Falkland Island data and used tested assumptions to

determine the likely expenditure levels of employees and second round multiplier effects.

- Public Sector Jobs: Regulatory roles and jobs required to support increased population.

Population and housing

- Migration: It was assumed that each FTE role corresponds to one person migrating to the Falkland Islands and that there would also be additional dependents.
- Housing: Housing demand was estimated based on the number of FTE jobs, with an average of one housing unit for every two onshore FTE jobs. This considered both direct housing requirements and wider housing (e.g. resulting from induced employment)

Sensitivity analysis

1.15 Sensitivity testing was undertaken to evaluate the impacts of a potential 50,000 mt/year industry (which is consistent with Unity Marine's estimates for production), including increased GDP uplift, corporate tax revenues, employment, and population.

Findings

1.16 Based on the highest production volume scenario (Option 2: Commercial salmon farming limited by environmental carrying capacity), the key findings of the SEIA are reported as follows.

- GDP uplift is expected to range from £450 million to £550 million over 15 years, corresponding to £30 million to £35 million annually.
- As a result of corporate tax revenues from the industry, FIG would be expected to collect between £100 million and £130 million over the study period, or £6 million to £8 million annually.
- Peak employment in Option 2 is 177 FTE jobs, averaging 133 FTE jobs annually. Comparatively Option 4 averages 121 FTE jobs annually.
- Salmon farming development is estimated to result in immigration of 124 to 137 people. Based on this scale of influx, the housing requirement is estimated to be in the range of 39 to 42 units.

1.17 With a higher scale of production than assessed in the core scenarios, a potential 50,000 mt/year industry could significantly increase GDP uplift (up to £981 million) and corporate tax revenues (up to £213 million). Employment could peak at 216 FTE jobs, with an average population increase of 177 people annually.

1.18 A theory of change and scoping process was employed to establish the key topics for the wider socio-economic impact assessment. The topics with greatest potential for impact are:

- Inflationary pressures: Increased demand for labour could lead to wage inflation. The development of a new industry would place inflationary pressures on the salmon farming economy. This is primarily because increased demand for labour could lead to wage inflation.
- Skills and training: Significant upskilling required for local residents. There is also potential for job displacement in existing sectors, which could create issues for existing sectors.

- Tourism and recreation: The review of literature and primary research found mixed views on the impact of salmon farming on tourism and recreation, with both potential positive and negative impacts
- Fishing sector: There are potential impacts on wild fish populations and resource competition, which would need to be further understood and may need to be mitigated.
- Infrastructure and services: Due to the population influx, there would be a significantly increased demand for housing, education, healthcare, waste management, fuel, and electricity.

Figure 1.1 below provides a visual summary of the socio-economic impacts of Salmon Farming on the Falkland Islands.

Figure 1.1 Socio-economic impact assessment of salmon farming in the Falkland Islands – Summary infographic

[1]Compound Annual Growth Rate, assuming population increases in the assessment period are caused only by the salmon farming industry. NB: Option 1 is the "do nothing" option, where no salmon farming takes place. It is expected there are no impacts under this Option, hence it is excluded from the infographic. Infographic shows impacts of Option 2.

2. Introduction

Falkland Islands Government

2.1 This study has been commissioned by FIG, which is the government of the Falkland Islands, a British Overseas Territory located in the South Atlantic Ocean. FIG is responsible for various services, including education, health, defence, and law enforcement.

2.2 The Falkland Islands consist of over 700 islands, with East Falkland and West Falkland being the largest. East Falkland houses the capital, Stanley, which is the administrative and economic hub, while West Falkland is primarily agricultural. Notable smaller islands include Saunders Island, Pebble Island, Carcass Island, and Sea Lion Island, each known for their unique wildlife and landscapes.

2.3 Led by the Directorate of Natural Resources, FIG is currently undertaking work to carry out the public consultation on salmon farming development in the Falkland Islands.

Study description

2.4 FIG is currently exploring the potential for large-scale commercial salmon farming in its waters and has commissioned two consultants, Hatch and MEP, to collaborate in assessing the socio-economic impacts of this potential future industry. Hatch has cross-sectoral and cross-regional experience in assessing socio-economic impacts of proposed projects and MEP is an expert in assessing global fisheries and aquaculture projects.

2.5 This report represents the SEIA produced by Hatch and MEP, which aims to facilitate a deeper understanding of the socio-economic impacts associated with commercial salmon farming operations and to inform the public consultation on salmon farming in the Falkland Islands.

2.6 The SEIA has been based on four potential salmon farming options for the Falkland Islands, summarised as follows.

Option 1: No salmon farming in the Falkland Islands (this can be thought of as the *"do **nothing option"*** or the business as usual/counterfactual scenario and will consider the socio-economic impacts of not allowing salmon farming;

Option 2: Commercial salmon farming takes place and is limited only by the carrying capacity of the environment. This can be thought of as the option with the greatest potential for socio-economic and environmental impacts;

Option 3: Commercial salmon farming takes place but is limited well below the carrying capacity of the environment; and

Option 4: Commercial salmon farming is allowed but through niche methods such as 'organic production'[1]. This can be thought of as the lowest volume development option.

[1] Organic salmon production involves raising salmon in a way that adheres to strict organic farming standards. The density of salmon is kept low to ensure they have plenty of space. Organic salmon are fed a 100% organic diet free from pre-emptive medication.

2.7 In addition, the study has also considered the economic impacts of a higher production option based on Unity Marine's initial assessment of the potential level of production.

2.8 The key objectives of the study are outlined as follows:

- Establish the social and economic baseline of the Falkland Islands;
- Establish the salmon production volumes associated with each option, based on nutrient and deposition modelling;
- Quantify the socio-economic modelling inputs required for assessing salmon farming options, including number and types of direct and indirect jobs, which are based on the potential infrastructure and services required;
- Model and assess the socio-economic impacts of salmon farming options, including impacts on employment, GDP, FIG revenues, population and housing;
- Assess the wider socio-economic impacts of salmon farming; and
- Provide insights into future mitigation and monitoring of potential socio-economic impacts on the Falkland Islands, should commercial salmon farming be taken forward.

2.9 The bespoke socio-economic model produced for this study quantifies annual outputs for a period of 15 years. The assessment broadly captures three key phases: the design, planning permission and Environmental Impact Assessment phase; the construction and installation phase; (which are both short term and temporary) and the operational phase (which is long term and would extend beyond the temporal scope of the assessment).

2.10 The study has been further supplemented by a field visit to the Falkland Islands, the findings of which have been used in conducting the SEIA.

3. Socio-economic baseline

Introduction

3.1 The key themes of the baseline are:

- **Population and culture:** Population and demographics, population health indicators, quality of life, cultural heritage and recreation.
- **Economy:** Economic value and diversification, employment, earnings, businesses, taxes and royalties, key sectors and government.
- **Community infrastructure and transportation:** accommodation, waste, education, safety and security, healthcare infrastructure and services, energy, water and transportation.

Population and culture

Population and demographics

3.2 The Falkland Islands' population was 3,662 in 2021 (FIG, 2024a); from 2016 to 2021 there was a 7.8% increase in the number of residents, driven mainly by net migration. Stanley, the capital, accounted for 81% of the population in 2021 and was the only area with growth, indicating urbanisation. The working-age population (15-64) was 72%, higher than in England and Wales, meaning there is a lower dependency ratio. The median age rose to 41 between 2016 and 2021, aligning with trends in developed countries, and the average household size slightly decreased to 2.3 persons.

Citizenship and place of birth

3.3 The number of usual residents born in the Falkland Islands in 2021 was 1,530, or 44.6% of the usual resident population (including those absent on Census night) (FIG, 2024a). The 2021 Census accounted for a total of 71 different countries or territories of birth, 11 more than reported in the 2016 Census, highlighting the growing multicultural nature of the Falkland Islands.

3.4 In 2021, the largest foreign-born group in the Falkland Islands was from the UK (21.8%), followed by Saint Helena (11%) and the Philippines (5%). The Falkland Islands and the UK together accounted for 66.5% of the population's birth countries (FIG, 2024a).

Settlements

3.5 The Falkland Islands have several settlements, with Stanley being the capital and largest town (FIG, 2024):

- Stanley: Located on East Falkland, it is the capital and the largest settlement with a total population of 2,974 people (2021, Census).
- RAF Mount Pleasant: This is a Royal Air Force base located about 35 miles southwest of Stanley, with a total civilian population of 334 people (2021, Census).
- Goose Green: Also on East Falkland, this settlement has a population of about 40 people.

- Port Howard: Situated on West Falkland, with a population of around 22 people.

Immigration status and process

3.6 In 2021 (FIG, 2024a), Falkland Islanders/Status Holders made up 61% of the population, Work Permit Holders 23%, and Permanent Residence Permit Holders 10%. In Stanley, 65% of the population were Status Holders, while in Camp, they comprised 87%. About 60% of Work Permit Holders lived in Stanley, 37% in MPC, and 3% in Camp.

Health and quality of life

3.7 In 2021, 85% of residents rated their health as "very good", while 1.3% rated it as "bad or very bad" (FIG, 2024a). The 2019 Health and Lifestyle Survey found 47.1% had long-term health conditions, with high blood pressure (19.7%) and arthritis (14.1%) being most common (FIG, 2019b). Regular health screenings are attended by 87.4% of respondents (FIG, 2019b). Mental health challenges, including low-level depression, are noted, with local professionals and the Community Psychiatric Nurse addressing common concerns such as stress and depression (FIG, 2015).

3.8 According to the 2021 Census, average life satisfaction[2] in the Falkland Islands is 8 out of 10. There is some variation where females and those living in MPC tend to be slightly happier than males and residents of other locations (FIG, 2024a). Another reported component of quality of life in the Falkland Islands, according to a Verisk Maplecroft (2019) study, is community cohesion, friendliness, and a sense of belonging. The study also found that “residents of the Falklands identify their relationship to the environment as the single most important core cultural value” (Verisk Maplecroft, 2019).

3.9 FIG’s Social Effects Monitoring Programme workshop and survey (2015) also revealed a strong sense of community in Stanley and across the Falklands. Anecdotal evidence included people stopping to help with car troubles, noticing absences, and large funeral turnouts. Additionally, two-thirds of respondents participated in community activities, averaging four hours per week. However, some respondents felt a lack of privacy, describing it as “living in a goldfish bowl”. Both groups agreed that the close-knit community significantly influenced their enjoyment of life in the Falklands. Overall, consultees emphasised that community connectedness was crucial to their quality of life and stressed the importance of maintaining these values despite potential new developments.

3.10 Field visit consultation with the Falkland Islands Fishing Companies Association (2025) undertaken as part of this study indicated that the social fabric of the Falklands is under constant scrutiny due to perceptions of a better lifestyle compared to other countries.

Cultural heritage

3.11 The Falkland Islands have several culturally significant sites reflecting the island’s history and heritage, including: the Falkland Islands Museum and National Trust (Falkland Islands Museum & National Trust, 2024), Cartmell Cottage, Hawk’s Nest Shanty (important for agricultural history), Cape Pembroke Lighthouse (a navigational aid and memorial site), Whale Bone Arch, Corrals, Cemeteries, Admiralty Cottage, Centenary Memorial Wall, 1982 battlefields, Shipwrecks,

[2] Life satisfaction is a key component of subjective well-being, which is a major indicator of quality of life.

Christ Church Cathedral, Government House, Gypsy Cove, 1982 Memorial Wood, United Free Church Tabernacle, and St. Mary's Catholic Church.

3.12 The cultural identity of the Falkland Islands is described as British, with distinct traits from the Islands' ancestry, location, and size. This heritage is reflected in cultural practices, particularly farming. The culture is deeply intertwined with the natural environment, with outdoor activities and social events contributing to residents' well-being (Verisk Maplecroft, 2019).

Public sentiment to salmon farming

3.13 Evidence indicates that, globally, public sentiment towards aquaculture has become more positive over time, but also that negative views are linked to environmental concerns (Froehlich et al, 2017). It should also be noted that aquaculture plays an important role in meeting global food demand (Food and Agriculture Organization of the United Nations, 2024).

3.14 There is no available survey evidence on public sentiment towards salmon farming in the Falkland Islands; however, this is currently being gauged through a comprehensive consultation process initiated by FIG. This process aims to gather opinions and concerns from residents and stakeholders about the potential development of large-scale commercial salmon farming activities.

3.15 Field visit consultation with stakeholders and time spent in the Falkland Islands during the field visit undertaken for this study revealed that there are mixed views and opinions on salmon farming in the Falkland. Sentiments from this stakeholder engagement are reported as follows:

- Though anecdotal, there are concerns (raised during the field visit) about the environmental reputation of salmon farming, based on information about impacts in other regions. Falkland Islanders are concerned with protecting the relatively pristine environment and the local wildlife. There are specific communities such as the sailing community which have a strong opposition to salmon farming. Social impacts and increases in traffic and the condition of roads, especially in rural areas, are also points of contention but are less widely held views than the environmental concerns.
- The public recognises the potential economic benefits of developing a salmon farming industry in the Falkland Islands.
- Overall, there is a need for a greater public understanding about the potential impacts of salmon farming in the Falkland Islands. Community engagement is essential to address concerns and garner support for development projects, irrespective of the type of development.

3.16 Community and stakeholder consultation will be required to provide FIG with a richer picture of local sentiment on the benefits and drawbacks of on any potential salmon farming operations in the Falklands Islands.

Biosecurity and invasive species

3.17 The Falkland Islands are largely free from pests and diseases, with the Department of Agriculture focusing on biosecurity regulations to prevent invasive species (FIG Environmental Planning Department, 2017). Biodiversity threats are prioritised based on their frequency, likelihood, and the effectiveness and cost-efficiency of mitigation measures. Non-native species are a high-priority threat due to their potential environmental, social, and economic impacts.

3.18 The Department of Agriculture implements prevention and eradication measures, including inspecting imported fresh produce and spot-checking general cargo and vehicles (FIG Department of Agriculture, 2020a). Passengers arriving by sea must inspect their clothing and footwear for organic matter, and certain items require certification and prior permission. Ongoing programs control invasive species like rodents, thistles, and Calafate, with 70 islands certified as rodent-free as of 2019 (FIG Department of Agriculture, 2020b).

3.19 Key weaknesses in the biosecurity system include insufficient staff, lack of detailed protocols, absence of an overarching policy framework, and outdated legislation (FIG Environmental Planning Department, 2017).

Economy

Economic value and diversification

3.20 In 2023, the GDP of the Falkland Islands was £280.4 million (FIG, 2024b). From 2011 to 2023, GDP grew by an average of 4.7% per year. The economy is heavily influenced by the fishing and hydrocarbons sectors, leading to volatility in annual GDP. The highest annual GDP increase was 32.1% between 2015 and 2016, due to the discovery of the Zebedee, Isobel Deep, and Isobel-Elaine oil deposits in early 2015 (Rockhopper, 2025).

3.21 The Falkland Islands have historically faced challenges with economic diversification. For many years, the economy was heavily reliant on sheep farming and wool production. However, there have been efforts to diversify the economy in recent decades. Key areas of diversification include:

- Fishing industry: The introduction of commercial fishing has significantly boosted the economy. Fishing licenses are a major source of government revenue. Fishing is the largest sector of the Falkland Islands' economy, accounting for 58.6% (£164.3 million) of GDP in 2023. Other significant contributors include wholesale and retail trade, transportation and storage, accommodation and food services, construction and real estate, and public administration (FIG, 2024b).
- Oil exploration: There have been ongoing efforts to explore and potentially exploit offshore oil reserves, which could provide a substantial economic boost if commercially viable quantities are able to be exploited. The oil and gas sector has become increasingly important but remains volatile, contributing 3.4% (£9.6 million) of GDP. This sector supports activities such as construction, transportation, accommodation, and professional services (FIG, 2024b).
- Tourism: Tourism has been growing, with the islands attracting visitors interested in wildlife, particularly penguins and other seabirds, as well as the historical significance of the 1982 Falklands War. The tourism industry is a major source of secondary income for many residents.

3.22 Public sector employment, including defence, education, health, and social work, is also important, contributing £34.3 million (12.3%) to GDP.

3.23 The Falkland Islands' defence sector is anchored by a strong UK military presence at RAF Mount Pleasant, including the advanced Sky Sabre air defence system and upgraded infrastructure. The defence sector contributes economically by supporting local employment, infrastructure development, and service contracts. Although this sector is not a primary economic driver

compared to fishing, tourism, and agriculture, it indirectly supports the economy by boosting demand for goods, services, and construction, particularly through ongoing upgrades at RAF Mount Pleasant.

Employment

3.24 According to the 2021 Census (FIG, 2024a), there were 1,881 working-aged people employed in the Falkland Islands, with an additional 147 over-65s employed. This represents a 10% increase from 2016. The labour force participation rate was 89% in 2021, significantly higher than the UK's 74.7%. The unemployment rate was less than 1%, compared to the UK's 4.5%.

3.25 The largest employer in 2021 was FIG, accounting for 32.8% of employment, a 26% increase from 2016. Other major sectors by employment included construction (10.7%), agriculture (10.1%), wholesale and retail trade (9.5%), business services (6.3%), accommodation and food services (5.0%), fishing and fisheries (4%), community services (3.8%), tourism (3.4%), and transportation and storage (3.4%).

3.26 In 2021, out of 2,027 employed individuals in the Falkland Islands, 85% were employees and 15% were self-employed, similar to 2016. Most self-employed individuals (68%) operated alone, with agriculture, construction, and tourism having the highest numbers of self-employed workers. Men were slightly more likely to be self-employed than women.

3.27 The 2016 Census showed that 80% of employed individuals had one job, 18% had two jobs, and 2% had three or more jobs (FIG, 2019b). In 2021, one in six people had two or more jobs, indicating a tight labour market. Economic activity was very high, with an 83% activity rate compared to the UK's 57%.

Earnings

3.28 In 2021 (FIG, 2024a), the median income for employed individuals in the Falkland Islands was £24,000, a 17% increase from 2016. The average income was £29,900, a 13% increase. The proportion of workers earning £15,000 or less annually decreased from 25% in 2016 to 21% in 2021. Permanent residents had an average income of £29,300, while temporary residents averaged £31,300.

3.29 The gender pay gap in 2021 was £5,300 per annum, narrowing by 22% since 2016, with median incomes now equal for both sexes (FIG, 2024a). The average annual household income was £49,000, a 12% increase from 2016. Camp households saw a 14% increase in average income to £41,900, though the median income only rose by 5%. In Stanley, average and median household incomes increased by 12% and 15%, respectively. The per capita average income for individuals aged 16 and over was £26,700, with Stanley slightly higher at £27,300 and Camp at £23,500. The income gap between Stanley and Camp workers is closing, with an average difference of £4,700 per annum compared to 2016. Overall, annual income from employment rose for all workers, regardless of location, sex, or residency status.

Businesses

3.30 The Falkland Islands Chamber of Commerce has 119 members and reports that the private sector contributed £202 million to GDP in 2020 (Falkland Islands Chamber of Commerce, 2025).

3.31 The 2023 Business Climate Survey provides estimates for the number of businesses by sector (Falkland Islands Development Corporation, 2023). The survey found that four new businesses

were established in the previous 12 months, with the period from 2016 to 2021 seeing the largest growth in the number of businesses since 1982. Most businesses (67%) are based in Stanley, with the largest customer base also in Stanley. The number of companies with overseas or export customers increased by 27 compared to 2021.

3.32 The survey shows steady growth in employment over three years. In 2022, the number of businesses employing 50+ full-time employees increased from 1 in 2021 to 5. All these businesses were founded pre-2000, are limited companies based in Stanley, and are members of the Falkland Islands Chamber of Commerce, with retailers being the largest represented primary sector.

3.33 In 2021, 2022, and 2023, full-time staff made up 58% of the workforce, while part-time, casual, and seasonal workers decreased from 40% to 37%. There was a significant increase in businesses employing or intending to employ seasonal workers in 2023, with two businesses indicating 50+ seasonal workers.

3.34 Regarding profitability, 57% of businesses reported making a profit in 2021, increasing to 63% in 2022 and 76% in 2023. Tourism and retailers were the largest sectors reporting profits, likely due to easing Covid-19 restrictions and increased cruise ship travel. In 2023, 14% of businesses predicted a loss, mostly in the agriculture sector.

3.35 In the 2023 Business Climate Survey, 64% of businesses reported an increase in their balance sheet value over the past two years, with construction companies performing particularly well. Of the surveyed businesses, 29% of businesses reported that their balance sheets had not grown or decreased, and 7% indicated a decrease.

3.36 The survey identified the shortage of skilled labour as the largest barrier to growth, a persistent issue since 2012. Recruitment and retention are challenging due to the limited labour market, reliance on overseas recruitment, housing shortages, and limited connectivity. New businesses, especially in Stanley, struggle more with accessing skilled labour. Field visit stakeholder consultation indicated there were skills shortages in relevant professions. The lack of spare electricians, plumbers, builders, etc. and businesses of these professions was noted by the Public Works Department (2025). Limited availability of skilled workers is a constraint and is causing delays in pipeline infrastructure projects. Additionally, it is common for residents to take on secondary employment, particularly in the tourism industry (during summer months), which further impacts the availability of the workforce for other projects.

3.37 Other barriers to businesses include bandwidth speed and quality, telecommunications costs, and air links to South America and the UK.

Government finances, taxes and royalties

3.38 Companies in the Falkland Islands must pay corporate income tax on global income and gains, and foreign companies must pay tax on income earned within the Islands. The fiscal regime includes a 26% corporation tax on adjusted chargeable profits over £500,000 (FIG Taxation Office, 2020). There are no signature bonuses, production sharing contracts, back-in rights, or local market discounts.

3.39 Specific details about royalties or charges for salmon farming development have not been developed**.** In the oil and gas sector there is a 9% royalty payable on the market value of any petroleum produced (FIG Department of Mineral Resources, 2025)**.**

Fisheries industry

3.40 Fishing in the Falkland Islands' Exclusive Economic Zone[3], managed by the Falkland Island Fisheries Department, covers 466,000 km^2 and extends up to 200 nautical miles from the coast. The Exclusive Economic Zone is divided into the Falklands Inner Conservation Zone and the Falklands Outer Conservation Zone, with fisheries managed under the 2005 Ordinance and Individual Transferable Quotas[4] (the ITQ system is used for finfish and Loligo but not Illex) introduced in 2006.

3.41 The FIG Fisheries Department issues various fishing licenses for specific species and areas, including finfish, squid, toothfish, and others.

3.42 Fishing licenses are a major revenue source, contributing significantly to GDP. In 2023, 200 licenses were issued, generating £33,187,748 (FIG, 2024c). The sector contributes 35-60% of GDP and over 90% of exports (FIG, 2024c).

3.43 Three of the four main fisheries are in the ITQ system, which requires that ITQ quota can only be owned by people with Falkland Islands status (and who are ordinarily resident in the islands) and that joint ventures with overseas companies must have majority ownership by the Falkland Islands partners. The Falklands use a protection vessel, aerial surveillance, and satellite monitoring to combat illegal fishing, with annual license reviews based on scientific data.

3.44 Squid are a significant part of the Falkland Islands' fisheries, contributing substantially to the local economy. The 2023 Fisheries Statistics Report (FIG, 2023) shows a total catch of 187,305 tonnes, the lowest since 2020, with squid making up 61.5%. Loligo and Illex squid catches were the lowest since 2020 and 2019, respectively. Hake catches were lower than in 2022 but the second highest in the past decade. Annual catch numbers fluctuated between 2019 and 2023, with a high of 336,946 tonnes in 2021 due to favourable conditions and effective management, followed by decreases in 2022 and 2023. Fishing fleets from Spain, the Falkland Islands, Korea, Taiwan, and Vanuatu accounted for all catches in 2022 and 2023, with the Falkland Islands' fleets recording the highest numbers (FIG, 2024c).

Aquaculture industry development

3.45 Currently, the Falkland Islands does not have any operational large-scale commercial aquaculture developments. The following overview provides a summary of aquaculture in the Falkland Islands:

[3] The Falkland Islands have an Exclusive Economic Zone that extends up to 200 nautical miles from their coast. This zone allows the Falkland Islands to exercise special rights over the exploration and use of marine resources, including fishing and potential hydrocarbon reserves The zone is managed in coordination with the South Atlantic Fisheries Commission to ensure sustainable fishing practices.

[4] Individual Transferable Quotas are a type of catch share system used to manage fisheries. They allocate a specific portion of the total allowable catch or effort to individuals or firms. These quotas can be bought, sold, or leased, making them transferable. The primary goal is to promote sustainable fishing practices by preventing overfishing and ensuring that fish populations remain healthy. By giving fishermen a stake in the long-term health of the fishery, this system can help align economic incentives with conservation goals.

Figure 3.1 Overview of key aquaculture development activity in the Falkland Islands

- **Between 1987 and 1992, the Falkland Islands Development Corporation carried out a pilot (proof of** concept) project for open pen salmon farming. The project proved that salmon could grow at commercially acceptable rate in Falkland Islands' waters.
- **In 2006, the Fish Farming Bill was passed providing a legislative framework to enable licensing and regulation of fish farming. The Bill was not commenced until 2016, and to date no licenses have been** applied for or issues.
- **Since 2009, the Economic Development Strategy has included an objective that identifies aquaculture as a potential area to develop and diversify our economy.**
- **From 2013 to 2022, a small-scale fish farming operation (brown trout) was run by The Falkland Islands Fish Company Ltd (Fortuna Ltd). This operation has ceased and all fish farming infrastructure has been removed.**
- **In late 2017, FIG was approached by an overseas company interested in developing an Atlantic salmon** farming project in Falkland Islands waters. Following discussions with FIG, the interested party formed a joint venture with a local **fi**shing company and started to develop a **fi**rst phase "prove the concept" large scale project with the ability to operate sustainably.
- **In 2019, FIG committed to reviewing global best practices of large-scale fish farming (specifically salmon) and to review Falkland Islands legislation and other jurisdictions to advise on how a robust legislative** framework would look ahead of making any decision about whether or not to permit large-scale **fi**sh **farming. External consultants were engaged to carry out that initial policy development work.**
- **In March 2022, the independent reviews produced by the consultants were considered by Executive** Council and a decision was made not to allow large-scale **fi**sh farming. A decision not to undertake public **consultation on the proposals was also taken at that time; however, that decision has now been revised.**
- **In 2024, a court ruling led to a mandated public consultation on the future of salmon farming in the Falkland Islands. This decision came after a legal challenge by Unity Marine against a 2022 Executive** Council decision that opposed large-scale **fi**sh farming. The court decision required FIG to conduct a full **public consultation before making any further decisions on the future development of the salmon farming industry. The consultation, was required to be based on four distinct options outlined by MEP: Option 1 - No salmon farming in the Falkland Islands; Option 2 - Allow commercial salmon farming, limited only by the environmental carrying capacity; Option 3 - Permit commercial salmon farming, but with limits well below the environmental carrying capacity; and Option 4 - Allow salmon farming only through niche methods such as organic production. The consultation process was designed to include consideration of** economic and social impacts, and while it is not a referendum, public feedback is to be evaluated based on the strength and evidence of the arguments presented. The **fi**nal decision will rest with elected o**ffi**cials, **who are expected to take the consultation responses into account.u**

Source: FIG Directorate of Natural Resources (2024)

Crop and animal production

3.46 Crop production in the Falkland Islands focuses on forage crops and home gardens, with swedes commonly grown for animal feed. The harsh climate limits large-scale crop production. Sheep farming, a traditional livelihood, has decreased in economic importance due to the fishing industry's growth. Agriculture employs 10.1% of the workforce, with 92.4% of the land dedicated to it. The Falkland Islands have 70 farms, mainly family-owned, grazing nearly half a million sheep and over 3,000 cattle. The annual wool production is 1,638,467 kg, with 43% of farms

accredited under the Responsible Wool Scheme and some having organic certification (FIG Department of Agriculture, 2024).

Tourism economy

3.47 The Falkland Islands has seen a steady increase in tourism in recent years. In 2023, there were 4,729 land-based tourist arrivals, a 34% increase from 2022, with 1,800 traveling for leisure. The average stay was 11 nights, with an average spend of £228 per night. There were also 73,000 cruise passengers, a 22% increase from 2022, with an average spend of £96 per passenger. Walking/hiking and photography were the most popular activities for overnight visitors (Falkland Islands Tourism Board, 2023).

3.48 During the 2023-2024 season, the Falkland Islands recorded 73,191 cruise passenger arrivals, the highest ever in a single season. Many vessels explore wildlife locations in the western part of the islands and make stops in Stanley, where various excursions are offered (Falkland Islands Tourism Board, 2024).

3.49 In 2023, residents undertook 16,919 domestic tourism trips, totalling 43,197 nights away from home, with an average stay of 2.6 nights per trip (Falkland Islands Tourism Board, 2024).

3.50 In 2019, total expenditure from tourists was £15.5 million, and in 2018, tourism contributed £5.5 million in Gross Value Added[5]. The 2021 census reported 43 people primarily employed in tourism, with an additional 20 having secondary employment in the sector (Falkland Islands Tourism Board, 2024).

Community infrastructure

Housing and accommodation

3.51 Field visit consultations with key stakeholders indicated that there is a housing shortage issue in the Falkland Islands. Housing availability and affordability are major social concerns in Stanley, specifically the risk of housing shortages associated with ongoing projects and future development projects and the potential for this to affect housing affordability.

3.52 In 2021 (FIG, 2024), the Falkland Islands had 1,352 housing units (excluding MPC), with 1,297 occupied on census night. Stanley had 1,148 units: 1,002 houses, 81 flats, and 65 mobile or temporary structures. Flats and mobile structures were mostly 1/2-bedroom properties, while houses were larger, with 5% being 1-bedroom, 33% 2-bedroom, 43% 3-bedroom, and 15% 4-bedroom. Housing availability grew, with 15% of units in Stanley being less than five years old.

3.53 Between 2015 and 2019, the average home value in the Falkland Islands was around £100,000. New home construction costs in Stanley are around £120,000, and 30-45% higher again in Camp (FIG, 2020). In 2021, 55% of households owned their homes, while 36% rented (FIG 2024). Accommodation costs increased, with most households spending £401-£700 per month. Compared to 2016, rent and mortgage payments rose by 26% and 13%, respectively. In 2016,

[5] Gross Value Added is a measure of the economic value generated by a sector, industry, or region. It represents the contribution of each producer, industry, or sector to the economy.

83% of Stanley residents and 76% in Camp rated their housing as 'good,' with only a small percentage rating it as 'not good'[6].

3.54 The Public Works Department commented that there are around 150 to 175 more homes to develop on Sapper Hill and the next phase is currently being developed.

3.55 Only residents with a permanent residence permit or full Falkland Islands Status can own property, and these groups, along with work permit holders, are entitled to government-provided housing. FIG has 128 houses and offers a rent rebate program (FIG, 2020). The largest hotel in Stanley is the 70-room Malvina House Hotel (Malvina Hotel, 2024), with other smaller hotels and Bed & Breakfast accommodation available. Information gathered from the Public Works Department by Hatch indicates that from January 2023 to December 2024, there were 145 serviced accommodation rooms available monthly, with occupancy rates varying from 7.6% to 72.6%. Self-catered accommodation had more variation in supply and generally higher occupancy rates.

Waste disposal and management

3.56 The Falkland Islands' waste disposal facilities rely mainly on landfill, reuse of glass and scrap metal, and recycling of cans, tins, and household batteries in the UK. The Eliza Cove landfill has been at capacity since 1997 but continues to operate. The 2018 Waste Management Strategy (FIG, 2018) aims to improve waste separation, incineration, and collection facilities, with plans for a new Waste Management Facility and Landfill by 2026.

3.57 Field visit consultation with the Public Works Department indicated that the current practice of open burning at landfill sites is necessary to minimise waste accumulation but is not sustainable (FIG Public Works Department, 2025). There is a proposal for a waste management facility with an incinerator, which would aim to reduce waste volumes by a further 90% (i.e., just ash remaining).

3.58 Marine waste is a significant issue, with 70% of beach rubbish originating from outside the islands. The 2024 Draft Pollution Prevention and Waste Management Policy highlights managing industrial/commercial waste as a top priority (FIG Environmental Planning Department).

Education and training infrastructure and services

3.59 FIG provides free and compulsory education for children aged 5-16 through primary and secondary schools in Stanley and small settlement schools in rural areas, supported by a travelling teacher service. Stanley has three educational facilities: Stanley Infant Junior School and Camp Education for ages 3-11, Falkland Islands Community School for ages 11-16, and Falkland College for further education. Students must study abroad for A-levels, with FIG sponsorship available for eligible students.

3.60 There are also four small settlement schools in Camp for children below nine years of age. Some children in more remote areas are educated at home with some support from visiting teachers and remote education (Falkland Islands Community School, 2024). A field visit consultation with the Department of Education (2025) indicated there are currently 23 children who live more than a 30-minute drive from Stanley and require remote primary education.

[6] The 2021 Census did not collect data on housing quality.

3.61 Information provided by FIG has identified several issues that will need to be resolved at the secondary school, as well as ways of maximising new space. There is currently no expectation of a new school or extension within the next five years.

3.62 Between the 2012 census (FIG, 2013) and 2016 census (FIG, 2019a), there was a steady increase in the number of people obtaining qualifications and a decrease in those with no qualifications. The most significant rise was in secondary qualifications, which saw an increase of 898 people, followed by vocational qualifications (up by 378) and tertiary qualifications (up by 293). The 2016 Census also introduced a new category, 'primary education' which was not included in 2012. The 2021 census did not capture data on education levels.

3.63 Educational attainment is lower in Camp compared to Stanley, reflecting the hands-on nature of agricultural work in Camp. According to the Draft 2023 Workforce Development Strategy (FIG, 2023), 29% of the Falkland Islands population aged 19-64 had tertiary or vocational qualifications, compared to 34% in the UK. Additionally, 27% had secondary qualifications, including A levels or vocational equivalents.

3.64 Teachers are recruited from the UK. There are 61.5 teacher FTE jobs budgeted for in the 2024/25 budget book. FIG recruits primary and secondary teachers internationally (the latest data suggests there are 44% international contracts in primary and 65% in secondary). It is more of a challenge to recruit teachers than it would be in the UK. However, it is not any harder to recruit teachers compared to other contract roles and FIG have typically had a full complement of teachers at the start of each year. The vast majority of teachers complete their contracts and there is a trend of people going on to local terms (FIG Director of Education, 2025).

3.65 The Falkland Islands offer a variety of adult education and training opportunities through several institutions and programs (FIG, 2025):

- Falkland College: This institution provides a range of accredited courses, both in-person and online. They offer vocational training, higher education, and community education programs.
- Community Development Scheme: This scheme supports adult learners by providing funding for further education and training. It aims to enhance skills and employability.
- Apprenticeship Scheme: Managed by the Education Directorate, this scheme supports apprentices both in the Falkland Islands and the UK, offering practical training and career development.
- NGOs and Charities: Various non-profits and charities in the Falkland Islands provide funding for literacy promotion, vocational training, and education for individuals with special needs.

Physical space requirements

3.66 A field visit consultation with the Department of Education (2025) indicated that the primary school in Stanley is already at full capacity. It would require new classrooms or even a new school if the population were to increase significantly.. In contrast, the Department of Education indicated that the secondary school has some capacity for growth.

- Falkland Primary School has no more space to expand into, no spare classroom spaces and no space to grow on its existing site. The school has had four expansions in its lifetime. Extra classes would require new classrooms to be built – for 10% growth 2 are

needed; for 20% 4 are needed; for 40% and 50% growth 8 are needed. Any growth in class numbers would mean that a new primary school is needed.

- Falkland Islands Community Secondary School has more physical capacity for growth. A plan for remodelling the existing space is about to be presented to the Members of the Legislative Assembly and then to the Executive Council. If all the recommended changes are made then it will have the capacity for up to 350 children, which represents an increase in capacity of just over 50%. If the recommended changes are not made it will only have the capacity for 10% growth.
- To fully understand Camp Education implications requires assumptions about where the changes would be. For example, if there was growth at a settlement with no settlement school, it would require a school to be built, accommodation for a teacher to be sourced, a new teacher to be recruited, and a budget for the running costs of the school.

Safety and security

3.67 The Royal Falkland Island Police (RFIP) force contains 35 officers and is based out of the police station in Stanley (RFIP, 2024).

3.68 There is limited publicly available data on recent crime rates. However, the Royal Falkland Islands Police survey in 2020 captured perceptions of crime and policing (RFIP, 2020). The survey found that the issues identified most frequently as moderate or serious problems were: vehicles speeding (55%), drunk driving (31%), traffic offences (21%), rubbish or litter (23%), and drunk or rowdy behaviour (21%). While 78% stated their quality of life is not affected by anti-social behaviour, the impact of anti-social behaviour has increased significantly since 2012. All of those stating they are affected by anti-social behaviour are based in Stanley and MPC. Although 63% were not worried about being a victim of crime, worry levels had increased since 2012.

3.69 The survey also found that confidence in police effectiveness was mixed, with 75% confident in emergency response but only 44% confident in the effective use of public-provided information, and 46% lacked confidence in the police's ability to handle online crime (RFIP, 2020). Consequently, 16% of respondents experienced anti-social behaviour and 25% were victims of crime in the last year but did not report it, often due to previous bad experiences with the police or a belief that the police could not help.

3.70 Emergency Services FTE numbers increased by 49% between 2016 and 2021. This is largely down to increased police officers (nine extra FTE roles), which in turn was likely down to increased investigation efforts arising out of a special operation. Over this time period, the directorate also absorbed part of the maritime authority function from Natural Resources, and increased staff in that service as well as in the department's emergency planning capacity. All this accounted for 16 additional FTE roles. Excluding these, the growth in the department was 15% between 2012 and 2021.

Health infrastructure

3.71 The King Edward VII Memorial Hospital (KEMH) in Stanley is the main medical facility in the Falkland Islands, offering a range of services including acute care, maternity, intensive care and long-term care for older people (FIG Health and Social Services, 2025). The hospital has two intensive care units (ICUs), 24 beds, and various outpatient and community health services. Typical occupancy of beds is in single figures. The hospital also provides primary care services, with the majority of healthcare provision in primary care. A total of six GPs are employed,

including the chief medical officer, plus a surgeon and an anaesthetist. The healthcare infrastructure is heavily concentrated in Stanley, with the hospital acting as the key central health infrastructure.

3.72 The Falkland Islands ambulance service is nurse-led and does not employ paramedics. There are 16 nurses and a chief nursing officer and two midwives.

3.73 Most health services have minimal wait times. While not part of the NHS, the Falkland Islands has a healthcare governance framework based on UK models, providing free services to residents and British nationals, with some charges for non-essential care. Due to the limited availability of certain specialized treatments, a significant number of patients are sent overseas for medical care. In 2024 there were record numbers of medical trips overseas, with 118 trips occurring in just three months. Whilst waiting times are generally seen as very good, there are a number of capacity constraints. This includes limited availability of specialised services (and therefore the need for medical treatment overseas) which can be costly and logistically challenging, difficulties in emergency medical evaluations due to the remoteness of the Falkland Islands, and workforce limitations in the skills and size of the workforce. FIG is aware of these constraints and is actively working to address them through strategic planning and investment in healthcare infrastructure (FIG, 2019c).

3.74 In addition to the services provided at the main hospital in the Falkland Islands, the military operates a small General Practitioner clinic at the MPC. This clinic is dedicated to serving the healthcare needs of military personnel and their families residing on the base. It offers primary care services, routine check-ups, and minor medical treatments, ensuring that those stationed at the base have convenient access to essential healthcare without needing to travel to the main hospital. The healthcare staff at the MPC includes a Senior Medical Officer, a Civilian Medical Practitioner, a Unit Medical Officer, Practice and Deputy Practice Managers, a Nurse, a Pharmacy Technician, an Exercise Rehabilitation Instructor, a Physiotherapist, an Administrator, 8 Combat Medical Technicians, 3 Ambulance Drivers and an Environmental Health role (Care Quality Commission, 2024).

3.75 There are currently two dentists in the Falkland Islands. Field visit consultation with the Department of Health and Social Services undertaken as part of this study, gave insights into dental capacity, which is understood to “have some capacity constraints” (Department of Health and Social Services, 2025). There is funding allocated for an additional dentist; however, the establishment of the new surgery will not be completed for several years. The pharmacy is approaching its capacity limits, but plans are underway to expand its capacity. The consultation with the Department of Health and Social Services indicated that the speech and language services currently have sufficient capacity.

3.76 Falkland Islands Fire & Rescue Service is a small team of full-time firefighters and volunteer retained firefighters. The team is made up of four full time fire fighters, a full-time mechanic and four watches of volunteer retained firefighters totalling approximately 40 highly skilled individuals (Falkland Islands Fire & Rescue Service, 2025).

3.77 All pharmaceuticals supplied to residents of the Falkland Islands are sourced from the UK.

Recreation infrastructure and services

3.78 Outdoor leisure is a key part of Falkland Islands culture, with over 90% of residents engaging in leisure activities outdoors. Popular land-based activities include walking, wildlife watching, horseback riding, climbing, hiking, camping, off-roading, and foraging. Water-based activities

include fishing, surfing, diving, rafting, and kayaking. Community events such as sheep shearing competitions, the Midwinter Swim, and the Stanley Marathon are also popular. The Stanley Leisure Centre offers various facilities, including a pool, courts, a fitness suite, and an all-weather pitch. A new indoor facility is expected to be completed by late 2025.

Government, social and public safety infrastructure and services

Government / administrative services

3.79 The 2008 Constitution established a Legislative Assembly in the Falkland Islands with eight members elected every four years, chaired by a speaker and including two ex officio[7] members. All members are independants, with no political parties or formal opposition. The Executive Council, led by the Governor, formulates strategy and policy, while the judiciary is independent. The 2015 Social Effects Monitoring Programme Report indicated high trust in the government's integrity and democratic participation.

3.80 As of 2025, according to FIG, there were 18 long-term government vacancies, mainly in health and education, with international recruitment efforts ongoing.

3.81 Key Government departments/services most relevant to the socio-economic impacts of salmon farm industry development include:

- Department for Commercial Services;
- Department of Education;
- Legal Services; and
- Public Works Department.

3.82 Field visit consultation with Government departments, as part of this study, indicated that there are resourcing concerns, which may be put under greater pressure by major infrastructure projects.

Social services

3.83 The Falkland Islands Social Services Department, under the Director of Health and Social Services, provides various services including early help, income support, probation, and residential support for young people. As of May 2024, the team had fourteen personnel, with seven vacancies. They collaborate with the housing, police, health, and education departments to safeguard children and adults at risk. Income support services offer financial assistance, including attendance and winter fuel allowances. The probation service manages risks posed by individuals on probation, and the KEMH social services team supports the elderly at the hospital's Elderly Care Unit. Supported living accommodation is also provided, with mobile wardens visiting residents regularly (FIG, 2024d).

Energy

3.84 Fossil fuels are the primary energy source in the Falkland Islands, but the FIG Energy Strategy (Copper et al., 2023) aims for a fully renewable supply by 2045. In 2022/23, Stanley used 19,520,590 kWh of energy annually. The FIG Power Station, with eight diesel generators and

[7] Individuals who are part of the Assembly because of the positions they hold, rather than being elected.

three high-speed sets, supplies over the majority of Stanley's electricity, while the Sand Bay wind farm meets about 30% Stanley's demand. The Stanley Town Plan highlights the aging diesel generators and plans for a new power station. Stanley Services Limited provides domestic fuels and bunkering services, maintaining a three-month fuel supply and operating a terminal with a 7,500 m^3 capacity for Marine Gas Oil (Stanley Services Ltd., 2025).

3.85 The Sea Lion project, being developed by Navitas Petroleum in the Falkland Islands, is in planning and preparatory stages . Other oil and gas projects in the Falkland Islands are also being considered, with the government conducting public consultations and responses to environmental impact assessments to ensure sustainable development.

3.86 Stanley Services Ltd offers various types of fuel, including diesel, kerosene, unleaded and leaded petrol, LPG, and marine gas oil (Stanley Services Ltd., 2025). They also provide aviation fuelling services with Jet A1 and Avgas 100 LL. In addition to fuel, Stanley Services offers industrial gases, lubricating oils, and operates a modern service station in Stanley. They play a crucial role in supporting the South Atlantic region with fuel, shipping, logistical support, and tourism (Stanley Services Ltd., 2025). They hold a bunkering license at the Falklands Interim Port and Storage System (FIPASS) that is valid until 2032.

3.87 Stanley Services is a joint venture between FIG and S&JD Robertson Group, the latter being an established fuel distributor in Orkney, the Shetland Islands, Northern Scotland, and the Western Isles of Scotland. The joint venture operates as a regulated monopoly in the Falklands' energy market, therefore acting as a price-setter. As a monopolistic price-setter, Stanley Services' operations as fuels provider and its other undertakings are largely sheltered from adverse market forces that may arise from the development of an aquaculture sector.

Water

3.88 All Falkland Islands residents have access to clean water, sourced from springs or wells in rural areas and a delivery system in Stanley. Stanley's water, which is tested biannually to meet UK standards, comes from the Moody Brook and Upper Murrell River catchments. Despite increased rainwater catchment, supply constraints exist due to limited pipeline and filtration capacity. This was noted by the Public Works Department during the field visit consultation undertaken as part of this study. Water is stored in two systems, with no recent incidents of rationing. Upgrades are ongoing, including additional storage tanks and distribution network improvements. However, further funding is needed to complete these enhancements. It is not envisaged that there will be issues with water supply due to increased demand from population growth. A third treatment stream would further increase resilience of water supply in the Falkland Islands.

Transportation

Air transportation and airports

3.89 The Falkland Islands have two main airports: Port Stanley Airport, a small civil airport near Stanley, and RAF Mount Pleasant Airport, the main international airport. The Falkland Islands Government Aviation Service (FIGAS) operates flights between the islands, providing passenger, freight, and surveillance services on an on-demand basis. International travel is primarily through Mount Pleasant Airport, with twice-weekly MoD flights from the UK and weekly LATAM flights from Chile. The air-bridge flight has 31 civilian seats and experiences high demand during

school holidays. LATAM flights have seen fluctuating occupancy rates. Commercial flight costs vary, with higher prices during the tourist season due to increased demand.

Roads

3.90 The Falkland Islands' road network, covering 862 km as of 2008, was categorised in 2012 based on strategic importance. Class A roads link major national assets and handle the greatest traffic volume and weight. Class B roads connect Class A and C roads, major tourist destinations, and supply routes to the abattoir. MoD roads link military facilities with the national network, while Class C roads encompass all other roads (Navitas, 2024). Furthermore Camp has an extensive road system for transporting wool and sheep.

3.91 The majority of the Falkland Islands' Road network remains unpaved, with gravel surfaces and widespread potholes despite continuous maintenance. Asphalt roads are only found in Stanley, Mount Pleasant, and the road connecting the Stanley and Mount Pleasant. Between 2011 and 2015, FIG Public Works Department used pressure-activated loggers to measure vehicle traffic at several sites, but no more recent road counts have been conducted:

- MPC Road: 483 vehicle passes per day, 87.2% are 4x4s, minibuses, or light goods vehicles
- Airport Road: 1,755 vehicle passes per day, 92.2% are 4x4s, minibuses, or light goods vehicles

3.92 Based on public consultation records, overall road usage has increased year on year, especially within MPC, however these trends show evidence of stabilising in recent years.

Public transport

3.93 Public transport services in the Falkland Islands are limited. They include a bus service between Mount Pleasant Airport and Stanley, primarily for international passengers; two main taxi companies based in Stanley; and bicycle hire in Stanley (FITB, 2024).

Harbours, ports and shipping

3.94 In East Falkland, the three main harbours are Stanley Harbour, Berkeley Sound, and Port William. Stanley Harbour is the primary port, offering holding ground for vessels and ten designated anchor positions. Berkeley Sound is a deep-water inlet used for transhipping frozen fish and squid, with no shore facilities or designated anchorages (Directorate of Natural Resources, 2019). Port William provides anchorage for deep draft vessels and has designated inner and outer anchorage areas. Mare Harbour, operated by the MoD, is a deepwater port used by the UK Royal Navy and cargo vessels, serving as the port facility for MPC. In 2022, there were 238 vessel visits to the port in Stanley, 44% of which were trawlers and 18 of which were cruise ships (notably falling from 31 cruise ships in 2018) (Navitas, 2024).

4. Literature review

Introduction

4.1 A desk-based review of the available literature most relevant to the SEIA was completed. The findings are summarised in this section. In completing the desk-based review, a diverse range of secondary sources were drawn upon from a variety of organisations, representing evidence and perspectives of relevant variables and parameters. Links to online sources are included in the reference list. Additionally, references to Unity Marine's Project Description have been made as this is one of the few sources, if not the only source, with in-depth information on the socio-economic impacts of salmon farming on the Falkland Islands.

Proposed Unity Marine salmon farming development socio-economic impact assessment

4.2 Although there is no fish farming currently sanctioned in the Falkland Islands, the Unity Marine Project Description (2025) nevertheless provides insights on key socio-economic inputs and assumptions relating to employment, infrastructure needs and project phasing for a potential future salmon farming industry. It is noted that the Unity Marine Project Description is being used as an indicative project to inform the impact assessment in the absence of any other project details.

4.3 Unity Marine's Project Description, Appendix B Socio-Economic Impact Considerations, sets out a breakdown of the employment and population expected as a result of the proposed Unity Marine project.

4.4 The proposed scale of production in the Unity Marine Project Description was 50,000 metric tons (mt)[8] of salmon each year. The phasing and schedule outlined below are based on the Unity Marine Project Description.

Figure 4.1 Unity Marine proposed project schedule

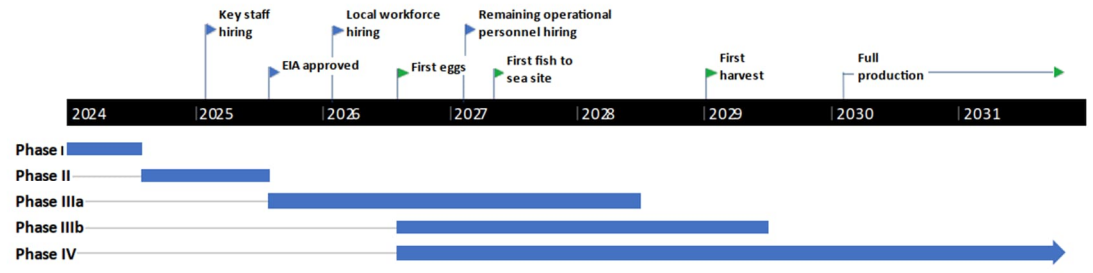


Figure 14: Indicative overall project schedule. For illustrative purposes, the schedule assumes that the construction of the first land-based hatchery begins in August 2026, that the first eggs will be imported in August 2027 and the first harvest in end 2029. The company would reach full production in 2030.

Source: Unity Marine, 2025

4.5 From project development and construction to operation (when production capacity is reached), the Unity Marine Project Description provides a detailed oversight of infrastructure

[8] Equal to 1,000 kg.

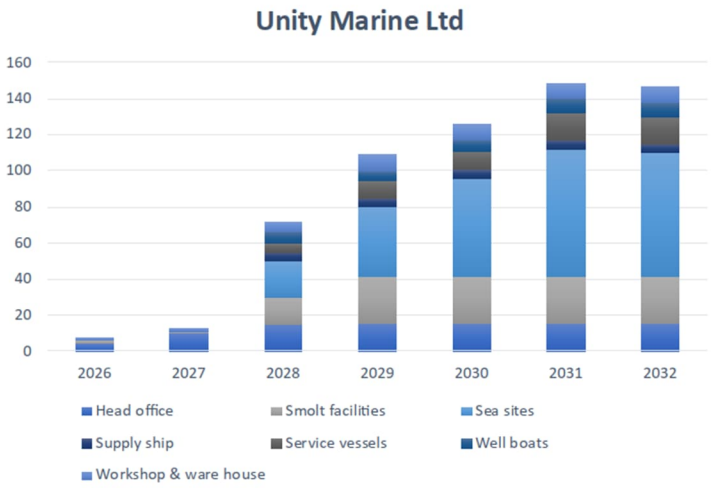
requirements for salmon farming activity in the Falkland Islands, as well as indications of the quantity and types of roles required. It also provides insights into the optionality of developing salmon farming. Additionally, it discusses the knock-on socio-economic impacts of commercial decisions made about the project, such as the creation of new employment. Furthermore, it examines the impact of the decision to locate a significant proportion of processing activities in South America rather than in the Falkland Islands on the level of employment.

4.6 With the quantified Unity Marine employment impacts beginning in 2025 and ending in 2031 (when production capacity is reached), Unity Marine expects employment to build up to approximately 147 direct FTE jobs (employed directly by Unity Marine). Unity Marine does not quantify employment beyond 2031.

4.7 In addition to the 147 direct FTE jobs, Unity Marine also quantified the build-up of permanent public sector jobs related to salmon farming (super-multiplier jobs) and the public sector and private sector jobs related to increased population and activities (super-multiplier and induced impacts):

- 7 new public jobs related to salmon farming; and
- 27 indirect public and private jobs related to increased population and activities.

Figure 4.2 Unity Marine, expected direct FTEs



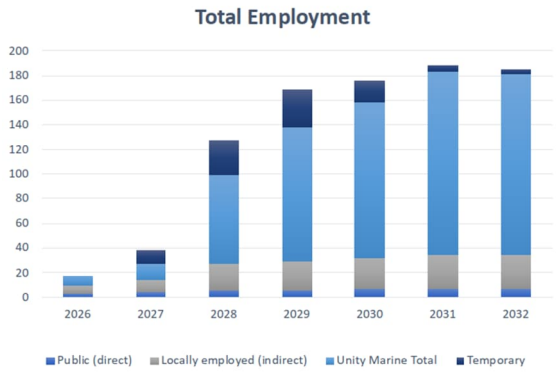
Source: Unity Marine, 2025

4.8 Total job creation was quantified to build up to 181 FTE jobs.

4.9 When full production capacity is reached, 96 FTE jobs are calculated as offshore rotational workers, and 101 FTE jobs are calculated as new onshore employees. The 101 new onshore jobs are expected to be staffed with:

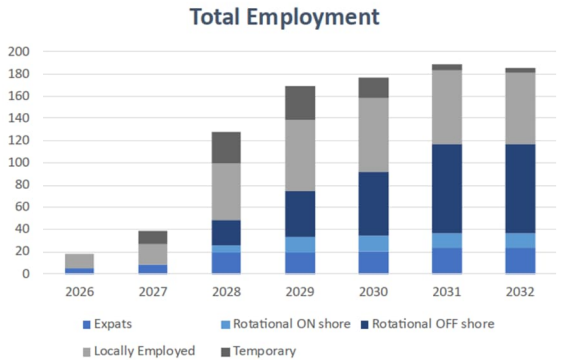
- 23 expats;
- 64 local labour (incl. expat spouses); and
- 14 onshore rotational workers.

Figure 4.3 Number of FTEs stemming directly from Unity Marine activities



Source: Unity Marine, 2025

Figure 4.4 Number of positions Unity Marine expected to be covered by expats, rotational shift workers, temporary workers and locally employed staff



Source: Unity Marine, 2025

4.10 Seagreen Research (2018) has also published research on a hypothetical fish farming industry in the Falkland Islands, though the information pertaining to economic impacts is drawn primarily from examples in other regions and so they do not represent a like-for-like comparator for the Falkland Islands. The section below provides an overview of information from comparator countries (where salmon farming industries have been developed).

Comparator countries

4.11 To benchmark and inform some of the assumptions for the socio-economic modelling, an overview of comparator countries' impacts is a useful point of reference. Nevertheless, given the complexities associated with developing a new industry in a capacity-constrained and remote economy such as that of the Falkland Islands, comparator country data needs to be "grounded" with more specific and localised research. Though limited, there are several useful resources and publications that give a foundation of what the anticipated economic effects of salmon farming in the Falkland Islands may look like, but not as a view of how salmon farming might develop on the Falkland Islands.

Faroe Islands

4.12 The salmon farming industry in the Faroe Islands is perhaps the most appropriate comparator country because of its remote island economy geography, small population, importance of the sector, economic structure and labour market. For the period between December 2023 and November 2024, Faroese salmon exports totalled ~80,000 mt, netting 6bn Danish Krone (~£670mn) in revenue, equivalent to half of the Faroes' seafood exports (*Hagostova Føroya*, 2025). Aquaculture on the Faroe Islands accounts for 5% of all employment (~1,500 people) (*Hagostova Føroya*, 2023; International Council for the Exploration of the Sea, 2023). Though there are no recent FTE numbers for direct jobs, MEP has indicated that in the Faroes there are approximately 1 to 1.15 indirect jobs for each direct job in the Faroese salmon farming. The corporate tax rate in the Faroe Islands is 18%, and the government has recently introduced a 'harvest tax' (see Section 6) which charges fish farms a varying amount each month based on salmon output and market prices (KPMG Norway, 2022).

Chile

4.13 In 2022, Chilean aquaculture netted USD$11.7bn (~£9.5bn) in revenues (Research and Markets, 2023; *Consejo del Salmón Chile*, 2023), with Atlantic salmon exports totalling USD$4.9bn (~£3.9bn) in 2023. In 2023, Chile exported just over 720,000 mt of salmon (*Salmón Chile*, 2024). The Chilean Institute of Fisheries Development estimated approximately 57,000 direct FTE roles are employed in the aquaculture sector, of which 11,530 direct FTEs being specifically in salmon farming sub sector. The study estimates a ratio of 0.78 indirect jobs (~42,500 FTEs) for each direct job across the country's aquaculture sector (*Instituto de Fomento Pesquero*, 2022) for the financial year ending in 2020. According to Seagreen Research (2018), processing jobs in a 30,000 mt salmon production facility in Chile make up approximately 60% of all employees, however on the Falkland Islands this ratio may not translate directly. Currently, the corporate tax rate in Chile is 27%, though small businesses may be eligible to pay a lower 25% rate (KPMG Norway, 2022).

Scotland

4.14 In 2022, Scotland produced some 170,000 mt of Atlantic salmon worth £580m (Salmon Scotland, 2023; Scottish Government, 2024). In the same year, salmon farms directly supported some 1,470 FTEs (Scottish Government, 2024). Similar to the Faroes, MEP suggest a ratio of 1 to 1.15 indirect jobs for each direct job. Much like in Chile, processing jobs make up a significant number of the total aquaculture jobs. Seagreen Research (2018) reports that in 2017, the Scottish salmon farming industry employed some ~3,230 FTE jobs in processing jobs alone, compared to ~270 FTE jobs in hatcheries and 1,310 FTE jobs in production. The main rate corporate tax in the UK is currently 25% for companies making over £250,000 and 19% for companies making profits under £50,000 (HM Revenue & Customs, 2024).

Norway

4.15 As the world's top exporter of salmon, Norway has a very well-developed fish farming sector. In 2024, salmon exports alone totalled some 175bn Norwegian Krone (~£12.5bn) from 2.8 million mt (Norwegian Seafood Council, 2024). In total, the aquaculture sector in Norway supported ~7,500 FTE jobs, with approximately 6,750 FTE jobs in salmon farming alone (Eurofish International Organisation, 2023). Corporate tax rates in Norway are currently at 22% (KPMG Norway, 2022).

Comparisons between Unity Marine and comparator countries

4.16 Based on previous analysis,**Error! Reference source not found.** sets out a comparison of Unity Marine job rates and comparator country job rates.

Table 4.1 Comparison of job rates

Country	Production (MT)	Direct Jobs (FTEs)	Direct jobs/1,000 MT
Falklands	50,000	~147	~2.9
Faroe Islands	80,000	~700*	~8.75
Chile	720,000	11,530	~16
Scotland	170,000	1,470	~8.6
Norway	2,800,000	6,750	~2.4

*Estimate based on 1:1.15 indirect-to-direct ratio and 1,500 total jobs.

4.17 It should be noted that benchmark job rates (the number of jobs per a given production output) are significantly higher than those estimated by Unity Marine. The discrepancy in job creation rates (jobs per metric ton of salmon produced) between the Unity Marine proposal for the Falkland Islands and established aquaculture sectors like the Faroe Islands, Chile, Scotland, and Norway can be attributed to several key factors:

Processing location and method

4.18 Unity Marine plans to process salmon on an offshore processing ship, minimizing onshore processing labour. Whereas the Faroe Islands, Chile, Scotland have extensive onshore processing facilities, which are labour-intensive. In Chile, for example, processing accounts for ~60% of all aquaculture jobs. This alone significantly reduces the number of direct and indirect jobs in the Falkland Islands.

Use of rotational and foreign labour

4.19 The Unity Marine assessment set out that they estimate to use 80 offshore rotational workers (not counted as permanent residents), 14 onshore rotational workers. In total there are estimated to be 101 onshore jobs, many of which are expat or rotational. In contrast, countries like the Faroes and Scotland count all aquaculture-related jobs, including processing, logistics, and support services, as part of their national employment. The Unity Marine assessment is leaner in scope and more reliant on temporary or rotational labour, which reduces the socio-economic footprint.

Automation and scale

4.20 Industry on the Falkland Islands would likely be designed to be a highly integrated and modern operation, likely with advanced automation, centralised logistics and fewer manual processes. Older or more distributed systems (e.g., in Chile or Scotland) may require more human labour per unit of output.

Geographic and infrastructure constraints

4.21 The Falkland Islands have limited housing and limited public services and a high cost of living and logistics. These constraints incentivize a minimalist staffing model to reduce pressure on local infrastructure.

Different Accounting of indirect jobs

4.22 Unity Marine estimates 147 direct jobs and 34 indirect/public sector jobs. However, the definition of indirect jobs Unity Marine is centred on the demand for jobs resulting from population increases rather than supply chain impacts that are typically meant when referring to indirect impacts.

Social and cultural impacts of fish farming in small communities

4.23 A literature review focused on the social and cultural impacts of fish farming has been undertaken to supplement the wider economic impact assessment. This has included a review of literature such as Johnson and Rickard, 2022 and Slater, M, 2017. The opportunities and risks highlighted in the literature include:

Opportunities

- Fish farming provides stable, location-based jobs compared to traditional fishing, which is often seasonal and migratory.
- Fish farming supports household stability, enabling better access to education, healthcare, and housing.
- In many regions, fish farming has increased women's participation in the workforce and improved income diversification.
- Development of the industry can lead to infrastructure improvements (e.g., roads, ports, electricity), which often accompany fish farming investments.
- Local businesses benefit from supply chain linkages—feed suppliers, transport, maintenance, and processing.
- In some indigenous and rural communities, aquaculture has been integrated with traditional knowledge systems, supporting cultural continuity and food sovereignty.

Risks

- Rapid fish farming expansion can lead to resource conflicts, especially when traditional users feel displaced or excluded.
- Boom-and-bust cycles (e.g., due to disease outbreaks or market crashes) can destabilize communities and erode trust in the industry.
- High-capital aquaculture ventures may reduce community cohesion, especially if profits are extracted by external investors.
- Traditional livelihoods may be marginalized, leading to cultural erosion and identity loss.
- Studies show that residents' sense of place and perceptions of change influence their support for fish farming projects.
- Concerns include increased traffic, noise, visual impacts, and shifts in community character.

Further data collection

4.24 To supplement the information collected via primary research and literature review, a secondary data collection exercise was completed. This focused on collecting further Falkland Islands-specific socio-economics data for immigration status and income, as well as relevant legislation on corporate taxation and sector-specific charges.

4.25 Socio-economics secondary data collection was sought to source Falkland Island-specific data and other secondary data to build on the wider socio-economics literature review and research. This was done to ensure that socio-economic modelling activities used the most up-to-date and applicable inputs where appropriate. Key references are listed below, with specific applications highlighted in Section 6:

- FIG, Taxes Ordinance (1997). Available here;
- FIG, Fish Farming Ordinance (2006). Available here; and
- FIG, Census 2021. Available here.

Salmon farming methods

4.26 The three most common methods for salmon farming are i) traditional cage farming, ii) land-based farming and iii) offshore salmon farming. A brief overview of each salmon farming method is provided as follows.

- **Traditional cage farming:** The traditional method involves raising salmon in net-pens (cages) located in coastal waters that are accessed by boat. This well-established method has been the dominant technology in the Norwegian salmon farming industry and is widely used due to its established practices and lower initial costs compared to other systems. The negative environmental externalities associated with traditional cage farming are salmon lice infestation, disease outbreaks and the escapes of farmed salmon.
- **Land-based salmon farming:** The land-based method involves raising salmon in controlled, land-based facilities using recirculating salmon farming systems (RAS). This method allows control over water quality, temperature and waste management, significantly reducing the risk of disease and parasites. The majority of RAS are located in Norway, with the Americas (Chile, the US and Canada) also exploring opportunities for the technology. Collectively, the industry is still learning lessons on RAS, and the technology is still widely considered to be “in development”.
- **Offshore salmon farming:** The offshore method takes place in locations across the globe, including Norway, Scotland, the Faroe Islands, Chile, and Canada. This method involves raising salmon in deeper, open ocean environments, away from the coast. This method reduces the impact on sensitive coastal ecosystems and allows for large-scale operations with reduced impact on water quality and improved waste dilution compared to traditional near-shore operations. Offshore salmon farming is associated with high capital and operational expenditure.

4.27 From a SEIA perspective, the following factors are relevant to consider:

- **Economic viability:** The initial investment, operational costs and potential return on investment for each approach;
- **Technical feasibility:** The availability of technology and infrastructure to support the chosen farming method; and
- **Social and economic Impact:** The potential for job creation, the need for skilled labour and the broader socio-economic implications for the local community.

Suitability of salmon farming in the Falkland Islands

4.28 For the Falkland Islands, land-based farming would offer the highest level of environmental control, which is crucial for maintaining water quality and preventing disease outbreaks. However, given the size of the population of the Falkland Islands (approximately 3,700 people), and the lack of prior technical experience in land-based salmon farming, the key constraint with this method would be the availability of skilled labour and the need for extensive training programs to develop the necessary expertise.

4.29 For offshore farming, the cool waters around the Falkland Islands would provide a stable environment with fewer temperature fluctuations, which would enhance salmon production, due to improved growth rates and fish health. However, the colder water temperatures also mean that species selection is limited, with Atlantic salmon being the prime candidate. Furthermore, given the Falkland Islands' coastal conditions and the need for robust infrastructure that can withstand harsh conditions, operational costs would be expected to be high. Additionally, with a busy marine fisheries sector in operation, there may be competition for marine space, which could limit the availability of suitable locations for offshore farming. The feasibility of offshore farming in the Falkland Islands would again depend on the availability of skilled personnel and the ability to manage these technical challenges effectively.

4.30 Traditional cage farming is a well-established method that is cost-effective and widely used. It benefits from a lower initial investment compared to land-based and offshore farming. However, the Falkland Islands would, as in other cases, need to consider the availability of labour and marine space to determine the feasibility of this approach. This method poses environmental risks that would need to be carefully managed, including nutrient pollution, disease transmission and the potential for farmed fish to escape and interact with wild populations.

4.31 For the purposes of this impact assessment, the traditional cage farming method has been taken forward for detailed analysis. This is the method being proposed by Unity Marine.

Market analysis

4.32 Farmed Atlantic salmon is widely available in supermarkets globally. It is a commodity traded on international marketplaces as a financial derivative, where the buyers and sellers of the underlying asset – Atlantic salmon – trade salmon on a contract basis.

4.33 The primary marketplace for Atlantic salmon derivatives is Fish Pool Allmennaksjeselskap (ASA), a regulated marketplace for seafood commodity derivatives licensed by the Norwegian Ministry of Finance. Fish Pool ASA acts as an exchange between buyers and sellers of salmon by allowing contracts to be bought and sold, then immediately settled and delivered, on a cash basis.

4.34 By acting as an intermediary between buyers and sellers, Fish Pool ASA calculates spot prices from all sellers to determine the value of an ‘average’ salmon. This ‘average’ spot price is published weekly by Fish Pool ASA and is publicly available. Weekly spot and future prices are published in Norwegian Krone and in Euros. These index prices are derived from the Nasdaq Salmon Index, Statistics Norway’s customs statistics, as well as information provided by sellers on the characteristics of an ‘average’ farmed Atlantic salmon.

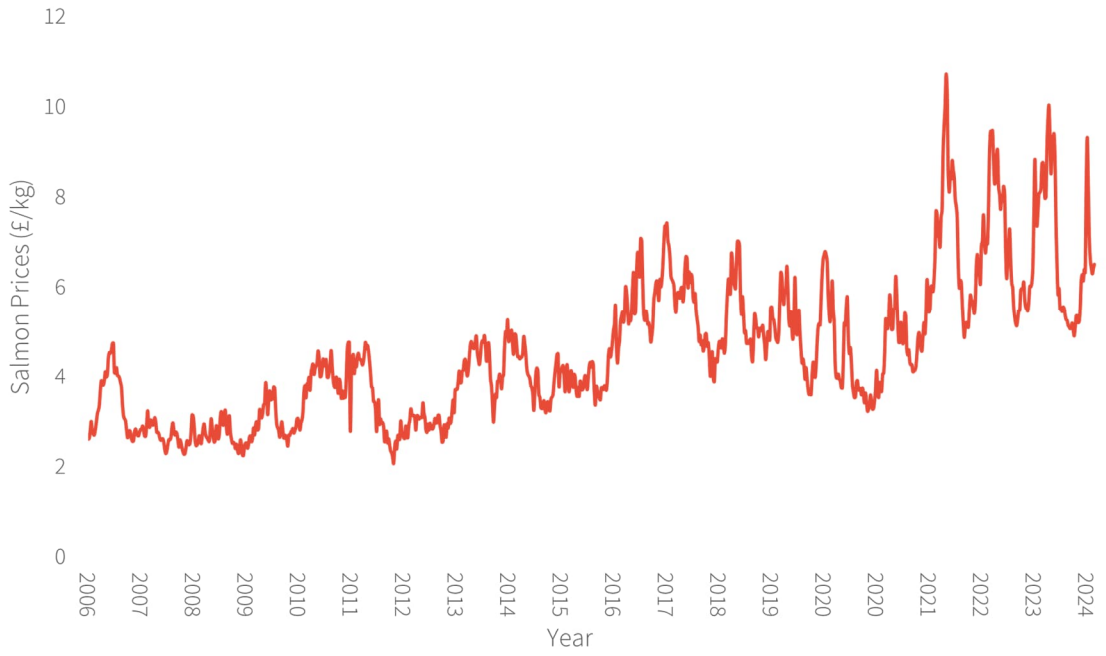
Price history

4.35 Fish Pool ASA has been publishing weekly salmon spot prices since January 2006. The average price of salmon spot prices between January 2006 and March 2025 (to date) is ~£4.48/kg, though

in 2024 the average price of salmon was ~£6.79/kg (52% higher), having peaked at ~£10.60/kg in 2022. The compound annual growth rate (CAGR) of spot prices from January 2006 to March 2025 is 4.99%. Overall, spot prices have a coefficient of variation[9] of about 35%.

4.36 Since 2006, there have been two periods where salmon spot prices saw substantial increases. The first occurred in 2013, when the average spot price increased to over £4.00/kg from only £2.95/kg in 2012. From 2006 to the end of 2013, the average spot price of salmon was ~£3.26/kg and the average maximum prices were ~£4.15/kg. From 2014 to 2021 this increased to an average price of ~£4.79/kg (32% increase), with the average maximum price increasing to ~£6.56/kg (58% higher). Mid-Covid, there was another substantial increase, as the average price of salmon rose from ~£4.78/kg in 2021 to ~£6.84/kg in 2022 (43% increase). The average price for 2024 was £6.83/kg (105% increased from 2006), compared to £3.35 in 2006. Figure 4.5 shows weekly Atlantic salmon spot prices from January 2006 to March 2025, published by Fish Pool ASA.

Figure 4.5 Time series of Fish Pool ASA Atlantic Salmon weekly spot prices



Source: Fish Pool ASA, 2025

Major operators

4.37 The salmon farming industry globally is dominated by Nordic countries – namely Norway and the Faroes – Chile, and other smaller regional market players such as Scotland, Canada, the United States and China. Accordingly, major operators in the industry are typically based, or have a strong presence, in these countries. Table 4.2 provides an overview of the number of

[9] Coefficient of variation = (standard deviation / mean average) x 100. This expresses the ratio between the standard deviation and mean of a variable. This is useful when comparing with other variables or commodities, but also to give a general sense of variation within variables.

FTEs, farmed salmon output, wage bills and profit margins (not factoring in taxes, wage bills and depreciation, for relevant comparison) of select salmon farm operators.

Table 4.2 Overview of select salmon farm operators

Company Name	Primary Base	FTEs	Salmon Output (mt)	Revenue	Wage Bill	Wages/FTE	Net Profit Margin[4]
Bakkafrost (2022)	Faroe Islands, Scotland	1,778	90,600	£801.4 million	£75.8 million	£42,531.62	42.9%
SalMar (2023)	Norway, Scotland	2,506	266,800	£2.1 billion	£149.9 million	£60,460.14	26.7%
Leroy Seafood Group[1] (2023)	Norway, Scotland	5,203	160,000	£2.2 billion	£234.6 million	£45,652.67	27.3%
AquaChile[2] (2023)	Chile	4,097 (Direct) 1,728 (Indirect)	-	-	-	-	-
Cermaq[3] (2024)	Norway, Canada, Chile	-	192,700	-	-	-	-

[1] Data includes group data, hence disproportionate number of FTEs to salmon output
[2] Implied indirect multiplier is 0.42
[3] Cermaq is owned by Mitsubishi Group, financial information is included within the Group's filings therefore there is not reliable employment or financial information on Cermaq.
[4] Adding back goodwill, depreciation, salaries and corporation taxes.

Sources: Annual reports

Routes to market and regional challenges

4.38 The Falkland Islands' remote location and relatively limited logistics infrastructure potentially poses significant barriers to the route to markets for salmon. This is further exacerbated by supply chain limitations in the Falkland Islands, which would mean that salmon would have to be exported whole or heads-on gutted (HOG) and frozen. Therefore, salmon would have to be frozen and exported to mainland South America for processing. The countries identified in the Unity Marine Project Description for processing are Chile, given its specialisation in farmed salmon, and Uruguay because there is already an established shipping route operated by South American Atlantic Services Limited (SAAS) between Stanley and Montevideo. The route is currently operated by MV Unispirit (IMO 9356402), a vessel that flies under the Antiguan flag (Marine Traffic, 2025; Facebook, 2025).

4.39 This presents both political and commercial challenges for a potential salmon farm operator. On the one hand, the established route under SAAS means that a potential salmon farm operator would not need to source either their own or a third-party logistics operation to mainland South America. On the other hand, Uruguay does not have any significant salmon-farming industry that compares with Chile's. Furthermore, demand for Atlantic salmon in Uruguay is relatively low; the country's imports make up less than 1% of all Atlantic salmon imports in South America (Observatory of Economic Complexity, 2025).

4.40 However, sailing to Chile could require the operator (or a third-party logistics operator) to obtain a permit from Argentine authorities to sail through Argentina's *de facto* territorial waters to Punta Arenas, pursuant to Executive Decree 256/2010 of the Argentinian Republic (Ministerio de Justicia, 2010). This presents a significant political risk to the potential operator's supply chain. Additionally, the link to Punta Arenas is also limited by comparatively worse port infrastructure than Montevideo, according to Unity Marine. An alternative route to market could come from air freight to places further afield, potentially in Europe, but this is unlikely to be a feasible solution in the short-term given the associated costs.

4.41 It should be noted, that despite the immediate grow-out challenges in the short-to-medium-term, the global salmon farming industry is mature and has significant experience of operating in remote areas similar to the Falkland Islands.

Farmed salmon in global seafood and aquaculture markets

4.42 Farmed salmon is important in global seafood and aquaculture markets:

- Industry growth: The global farmed salmon industry is expected to grow significantly over the next decade. Production is projected to increase by 27% by 2030, driven by advancements in fish health management, strategic investments, and the rise of land-based production systems (Global Seafood Alliance, 2024).
- Market share: Farmed salmon accounts for approximately 70% of the total salmon produced worldwide. In 2022, over 2.8 million tons of farmed salmonids were produced, compared to around 640,000 tons of wild salmonids (Statista, 2024).
- Regional contributions: Europe is leading the expansion with a projected 25% rise in production, while the Americas are expected to see more modest gains of around 11%. Australia, New Zealand, and China are also contributing to the growth, with China focusing on land-based and offshore projects (Global Seafood Alliance, 2024).
- Challenges: The industry faces several challenges, including regulatory limits, environmental regulations, and climate change impacts. Innovations in sheltered cage technology and enhanced biosecurity measures are being implemented to address these issues (Global Seafood Alliance, 2024).
- Sustainability: Land-based salmon farming is emerging as a sustainable alternative to traditional open-water methods. This segment is expected to be the fastest growing in the industry, contributing significantly to overall expansion by 2033 (Global Seafood Alliance, 2024).

5. Primary data collection

5.1 Primary data has been collected during a weeklong field visit, the week beginning February 3rd, 2025. Stakeholders were engaged through interviews, workshops, and site visits to gather insights on the potential environmental and socio-economic impacts of salmon farming.

5.2 The aim of the field visit was to gather stakeholder feedback, enhance transparency, and inform the SEIA.

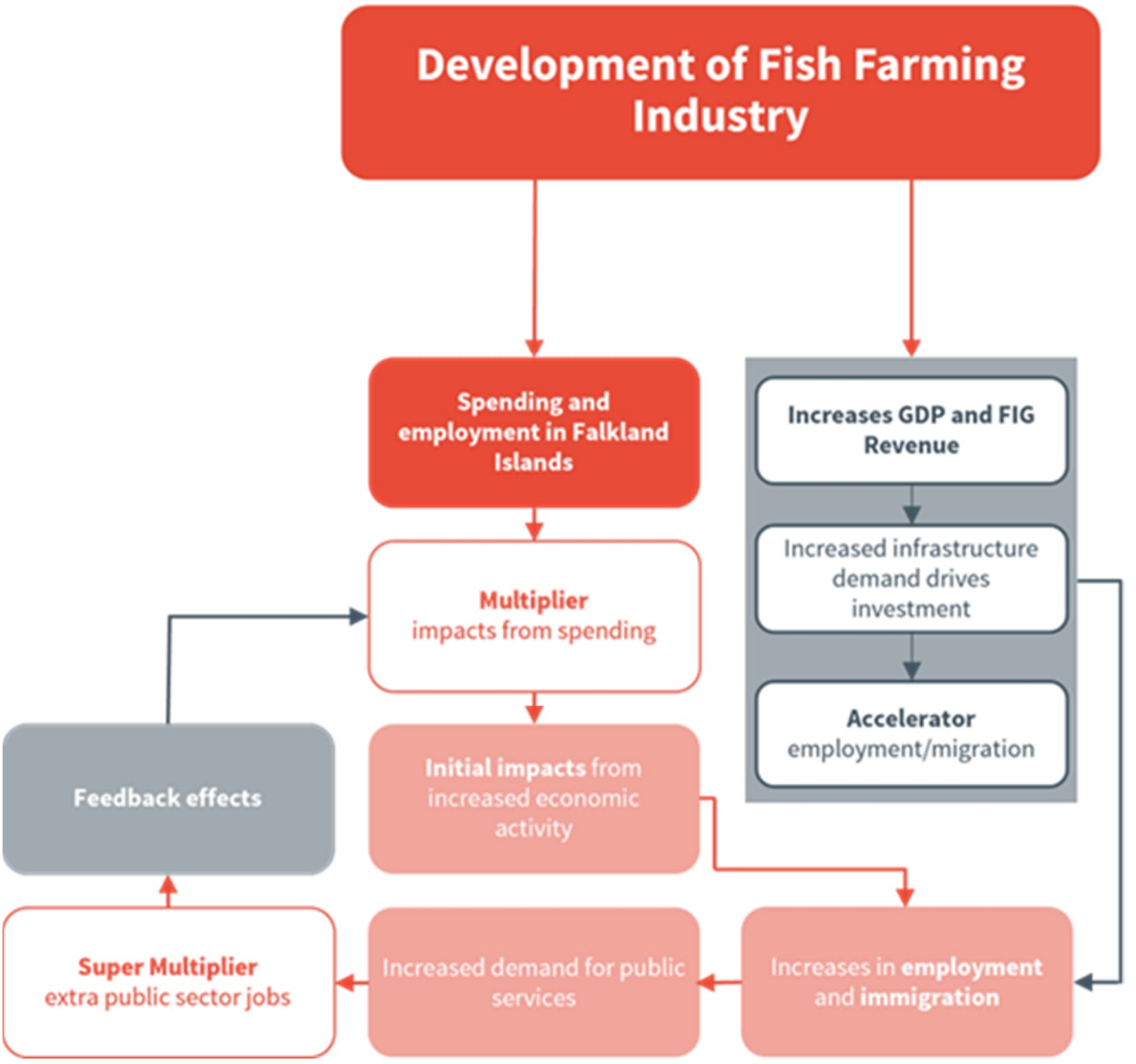
5.3 A Stakeholder Engagement Plan was prepared in consultation with FIG ahead of the field visit to the Falkland Islands, which documented the grouping and prioritisation of different stakeholder groups. Prior to the field visit, a series of remote engagement sessions were conducted to introduce the Project Team, the overall approach to the study and any emerging findings. This early engagement allowed the Project Team to expedite the collection of additional secondary data such as existing reports and studies on local economic conditions, demographic statistics, labour market information, and environmental assessments.

5.4 Each field visit meeting was recorded on Microsoft Teams and a transcription was taken for analysis. field visit findings have been incorporated into the socio-economic baseline and have informed the scope of the impact assessment.

6. Scope and framework of the socio-economic impact assessment

6.1 Figure 6.1 provides a conceptual overview of the quantitative modelling undertaken as part of the SEIA, showing how investment in salmon farming is boosted by spending and employment, creating economic multiplier effects. The results of the quantitative SEIA have informed the qualitative assessment of wider socio-economic impacts.

Figure 6.1 Economic model conceptual framework



Source: Hatch 2025

Methodology overview

Carrying capacity modelling inputs

6.2 A component of the study has involved modelling nutrient loads using the Deposition Model (DEPOMOD). This model is used to predict the deposition footprint of waste feed and faeces on the seabed, assessing the severity and extent of the impact on the benthic community. The ECE model has been deployed to estimate the impact of nutrient discharges on water quality. With this approach, the maximum sustainable biomass for each site has been determined.

6.3 To effectively conduct environmental screening modelling for the proposed salmon farming industry and to address any lack of site-specific data, model input data was categorised as follows.

- **Category A** includes site-specific data such as bathymetry, proposed cage layouts and feed input data associated with certain biomass levels. Crucial to model performance, water current data is typically measured at each site (hourly data for at least 15 days).
- **Category B** encompasses default data related to Atlantic salmon and farming practices. This includes settling rates of salmon feed and faecal particles, feed characteristics such as pellet water content and digestibility, and the percentage of uneaten feed. These data points are drawn from scientific literature and regulatory modelling of salmon farms in Scotland, ensuring they are achievable and relevant across all sites.
- **Category C** consists of general default model data that remain consistent across all sites, independent of the environment or species being modelled. An example is the model grid cell resolution, typically set at 25 meters.

Production volumes

6.4 The Unity Marine Project Description proposes an annual production of 50,000 mt/year of salmon. The report also outlines that a minimum output of 35,000 mt/year would be necessary to make salmon farming commercially viable in the Falkland Islands. However, the DEPOMOD modelling undertaken by MEP for the sites proposed by Unity Marine has indicated the following production values for the salmon farming options considered in this study (excluding Option 1, which has zero production):

- **Option 2: 27,300-35,200 mt/year** (i.e., where commercial salmon farming takes place and is limited only by the carrying capacity of the environment) – for the purpose of economic modelling, the maximum value has been modelled.
- **Option 3: 24,100-27,300 mt/year** (i.e., where commercial salmon farming takes place but is limited well below the carrying capacity of the environment) - for the purpose of economic modelling, the maximum value has been modelled.
- **Option 4: 24,100 mt/year** (i.e., where commercial salmon farming is allowed but through niche methods such as organic production).

6.5 There may be additional suitable sites, both in East and West Falkland Islands. However, the scope of this assessment is limited to the known sites assessed in the environmental capacity modelling.

Socio-economic impact assessment

6.6 Assessing the socio-economic impacts of a new salmon farming industry in the Falkland Islands is an inherently complex exercise. Not only is there uncertainty on the nature and scale of the industry that may emerge, but more fundamentally the Falkland Islands are a small, remote economy essentially operating at full employment. This means that any significant changes in demand will either generate displacement of the existing workforce (should local residents take up jobs) or require immigration (where job opportunities are more specialised). Furthermore, any immigration of workers and dependants then in itself creates more demand in consumer facing industries as well as demands on public services, generating further feedback loops. The extent to which positive indirect/supply chain effects will occur depends on the capacity and capability of relevant local industries, the commerciality of locating supply chain activities locally, and/or the ability to develop these requirements overtime as the industry becomes more established.

6.7 A framework has been developed to address this complexity, building on a tried and tested method developed by Hatch team members in consultation with FIG (Regeneris Consulting, 2013). Nonetheless, it should be borne in mind that there are limits on the extent to which these effects can be accurately quantified, and therefore several effects have been tackled qualitatively.

6.8 The framework covers the core direct, indirect and induced employment effects associated with development, construction and operation of salmon farming infrastructure (as is typical of economic impact assessments of major infrastructure projects), and also the additional effects from in-migration, increased demands on public sector resources and wider infrastructure development requirements. Core outputs that have been modelled are as follows:

- Direct GDP uplift;
- Direct FIG revenue increases;
- Increases in direct, indirect (both during construction and operation), induced, and public sector[10] employment as well as the additional non-local construction workforce requirement;
- Indications of the types of direct (quantified by role) and indirect roles required for a salmon farming industry;
- Consideration of whether direct and indirect workers will be on the island on a temporary or permanent basis, and whether workers will be rotational, expats or local, and whether they will be based onshore or offshore;
- Implications for immigration, with consideration of the number of dependants and the number of school-aged children that may migrate to the Falkland Islands.

6.9 The economic modelling outputs also account for the knock-on impacts such as impacts on housing within the Falkland Islands. Therefore, the economic impact assessment also quantifies

[10] These are the jobs created as increases in population create demand for public services, and the associated knock-on effects.

the housing and accommodation requirements of the workforce and wider increased population in the Falkland Islands.

6.10 These outputs are central to estimating wider, less tangible impacts and more nuanced analysis of effects, such as how the nature of salmon farming jobs might change throughout the lifecycle of the new industry, business opportunities for the local private sector and future opportunities for training and skills transfer to the endogenous workforce of the Falkland Islands. The socio-economic assessment goes on to then consider the potential wider impacts and nuanced analysis qualitatively.

6.11 It should be noted that there could be non-local businesses, with non-local employees, which could capture supply chain opportunities which require a presence in the Falkland Islands during the operational phase. Construction roles may overlap with the operational phase and are considered separately, however all other non-local roles with a presence in the Falkland Islands are beyond the scope of this assessment.

Scope of socio-economic assessment

Spatial and temporal scope

Study area and spatial considerations

6.12 The study area for the socio-economic assessment includes the entirety of the Falkland Islands territories. It should be noted that there would also be transboundary impacts on other economies, in particular through the supply chain expenditure of the developer. These are not considered further here, as the assessment is focused solely on impacts on the Falkland Islands.

6.13 Where relevant and feasible, more detailed spatial analysis is conducted to assess specific socio-economic impacts on particular areas and settlements, which is particularly important when assessing remote locations with low population density.

Phases and time periods of the assessment

6.14 A temporal scope of 15 years has been selected for the assessment, to capture both the immediate and long-term socio-economic effects of salmon farming development in the Falkland Islands.

6.15 The assessment considers the development, construction and operational phases of the potential salmon farming development options.

- Phase 1: Pre-study – This phase is out of scope for the socio-economic assessment, as there are a limited number of jobs associated with this phase, and this is considered as part of the existing environment / baseline.
- Phase 2: Design, Planning Permission and Environmental Impact Assessment – Beginning of the assessment and assumed to last approximately 1 year.
- Phase 3: Construction and installation – to begin after completion of Phase 2 and, for the purpose of the assessment is assumed to be split into two sub phases, lasting approximately 4 years.
    - Phase 3a: Construction and installation of project infrastructure associated with Port 1; and

  - Phase 3b: Construction and installation of project infrastructure associated Port 2.
- Phase 4: Operation - to begin at the same time as Phase 3b and reach full production 3-4 years into operations. Full production is assumed to continue for the remainder of the 15-year assessment period and beyond.

6.16 In the phasing indicated by Unity Marine, the first eggs will be produced midway through year 2 in phase 3, and the first fish to sea site will be in the first half of year 3, with the first harvest coming in year 5. Full production of 50,000 mt/year would occur in year 6. Farming of salmon (operation) would commence part way during the construction phase in year 3. In the absence of information to suggest otherwise, the socio-economic assessment follows the same phasing proposed by Unity Marine for all options.

6.17 Decommissioning is not part of the economic impact quantification due to the uncertainties around undertaking such an assessment and that fact that decommissioning activities would be likely to occur beyond the scope of the 15-year assessment period.

6.18 It should be noted that there is significant uncertainty about the use of 2 ports and which ports would be available. Indicatively these are assumed to be New Haven and Mare Harbour. The feasibility of use of these ports would need to be explored further, particularly in light of existing Royal Navy operations at Mare Harbour.

Types of economic impact

6.19 The study estimates the FTE jobs created, Falkland Islands GDP uplift and FIG revenues generated by developing the salmon farming in accordance with UK and industry-specific best practices. The assessment considers and quantifies the following effects:

- **Gross uplift in direct GDP:** This is driven by the profit from salmon farming activity. The uplift in direct GDP is measured using assumptions on revenue and profitability. It should be noted that GDP measures total value of all goods and services produced within the Falkland Islands' borders, whereas Gross National Income (GNI) measures the total income earned by a country's residents and businesses, including any income earned abroad. Therefore, GNI, but not GDP, would be affected by repatriation of profits by foreign shareholders, and the level of repatriation is not quantified within this assessment;
- **Gross increase in FIG revenues:** Increases in government revenues will be driven by payment of corporation tax on salmon farming profits, and other potential income streams, such as income tax and payment of royalties;
- **Creation of direct jobs:** The Falkland Islands jobs directly employed by the salmon farming developer. The assessment will consider the types of direct jobs and whether they are primarily based in the Falkland Islands; and
- **Potential for creation of supply chain indirect jobs (during operation):** Falkland Islands employment opportunities that have potential to be created in the supply chain. These jobs would typically arise across different sectors due to the types of economic activity generated by the primary salmon farming operations.
- **Indirect and accelerator construction jobs (during construction)**: Indirect jobs will also include temporary construction jobs required to build the infrastructure associated with the development and the wider public infrastructure upgrades required. The assessment

quantifies the total number of construction jobs needed to build the salmon farming infrastructure with an indication as to the extent these would be non-local vs local construction jobs. The assessment also quantifies the potential scale of construction jobs needed for construction of the ancillary infrastructure required to support the development of a salmon farming industry (such as storage and refrigeration facilities, offices and meeting rooms).

- **Induced jobs:** Supported by the personal spending increases associated with the gross increase in direct and indirect jobs. Examples include jobs created as a result of increased demand for accommodation, food services, and retail due to the influx of workers to the Falkland Islands.
- **Public sector jobs:** These are the public service jobs required to support the development, construction and operation of a new industry in the Falkland Islands as well as the rise in population caused by the development of different salmon farming production options. They consist of jobs in education, regulation, and other public services (e.g. health, leisure services, emergency services).

6.20 Due to the difficulties in quantifying the reference case and net social costs of the different options, the assessment is focused on the quantification of gross socio-economic impacts and the knock-on effects of those impacts. Therefore the assessment does not include a cost-benefit analysis.

Scope of wider socio-economic assessment

6.21 Through the Theory of Change and field visit, the socio-economic impacts with the highest potential for effects have been scoped into the assessment of wider socio-economic effects. These impacts are as follows:

- Wider economic impacts such as inflation, economic diversification, job displacement, economic impacts on other key sectors of the economy such as fisheries and tourism and socio-economic impacts on adult education, skills and training including considerations of labour market shortages.
- Impacts on Falkland Islands infrastructure and services (including housing and accommodation, waste disposal and recycling, water, electricity, fuel, education, health, government and public safety and emergency services).
- Impacts on community and worker wellbeing (including aesthetics and landscape, quality of life, and worker and community safety and security). As well as considerations of social conflicts and impacts on population dynamics potentially caused by an influx of expat workforce and dependants, including consideration of integration of different cultures and potential destabilisation of the existing Falkland Islands community.

Options assessed

6.22 The following options are assessed in the economic impact model produced by Hatch:

- **Option 2:** Commercial salmon farming limited by the carrying capacity of the environment (27,300-35,200 mt/year; 30,300 mt/year assumed);
- **Option 3:** Commercial salmon farming well below the carrying capacity of the environment (24,100-27,300 mt/year; 27,300 mt/year assumed); and

- **Option 4:** Commercial salmon farming is allowed through niche methods, such as "organic production" (24,100 mt/year assumed).

6.23 It should be noted that impacts have only been modelled for the three options where salmon farming occurs. Option 1, or the "no development option", is considered a counterfactual scenario and therefore the assessment framework detailed below does not apply.

6.24 The counterfactual scenario presents a wide range of different paths, with major pipeline projects planned in the Falkland Islands which, if they occur, will have notable socio-economic impacts on the future of the island (e.g. the Sea Lion Project and other energy-related projects). Because of the complexity and uncertainty of quantifying and forecasting, the counterfactual scenario has not been modelled. Instead, cumulative effects have been considered qualitatively, providing an overview of the potential growth sectors and planned projects. It should be noted that the counterfactual scenario will see demands on housing, infrastructure, and public services, which will vary based on the scale, timings and quantity of projects. It is not possible to robustly quantitively compare the scale of counterfactual impacts with the impacts associated with development options within the context of this study.

6.25 The assessment also models the impacts of a higher production scenario (using our economic impact assessment framework and model), based on Unity Marine's assessment of potential production, of 50,000 mt/year.

Limitations

Data limitations

6.26 To maintain the highest levels of accuracy, Hatch uses the most up-to-date and reliable data available (at the time of the data collection), sourced from FIG and other reputable data sources. Nevertheless, in some instances, the most up-to-date data may already be a few years old, as there is often a lag in the publication of socio-economic and macro-economic datasets. For example, the Census is only carried out every five years in the Falkland Islands, and the National Accounts are retrospective.

6.27 A limitation especially pertinent to GDP uplift and FIG revenue estimates is the gross profit margins used. Hatch and MEP research establishes that a range of 19% to 28% is an appropriate margin for a salmon farm operator; however, some firms have far higher margins than this. For example, Bakkafrost's gross margin in 2022 was 42.9% (see Table 4.2). For the purposes of this study, the midpoint (23.5%) of the range estimated by Hatch and MEP, is used. This is done to take into account the nascent nature of the potential salmon farming industry without being too pessimistic on outlook, in order to provide a balanced assessment of socio-economic impacts.

6.28 It is also worth noting that these profit margins do not necessarily reflect the nature of conducting international business from the Falkland Islands. Though this is largely because (i) major salmon farm operators are typically based in countries where this industry is more mature, and (ii) the Falklands' unique set of business challenges and opportunities are difficult to robustly quantify without suitable counterfactual data from another nascent industry producing similar goods to farmed salmon. As such, factors considered in the Market analysis sub-section are not embedded quantitatively into the quantification of the socio-economic impacts.

Uncertainties

6.29 Due to the lack of a defined project to assess, there are notable uncertainties attached to many of the assumptions used in the economic impact assessment. Key uncertainties include:

- Which ports could be used for the industry;
- The location of additional populations is uncertain;
- Uncertainties in the employment inputs used from the Unity Marine SEIA, due to the lack of a detailed methodology;
- Future prices and exchange rates. In reality, these will fluctuate during the course of the project.

6.30 To account for the uncertainties, the assessment considers several key sensitivities.

Sensitivity analysis

6.31 Sensitivity analysis first considers the biggest drivers of the economic model. Analysis has been undertaken to determine how sensitive the key assumptions underpinning the key drivers are to change, and the results of this analysis have been quantified.

6.32 Examples of assumptions explored in the sensitivity analysis include:

- The impact of temporary periods with lower production level achieved (due to disease, escapes, etc),
- Lower/higher supply chain development,
- Variation in the proportion of dependants,
- Variation in the extent to which local employment is used; and
- Higher housing demand per FTE.
- Differing salmon production volume scenarios impact on key outputs ((done throughout the Socio-economic impact assessment and the Modelling of a higher 50,000 mt/year production level sub-section)

Summary of economic modelling inputs

6.33 The table below breaks down the key data inputs needed to estimate the potential socio-economic impacts of developing a salmon farming industry on the Falkland Islands, as outlined in the introduction.

Table 6.1 Data inputs for economic impact assessment

Data Input/Assumption	Source(s)
GDP uplift and FIG revenues	
Production quantity (mt)	Primary data: MEP, 2025. Production outputs of environmental modelling for each option, as per Section 0.
Price (£/kg)	Secondary data: Statista, 2024, Salmon industry statistics & facts
Expected revenues (£,millions)	Assumption based on Hatch calculation of production multiplied by price inputs above
Corporate Tax	Secondary data: FIG (1997) and profit estimates based on MEP industry knowledge
Licensing fees and Royalties	Secondary data: FIG (2006) consideration of comparator countries arrangements
Profit margins	Primary data: Benchmark range based on MEP industry knowledge.
Direct and indirect employment	
Job titles	Secondary data: Unity Marine Project Description and review of Salmon Farming Industries in comparator countries
FTE counts	Secondary data: Unity Marine Project Description; MEP insights; literature
Immigration status	Secondary data: Hatch and MEP insights; Census 2021
Induced employment	
Direct and indirect salaries	Secondary data: Hatch and MEP desktop research of websites such as Glassdoor
Income taxes	Secondary data: FIG (1997)
Savings rate assumptions	Secondary data: Hatch calculations based on the Household Expenditure Survey (2011)
Median Falkland Islands Salary	Secondary data: FIG, Census 2021
Super-multiplier employment	
Anticipated increase in public services FTE jobs (regulatory, education and wider public sector)	Primary data: Hatch-FIG consultation input
Ratio of Work Permit dependants to Work Permit holders and proportion of Work Permit holders of school age as all dependants	Secondary data: FIG, Census 2021
Infrastructure accelerator employment	
Core infrastructure requirements (e.g. hatcheries, water treatment, feed storage, etc.), associated CapEx	Primary and secondary data: MEP environmental modelling and insights as well as Unity Marine Project Description
Wider infrastructure requirements (e.g. road and port improvements, other miscellaneous public works, etc.) and associated CapEx and project phasing	Primary and secondary data: Further consultation with FIG, cost data and MEP insights
Labour cost components (% of CapEx that is spent on labour as well as construction salaries)	Primary and secondary data: Hatch experience of economic modelling and labour component rates with verification of assumption based on further consultation with FIG
Potential housing provision from salmon farming developer	Secondary data: Hatch calculations with consideration of Unity Marine Project Description
Total migration and housing requirements	
Estimated direct employment	Unity Marine (2019)
Accommodation/housing units/FTE for permanent/long-term roles	Secondary data: Hatch assumption based on FIG, Census 2021 household data
Accommodation/housing units/FTE for temporary/short-term and rotational roles	Hatch assumption; further consultation with FIG
Local employment requiring backfilled roles	Secondary data: Hatch calculations based on local employment assumptions detailed in the Unity Marine Project Description

Source: Hatch (2025)

6.34 The remainder of Section 6 of the details these inputs and sources, and explains how Hatch used the data and assumptions to estimate the economic impacts.

Production volumes

6.35 Production is assumed to relate to the scale of economic impact and number of jobs required:

- Larger projects are assumed to require more labour both during construction and operational phases.
- Economies of scale mean the ratio of jobs to salmon produced varies across options.
- Production volumes are necessary to estimate the potential revenues of salmon farming in the Falkland Islands, and by extension, the expected GDP uplift and FIG revenues.
- The level of production may influence whether the salmon farming industry might be able to sustain domestic production of key supply chain activities, such as feed production[11]. If feed production occurs domestically, the potential profitability of the salmon farming industry could improve due to reduced import costs, and the employment footprint would increase. Moreover, the onshoring of some supply chain activities also presents more opportunities for indirect jobs on the Islands.

GDP uplift and FIG revenues

6.36 Calculations of the expected GDP uplift and FIG revenues from a potential salmon farming industry are based on price and profitability assumptions, as well as the production outputs for each option.

Calculating GDP uplift

6.37 The first step in estimating the GDP uplift of each option is to estimate sales revenues. This is done by multiplying expected production outputs by the assumed global reference price.

6.38 Estimated revenues are multiplied by typical profit margins associated with each salmon farming option's annual output level to estimate a monetary value for annual profits. These margins are derived from MEP's market insights.

6.39 The uplift to GDP is then estimated by adding employment costs (e.g., wage bill and pension contributions) to the estimated profit.

6.40 GDP uplift estimates of each option have been modelled.

Corporate taxes and other FIG revenues

6.41 Estimated FIG revenues have been modelled, with a breakdown based on the source of the revenues.

6.42 The mechanisms for deriving revenues, in addition to corporate tax and income tax, for a salmon farming industry are not yet established. However, the Fish Farming Ordinance (2006) sets a precedent for FIG to levy royalties on farm operators. For this reason, the assessment focuses on corporate tax revenue, with considerations of hypothetical scenarios in which additional revenue could occur, such as a royalty on profits, but also precedents and considerations from other countries and industries. The assessment also provides a high-level estimate for income

[11] Unity Marine suggest that feed would be imported.

tax revenue, although variations in salaries are not used for this assessment due to the significant uncertainties in estimating salaries for specific roles.

Corporate tax income

6.43 FIG can expect to collect tax revenues for each production option through corporate taxes, pursuant to Taxes Ordinance 1997, Art. 28(1)(i)(ii)[12].

6.44 Estimated tax revenues are obtained by applying the following rates to each year's estimated industry profits[13]:

- Profits under £500,000: 21% corporate tax rate; and
- Profits over £500,000: 26% corporate tax rate.

Other income to FIG

6.45 The Fish Farming Ordinance 2006, Art. 3(1) and Art. 18, sets a precedent for licensing fees for seabed use and royalty payments, though these values have not yet been established (FIG Taxation Office, 2017). The assessment therefore quantifies the potential level of other income to FIG based on hypothetical options and rates applied from comparator countries, where this data exists. Specifically, we use Faroe Islands revenue tax, Scotland Crown Estates lease income and Falkland Island oil and gas royalty rates in the assessment to provide further insights into potential income.

6.46 In addition to corporate taxes or licensing fees, some comparator countries have introduced other measures to generate revenue from fish farming. For example, Norway has recently implemented a Resource Rent Tax (Directorate of Fisheries, 2023). This is a cash flow tax of 25% on 'profits arising from the sea phase' of fish farming. There is a 70m Norwegian Krone (£5m) deduction that applies to this tax. In the Norwegian context, the reach of the tax is significant for firms that sell fish to third parties directly from the pen.

6.47 Another example is the Faroese Harvest Tax on salmon production. This is a varying tax rate that applies to firms' monthly harvest, based on global market prices. The rates are structured as follows:

- If the average price per kilo of salmon is less than 32 Danish Krone (~£3.60)' then the applicable tax rate is 0.50%;
- If the average price per kilo is higher than 32 Danish Krone (~£3.60), but less than DKK36 (~£4.10), the applicable tax rate is 2.50%; and
- If the average price per kilo is higher than 36 Danish Krone (~£4.10the applicable tax rate varies and can go up to 20%, depending on the difference between the production cost and the FishPool Index price.

6.48 In Scotland, the Crown Estate Scotland charges rent based on the harvested production and market price:

- **Rent calculation:** Rent is charged at a rate of 1% of the notional turnover, which will increase to 1.5% starting January 2026.

[12] FIG Taxation Office, "Taxes Ordinance 1997" (2025). Available here.

[13] Please note we have not made any assumptions in terms of delayed tax revenue related to historic losses and depreciation.

- **Minimum rent**: If the calculated rent from harvested tonnage is less than the applicable minimum rent, the minimum rent will be charged. For leased salmon sites, the minimum rent is £1500 per 500 mt tranche of the maximum biomass consented by the site's Controlled Activities Regulations (CAR) licence from SEPA.
- **Rent assessment periods:** Rent is assessed twice a year, for the periods January to June and July to December. Invoices are raised in arrears at the end of each assessment period.
- **Turnover:** The notional turnover is calculated using the total gutted weight of harvested fish and the average monthly Fish Pool Index spot price for 3kg to 6kg Atlantic salmon, converted to pounds sterling.

Employment

Direct jobs

6.49 Direct jobs are those employed directly by fish farm operators. The Unity Marine Project Description outlines the potential direct job categories associated with operating a fish farm in the Falkland Islands. The Unity Marine Project Description provides job titles and associated job numbers for their proposed 50,000 mt/year salmon farming industry, once maximum production is reached. This is shown in the table below.

Table 6.2 Job titles and expected FTEs at peak production for a 50,000 mt/year salmon farming industry in the Falklands Islands

Job title	Expected FTE at peak production
General manager (CEO)	1
HR and Admin	1
Project manager	1
Chief Operations Officer (COO)	1
Veterinarians	2
Chief Financial Officer (CFO)	0
Procurement	1
Accounting	1
Fleet manager	2
Sales	10
Fresh water manager	14
Plant manager	4
Land-based operational staff (local)	20
Land-based operational staff (rotational)	48
Sea water manager	3
Regional manager	9
Operating manager	1
Sea-based staff	1
Diver (local)	1
Diver (expat)	3
Engineers	1
Supply ship captain	1
Supply ship officer (local)	1
Supply ship officer (expat)	1
Supply ship crew	1
Service boat captain	1

Job title	Expected FTE at peak production
Service boat crews	2
Well boat captain	7
Well boat crew	1
Total	**151**

Source: Unity Marine (2025). Assuming 50,000 mt/year production. Note the 151 FTE is slightly higher than the previous 147 FTE presented in the literature review due to the fact that 147 FTE represents steady state operations whereas 151 FTE represents the peak.

6.50 The types of direct roles and the number of jobs needed to sustain production may change depending on the option being modelled and different production outputs, but the above information is useful as an indication of the broad breakdown of roles. Studies from comparator countries imply a much higher direct job count in the 250-500 jobs range for 50,000 mt/year of output. An important factor driving this difference is the specific local consequences of developing a salmon farming industry in the Falkland Islands and the subsequent parameters of the Unity Marine Project Description. Examples include Unity Marine's assumption that the finished product will be processed on an offshore processing ship, and that feed will be transported directly to the production sites from outside of the Falkland Islands. It is also assumed that production does not scale in a perfectly linear relationship with jobs, particularly due to the fixed quantity nature of some of the jobs, especially in management.

Indirect jobs during operation

6.51 Indirect jobs are those roles in the various supply chain activities involved with operating a fish farm. These may include jobs in feed manufacturing, pen manufacturing or processing and packing of farmed fish. A brief list of indirect jobs that may be supported in local supply chains include:

- Smoltification and on-growing could potentially be supported by local feed production facilities(Unity Marine, 2025). These facilities would need fish meal and other ingredients which might create indirect jobs in shipping or logistics companies.
- Pen and cage manufacturing is unlikely to occur in the Falkland Islands. However, there may be viability for maintenance work or suppliers of electrical equipment to be engaged from a potential salmon farming industry.
- Processing activities such as gutting harvested fish could be done in the Falkland Islands. However activities including portioning, quality grading and packaging will initially have to be done overseas. This means that salmon exports will be HOG, until there is commercial feasibility for further processing and packaging. Nevertheless, it is likely that local shipping companies and packaging material suppliers could support HOG exportation early on.

6.52 However, only roles that are judged likely to be located in the Falkland Islands are included in the economic impact assessment outputs. In addition, even though they are technically indirect jobs, the construction sector labour is not included as part of the indirect jobs here, as they are quantified separately as temporary infrastructure construction jobs.

6.53 At this point, our understanding of the Falkland Islands economy and the potential activities of a salmon farming industry suggests that it is unlikely that substantial supply chain activities will be undertaken locally (relative to comparator countries).

6.54 The Unity Marine Project Description indicates the supply of the necessary physical capital (namely nets, pens and feed) will need to be imported and processing activities will likely be

done overseas. The Falkland Islands is assumed to have low capacity for producing fish feed locally and initial processing (gutting) of fish.

6.55 MEP research and insights gained from comparator countries imply that for every direct job, there would be 0.5 to 1.0 indirect jobs. However, further assessment of the industry and the Falkland Island economy indicates it is unlikely that this ratio will be achieved in the Falkland Islands. Evidence from Chile, which has a mature aquaculture sector, indicates that for every direct job there are 0.78 indirect jobs (*Instituto Formento Pesquero*, 2022). Given the abovementioned supply chain constraints and likely exportation of processing, it can be reasonably expected that indirect jobs for a potential salmon farming industry in the Falkland Islands will be limited, and as such we have used a ratio of 0.1 for the purpose of the assessment.

Induced jobs

6.56 Induced jobs refer to the employment supported by the personal wage expenditure associated with the gross increase in direct and indirect employment within the potential salmon farming sector. Hatch have modelled first-round induced jobs sustained by the Falkland Islands spend of direct and indirect employees as well as second-round induced jobs, which are the jobs sustained by the Falkland Islands spend of first-round induced employment.

6.57 This is done in a very similar manner to Hatch's modelling approach for other projects in the Falkland Islands, by using assumptions related to direct jobs salaries, the types of jobs (rotational vs. other positions), savings rates and income taxes to determine local spend, and productivity rates. As done for other modelling by Hatch on the Falkland Islands, we also consider and specify potential lags in the creation of induced jobs, given supply side capacity constraints.

6.58 A key assumption is the average salary of employees, for the purpose of modelling an average salary of £49,000 has been applied for direct staff, based on a review of accounts of key industries in the salmon farming industry, whereas other staff are based on the Falkland Islands average salary (£24,000).

6.59 Offshore workers are excluded from the induced impacts as these workers are likely to have limited time onshore in the Falkland Islands and so would have very limited wage expenditure effects (limited to any visits onshore during their time off work).

Public sector and super-multiplier jobs

6.60 Public sector jobs will be required to respond directly to the development of a salmon farming industry in the Falkland Islands (i.e. regulatory roles). In addition, "super-multiplier" jobs will be required. These are public sector jobs necessary to deal with the increased demand for public services resulting from increased migration to the Falkland Islands.

6.61 FIG has provided Hatch with data on public jobs requirements in the healthcare sector, education sector, policing and general public sector jobs. Indications of the number of regulatory jobs – have been estimated in close consultation with FIG.

6.62 The data provided by FIG for public sector jobs for the Sea Lion project indicated how many extra jobs would be needed to deal with population increases (in terms of FTEs per 100 people migrating in). Hatch will use these numbers to estimate the required super-multiplier jobs.

6.63 As a reference point, the Unity Marine Project Description indicates that there would be 7 public sector FTEs created 'directly related' to salmon farming. Presumably, these would be regulatory

jobs, though this is not specified. A further 20 FTEs related to public and private services related to the increased population. Altogether, this totals to 27 FTE jobs, but does include private sector (induced) jobs.

6.64 Similarly to induced jobs, there are first and second-round super-multiplier jobs. First-round super-multiplier jobs are estimated as explained above. By dividing the first-round multiplier jobs by the sum of direct, indirect and induced jobs, a ratio estimating how many super-multiplier jobs are needed to accommodate 1 extra FTE job is obtained. This ratio is then multiplied by the number of first-round multiplier jobs to estimate second-round super-multiplier jobs.

6.65 The logic here is that first-round super-multiplier employees are likely to be long-term permanent roles that will bring dependants along with them and place a further demand on public services, hence the need to account for second-round super-multiplier needs. Third round or n^{th} round super-multiplier jobs are not accounted for because the ratio past the second-round becomes negligible[14].

Infrastructure accelerator jobs

6.66 In addition to the immediate salmon farming infrastructure required for a salmon farming project, it is expected that significant additional wider infrastructure investments would need to be made to sustain salmon farming.

6.67 The modelling of infrastructure accelerator jobs focuses on jobs that arise from investments in infrastructure that would not be made in the absence of a salmon farming industry. That is, if FIG or a private developer are already investing in building a new port facility, for example, this would not be modelled as an additional economic impact as it would occur in absence of salmon farming activity.

6.68 The best reference for infrastructure accelerator jobs supported by a salmon farming industry producing 50,000 mt/year of salmon in the Falkland Islands is the Unity Marine Project Description[15]. This indicates there would be a peak annual average of 31 temporary contracted foreign workers onshore every day during the construction and installation phase. These workers would require accommodation; however, it should be noted that this project was proposed in four phases, with staggered construction requirements, which reduces the annual peak demand for temporary contracted foreign workers onshore.

6.69 Given the unique circumstances of the Falkland Islands, comparisons have not been made with large-scale RAS projects in places like Norway, the U.S., or Canada. These large projects, which can peak at 300–500 workers during construction, often involve multiple simultaneous construction sites, on-site feed mills and processing plants, full land-based grow-out systems and local labour-intensive builds. Several key differences explain the lower temporary workforce predicted by Unity Marine:

- **Phased construction:** Only one hatchery is built at a time, reducing peak labour demand.

[14] On average there were 0.09 estimated second-round super-multiplier jobs in the Sea Lion projects for each first-round super-multiplier job in the Sea Lion project.

[15] Unity Marine's numbers are the best to use here as a proxy, similar to direct jobs, as this is the best available data to use as a starting point for the economic modelling exercise.

- **Outsourced processing & feed:** Processing is done at sea, and feed is imported from Chile. No onshore processing plant or feed mill are assumed to be required to be constructed.
- **Pre-fabricated materials:** Use of pre-fabricated building materials reduces on-site labour and Much of the technical installation would be handled by specialist contractors (e.g., RAS system providers).
- **Remote location strategy:** The Falklands Islands' limited capacity of housing and infrastructure make it strategically necessary to minimize workforce size.

6.70 Further verification of the temporary construction workforce estimates may be required in the future, based on more detailed information on contracting. Despite the reasons outlined above there is potential that the current estimates are underestimates due to the following factors:

- Hatcheries are technically intensive and installation of tanks, piping, filtration, and control systems is labour-heavy.
- Remote site access, trenching, concrete works, and utility setup still require significant manual labour.
- Roads, power systems, and accommodation would also need to be developed.
- Harsh weather, shipping delays, or contractor availability could increase labour needs.

Increases in population

6.71 Population increases are based on the expected immigration and expatriate workers required to sustain any potential salmon farming industry and to backfill any roles current Falkland Islands residents may take up in the industry. Population increases also include migration required to meet new employment demands generated by spending from direct and indirect employees in both the private and public sectors. These increases in population are intrinsically linked to housing estimates.

6.72 It will be assumed that one FTE of employment initially corresponds with one person migrating to the Falkland Islands (i.e. even if the salmon farming related job is expected to be taken by a local resident, this will create a backfill requirement that will have to be filled via immigration). Under this assumption, it is expected that local roles will need to be backfilled. In addition, depending on the expected origin of employees, certain assumptions on whether they are expected to bring dependants with them or not as shown in Table 6.3.

Table 6.3 Dependants assumption by job type and origin

Job type	Origin	Dependants assumption
Direct	Local	Yes (for the backfilled role)
	Expat – long term non rotational	Yes
	Rotational onshore	No
	Rotational offshore	No
Indirect	Local	Yes (for the backfilled role)
	Expat - long term non rotational	Yes
Induced and super-multiplier	Expat	Yes
Temporary construction	Temporary role (expat)	No

6.73 To estimate how many dependants are brought by workers, Census 2021 data is used (FIG Directorate of Policy, Economy & Corporate Services, 2024). Tables 8a and 8d from the census provide information on population by immigration category for Stanley and Camp (approximately 2,800 people are included in these tables).

6.74 From these tables, we calculate the following ratios: (i) Dependants of Work Permit holders and Other Dependants to Work Permit holders; (ii) children (5 to 19) as a share of all dependants, and (iii) children that are Other Dependants or Dependants of Work Permit holders to Work Permit holders. The aim is to estimate the number of dependants, including children, that immigrants are likely to bring to create reasonable immigration estimates which informs super-multiplier jobs assumptions. Table 6.4 provides an overview of these ratios.

Table 6.4 Ratios informing immigration assumptions[16]

Immigration category	Dependants to Work Permit Holders	Children as a share of dependants*	Dependant Children per Work Permit Holder
FI Status holder	1,866	324	
Permanent Residence Holder	304	46	
Work Permit	458	11	
Dependant of Work Permit Holder	65	40	
Accompanying Dependant status	64	39	
Other immigration categories	15	1	
Total	**2,772**	**461**	
Total Dependants	**129**	**79**	
Total less FI Status and Permanent Residence	**602**	**91**	
Ratio	**0.27**	**0.71**	**0.19**
Assumption	**Each worker brings 0.27 dependants.**	**~71% of dependants are children**	**Each working immigrant brings ~0.19 children**

Note: * "Children" refers to 5-year age brackets provided in Tables 8a and 8b, in this instance from 5-9 to 15-19. Using the proportion (%) of visa categories multiplied by total number of people aged between 4 and 16 (Table 2b), the range of school-aged children, the proportion of children as dependants is lower at 0.66 and children per Work Permit holder decreases to 0.18.

Housing requirements

6.75 Based on previous experience with economic modelling in the Falkland Islands, the assumption used is that approximately one housing unit will be needed for every two onshore FTE jobs (i.e., 0.5 housing units per FTE job). This is based on the fact that rotational workers and migrants may be more likely to share accommodation and less likely to bring their families. For instance, based on the Unity Marine Project Description, there is an assumption that shared housing could accommodate approximately 20 FTE roles. This could be refined as more information is received on specific projects through in-depth analysis on the accommodation requirements of different types of workers in different phases.

[16] The figure of 'each worker brings 0.27 dependants' is skewed by the fact that workers may bring a partner and children, but the partner will often find work and would become a work permit holder. So rather than each worker bringing 0.27 people with them, it might be higher when including an initially dependant partner. Similarly, 0.19 children per immigrant might be higher when considering that a couple would bring an average of 0.38. Importantly, partners may offset the need for immigration to fill other roles so this may even out.

Table 6.5 Housing requirements by job type and origin

Job type	Origin	Housing requirement
Direct	Local	Housing needed for migrants backfilling local roles
	Expat – long term non rotational	Housing needed
	Rotational onshore	Housing needed (potentially shared housing)
	Rotational offshore	Housing not needed, will reside offshore
Indirect	Local	Housing needed for migrants backfilling local roles
	Expat	Housing needed
Induced and super-multiplier	Expat	Housing needed
Infrastructure accelerator	Temporary role (expat)	Temporary housing needed

7. Socio-economic impact assessment

7.1 This section sets out the results of the socio-economic impact modelling and SEIA. It covers:

- The impact on Falkland Islands GDP and FIG revenues;
- Employment effects;
- Migration and population effects;
- Housing and accommodation effects;
- Wider potential socio-economic impacts.

7.2 The economic impact assessment below is focused on Option 2, as this represents the maximum impact scenario, and all other scenarios are assumed to be of a lower magnitude. Economic modelling has been done for other scenarios:

- Impact on the Falkland Islands GDP: Option 2 results in a cumulative £550 million of GDP uplift throughout the assessment period. This is 4.8% and 10.9% higher than Options 3 and 4 respectively.
- Impact on Falkland Island Government revenues (from corporation tax): Option 2 results in £130 million throughout the assessment period. This is 11.0% and 26.2% higher than options 3 and 4 respectively.
- Total employment impact: Option 2 amounts to 2,130 FTEs across the assessment period (130 FTEs per annum). For Option 3, 2,040 jobs are expected to be created (127 FTEs per annum) and in Option 4 1,940 FTEs are expected to be created (121 FTEs per annum). This is 4.8% higher and 9.8% higher employment than Options 3 and 4 respectively.
- Total population impact: Option 2 is estimated to bring 161 additional people to the Falkland Islands, whereas Option 3 is expected to bring 153 additional people to the Falkland Islands and Option 4 is expected to bring 145 additional people to the Falkland Islands. This is 4.5% higher and 9.8% higher than Options 3 and 4 respectively.
- Total housing impact: Option 2 would generate housing demand for at least 42 housing units. This is 4.3% higher and 6.6% higher than Options 3 and 4 respectively.

Summary of employment, housing and population economic modelling outputs

7.3 Table 7.1 shows the key outputs of the modelling exercise, for Option 2, for onshore employment, housing and population.

Table 7.1 Summary of maximum employment, housing and population (Option 2)

	Jobs (FTEs)			Population			Housing needed		
	Peak	15-year average	Average post-2031	Peak	15-year average	Average post-2031	Peak	15-year average	Average post-2031
Direct jobs (onshore, including backfilled roles)	72 (2031)	63	71	127 (2032)[1]	109	127	27 (2032)[2]	24	27
Indirect jobs	11 (2031)	10	11	14 (2031)	12	14	6 (2031)	5	6
Induced	10 (2032)	9	9	10 (2032)	7	9	5 (2032)	4	5
Super-multiplier	8 (2032)	7	8	10 (2032)	8	10	4 (2033)	3	4
Accelerator	57 (2028)	11	<1	Not considered as permanent population.			43(2028)[3]	8 (2033)[3]	14
Total[4]	158	100	100	161	136	160	42	36	42

[1] Direct migration is higher because the number of expats bringing dependants increases (by 1.4 FTE, so 1.78 additional population) in 2032, while expats not bringing dependants goes down by 0.9 FTE. The net change in population would be +0.88 people. Due to rounding, this increases the peak to 127, one year after direct employment peaks.
[2] This figure includes housing for direct, backfill and onshore rotational jobs.
[3] Temporary accommodation (hotel rooms). Accelerator housing needed omitted from totals.
[4] Total refers to the sum of peak jobs by job type. Peak years vary by job type.

Distribution of impacts

7.4 Based on the review of Unity Marine's project description and a sense check by Hatch, Stanley Harbour is not considered close enough to potential salmon farming sites to efficiently service them. Likewise, the hatcheries would preferably be placed close to the salmon farming sites. This implies that it is likely that some of the workforce would not be located in Stanley. Employment tied to the ports and hatcheries may require expanding the existing Goose Green settlement, which is within 20 miles of New Haven Port, or creating new settlements close to the employment activities. This considerably raises potential social impacts, such as increased demand for education and healthcare, since the current system meets most of the demand and supply from Stanley and its immediate catchment area.

Impact on the Falkland Islands GDP and FIG revenues

Impact on the Falkland Islands GDP

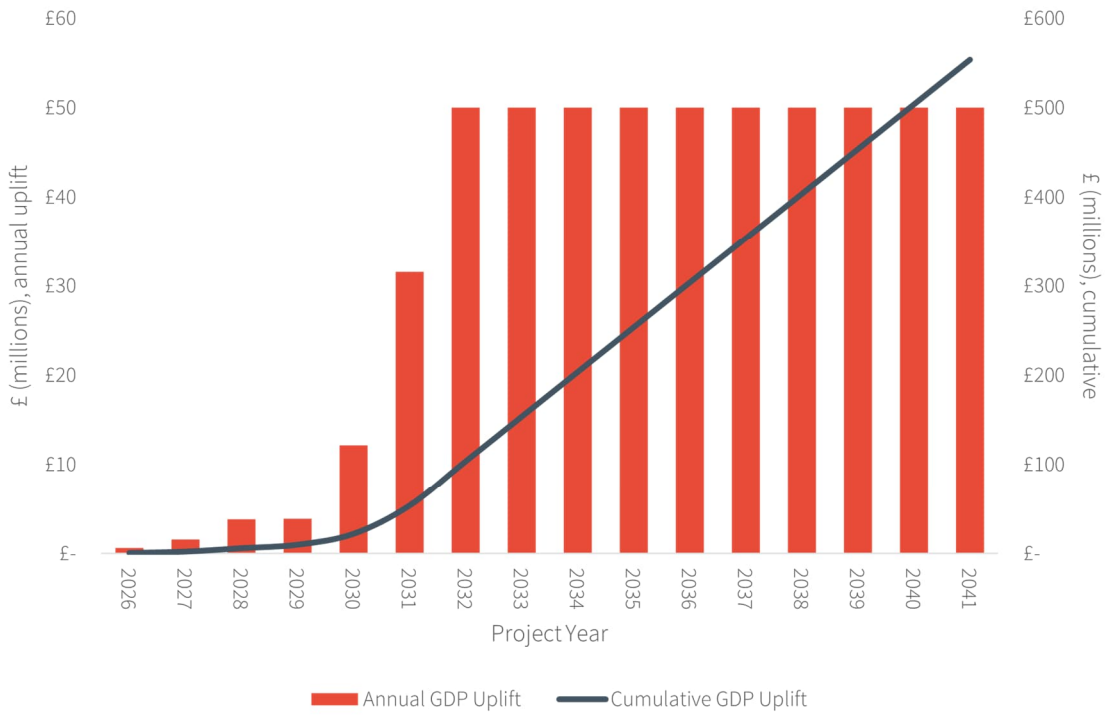
7.5 GDP on the Falkland Islands was circa £280 million in 2023 (FIG, 2024b). The development of a salmon farming industry would have substantial impacts on GDP due to the profits that would be achieved if the industry were to become operational and profitable. Once the industry reaches full production the increase to GDP is estimated to be around £50 million per annum for Option 2 which represents a 15% increase on the Falkland Islands 2023 GDP. This is estimated by adding employment costs to estimated profits. Based on the overview in Table 4.2 and MEP

research, we assume that the gross profit margins of a salmon farmer in the Falkland Islands would be in the range of 19% to 28%, the midpoint of this range (23.5%) has been used for the purpose of this assessment.

7.6 It should be noted that the impact on GNI would be more modest than impact on GDP, given the repatriation of profits out of the Falkland Islands, and the use of expat workers. In accordance with the current Fish Farming Ordinance, it is expected that at least 25.1% of the relevant proportion of the issued ordinary share capital is owned by Falkland Island residents. Therefore, it is assumed that a proportion of the economic gains will be distributed to Falkland Island residents.

7.7 The assessment focuses on the operational phase as GDP uplift is based on profits, which would not occur until there are significant industry revenues being generated. Figure 7.1 below illustrates the anticipated GDP uplift to the Falkland Islands economy from a potential salmon farming industry.

Figure 7.1 Anticipated GDP uplift – Option 2



Source: Hatch, 2025

7.8 It should be noted that investment and jobs will be brought into the Falkland Islands via construction activity taking place before revenue is generated from production. This may also have an impact on the Falkland Islands' GDP, particularly where money is spent on local supply chains. Given the uncertainties in the level of this impact, and the smaller scale of the impact and temporary nature compared to the impact quantified in the assessment above, this has not been quantitatively assessed here.

Sensitivity analysis on impacts on GDP

7.9 The key sensitivities relevant to the assessment of uplift in GDP are around the external factors including the market for salmon and the subsequent profitability of salmon farming, and the long-term exchange rate, which would both have impacts on GDP projections.

Impact on Falkland Island Government revenues

7.10 The analysis of government finances presented in the baseline assessment shows deterioration of reserves due to the significant scale of long-term capital projects planned in the Falkland Islands. The assessment is focused on corporate tax revenue, with consideration of the potential for other revenue streams.

Corporate tax revenue

7.11 Corporation tax paid to FIG is derived by applying the appropriate tax rate (26% on profits greater than £500,000, and 21% to profits less than £500,000) to the projected profits.

7.12 Corporation tax from salmon production in the Falkland Islands is estimated to amount to £129 million cumulatively over the 15-year assessment period for Option 2. Corporation tax would only be paid when the industry is expected to be profitable[17]. Based on the assumptions applied on production, prices and profitability, the revenue would reach a total of £12 million per annum at full production[18].

Income tax revenue

7.13 There would be significantly smaller fiscal impacts resulting from income taxes generated pre-operation phase, based on estimated salaries of direct employees, this can be expected to be in the region of an average of £1.3 million (Option 2) to £1.1 million (Option 4) per annum prior to full production and £4 million (Option 2) to £3.4 million (Option 4) across the course of the 15-year assessment period.

7.14 There would also be impacts from additional wider employment, which assuming a Falkland Islands average salary would generate an additional £21,500 (Option 2) to £20,100 (Option 4) per annum. The cumulative total of income tax revenue is expected to range between £63.9 million (Option 2) to £54.3 million (Option 4).

Other potential sources of revenue

7.15 Other countries have implemented additional mechanisms to bring additional government revenue, resulting from the operation of a salmon farming industry.

Faroe Islands

- **Revenue tax:** As of 2023, the Faroese government introduced a revenue tax on harvested salmon. This tax varies between 0.5% and 20%, depending on the difference between the FishPool Index prices and the average production cost for the industry. However, it was

[17] Which is assumed to be 2030-2041 for the purpose of this assessment.

[18] Which is assumed to be 2032-2041 for the purpose of this assessment.

reported in January 2025 that the maximum revenue tax has reduced from 20% to 7.5%. There is also an additional corporate tax of 12% applied specifically to salmon farming at sea (MarketScreener, 2025). This special additional corporate tax rate of 12% is applied to the taxable income from salmon farming at sea, but not to the full value chain.

7.16 Imposing a 7.5% tax on revenue would generate a cumulative impact of £159 million (~£15 million annually) at full production during the operational phase. An additional corporation tax of 12% would further increase tax revenues for FIG.

Falkland Islands oil and gas based royalties

7.17 Assuming a royalties rate of 9%, the cumulative impact would be £191 million (£12 million per annum, increasing to £18 million per annum at full production in Option 2).

7.18 In Option 3, the cumulative royalty revenue, assuming a 9% rate, would be £172 million (9.9% lower than Option 2). The per annum royalty would be approximately £11 million, increasing to £16 million per annum at full production.

7.19 In Option 4, the cumulative royalty revenue, assuming a 9% rate, would be £151 million (20.9% lower than Option 2). The per annum royalty paid would be approximately £9 million (£14 million at full production).

Scotland's Crown Estates

7.20 Crown Estate Scotland collects around £10 million annually from fish farm rents (Fishfarming Expert, 2024). This income is generated from leasing marine sites to salmon farming companies. The revenue collected is returned to the Scottish Government, which then distributes funds to coastal local authorities for various projects, including economic regeneration, flood protection, and environmental initiatives.

Employment effects

Summary

7.21 Development, construction and operation of a salmon farming industry will require labour, resources and skills, resulting in labour market effects. The following section includes an analysis of the demand for labour and wider employment effects of development, construction and operation of a salmon farming industry for Option 2.

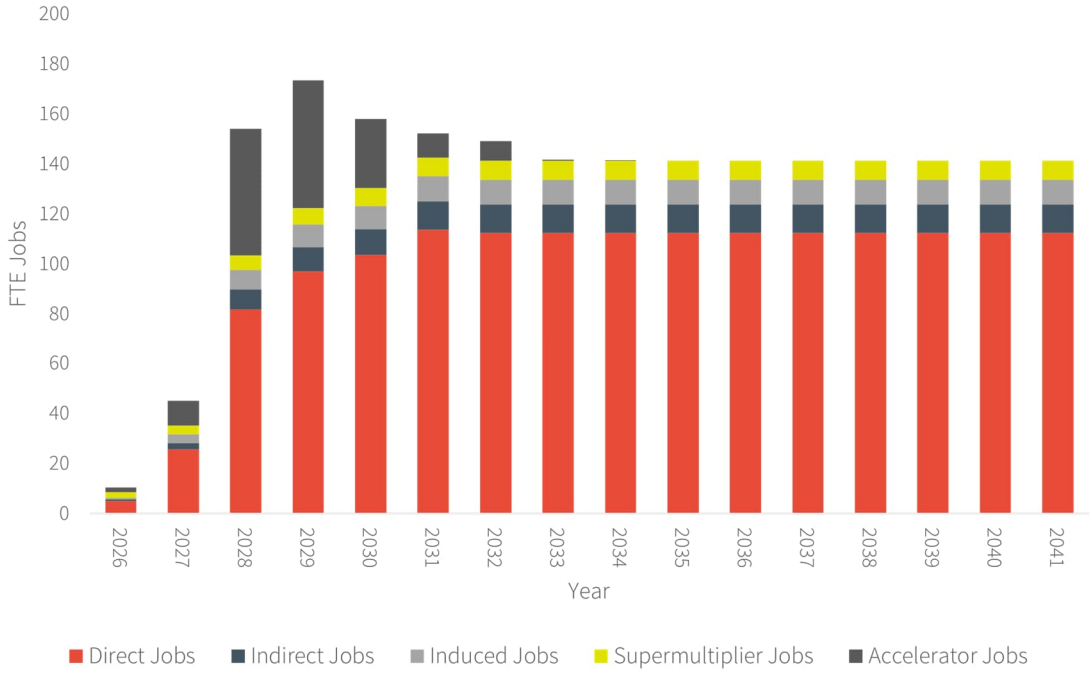
7.22 It should be noted that feed production and the processing are assumed to take place outside the Falkland Islands or at sea. This has meant that the scale of impacts is reduced from the labour requirements seen in other countries.

7.23 Figures 7.2 to 7.8 show the total estimated jobs that would be created as a result of the development of a salmon farming industry. This takes in all sources of economic impact: direct, indirect, induced, super-multiplier and infrastructure accelerator jobs.

7.24 The peak total employment in Option 2 is expected to be 177 FTE jobs in 2029 (122 FTE jobs per annum). At full production, there are expected to be 143 FTE jobs per annum.

7.25 Comparatively, peak employment for Option 3 is 172 FTE jobs in 2029 (2.8% lower than Option 2, 127 FTE jobs per annum) and for Option 4 peak employment is 166 FTE jobs (6.2% lower than Option 2, 121 FTE jobs per annum).

Figure 7.2 Total quantified employment effects – Option 2



Source: Hatch, 2025

7.26 It should be noted that there could be greater local employment resulting from developers' close collaboration with FIG and other key stakeholders. There would be a need to ensure compliance with all policies regarding terms of employment, giving priority to local candidates where suitable to do so, providing local advertisement of employment opportunities and inputting into the long term strategic population planning process.

Direct employment

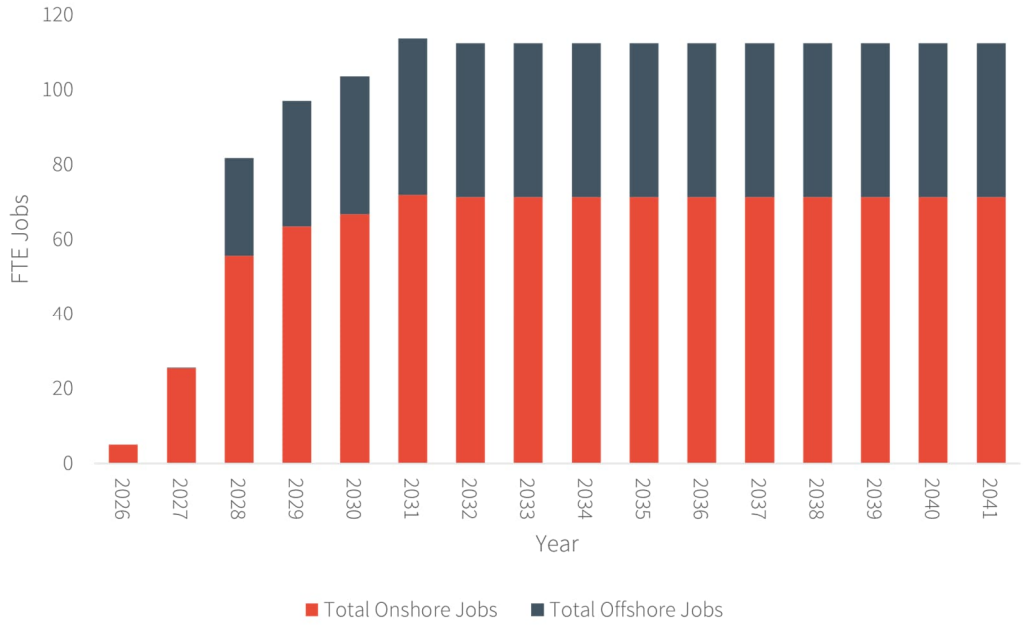
7.27 Direct jobs include anyone who would be directly employed by the salmon farming industry.

Offshore vs onshore workforce

7.28 A summary of the breakdown of offshore vs onshore direct workforce for Option 2 is shown in Figure 7.3 below. Peak direct employment is expected to be 114 FTE jobs in 2031 for Option 2 (97 direct FTE jobs per annum). During full production, per annum direct employment comes out at 112 FTE jobs.

7.29 In Option 3, peak direct employment is 108 direct FTE jobs in 2031 (5.3% lower than Option 2, 92 direct FTE jobs per annum). In Option 4, peak direct employment is 101 direct FTE jobs in 2031 (11.4% lower than Option 2, 87 direct FTE jobs per annum).

Figure 7.3 Location of direct employment in the Falkland Islands (offshore vs onshore)



Source: Hatch 2025

Types of roles (business segments)

7.30 The direct jobs would cover a range of roles, which are listed in Table 7.2 overleaf.

Table 7.2 Direct jobs by business segment and location

Role	Origin	Onshore/Offshore	Business Segment/Location	FTE jobs (Peak Option 2)
General Manager (CEO)	Expat	Onshore	Head Office	1
Chief Financial Officer (CFO)	Expat	Onshore	Head Office	1
Fresh Water Production Manager	Expat	Onshore	Head Office	1
Sea Water Production Manager	Expat	Onshore	Head Office	1
Veterinarian	Expat	Onshore	Head Office	2
Chief Operating Officer (COO)	Expat	Onshore	Head Office	1
Fleet Manager	Expat	Onshore	Head Office	1
Plant Manager	Expat	Onshore	Land-based sites	1
Land-based operational staff (Rotational)	Rotational Expat	Onshore	Land-based sites	6
Land-based operational staff (Local)	Local	Onshore	Land-based sites	9
Regional manager	Expat	Onshore	Sea-based sites	2
Operating Managers	Rotational Expat	Onshore	Sea-based sites	12
Sea-based operational staff	Rotational Expat	Offshore	Sea-based sites	30
Service vessel captain	Expat	Onshore	Service boats	3
Service vessel crew	Expat	Onshore	Service boats	9
Supply ship captain	Expat	Onshore	Supply ship	1
Supply ship officer	Expat	Onshore	Supply ship	1
Additional supply ship officer	Local	Onshore	Supply ship	1
Supply ship crew	Local	Onshore	Supply ship	3
HR and Admin	Expat	Onshore	Head Office	1
Project Manager	Expat	Onshore	Head Office	1
Procurement	Expat	Onshore	Head Office	1
Accounting	Expat	Onshore	Head Office	1
Sales	Expat	Onshore	Head Office	1
Local Diver	Local	Onshore	Warehouse and Workshop	1
Expat Diver	Expat	Onshore	Warehouse and Workshop	2
Mechanical Engineers	Expat	Onshore	Warehouse and Workshop	7
Well boat captain	Rotational Expat	Offshore	Well Boat	1
Well boat crew	Rotational Expat	Offshore	Well Boat	11
			Total	114

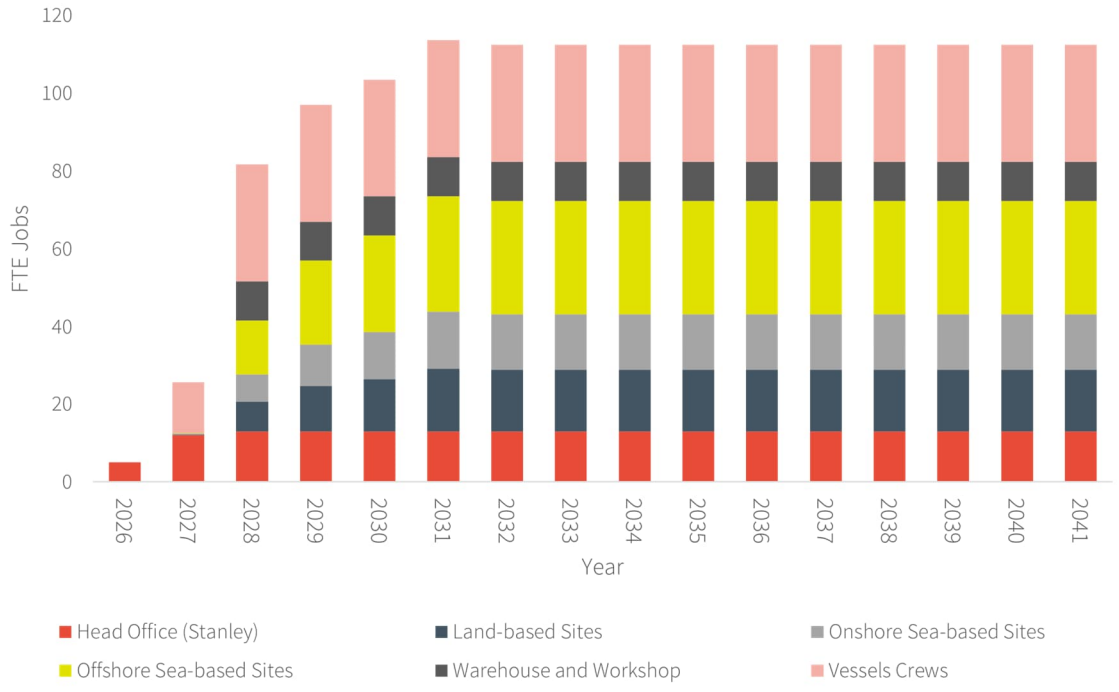
7.31 The top management roles and Head Office roles (13 FTE jobs), as well as Warehouse and Workshop roles (10 FTE jobs) would be expected to be located in Stanley. For land-based site roles (16 FTE jobs) and onshore sea-based site roles (15 FTE jobs), it is assumed that they will be

equally split between the two locations at Mare Harbour and New Haven (approximately 16 FTE jobs at each site). For the New Haven site, it may be possible to house these jobs at Goose Green. However, the Mare Harbour location has no existing settlement within a half hour drive[19].

7.32 The methodology used to scale the number of direct FTE jobs from the estimates is split into three broad steps:

- **Step 1:** Identify direct jobs from the Unity Marine Project Description (2025), and the corresponding Appendix on socio-economic impacts. This includes job titles/roles and peak totals.
- **Step 2:** Identify the total headcount at peak employment and for each year. Divide the total employment for each year by the annual employment expected at full production to obtain an annualised scaling factor (e.g. assuming 100 FTE jobs at full production in Year X and 50 FTE jobs in Year Y, the scaling factor would be 50 / 100 = 0.5 for the corresponding year).
- **Step 3:** Identify which roles are expected to be variable (i.e. jobs that could be expected to scale up with output and/or sites) and apply scaling factor to those jobs, meaning that corporate or office jobs stay fixed and aligned with expected phasing.

Figure 7.4 Business segments of direct employment in the Falkland Islands



Source: Hatch 2025

[19] Assuming 40mph speed limit, a 30 minute travel time works out to approximately 20 miles from the sites (40 miles / 2 = 20 miles).

Indirect employment

Indirect supply chain employment opportunities during operation

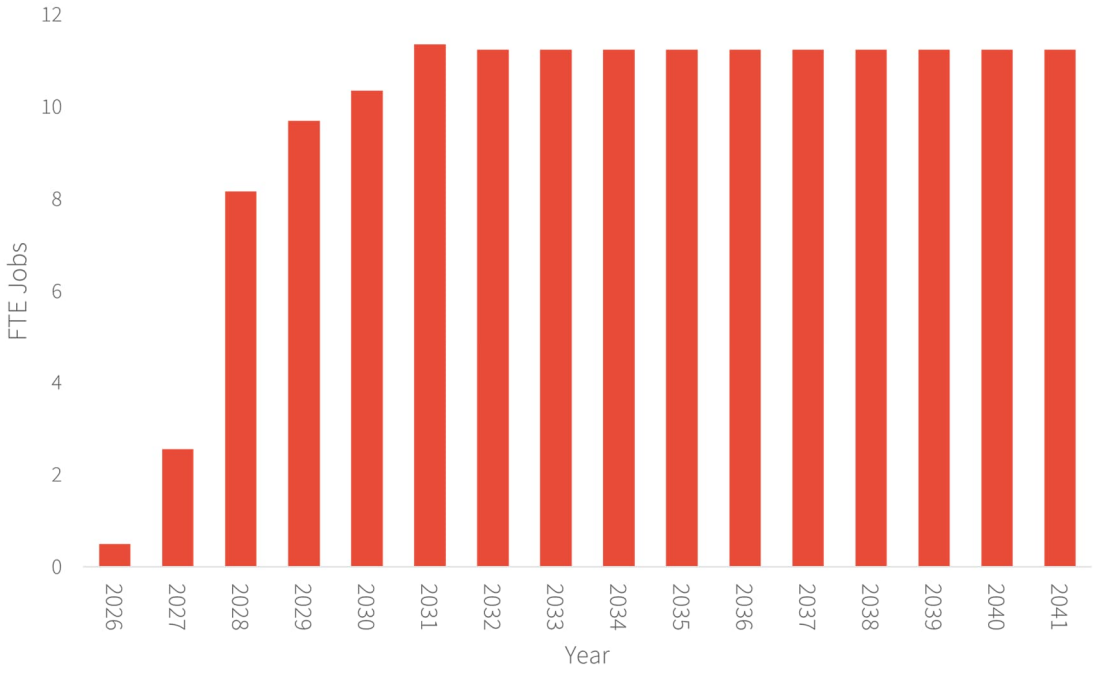
7.33 There is potential to develop a Falkland Islands supply chain to support the development of a salmon farming industry. Initial research has been undertaken to provide insights into the potential to develop a supply chain in the Falkland Islands:

- Procurement of raw materials (fish feed production and breeding of fish stock): Assumed to be offshore.
- Production process: Assumed to be captured by the direct employment and therefore there would be limited scope for indirect local roles to be involved in the production process.
- Distribution and logistics: There could be opportunities around transportation for locally based companies; however the scale of this opportunity would depend on availability of shipments to Montevideo that may be offered by the SAAS, as initially suggested in the Unity Marine Project Description, or the eventual operator's ability to secure the necessary permits to sail to Chile through Argentine waters.
- Sale and marketing: Is assumed to be led by the salmon farm operator, but there may be scope for local businesses to support these activities.
- Regulatory compliance: Local businesses have in-depth knowledge of the regulatory systems and so may be able to support the operator in ensuring regulatory compliance.
- Environmental and sustainability practices (waste management and sustainability practices): It is assumed that this would be picked up by the direct employment roles.
- Other roles such as security and cleaning may be required to support the operator.

7.34 We have conducted research into typical multipliers in other larger countries with more capacity to create opportunities in the host countries supply chain. Given the analysis above, research conducted into multipliers and the socio-economic baseline, it is anticipated that a multiplier of 0.1 would be appropriate to assume when calculating the indirect roles. This means that for every 10 direct roles it is estimated there would be 1 indirect role created in the Falkland Islands supply chain, linked to businesses operating out of the Falkland Islands. There may be scope to achieve higher multipliers over time as the industry becomes more established.

7.35 Figure 7.5 shows indirect supply chain employment in Option 2. In Option 2, peak indirect employment is estimated to be 11 FTE jobs in 2031, with employment expected to remain around a similar level at full production. For Options 3 and 4, the impacts would be expected to be marginally lower.

Figure 7.5 Indirect supply chain employment in the Falkland Islands during operation



Source: Hatch 2025

Temporary design, construction and installation phase employment

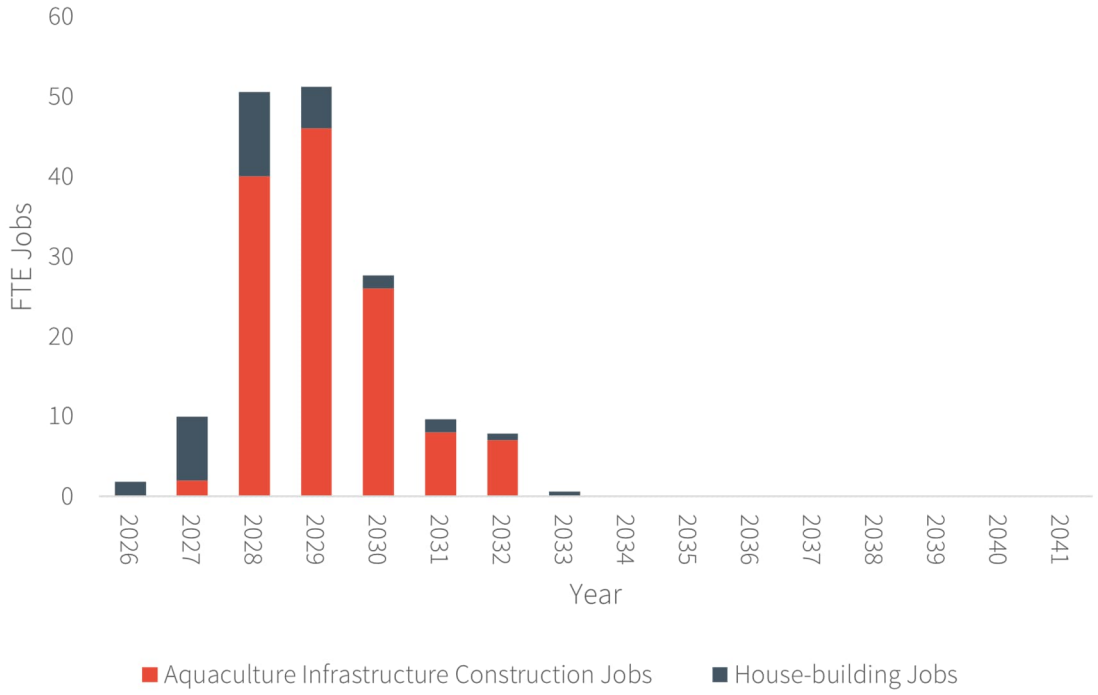
Salmon farming infrastructure

7.36 In the design phase, from 2026 to 2027 highly skilled specialists would be required stay in the Islands for shorter periods for on-site investigations and data collection needed to design the facilities and make a full operational plan.

7.37 In the construction and installation phase (2027-2032) a combination of on-site supervisors and foreign construction workers will work on site in shifts, ensuring constant support and additional resources for the local construction companies. These construction jobs are necessary to construct salmon farming -specific capital infrastructure and are not expected to change by option. However, jobs to build the additional homes required by in-migration will change (marginally) depending on the option.

7.38 Figure 7.6 below shows the breakdown of construction jobs for Option 2. In all options, these jobs peak at 51 FTE jobs in 2029, with marginal differences only across the options given the infrastructure needed.

Figure 7.6 Temporary construction and installation employment in the Falkland Islands



Source: Hatch 2025

Employment effects of wider infrastructure development

7.39 In addition, infrastructure accelerator jobs would also be created by the requirement to build out the wider infrastructure updates such as road infrastructure and ports. However, the scale of these wider infrastructure improvements is highly uncertain and therefore these impacts are not modelled quantitatively.

- Transportation infrastructure:
  - Roads: Essential for transporting feed, equipment, and harvested fish. Well-maintained roads ensure efficient and timely delivery, upgrades or new roads may be required.
  - Ports: Critical for importing supplies and exporting products, especially when the farm is located near coastal areas (as would be the case in the Falkland Islands). Ports facilitate large-scale shipping and receiving.
  - Airports: The airport could be useful for rapid transport of fresh salmon to distant markets, ensuring the product reaches consumers in peak condition, though this is unlikely to be a feasible solution for the time being given the associated costs of air freighting salmon to Europe from the Falkland Islands. (see Section 4 for discussion of routes to market). The airport also enables access to the Falkland Islands for workers in a salmon farming industry. There is limited capacity at Stanley airport; however, it is not known whether significant airport infrastructure would be required.

- Utilities:
  - Power supply: Reliable electricity is crucial for running equipment, maintaining water quality systems, and ensuring the overall operation of the farm.
  - Water supply: A consistent and clean water source is vital for the health of the salmon. This includes both freshwater for hatcheries and seawater for marine farms.
  - Waste management systems: Proper systems to handle and treat waste products from the farm to minimise environmental impact.
- Communication networks:
  - Internet and telecommunication: Essential for monitoring systems, data management, and communication with suppliers, customers, and regulatory bodies.
- Additional infrastructure: The developer/operator of a salmon farming industry would require office space, which places further demand for office space in the Falkland Islands. There could be potential to create new R&D facilities and spaces for training.

7.40 Developing this infrastructure would result in temporary employment effects from the development and construction activities, and in some case may also lead to additional longer term operational effects on employment. These additional infrastructure requirements are further considered as part of the qualitative assessment of wider socio-economic effects.

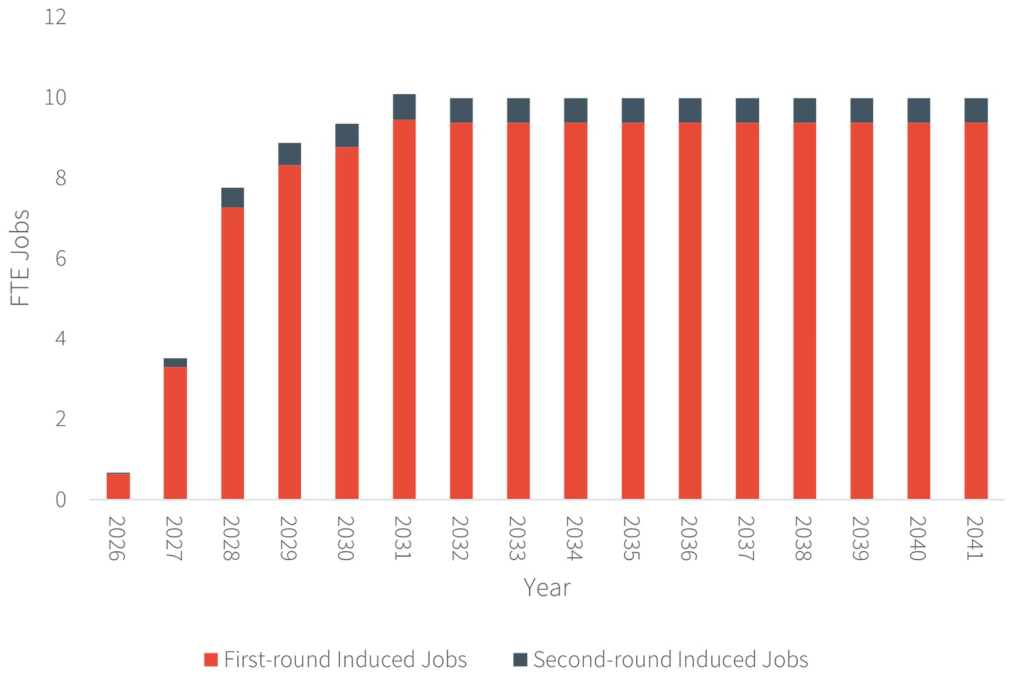
Induced employment

7.41 Induced jobs would be created as a result of the additional personal expenditure in the Falkland Islands economy, undertaken by the salmon farming industry's direct and indirect employees[20]. These jobs are calculated using estimated multipliers, based on the proportion of the earnings of FTE jobs which are anticipated to be spent in the Falkland Islands.

7.42 Figure 7.7 below shows annual induced jobs in Option 2, which would result from the development of a salmon farming industry. Most of this (93.8% of the total induced impact) results from the first-round effects – the remainder is due to the smaller second-round effects. Over the course of the 15-year assessment period, it is anticipated that there will be an average of approximately 9 FTE induced jobs per annum in Option 2, with the peak employment occurring during the operational phase once full production is reached. In Options 3 and 4, this per annum average is approximately 8 FTE jobs.

[20] There are further induced effects from the "super-multiplier" jobs, which we describe later.

Figure 7.7 Induced employment



Source: Hatch, 2025

Public sector employment effect

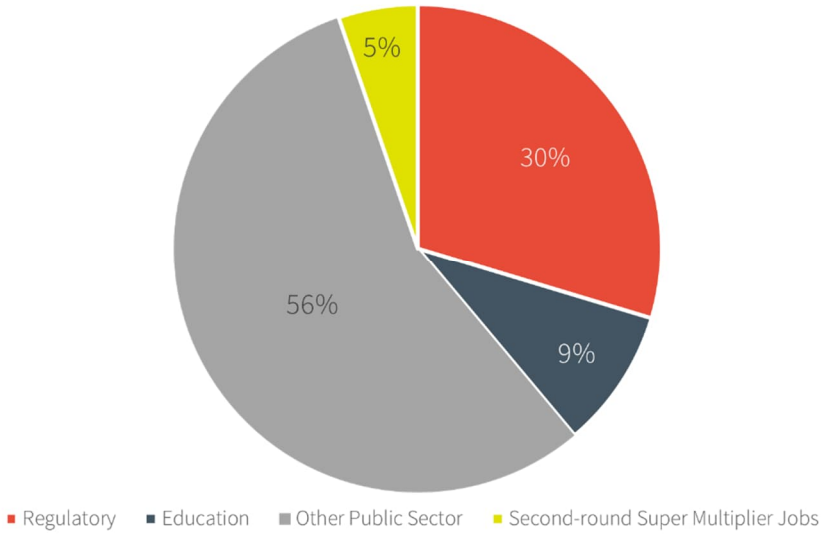
7.43 If a salmon farming industry were to be developed in the Falkland Islands, FIG would require additional competencies and resources to respond to the specific salmon farming activities directly related to establishment and operation of the new salmon farming business. It is worth noting that whilst increased public sector employment will see increased financial costs to FIG (such as employment costs), in the case of salmon farming development, these costs would be incurred in the context of a revenue-generating export sector. The following direct requirements are expected based on information from the Unity Marine (2025):

- Phase 2: Design, Environmental Impact Assessment and Planning Permission: environmental officer, planning officer, administrational staff;
- Beginning of Phase 4: Operation: veterinarian and biosecurity staff; and
- Full production**:** additional administrative staff

7.44 The Directorate of Natural Resources has indicated that they would anticipate a requirement for 2-3 FTE regulatory roles in the directorate (noting that the above requirements do not necessarily requiring a full FTE each).

7.45 There will also be additional public sector employment required to respond to the increase in population and associated uplifts in demand for public sector services as well as super-multiplier effects of the expenditure of the additional public sector roles. The chart below shows a breakdown of the public sector employment effect.

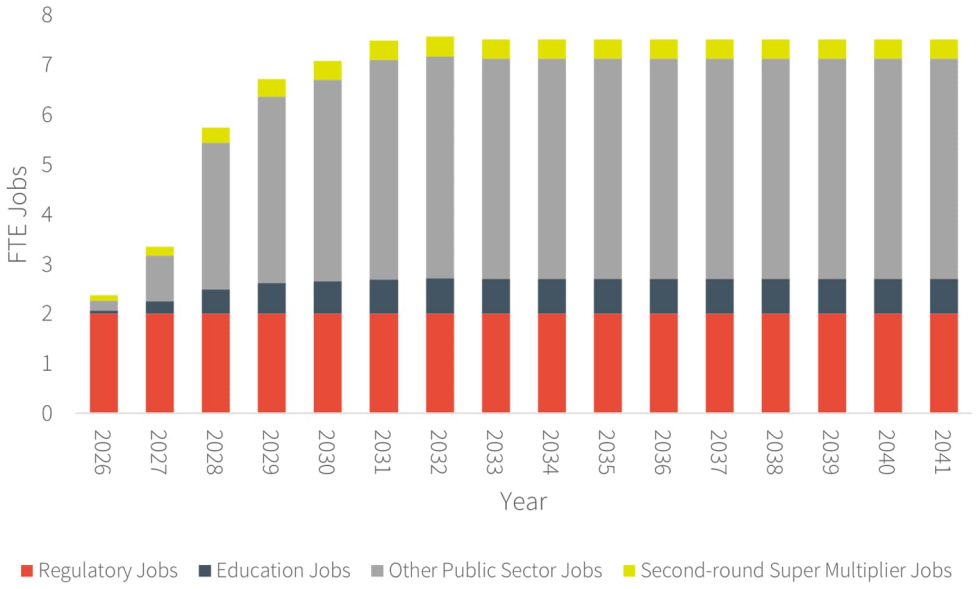
Figure 7.8 Breakdown of public sector employment



Source: Hatch, 2025

7.46 Figure 7.9 shows the total employment effect in Option 2. Peak public sector employment in Option 2 is expected to be 8 FTE jobs in 2032. After this, the level stays fairly stable. In Options 3 and 4, the peak is expected to be 7 FTE jobs.

Figure 7.9 Uplift in public sector employment



Source: Hatch, 2025

Socio-economic impacts of increased demand on FIG staff and resources

7.47 The increase in demand for FIG public sector resource may put further stresses and pressures on the existing FIG workforce and greater need for retention of key skills and hiring of new skills with relevant experience.

Sensitivity analysis undertaken on employment effects

7.48 In deriving the modelling outputs, sensitivity analysis has been completed. One of the key sensitivities for the analysis was the direct employment inputs which have been relied upon based on information provided by Unity Marine, and the production numbers, which are based on modelling by MEP.

7.49 Employment in other countries has been more than double the amount projected in the Falkland Islands. If employment were to double in size because Unity Marine had underestimated their labour requirements, and/or if there were additional wider employment effects, such as the development of a significant local supply chain, then population, housing, and wider socio-economic effects would be significantly increased. In terms of production, the DEPOMOD-based production is lower than Unity Marine has indicatively suggested could be reached, which we have assumed has an impact on the amount of direct employment.

Migration and population effects

Total population uplift

7.50 As set out earlier, in 2021 the usual resident population of the Falkland Islands was 3,662. FIG population projections anticipated a rise from 2,834 people in 2016 to 4,024 in 2035, a CAGR of +1.77%.

7.51 The relatively small scale of population makes the Falkland Islands particularly sensitive to a range of impacts which result from increases in population, due to the development of a new commercial scale industry such as salmon farming. For this reason, it is useful to develop best estimates of projected population increases, in order to feed into the assessment of knock-on social impacts of population increases.

7.52 Employment will result in a requirement for in-migration and the assessment above has indicated the extent to which roles are intended to be filled by local residents and the extent to which roles will be filled by expats. It is assumed that 1 FTE role in these employment categories corresponds to an equal increase of 1 in the population and this is scaled up on a linear basis. Employment-based population increase

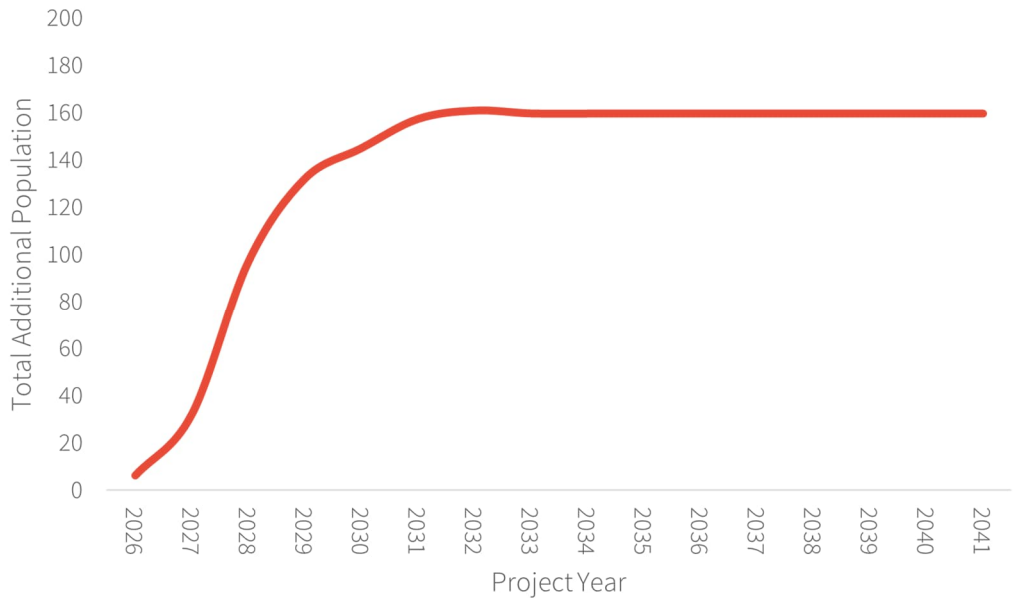
Total population increase resulting from migration to the Falkland Islands

7.53 When the components of population are summed together, the salmon farming industry will result in up to 125 additional direct and indirect FTE jobs in the Falkland Islands at the peak of Option 2, which is assumed to be reached once the industry is fully operational.

7.54 Wider employment effects will result in 18 additional FTE jobs in the Falkland Islands at the peak of Option 2, which is assumed to include induced jobs and public sector jobs.

7.55 With the exception of rotational expat workers, there is an assumption on the number of dependants that expats, whether they are direct, indirect, induced or super-multiplier employees, or people migrating to backfill roles vacated by people currently living in the Falklands, will bring 0.27 dependants per FTE. So, if for example, 100 expats would be expected to bring dependants, total migration would be 127 additional people to the Falkland Islands. It should be noted that the modelling of the total additional migration that may result from a salmon farming industry is not a population forecast or projection. In Option 2, peak in-migration will equate to 161 additional people in the Falkland Islands in 2031. In Option 4 this totals 143 people.

Figure 7.10 Total population uplift, for Option 2



Source: Hatch, 2025

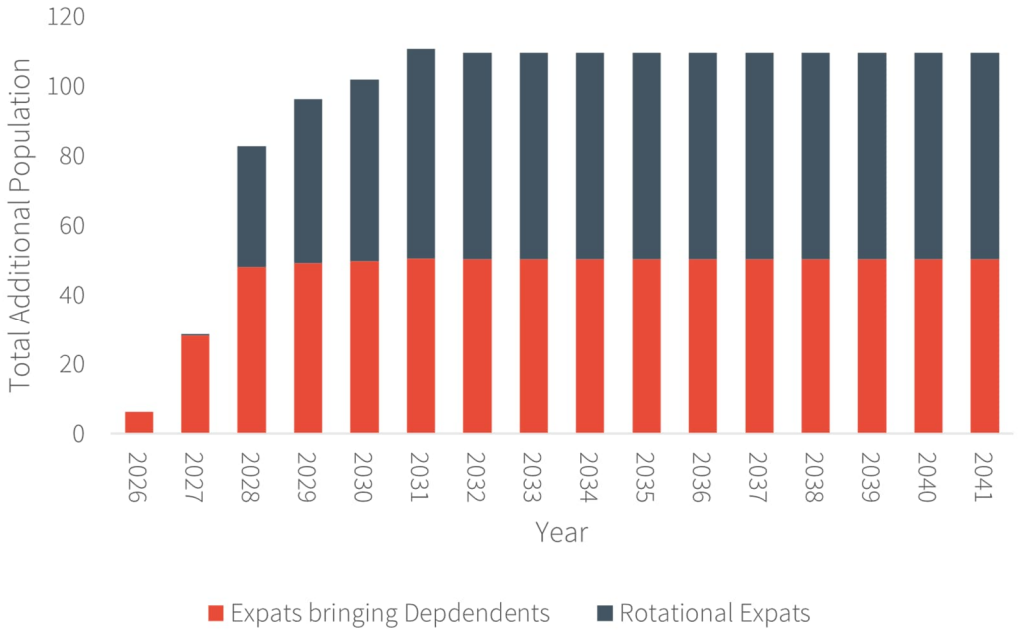
Components of population change

Population increase directly resulting from increases in direct expat employment in the salmon farming industry

7.56 The migration resulting from direct employment is equivalent to an average of 109 additional people per annum across the course of the 15-year assessment period in Option 2. In Option 3 the per annum average is 104 people throughout the project (4.6% lower than Option 2) and in Option 4 the per annum average of people coming to the Falklands as a result of direct employment is 98 (10.1% lower than Option 2).

7.57 Offshore workers are excluded from the population increase due to their short-term nature and limited time in the Falkland Islands.

Figure 7.11 Population increases directly resulting from increases in direct employment of the salmon farming industry, for Option 2



Source: Hatch, 2025

Population increase directly resulting from increases in wider employment effects (indirect, induced, public sector/ super-multiplier employment) of the salmon farming industry

7.58 In Option 2, migration resulting from indirect employment is equivalent to an average of 12 people per annum across the course of the 15-year assessment period, reaching 14 people/FTE jobs per annum once the project is operational. In Option 3, the per annum average people migrating to the Falklands across the assessment period is 12[21] (2.3% lower than Option 2) and 13 from the start of operations. In Option 4, the per annum average across the assessment period is 11 (8.3% lower than Option 2) and 13 from the start of operations.

7.59 Total migration to the Falkland Islands due to people taking up induced employment supported by the expenditure of direct and indirect employees of the potential salmon farming industry throughout the assessment period comes to 9 people[22] per annum in Option 2. In Option 3 this amounts to 9 people[23] per annum (1.7% lower), and in Option 4 this figure is 9 people[24] per annum (1.7% lower than Option 2).

[21] Rounded up to 12 from 11.72 for Option 3.

[22] Rounded down to 9 from 9.39 for Option 2.

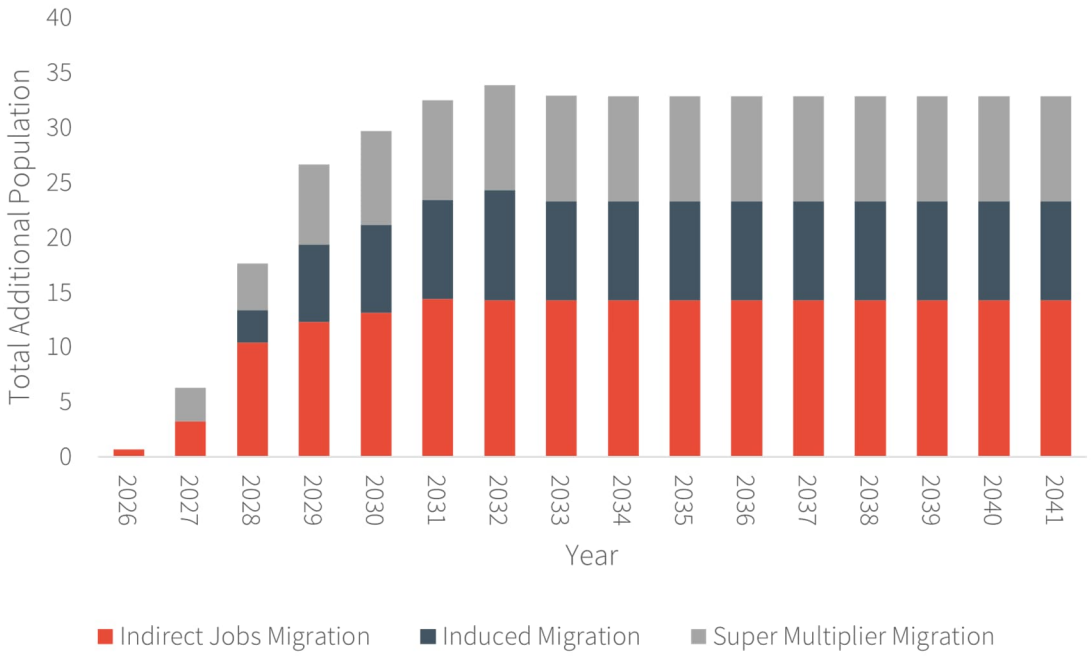
[23] Rounded down to 9 from 9.23 for Option 2.

[24] Rounded down to 9 from 9.23 for Option 2.

7.60 Total migration resulting from the increased demand for public sector super-multiplier jobs in Option 2 averages out to 8 people per annum. In Option 3 this number is 8 people[25] per annum (2.8% lower than Option 2) and in Option 4 this is also expected to be around 8 people[26] per annum (5.6% lower than Option 2).

7.61 Migration related to induced jobs is lagged by one year to account for any delay between the demand for those jobs being created and someone actually migrating in to take them up.

Figure 7.12 Population increases directly resulting from increases in wider employment effects (indirect, induced, public sector/ super-multiplier employment) of the salmon farming industry



Source: Hatch, 2025

Population increases due to backfilling requirements as a result of local direct employment opportunities in salmon farming

7.62 Local roles are assumed to result in a requirement for backfilling as they are likely to be vacating existing roles and so are will result in in migration. We have built in a 1-year lag to these estimates to account for the time it would take to fill vacated roles.

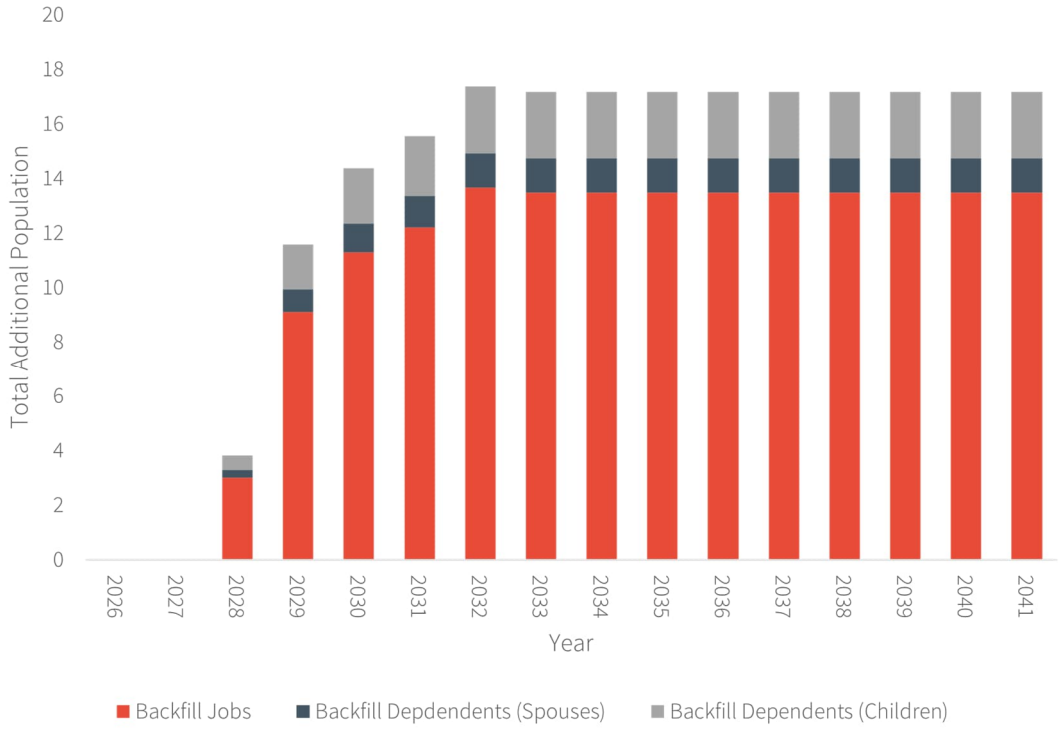
7.63 In Option 2, migration resulting from backfilling local employment is equivalent to an average of 14 people per annum across the course of the 15-year assessment period, reaching 17 people per annum once the project is operational. In Option 3, 13 people per annum (7.1% lower than Option 2) are expected to migrate to the Falkland Islands during the assessment period, which corresponds to 16 people per annum during the operations. In Option 4, the number of people expected to migrate to the Falkland Islands to backfill vacant local jobs averages out to 12

[25] Rounded up to 8 from 7.77 for Option 3.

[26] Rounded up to 8 from 7.54 for Option 4.

people per annum (14.3% lower than Option 2), during the operational phase this number increases to 15 people per annum.

Figure 7.13 Population increase as a result of backfilling jobs



Source: Hatch, 2025

Spouses, children and other additional migration

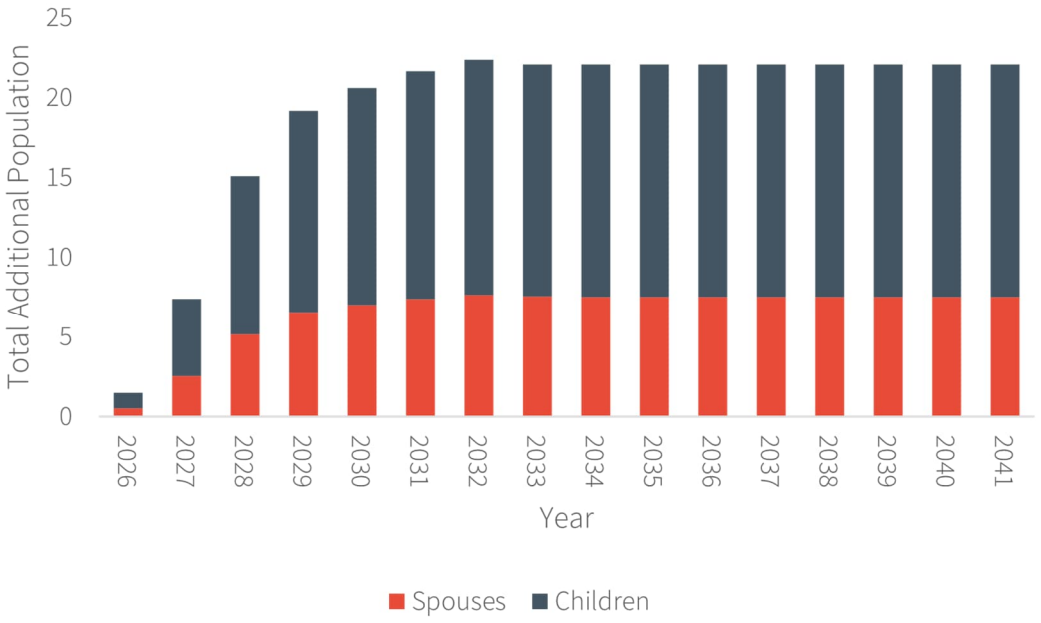
7.64 Where it is assumed that migrants will be bringing dependants, it is also assumed that they will each bring 0.27 dependants. For these additional people migrating to the Falkland Islands to take up induced and super-multiplier, or to backfill roles, it is assumed there will be an additional 27 dependants. Of the 27 dependants, approximately 17 will be school-aged children.

7.65 Rotational roles (~41 FTE jobs per annum) are not expected to bring dependants with them. Other roles will result in the additional migration of families and dependants. It is assumed that ~35% of the direct and indirect roles requiring migration will bring families/dependants with them. In-migration resulting from wider demand for induced, super-multiplier roles, as well as roles requiring backfilling, are assumed to bring additional family/dependants with them at a rate of ~0.16 dependants per FTE.

7.66 There are consequently assumed to be ~22 additional people in the Falkland Islands defined as dependants across the three Options, although it should be noted that dependants of working age may wish to pursue employment opportunities in the Falkland Islands.

7.67 The long-term implications for migration and population change have been calculated based on the scale of expat direct, indirect onshore roles, existing roles which require backfilling, induced roles and public sector / super-multiplier roles. As a starting point it has been assumed that 1 FTE role in these categories corresponds to an equal increase of 1 in the population, and this is scaled up on a linear basis.

Figure 7.14 Spouses, children and other additional migration



Source: Hatch, 2025

Housing and accommodation effects

7.68 There are currently around 1,300 households in Stanley, with a further circa 150 homes located in Camp and on the outer islands. This excludes MPA, which has around 230 homes. Over the past decade, the Falkland Islands have seen a steady increase in housing development. From 2012 to 2015, more than 126 houses were built and occupied in Stanley. Currently, the Falkland Islands Development Plan has a target of an average of 26.5 new homes per annum in Stanley. The trend continued, with additional housing projects being completed in subsequent years.

Total Housing and Accommodation Demand

7.69 Development of a salmon farming industry and the subsequent increases in population would increase demand for housing and accommodation in the Falkland Islands. This is due not only to immigration of direct and indirect employees who will require accommodation when working in the Falkland Islands, but also due to the roles requiring backfilling, as well as the induced and super-multiplier jobs.

7.70 Housing and accommodation demand arising from the development of a salmon farming industry can be split into the following categories:

- Housing and accommodation demand from the direct employment required to build and operate a salmon farming industry: Precedents from other major projects (such as Sea Lion) suggests demand could be met by the developer / operator, through the provision of additional housing units and visitor accommodation units.
- Housing and accommodation needed for the additional population resulting from induced, indirect, infrastructure accelerator and super-multiplier employment impacts:

For the purposes of this assessment this is assumed to be required to be met by the private development sector on the Falkland Islands.

- Temporary accommodation for non-local workers: Temporary accommodation required for non-local construction workers may be considered as part of a developer's/operator's accommodation strategy and would not place long term demands on housing and accommodation in the Falkland Islands.

Components of Housing and Accommodation Demand

7.71 In the short to medium term, it is anticipated that fewer in-migrants will bring families and will be more likely to share accommodation than in the current market. Several key reasons for this include:

- Nature of Employment: Many jobs in the oil and gas sector, especially during the initial phases of a project, are often on a temporary or contract basis. Workers on short-term contracts are less likely to relocate their families due to the temporary nature of their employment. The industry often requires specialized skills, leading to the hiring of experts from various locations. These experts may prefer to live in shared accommodation to reduce costs and because their stay is not permanent.
- Economic Considerations: The cost of living in remote areas like the Falklands can be high. Shared accommodation helps reduce individual expenses, making it a more attractive option for workers. Shared accommodation can be a practical solution to housing shortages.
- Social and Cultural Factors: Workers may prefer to live with colleagues to build a support network, which is particularly important in remote locations where social opportunities might be limited. Younger, single workers or those without family commitments might prefer the flexibility and social aspects of shared living arrangements.
- Logistical and Infrastructure Constraints: The Falklands' remote location and the challenges associated with travel and relocation can deter families from moving, especially if the stay is expected to be short-term.
- Historical Precedents: Projects in remote locations often show a trend where initial waves of workers are predominantly single or unaccompanied by families.

7.72 The assumption used for housing in this modelling is therefore based on two FTE workers per household on average.

Direct housing and accommodation

7.73 Precedent shows that the developer/operator may provide housing and accommodation for management staff and rotational staff. Some of which may be shared housing. Use of shared housing and visitor accommodation may reduce the demand for new housing units.

7.74 The onshore expat direct employment quantified in the assessment means that there will be a requirement to house a maximum of ~39 (Option 4) to ~40 (Option 2) FTE jobs and their dependants. In addition to this, there are also ~9 (Option 4) to ~11 (Option 2) backfilled FTE jobs and a further ~12 (Option 4) to ~15 (Option 2) onshore rotational jobs that would need housing. At peak this adds up to 66 (Option 4) to 73 FTE jobs (Option 2) requiring onshore housing.

7.75 Assuming 2 FTE jobs/housing unit, the cumulative direct demand for accommodation units therefore ranges between ~23 units (Option 4) to ~27 units (Option 2). This is a conservative estimate that assumes that rotational jobs would effectively share one housing unit between two people at a time; when in reality, more rotational workers could share accommodation, depending on the potential operator's accommodation strategy. The remainder of direct jobs (~c.60 in Option 2) are expected to live offshore and therefore not require onshore housing. This is in line with Unity Marine's expectation that "approximately half of the new […] employees will be rotational offshore workers, living and working on the feed barges at the sea sites and the well boat" (Unity Marine, 2025, p.32).

Wider demand for housing and accommodation

7.76 As for existing Falkland Island residents who may be hired to the salmon farming industry, it is assumed they will already have existing accommodation. Nevertheless, in-migration to backfill the jobs they leave is anticipated to increase housing demand. Similarly, in-migration associated with indirect, induced and super-multiplier jobs opportunities will also increase demand for additional housing.

7.77 The housing demand has been calculated on the basis of each additional FTE to the Falkland Islands requiring 0.5 housing units on average. This is because many of the roles will be on a temporary basis and therefore are unlikely to require a long-term housing solution. In addition, all of the offshore roles and infrastructure accelerator roles are assumed to require no demand for housing. This is because offshore jobs will be located offshore on accommodation vessels and construction workers are assumed to either be local and have access to the existing housing stock or they will be accommodated in temporary accommodation due to the short-term nature of the roles.

7.78 Combined with direct housing requirements, a total of ~41 homes would be needed in Option 2. In Option 3, the number of homes needed is ~40 (3.7% lower than Option 2) and in Option 4, ~39 homes would be needed (6.4% lower than Option 2).

7.79 The most intense periods for housebuilding are in the build up to full employment. The year where most houses would be built for all three scenarios would be 2028. In Option 2, ~14 homes[27] would have to be built. In Option 3, ~14 homes[28] would need to be built in 2028 (1.0% lower than Option 2), whereas Option 4, ~14 homes[29] would need to be built (2.8% lower than Option 2).

7.80 Comparing this to the delivery target of ~26.5 new homes per annum this represents a short term uplift in 2028 in Option 2 (where the number of homes corresponds to ~53% of the 26.5 new homes per annum target) on the business as usual position of housing need to meet peak demand leading up to the salmon farming industry being fully operational.

7.81 The Unity Marine Project Description (2025) states that 30 hotel rooms would be needed to accommodate 40 construction jobs. This is an implied rate of 1.33 jobs per room. At peak (in 2028), construction jobs (salmon farming infrastructure and wider housing construction jobs) would therefore require 43 hotel rooms[30] per year in Option 2. In Option 3, this would be 43 hotel

[27] 14.01 homes in Option 2.

[28] 13.87 homes in Option 3.

[29] 13.62 homes in Option 4.

[30] 42.96 hotel rooms in Option 2.

rooms[31] at peak (0.5% lower than Option 2) and in Option 4 this would be 43 hotel rooms[32] at peak (1.0% lower than Option 2).

[31] 42.75 hotel rooms in Option 3.

[32] 42.53 hotel rooms in Option 4.

Modelling of a higher 50,000 mt/year production level

7.82 The options (Option 2, Option 3 and Option 4) reported in Section 0, are based on the carrying capacity identified by combining the environmental constraints revealed by both the ECE modelling *and* the DEPOMOD environmental carrying capacity modelling. This sub-section examines the potential socio-economic impacts of a salmon farming industry producing 50,000 mt/year at peak production, which is based on Unity Marine's initial assessment of the potential production levels. An overview of the key impacts is shown in Table 7.3.

Table 7.3 Summary of maximum employment, housing and population for a salmon farming industry producing 50,000 mt/year

	Jobs (FTEs)			Population			Housing needed		
	Peak	15-year average	Average post-2031	Peak	15-year average	Average post-2031	Peak	15-year average	Average post-2031
Direct jobs (onshore, offshore, including backfilled roles)[3]	153 (2031)	128	151	168 (2032)	142	168	31 (2032)[1]	27	31
Indirect jobs	15 (2031)	13	15	19 (2031)	16	19	8 (2031)	6	8
Induced	12 (2032)	10	12	12 (2032)	10	12	6 (2032)	5	6
Super-multiplier	9 (2031)	8	9	12 (2032)	9	12	5 (2033)	4	5
Accelerator	59 (2028)	12	2	Not considered as permanent population.			45 (2029)[2]	9	1
Total	248	172	189	211	177	211	50	42	50

[1] This figure includes housing for direct, backfill and onshore rotational jobs.
[2] Temporary accommodation (hotel rooms). Accelerator housing needed omitted from totals.
[3] Offshore roles are included in this table for direct comparison with Unity Marine estimates.

Impact on Falkland Islands GDP and FIG Revenues

7.83 Although the methodologies to estimate GDP uplift and FIG revenues used by Unity Marine and Hatch are broadly similar, the economic impact outputs are different. This is due to differences in the assumptions and applied proxies.

7.84 Unity Marine estimates GDP to reach an annual impact of over £140m per annum by 2032 (Unity Marine, 2025, Appendix B p.20), after reaching full production. In contrast, the Hatch economic impact model anticipates a GDP uplift of £81m per annum when full production is reached. This is obtained by calculating gross profits (revenue multiplied by the assumed 23.5% margin) and adding employment costs (e.g. wage bill and pension) to the gross profit estimate. Salmon production volume primarily drives GDP growth. Higher production leads to more revenue and profit, but also requires more staff, increasing wage and employment costs, which also affect GDP.

7.85 Background context for key variables is provided as follows. The discrepancy between the values presented in this report and those reported by Unity Marine is likely to be driven by differences in the inputs for one or more of these variables.

- **Wages:** Applying wage data from across the salmon farming sector and from other economic modelling assignments for Falkland Islands projects, an average gross salary of £48.9k has been assumed for direct employees (as an average of the wages per

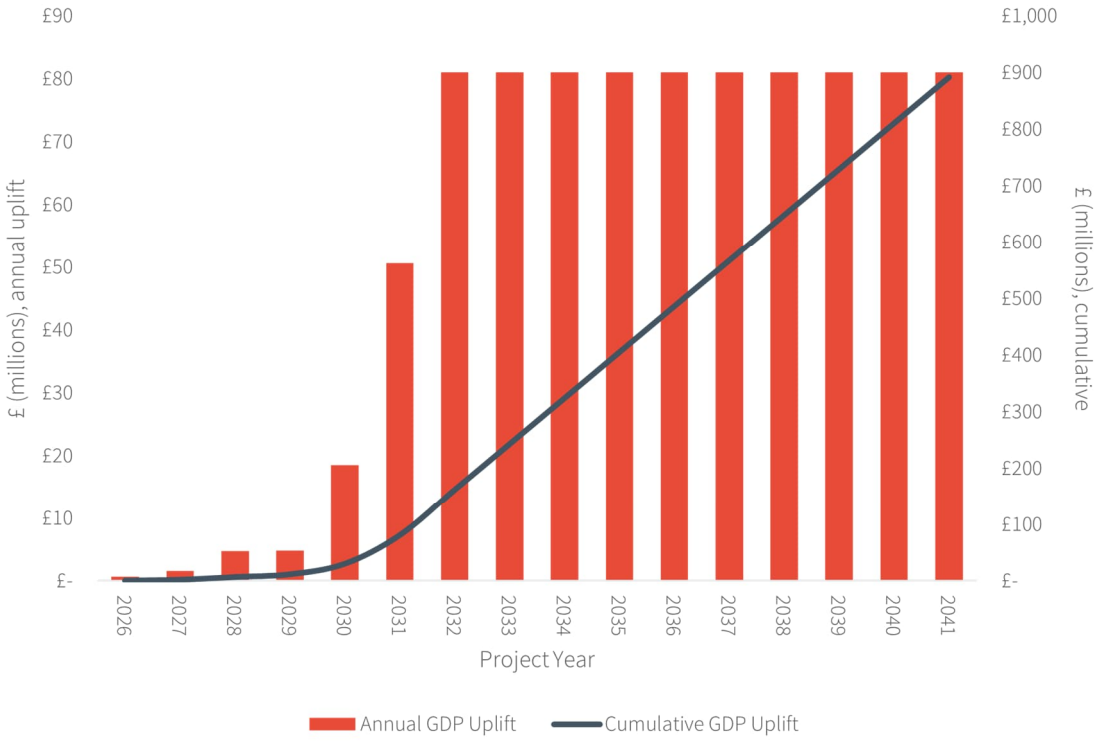
employee numbers in Table 4.2). For indirect employees it has been assumed that earnings would align with the median income recorded in Census 2021 (£24,000).

- **Profits:** According to market research done by MEP and sense-checked by Hatch, it is assumed that gross profits across the salmon farming ranges between 19% to 28%. The Hatch socio-economic impact model assumes a midpoint of 23.5% as a flat gross profit rate for a Falklands-based operator.
- **Salmon prices:** In the economic modelling undertaken by Hatch, a salmon price of £6.48/kg has been assumed. In Unity Marine's latest revision to its Project Description and relevant appendices, a price of 95 Norwegian Krone/kg (£6.76/kg) has been assumed. Thus, the Unity Marine assumed price is ~4% higher than that assumed by Hatch and MEP, which corresponds to ~£14 million less anticipated revenues.

GDP Uplift

7.86 For a salmon farming industry producing 50,000 mt/year, it is estimated that the cumulative GDP impact across the assessment period would amount to £891 million. This translates to approximately £56 million each year across 15 years or £81 million per year at full production (62% more than estimated for Option 2).

Figure 7.15 Expected GDP Uplift of a Salmon Farming Industry Producing 50,000 mt/year



Source: Hatch, 2025

Tax Revenues

7.87 At 50,000 mt/year output, it is assumed that salmon farming operators could expect approximately £324 million in revenues annually, which would translate to approximately £76.1

million in profits. This is at peak production, where FIG can expect £19.8 million per annum in corporate tax revenue. Throughout the assessment period, the cumulative corporate tax revenues FIG could expect would total £213 million (65% higher than estimated for Option 2). At full production, corporate tax revenues would total ~£20 million per annum (also 65% higher than modelled for Option 2).

7.88 Throughout the assessment period, FIG can expect £94.4 million in income tax revenues (47.7% higher than Option 2), which averages out to £5.9 million per annum over the study period (47.5% higher than Option 2).

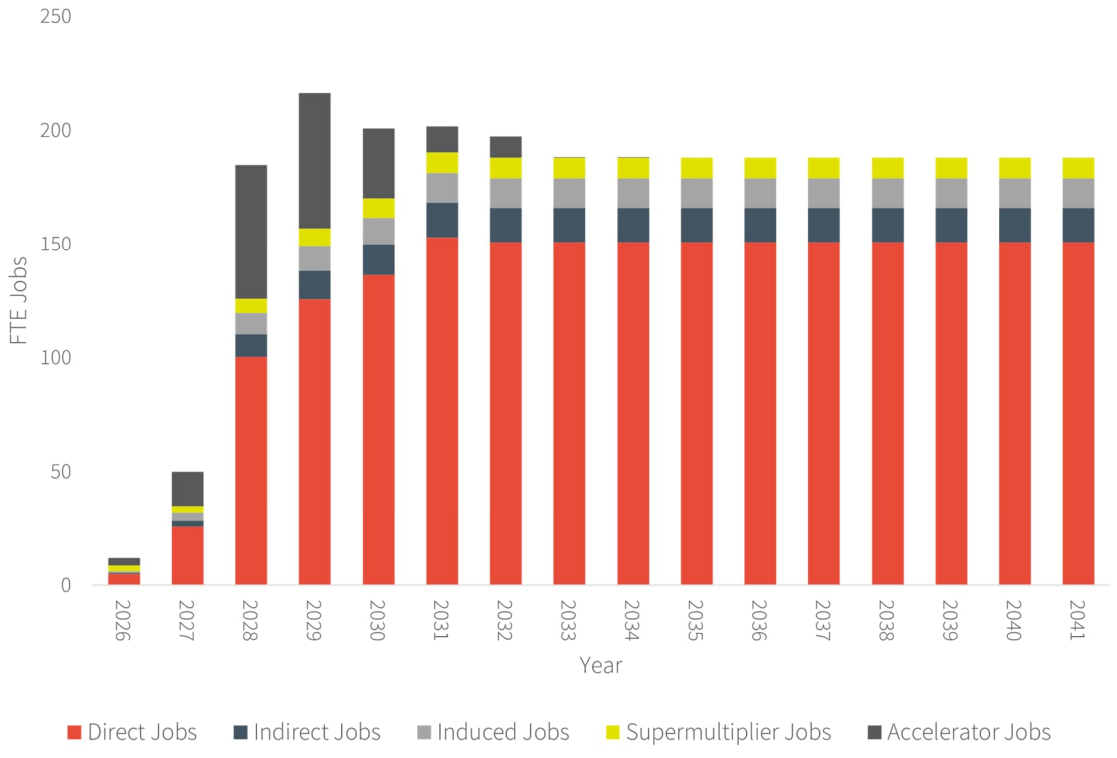
7.89 Applying a 7.5% harvest tax on revenues would generate £262 million in cumulative revenues (64.7% higher than Option 2), or £17.5 million annually.

7.90 A 9% royalty on salmon farming revenues would amount to £314.3 million throughout the assessment period (64.5% higher than Option 2). This averages out to £20.1 million per annum throughout the assessment period, or £26.2 million per annum from when production commences in 2030.

Employment Effects

7.91 Under a 50,000 mt/year production scenario, jobs will still peak in 2029 at 216 FTE jobs (18.1% higher than Option 2). Over the assessment period, this averages out to 172 FTE jobs per annum. At full production, it is expected that there will be 189 FTE jobs on average (32.2% higher than Option 2 presented in Section 0).

Figure 7.16 Expected total employment of a Salmon Farming industry producing 50,000 mt/year



Source: Hatch, 2025

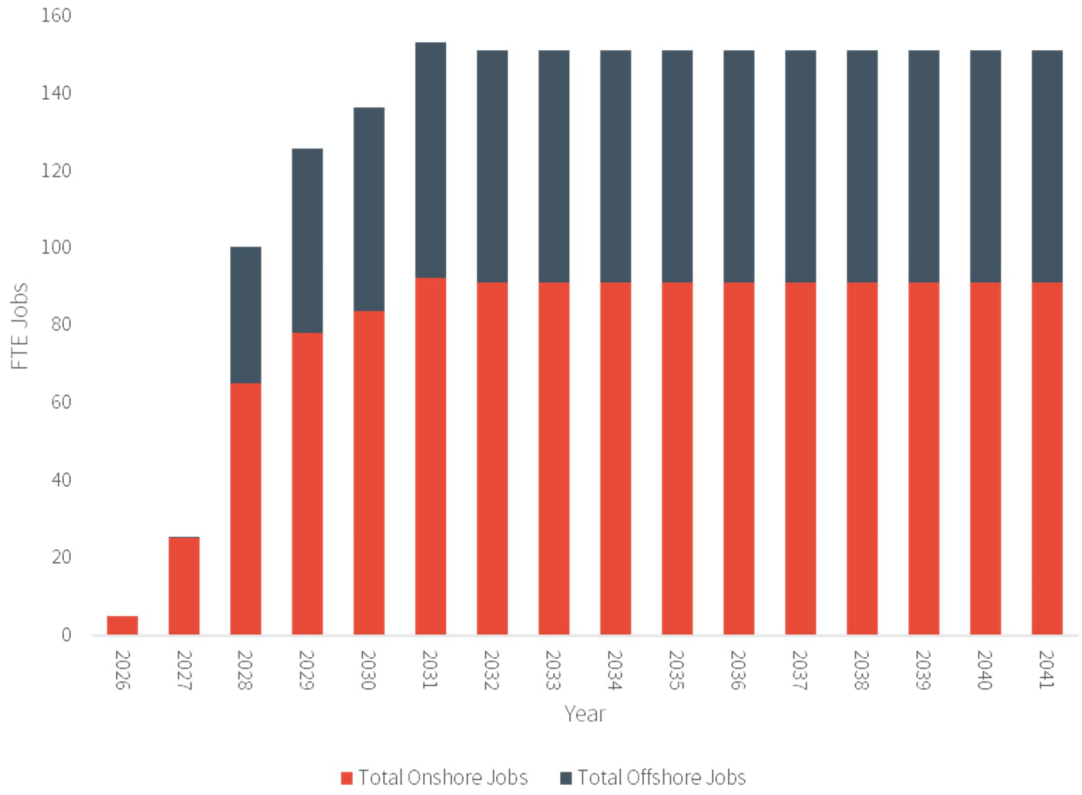
7.92 At peak production, the Unity Marine analysis has forecast 181 new onshore roles per annum. This is eight FTE jobs lower than the 189 FTE that has been forecasted in Section 0 (during maximum production). This divergence in results is largely due to how Hatch and Unity Marine have defined and estimated 'indirect' jobs. Indirect jobs have been grouped together by Unity Marine as "indirect public and private jobs related to increased population and activities", totalling 22 FTE jobs per annum. In the economic modelling done by Hatch, those jobs are effectively the super-multiplier and induced jobs, respectively, totalling 8 FTE jobs per annum. Indirect jobs in Hatch's economic model refer to jobs created in the supply chain, which have not been modelled by Unity Marine (likely due to the significant uncertainties in estimating supply chain impacts at this stage of development).

Direct employment

7.93 Direct jobs, under a 50,000 mt/year production scenario, would peak at 153 in 2031 (34.2% higher than Option 2). At this peak, some 92 onshore FTE jobs and 61 offshore FTE jobs are expected. Of the offshore jobs, all are expected to be expats whereas, of those 92 onshore FTE jobs, 73 are expected to be expats. This works out to 19 local FTE jobs.

7.94 Over the 15 year study period under a 50,000 mt/year production scenario, an average of 128 direct FTE jobs would be expected annually. Full production would peak at 151 FTE jobs under this scenario. This does not differ from Unity Marine's own modelling as Unity Marine has been used as the source of the direct jobs calculations in Hatch's economic impact framework.

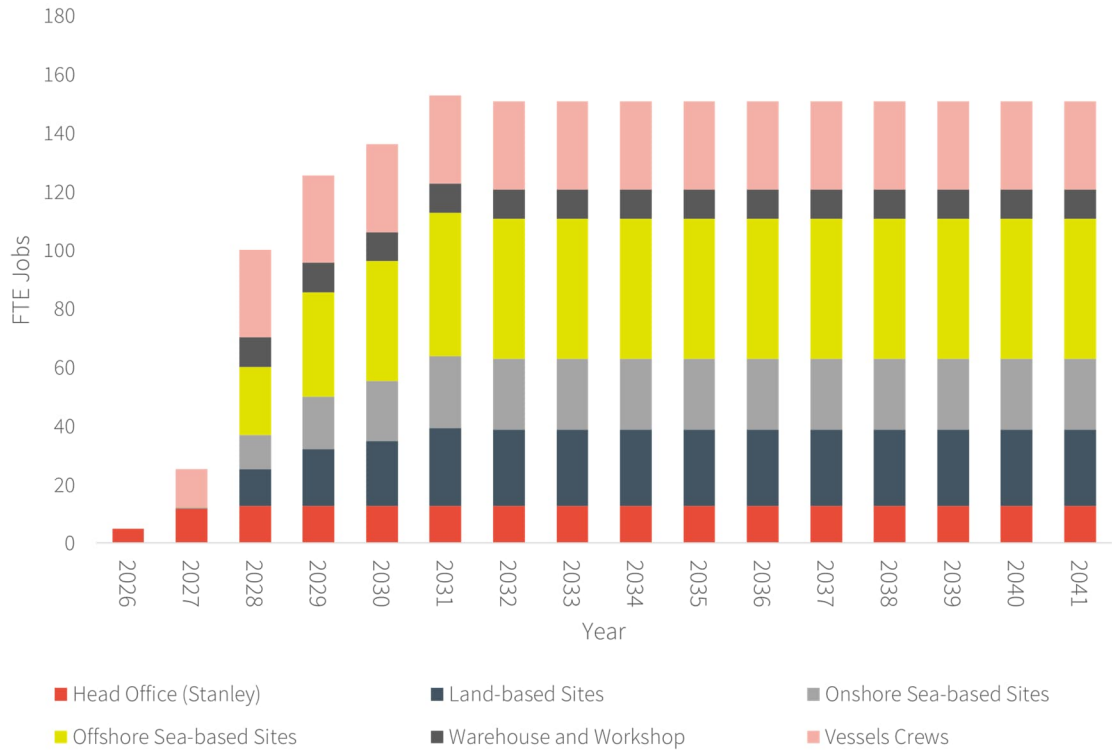
Figure 7.17 Expected direct employment of a Salmon Farming industry producing 50,000 mt/year, onshore vs offshore jobs



Source: Hatch, 2025, based on Unity Marine direct jobs assessment.

7.95 Spatial impacts are expected to be similar in nature to Options 2-4, assuming that the 50,000 mt/year scenario would only be feasible if more sites with smaller pens are used. Assuming the nature of employment would not change considerably, 27 FTE jobs working on land-based sites and a further 24 FTE offshore jobs (but based onshore) would be expected to be distributed around the chosen sites. This would bring a total of at least 51 FTE onshore jobs based outside Stanley (20 more FTE jobs, or 64.5%, higher than Option 2).

Figure 7.18 Expected direct employment of a salmon farming industry producing 50,000 mt/year, by type of employment



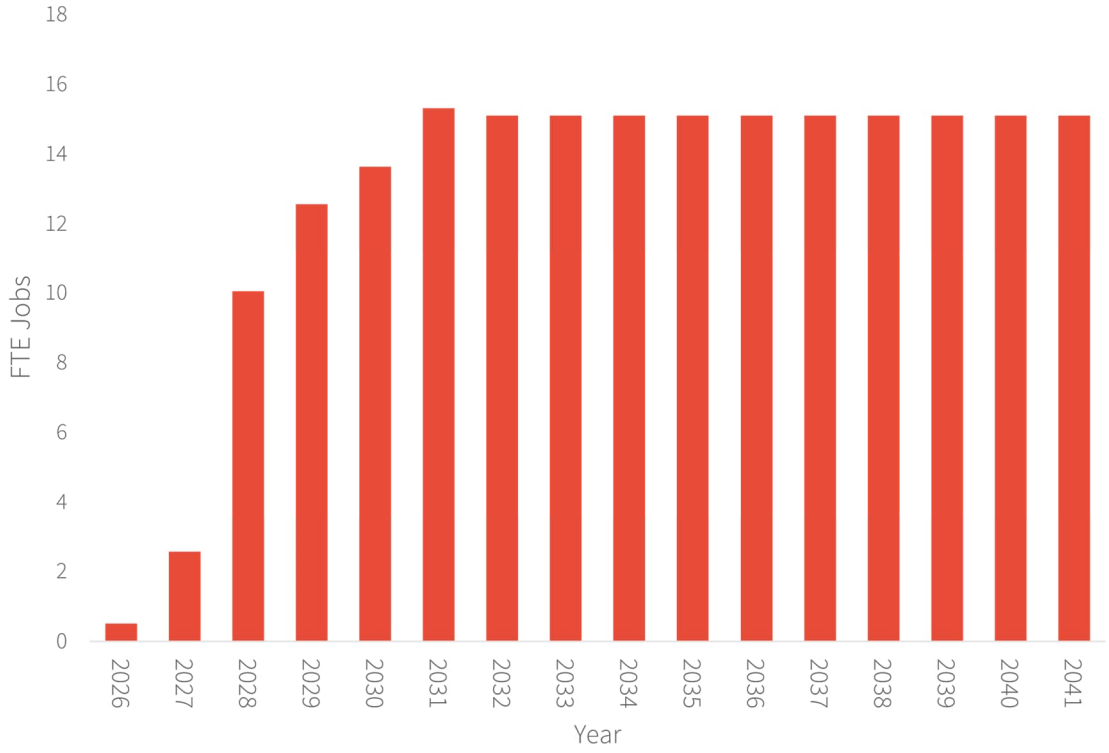
Source: Hatch, 2025, based on Unity Marine direct jobs assessment.

Indirect employment

7.96 As described in paragraph 7.92, 'indirect' jobs are defined differently in the Unity Marine project description from how they are defined in this report. In the Hatch economic modelling, indirect jobs are defined as supply chain activity jobs and a multiplier of 0.1 is applied to direct jobs to estimate indirect jobs.

7.97 Across the 15-year study period, 13 indirect FTE jobs are expected to be sustained by a salmon farming industry for the 50,000 mt/year scenario (18.2% higher than Option 2). At full production, this number increases to 15 indirect FTE jobs.

Figure 7.19 Expected indirect employment of a salmon farming industry producing 50,000 mt/year



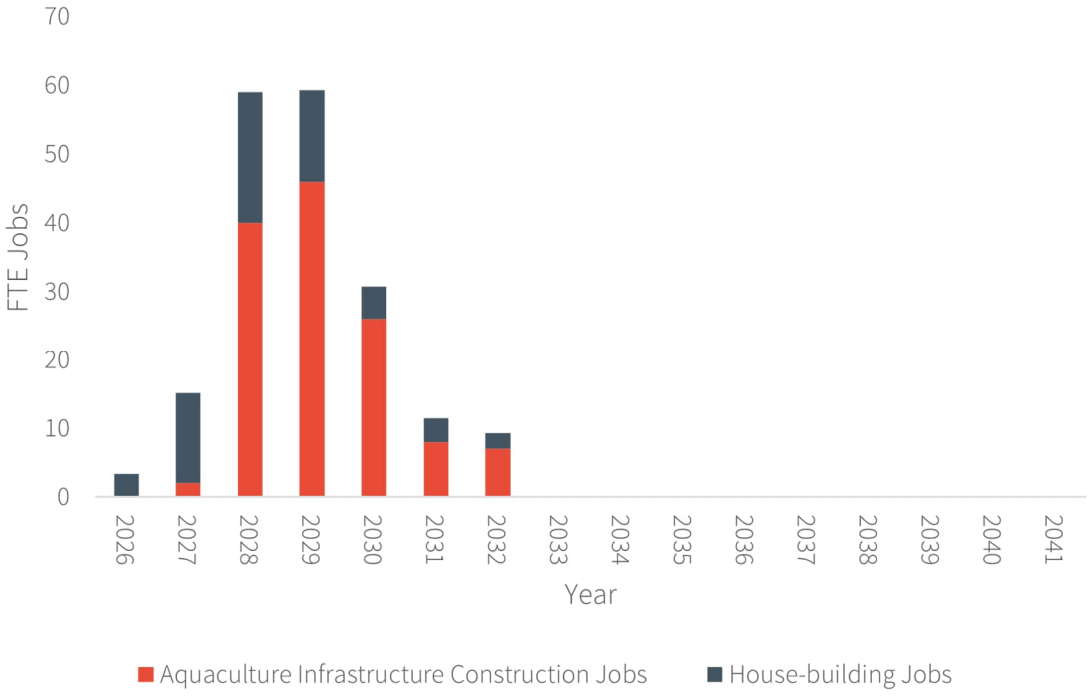
Source: Hatch, 2025

Temporary design, construction and installation phase employment

7.98 The temporary construction jobs estimated for Options 2-4 have been adapted from Unity Marine estimates, and there is no other basis available to estimate those jobs for other scenarios.

7.99 For a scenario with 50,000 mt/year industry build out, temporary jobs are expected to be needed between 2026 and 2031, peaking in 2028 and 2029 at 59 FTE jobs (15.7% higher than Option 2). This averages to 27 FTE jobs between 2026 and 2032. However, there will be a substantial ramp up in these jobs between 2027 and 2028, where temporary construction jobs will increase from 15 to 59 FTEs.

Figure 7.20 Expected temporary construction employment of a salmon farming industry producing 50,000 mt/year



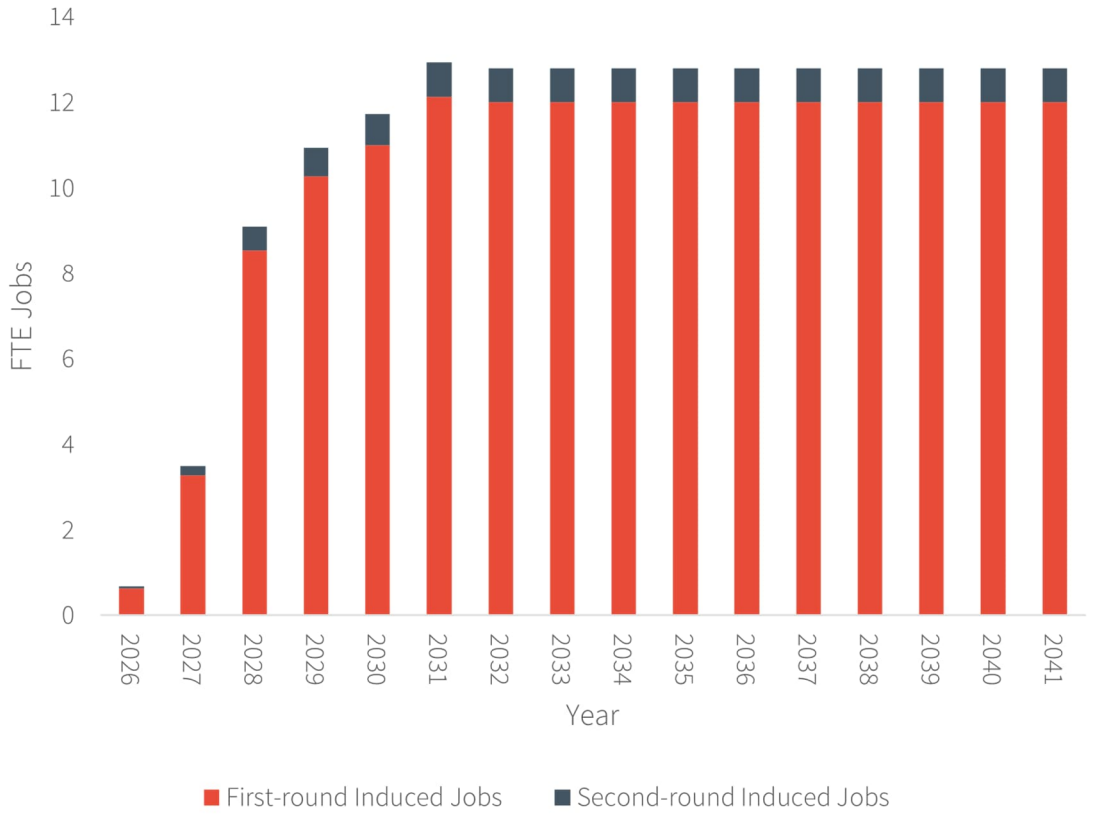
Source: Hatch, 2025

Induced employment

7.100 Under the 50,000 mt/year industry scenario, induced employment has been forecast to peak at 12 FTE jobs in 2031, a level which would be maintained from full production onwards. Over the 15-year study period, 10 FTE jobs would be expected to be supported on average (22.2% higher than Option 2). Approximately 9 FTE jobs would be expected to be first-round induced jobs whereas only 1 FTE would be a second-round induced job.

7.101 The socio-economic appendix to Unity Marine's Project Description estimates 27 "indirect public and private jobs", which includes what is defined in this study as "induced jobs" *and* public sector "super-multiplier" jobs. As a comparison (though not like for like) the 10 induced FTE jobs and the expected 9 public sector FTE jobs (see 7.103) expected throughout the study period would total to 19 FTE jobs of public and private sector jobs arising from the salmon farming industry, which totals 8 FTE jobs fewer than expected by Unity Marine.

Figure 7.21 Expected induced employment of a salmon farming industry producing 50,000 mt/year



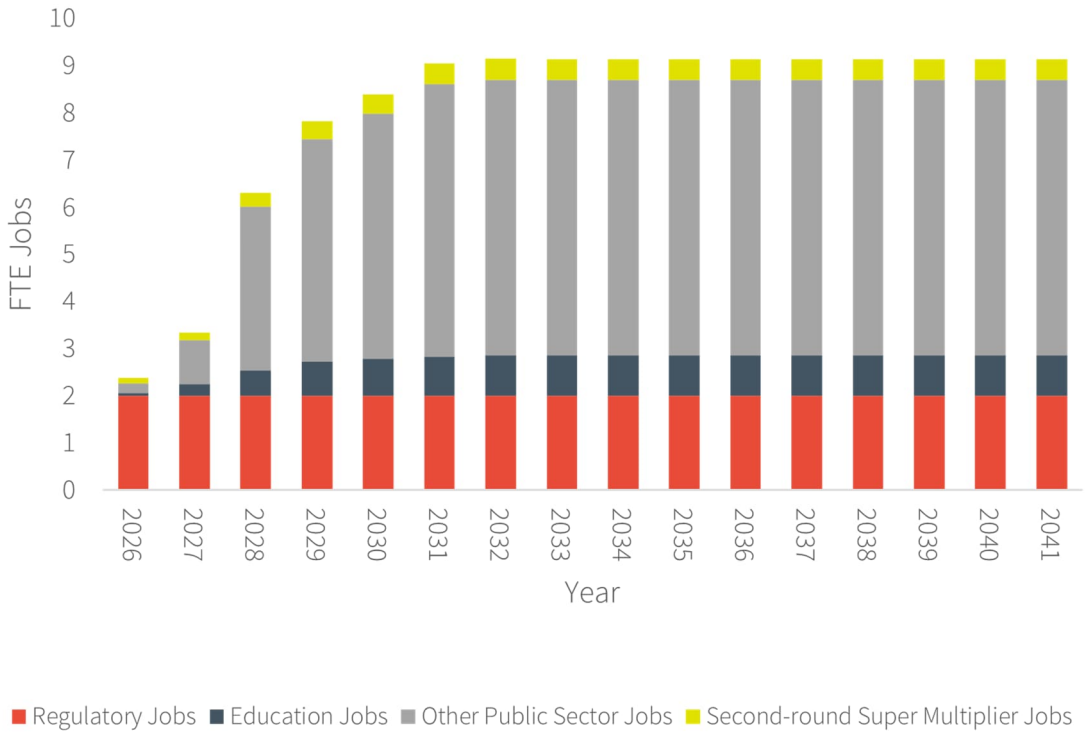
Source: Hatch, 2025

Public sector employment

7.102 For the purposes of this study, it is assumed that regulatory hires specifically for salmon farming would not change across the three options discussed in Section 0, nor a scenario with 50,000 mt/year production , since there is insufficient data to inform what the relationship between regulatory jobs and salmon output is. Nevertheless, other public sector jobs in education and wider public services would change based on migration to the Falkland Islands, as would the number of second-round super-multiplier jobs.

7.103 At peak, demand for additional public sector labour, under the 50,000 mt/year production scenario, would amount to ~9 FTE jobs (12.5%). This includes 2 regulatory jobs, ~1 job in education and 6 wider public sector jobs. Second-round FTE jobs amount to ~0.5 FTE jobs. Throughout the 15-year study period, an average of 8 public sector FTE jobs would be expected, and throughout full production, 9 FTE jobs would be expected.

Figure 7.22 Expected public sector employment of a salmon farming industry producing 50,000 mt/year



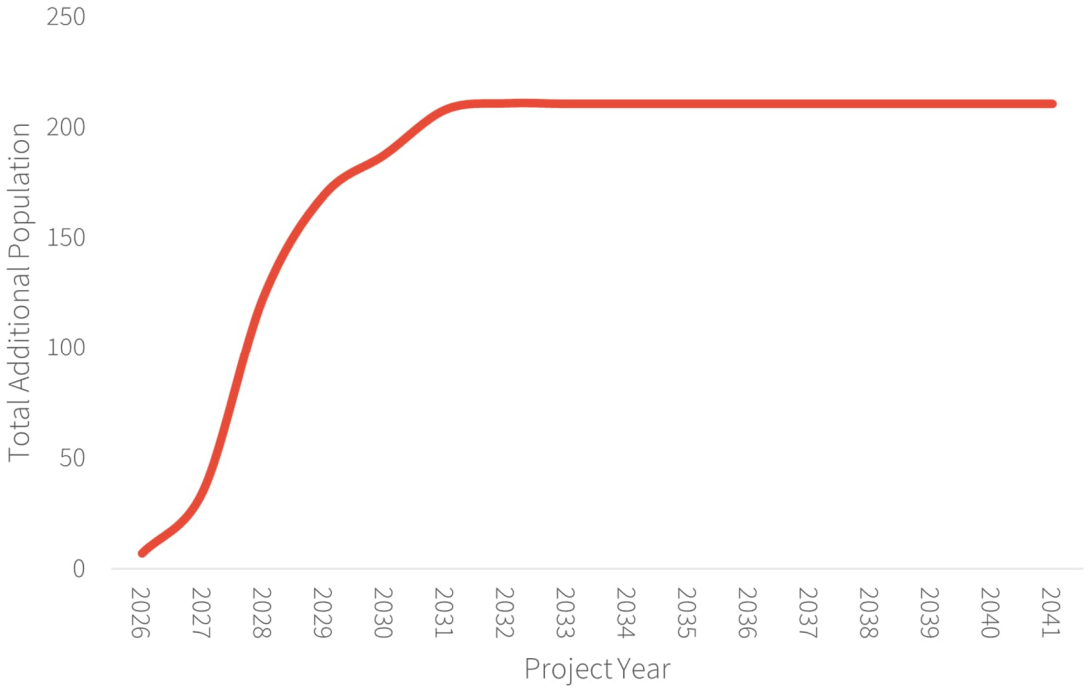
Source: Hatch, 2025

Population and housing impacts

7.104 Under the scenario with a 50,000 mt/year industry, the peak year for migration to the Falkland Islands would be expected to be 2032, when 211 migrants would be expected to move to the Falkland Islands (47.6% higher than Option 2). On average, 177 migrants would be expected to move to the Falkland Islands throughout the 15-year study period. At full production this number would average out to 210 migrants between 2032 and the end of the 15-year study period in 2041.

7.105 The biggest increase in population would be expected to occur between 2027 and 2028, when 88 people would be expected to migrate to the Falkland Islands.

Figure 7.23 Expected total migration resulting from a salmon farming industry producing 50,000 mt/year

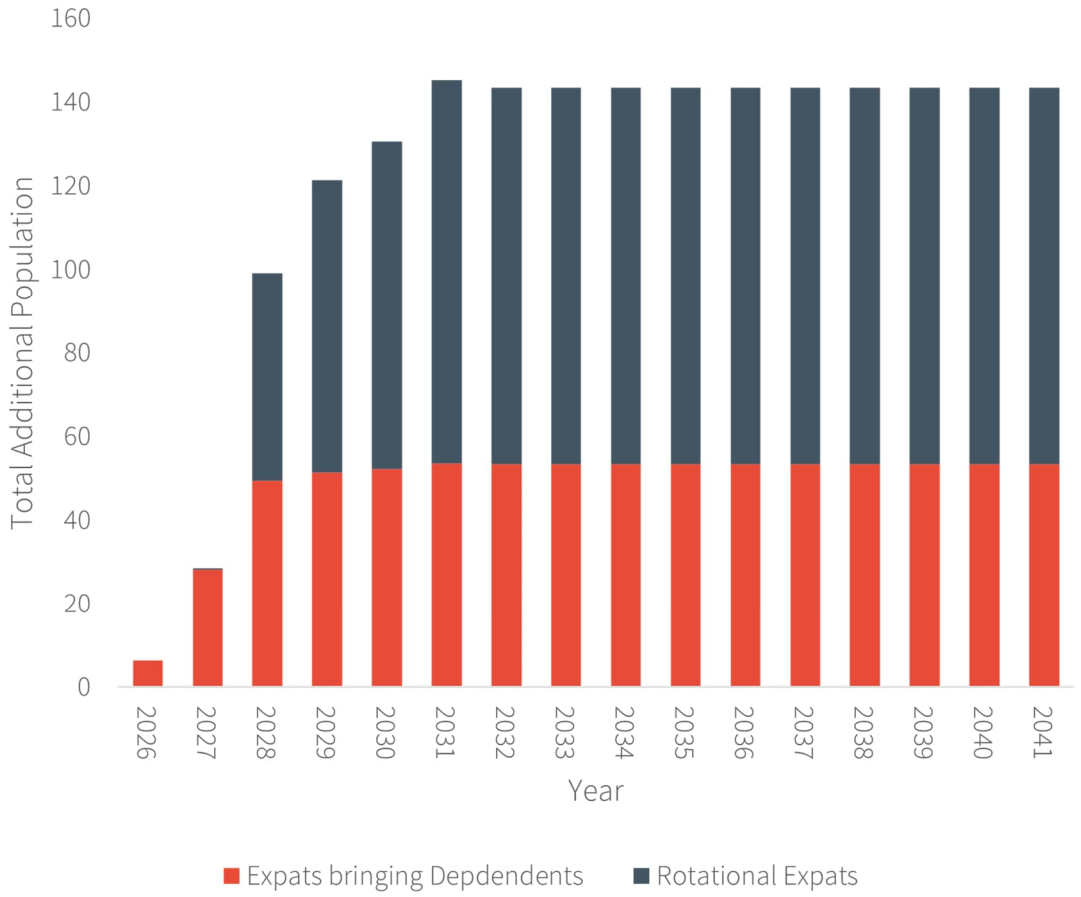


Source: Hatch, 2025

7.106 At peak of the 153 direct FTE jobs, approximately 134 FTE jobs are be expected to be taken by expats. However, 92 FTE jobs of those 134 FTE jobs (68.6%) would be rotational roles. Hence, only 42 expats are expected to bring dependants with them at peak. The per annum average of direct expat jobs throughout the 15-year study period are expected to be 112 FTE jobs (74 rotational FTE jobs). At full production, it would be expected that 132 direct FTE jobs will be filled by expats (90 rotational FTE jobs). On average, migration associated with direct employment averages to 142 additional people (30.3% higher than Option 2) across the study period, peaking at 168 in 2032.

7.107 Throughout the 15-year study period, an average demand for 15 backfilled FTE jobs are expected under the 50,000 mt/year scenario, though at full production this number would remain at 19 FTE jobs.

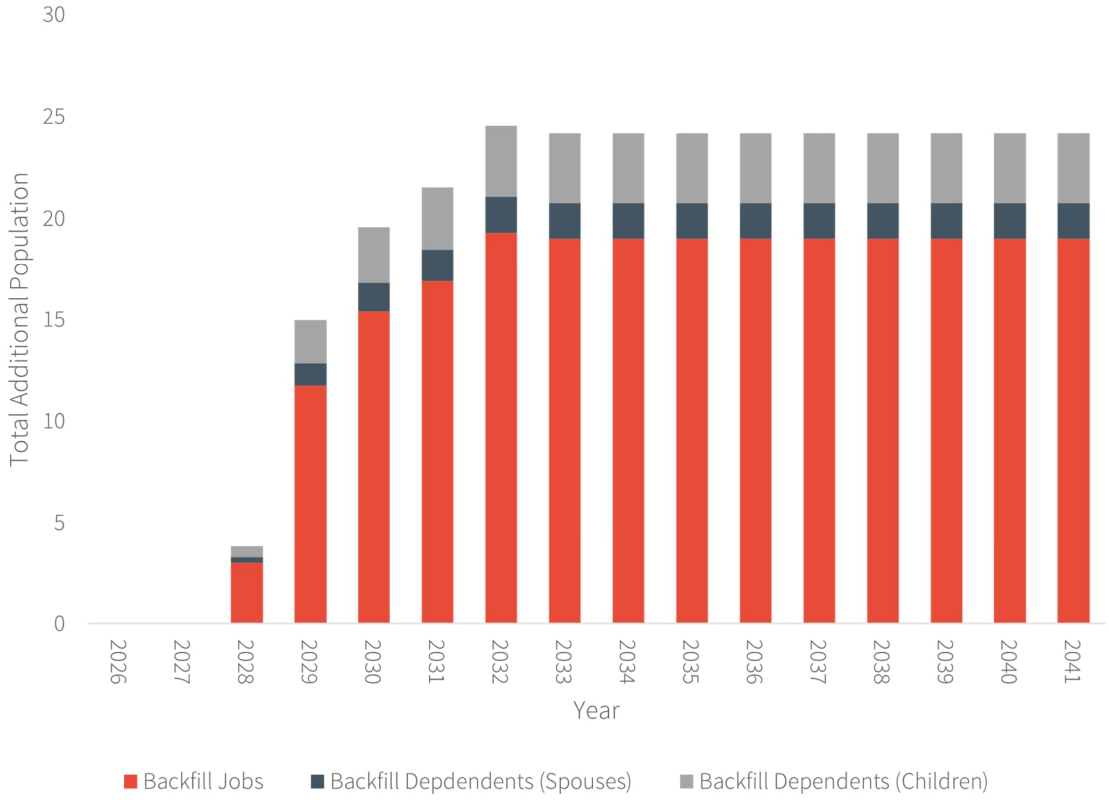
Figure 7.24 Expected expat migration for a salmon farming industry producing 50,000 mt/year



Source: Hatch, 2025

7.108 At peak and throughout full production of the 50,000 mt/year scenario, it is estimated that 19 direct FTE jobs would be taken by people currently on the Falkland Islands. This will create a corresponding demand to backfill the 19 FTE jobs, which effectively means a further 19 people and their dependants will migrate to the Falkland Islands throughout the course of the project. This corresponds to 25 additional people (47.1% higher than Option 2) migrating to the Falkland Islands in 2032.

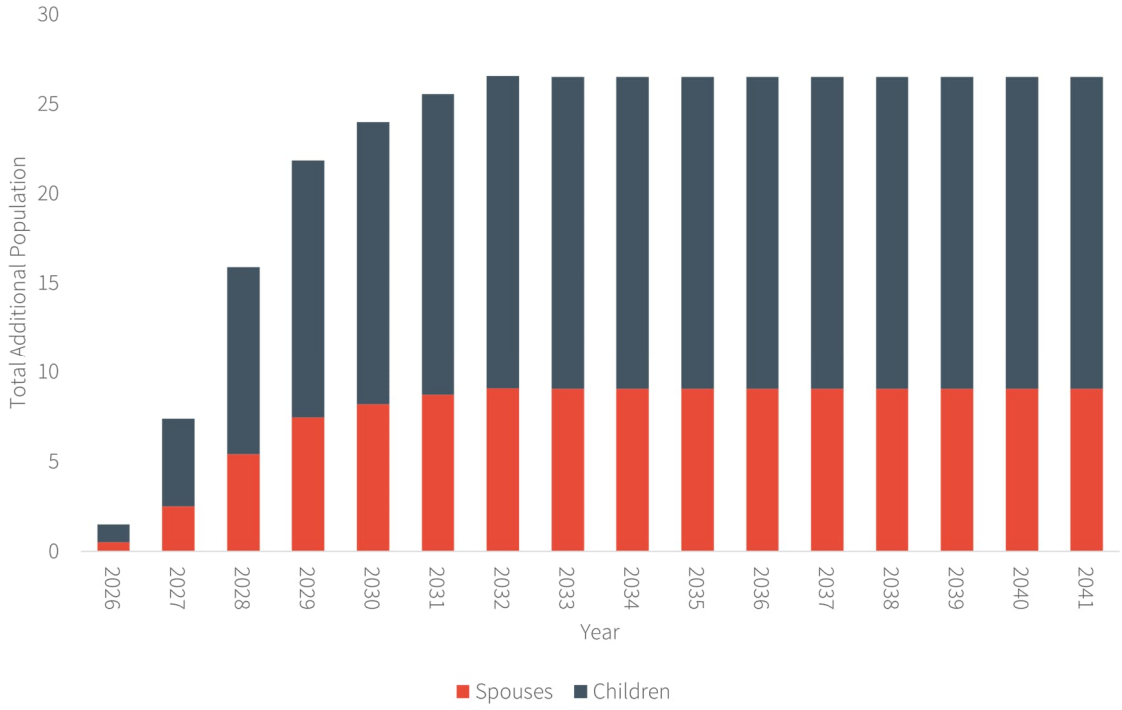
Figure 7.25 Expected backfill migration for a salmon farming industry producing 50,000 mt/year



Source: Hatch, 2025

7.109 Overall, in the scenario with a 50,000 mt/year industry, 27 dependants accompanying working migrants would be expected to migrate to the Falkland Islands at peak (in 2032). Of those 27 dependants, 18 would be expected to be children and 9 would be expected to be adults. Across the 15-year study period, an average of 23 dependants (22.7% higher than Option 2) would be expected (15 children and 8 adults). During peak production an average of 17 children would be expected to migrate to the Falkland Islands, along with a total of nine adults.

Figure 7.26 Expected dependants' migration to the Falkland Islands



Source: Hatch, 2025

Housing Impacts

7.110 Population increases quantified in paragraph 7.109 would raise wider housing demand to ~50 new housing units by 2032 (25% higher than Option 2). The largest year-on-year increase would be between 2028 and 2029 (reflecting the anticipated increase in population in 2028) when 16 new housing units would be needed.

7.111 Homes would be built between 2026 and 2032, creating an average of 8 FTE temporary construction jobs between 2026 and 2032. In addition to the construction jobs needed to build salmon farming infrastructure, the requirement for temporary accommodation (e.g. hotel rooms) would peak at 45 units in 2029 (7.1% higher than Option 2), averaging around 20 units between 2026 and 2032.

Wider socio-economic effects

7.113 For the assessment of wider socio-economic effects on the population of the Falkland Islands, only the impacts associated with Option 2 have been considered. This scenario is considered the most relevant since it represents the maximum impact scenario (based on the environmental carrying capacity modelling), and all other options would be of a lower magnitude. The assessment provided here is indicative and would need to be rescoped and revisited if FIG progresses to more detailed proposals for commercial salmon farming on the Falkland Islands.

Wider Economic Impacts

Increased inflationary pressures

7.114 The Falkland Islands do not have a specific target level of inflation. A desirable level of inflation is typically around 2%, and deflation is generally undesirable. Due to the nature of the inflationary impact, this section focuses on inflationary pressures rather than deflation.

7.115 The increased demand for labour is likely to create significant employment opportunities for local people and this could create inflationary pressures on wages, and therefore the economy. Current median annual earnings on the Falkland Islands are £24,000. The average wage for the industry is likely to be significantly higher. For example, a review of accounts from salmon farming operators indicates an average salary of £49k (see Table 4.2) of their direct staff. Managing immigration to ensure sufficient people can take up all required roles will be critical to avoid wage inflation becoming a significant challenge in the medium and long term. However, this needs to be balanced against the appetite to see a certain proportion of local jobs go to local people. Understanding these interactions of impacts (e.g. between inflation and local employment) is important for stakeholders to have a more holistic understanding of complex economic impacts such as inflationary pressures.

Skills, education and training, labour market shortages and job displacement

7.116 The assessment of skills, education, training and labour market shortages brings up both significant opportunities and challenges. Salmon farming requires specialised skills. The Falklands population already possesses management, repair, maintenance, and general labour skills. The potential opportunity is that the people of the Falkland Islands will develop new skills, for high value roles, leading to long-term careers in the industry. However, there are significant challenges to be aware of:

- Development of salmon farming would see a requirement for people on the Falkland Islands with the right skills to fill the roles required for a salmon farming industry. Given there is no existing commercial-scale salmon farming industry in the Falkland Islands, there are only a limited number of people with the skills required for many of the roles.
- There are significant shortages in skills for roles such as plumbers and mechanics (as noted in the baseline assessment), making it challenging to recruit these skills locally. If people with skilled trades were attracted to roles in salmon farming, this would leave a backfilling requirement in vacated roles, exacerbating skills shortages in key parts of the existing Falkland Islands economy. Therefore, the issue of job displacement is particularly pressing.

- Due to the limited relevant experience in salmon farming locally, employed residents may require significant upskilling and training. It should be noted that a significant number of expats are assumed to be required to fill many of the highly skilled and offshore rotational roles (as assessed in the core economic impact assessment).
- There may be issues with training and skills due to not having the necessary trainers on the Falkland Islands, which makes upskilling of local people more challenging.
- There could be an opportunity to involve the industry in education in the Falkland Islands, for example by offering apprenticeships, this would create more opportunities for local Falkland Islanders.

7.117 Given these issues and opportunities highlighted in this section, potential salmon farming developer(s) may benefit from close collaboration with FIG in order to address skills shortages and training challenges and maximise the skills, education and training opportunities whilst addressing issues such as job displacement, labour market shortages and inflation.

Tourism and recreation

7.118 Tourism and recreation are highly linked to the natural environment and therefore there are concerns (raised in consultation with stakeholders) with how any environmental impacts and industrialisation of coastal areas may impact i) the attractiveness of visiting the Falkland Islands and ii) the enjoyment of those using the islands' recreational assets. On the other hand, there is evidence to suggest that in some regions, aquaculture and tourism have formed a beneficial relationship. For example, in Greece, aquaculture tourism initiatives have been developed to educate visitors about fish farming practices and environmental sustainability (Global Seafood, 2023). This has enhanced the local economy by attracting tourists interested in experiential travel and marine activities. Independent research conducted by the Scottish Research Forum found no evidence of a negative relationship between aquaculture and recreation. In many cases, aqua farms are of cognitive and gastronomic interest to tourists (Melikh et al., 2019).

7.119 There is a lack of evidence specific to the local context to say whether there would be a negative or positive impact on tourism and recreation. Conducting questionnaire-based research on potential tourism and recreation impacts of developing salmon farming in the Falkland Islands could be useful but would be subject to significant bias and methodological challenges.

Fishing sector

7.120 There are concerns (highlighted through stakeholder consultation) that salmon farming could potentially impact the squid population if salmon were to consume squid eggs. However, as this impact is not yet scientifically studied, detailed studies would be necessary to understand the extent of this interaction and its implications.

7.121 Wider research shows that salmon farming can potentially have several impacts on the broader fishing industry:

- Wild fish populations: Open-net salmon farming can introduce diseases and parasites, such as sea lice, to wild fish populations. This can reduce the fitness and survival rates of wild fish, including other commercially important species.
- Resource competition: Farmed salmon are often fed with fishmeal and fish oil derived from wild-caught fish. This can lead to overfishing of species used in feed production, impacting the availability of these fish for other fisheries.

- Environmental degradation: The waste produced by salmon farms, including uneaten feed and faeces, can accumulate on the seabed, altering benthic ecosystems and potentially affecting other marine life.
- Escapees: Farmed salmon that escape can compete with wild salmon for resources and potentially interbreed, leading to genetic dilution and other ecological impacts.

Impact of a salmon farming industry and increased population on Falkland Islands infrastructure and services

7.122 A key sensitivity particularly relevant to the impact on infrastructure and services is the location of the workforce. For instance, if double the number of jobs required than projected, in remote isolated locations outside of Stanley, then the services to those communities would need to scale up to meet the demand for the new settlements. Similarly, if there are ways to locate jobs within reach of existing settlements and facilities, or effective mitigation measures proposed, then impacts would be somewhat reduced. This is a key difference between developing offshore oil and gas in the Falkland Islands proposed project (for which onshore employment impacts would be mainly limited to Stanley) and developing salmon farming.

Housing and accommodation

7.123 There is a recognised need for affordable housing in the Falkland Islands. The government has launched the "Housing for our Future" strategy to address this issue by accelerating new housing construction and incentivising private sector development.

7.124 Ensuring that new housing developments are of good quality and accessible to all residents is crucial. This includes providing suitable homes for lower-income families and ensuring fair rental practices.

7.125 The increase in demand for housing resulting from population influx may result in greater investment in housing infrastructure which can stimulate economic growth by creating construction jobs and supporting local businesses.

7.126 However, housing development can impact social cohesion, potentially leading to conflicts over resource allocation and community integration.

7.127 Effective collaboration between government and the private sector would be necessary to address housing challenges and ensure sustainable development.

Education

7.128 Although the modelled increase in school-aged children is relatively modest, at a total of 14 school-aged children (8 at primary school age and 6 at secondary school age) there could still be significant impacts on the education due to the spatial distribution of children and the low existing capacity in primary schools.

7.129 The baseline assessment has indicated that outside of Stanley and near the potential sites for future salmon production, provision of education is limited to Goose Green or homeschool provision. Homeschooling is available for free for those that qualify and is funded by FIG.

7.130 If additional population is present outside of the Stanley catchment, then impacts on education may be significantly higher than if impacts were limited to Stanley.

7.131 Given that there is potential for an increase in population, outside of Stanley, this could generate increased demand for homeschooling / expansion of the number of teachers, or expansion of facilities.

7.132 FIG would need to work with the salmon farming developer to further understand the anticipated number of school-aged children, by age and spatial distribution of these children once more detailed information is available. The developer and FIG would need to agree where funding would come from for any additional educational requirements in the Falkland Islands.

7.133 Despite this additional requirement on resources, such investment in education may have a long-term beneficial impact on the Falkland Islands, through better educational infrastructure in the Falkland Islands, although as with other impacts this is a complex issue requiring further planning and discussion between key stakeholders.

Healthcare

7.134 The length of stay of expats in the Falkland Islands will influence the impact on healthcare, with short-term employment (defined as being present in the Falkland Islands for less than nine months) requiring self-declaration of any health issues. The medical assessment is a key part of the immigration process due to the potential medical costs associated, especially when evacuations are required.

7.135 If a new population were to be required to be established outside of Stanley, then there could be much higher impacts on healthcare services than if the new population was limited only to Stanley. For example, helicopter or other air transport could be required for incidents outside of Stanley. This could influence the policy response and how the service operates and therefore significantly alter the baseline healthcare position in the Falkland Islands.

7.136 Significant further work would need to be done to identify appropriate measures to address impacts on healthcare, if new settlements are developed outside of Stanley.

Waste disposal and recycling

7.137 There is currently no industrial waste entering the sewage system and sewage waste is dispersed into the ocean, but this method is being monitored and is reaching a tipping point due to population growth. FIG is currently planning a new waste management facility and a new incinerator, which would help meet the increased demand for waste disposal and recycling.

Fuel and electricity

7.138 Salmon farming operations require fuel for transportation, machinery, and equipment. This increased demand can strain existing fuel supplies and necessitate higher imports. Salmon farming operations also require significant energy for activities such as water circulation, aeration, and temperature control. This increased demand can strain the existing electricity infrastructure. The need to transport salmon farming products to markets, both locally and internationally, will increase fuel consumption for shipping and air transport. In addition, the influx of workers and their families will increase residential electricity and fuel consumption, further adding to the demand.

7.139 Engagement with Stanley Services Ltd indicated that the current systems for fuel storage and distribution are capable of meeting existing demand. However, any significant increase, such as that from the proposed salmon farming industry, would require expansion and upgrades.

7.140 In addition, the Public Works Department noted the limited capacity of the current power systems, with the current power station near the end of its life. The current power capacity allows for about 175 additional homes over and above the existing housing in Stanley at present. A new power station and renewables project, expected to be completed by 2028, aims to address some of these issues. FIG is about to enter into contract with the main provider and the detailed design is progressing at pace. It is hoped that ground will be broken in early 2025 and the current expected operational date is Q1 2028. The renewables project at Sand Bay is likely to be ready slightly ahead of this date but will need to tie into the new power station and therefore timings are the same.

7.141 In addition to this, there are a number of other potential impacts on fuel and electricity:

Economic implications:

- Cost of fuel and electricity: Higher demand can lead to increased prices[33], affecting both the salmon farming industry and the broader community. This can impact the cost of living and operational expenses. However, whether any price increases to energy from salmon farming actually occurs is dependant on multiple factors and complex pricing dynamics and is beyond the scope of this study.
- Investment in infrastructure: To support the increased fuel demand, investments in fuel storage and distribution infrastructure and electricity infrastructure capacity may be necessary. This can create job opportunities and stimulate economic growth but would come at a significant cost.

Environmental considerations:

- Sustainable practices: The increased fuel/electricity consumption associated with salmon farming must be managed sustainably to minimise environmental impact. This includes minimising the environmental impact of electricity generation, exploring alternative energy sources and improving fuel efficiency.

Policy and regulation:

- Government Policies: Effective policies and regulations are essential to manage the socio-economic impacts of increased fuel/electricity demand. This includes ensuring fair pricing, sustainable practices, and adequate infrastructure.

Community and cultural impacts, worker wellbeing, social conflicts

Community and cultural Impact

- Cultural integration: The influx of workers from different backgrounds would lead to cultural exchange and integration, enriching the local community. However, it may also challenge existing cultural norms and traditions which could lead to social conflicts;
- Community dynamics: Increased population due to salmon farming development would change community dynamics, potentially leading to both positive growth and challenges in maintaining social cohesion; and

[33] Stanley Services Limited is a joint venture between FIG and S&JD Robertson Group. The entity operates as a regulated monopoly, acting as a price setter for fuel. FIG therefore could play a role in ensuring energy affordability, if circumstances necessitate it. See paragraph 3.87 for more information.

- Local identity: The introduction of salmon farming could influence the local identity.

7.142 It is important to acknowledge that the future trajectory of the Falkland Islands' population diversity, in the absence of salmon farming, is uncertain. The introduction of a salmon farming industry would introduce additional impacts and uncertainty, particularly in relation to evolving cultural dynamics and how increased migration might impact the Islands' cultural dynamics and demographic composition.

Worker wellbeing

- Employment opportunities: Salmon farming would create new job opportunities, improving economic stability for local residents, a significant number of whom are currently on lower incomes and/or are holding multiple jobs. It would be crucial to ensure fair labour practices and adequate working conditions.
- Health and safety: Ensuring the health and safety of workers in salmon farming is vital. This includes providing proper training, protective equipment, and healthcare services.
- Living conditions: The development of salmon farming may necessitate new housing and amenities for workers, contributing to their overall wellbeing.

Social conflicts

- Resource allocation: Conflicts may arise over the allocation of resources such as water and land, especially if salmon farming competes with other local industries.
- Environmental concerns and community resistance: Disputes could occur between proponents of salmon farming and environmental groups concerned about the ecological impact of salmon farming. Some community members may resist the changes brought by salmon farming development, fearing it could disrupt their way of life. This is already seen in the Falkland Islands, and further development of the industry may lead to greater resistance. It is therefore vital that residents are able to access information and facts about any proposals to develop salmon farming.

Socio-economic impacts in relation to impacts on transportation (including air, roads, ports, and public transit)

7.143 As with much of the socio-economic assessment, the impacts related to transport are a mix of potential positive and negative effects, requiring a nuanced and complex evaluation.

7.144 An environmental impact assessment would detail a full transportation assessment. This has not yet been conducted, so the scope of the socio-economic assessment in relation to transport is high level and limited. However, noting this, the following potential impacts could occur as a result of the development of a salmon farming industry:

- Air transportation: Increased demand for air travel may arise from the need to transport personnel, equipment, and supplies for salmon farming operations. More frequent flights and expansion of air facilities would require a shift in current political agreement or significant investment. Therefore, the most likely impact in the short and medium term would be increased demand for the existing capacity, potentially increasing prices and increasing the frequency of times when capacity is full, especially at peak times of year.

- Road infrastructure: The development of salmon farming sites, particularly in the remote proposed areas found in the Falkland Islands, would require improved road networks to facilitate the movement of goods and workers. This could lead to investments in road construction and maintenance, benefiting the broader community but also at a cost to the developer/FIG. It is not clear who would bear this cost; nevertheless, an initial cost would occur to either the public sector or private sector, or both, with additional maintenance and repairs costs. This conclusion follows from high level desktop research and consultations. This report does not constitute a transport assessment, and so further future studies with a focus on transport ought to be considered to gain are fuller understanding of impacts related to transport.
- Ports and maritime facilities: Salmon farming operations would likely increase maritime traffic, necessitating upgrades to port facilities to handle salmon farming products. This could include expanding the docking areas, improving loading and unloading equipment, and enhancing storage facilities. There is also the potential for water transport to alleviate any potential limits posed by the road network.
- Public transit: With the potential influx of workers and their families, there could be increased demand for public transportation services. This could lead to the introduction of bus routes and schedules, improving accessibility for both residents and salmon farming employees, but as mentioned above, at an additional cost.
- Economic benefits: Improved transportation infrastructure could have broader economic benefits, such as enhanced connectivity, reduced transportation costs, and increased efficiency. This could boost the overall economic development of the Falkland Islands.
- Environmental considerations: While infrastructure development is necessary, it must be balanced with environmental sustainability. Careful planning is required to minimise the ecological impact of new roads, expanded ports, and increased air traffic.

Potential cumulative impacts

7.145 The other project with the highest potential for cumulative impacts is the Sea Lion project, which involves the development of the oil and gas industry in the Falkland Islands, to make production of oil a reality. Whilst the socio-economic assessment of Sea Lion has not yet been published it is apparent that the cumulative impact of both a salmon farming industry and oil and gas industry development, considered together, would result in complex and increased socio-economic impacts across the range of impacts covered in this assessment, which would require further detailed consideration once further detailed information is available. The cumulative social impacts associated with population increase have potential to be significant if both projects are developed together. One of the key points to note at this stage would be the potential differences in location of employment, with the salmon farming industry potentially leading to the onshore development of housing and population expansion outside of Stanley, whereas Sea Lion likely being limited onshore to Stanley and its offshore workforce.

7.146 Other past, present, and reasonably foreseeable future projects and developments that have been identified and considered as potentially causing cumulative interactions with the development of a salmon farming industry:

- FIG Waste Management Facility and Landfill: FIG is planning a new waste management facility, and a new incinerator. The incinerator site will be at Megabid, on the south side

of Airport Road east of Stanley, whereas the new landfill is proposed for a site behind the Pony's Pass Quarry, roughly 5 miles west of Stanley. We recently received the final approvals to proceed with the project. As of April 2025, FIG are finalising the construction programme, works are due to start on site in early May and the expected completion/commissioning will be in the last quarter of 2026. Labour and equipment requirements for construction are not known;

- Sand Bay Phase 3 Renewables Project: Three new turbines to be added to the wind farm, to increase wind power contribution to Stanley electrical generation through the mid-2040s. Currently expected to be complete in 2027. Labour and equipment requirements for construction are not known;
- New Power Station Project: Currently expected to be complete by end of 2027 or Q1 2028, to tie into the completion of the Sand Bay Phase 3 Renewables Project. A new road to power station will be required. Labour and equipment requirements for construction are not known;
- FIG Multi-Purpose Recreation Centre: National Sports Council sports centre currently under construction south of the Bypass Road, with target completion late 2025;
- Housing and Accommodation Developments: FIG is servicing roughly 110 housing plots at Sapper Hill. Plot servicing is expected to take place from mid-2025 through 2026 but could be accelerated. FIG aims to build housing as well as facilitate private sector delivery models for housing development. Housing development is expected to be concentrated at Sapper Hill. The timing for housing construction, as well as labour and equipment requirements, is not yet known;
- KEMH improvements: Initial phase could include new off-site storage and laundry facility to free up space at existing site. No further details known;
- Future Port Development works: No details known; and
- Creation of new cemetery site: No details known.

8. Conclusions

8.1 This report represents a comprehensive SEIA of developing a salmon farming industry in the Falkland Islands, quantifying impacts on employment, GDP uplift, increased government revenues, population, and housing.

8.2 The socio-economic impact assessment considered three production options, with consideration of the counterfactual, based on ECE and DEPOMOD environmental carrying capacity modelling. The three options modelled were:

- **Option 2:** Commercial salmon farming limited by carrying capacity of the environment (27,300-35,200 mt/year; 30,300 mt/year assumed)
- **Option 3:** Commercial salmon farming well below the carrying capacity of the environment (24,100-27,300 mt/year; 27,300 mt/year assumed)
- **Option 4:** Commercial salmon farming is allowed through niche methods, such as "organic production" (24,100 mt/year assumed)

8.3 In addition, a sensitivity analysis scenario, of a potential 50,000 mt peak production scenario was assessed, based on the salmon output initially identified by Unity Marine. The peak and per

annum of Options 2-4, plus the additional higher production scenario are presented in Table 8.1 These findings are modelled as gross impacts against the counterfactual scenario of no salmon farming taking place in the Falkland Islands (i.e. no impacts).

Table 8.1 Headline impacts across the three options and 50,000 mt peak production scenario modelled by Hatch

	Option 2	Option 3	Option 4	50,000 mt / annum peak production scenario	Unity Marine Project Description*
Peak Salmon Output (mt/year)	30,300	27,300	24,100	50,000	50,000
Cumulative GDP Uplift	£553.78 million	£502.39 million	£446.26 million	£981.24 million	£1,295.10 million
Annual GDP Uplift	£34.61 million	£31.40 million	£27.89 million	£55.70 million	£107.93 million
Cumulative Corporate Tax Revenue	£129.02 million	£116.22 million	£102.22 million	£213.10 million	£124.4 million
Annual Corporate Tax Revenue	£8.06 million	£7.26 million	£6.39 million	£13.32 million	£10.37 million
Peak Jobs	177 FTE jobs (2029)	172 FTE jobs (2029)	166 FTE jobs (2029)	216 FTE jobs (2029)	190 FTE jobs (2031)
Annual Jobs	133 FTE jobs	127 FTE jobs	121 FTE jobs	172 FTE jobs	100 FTE jobs
Peak Additional Population	161 (2032)	153 (2032)	145 (2032)	211 (2032)	71 (2031)
Average Additional Population	137	131	124	177	59
Permanent Housing Units Needed	42	40	39	49	26
Temporary Accommodation Needed	43	43	43	45	31 rooms/day (peak), 14 rooms/day (average)

Source: Hatch, 2025

*Unity Marine numbers run from 2026 to 2037 (fewer years). This may lead to differing annual average figures. Further, some elements are considered in the Unity Marine Project Description that are not considered in this report, and vice-versa. Differing assumptions are used to estimate the same type of impact. We therefore do not recommend making like-for-like comparisons.

8.4 Based on DEPOMOD and site selection as key limiting factors Option 4 is the lowest volume production at 24,100 mt/year at full production. The focus of Option 4 is salmon farming through niche methods, so annual production is inherently limited. Option 3 is midpoint between Option 4 and Option 2, where salmon farming is well below carrying capacity at 27,300 mt/year. In Option 2 salmon farming is limited by carrying capacity at 30,300 mt/year. Based on their project description, Unity Marine salmon farming estimated production is higher (50,000 mt/year), and so this has also been assessed in the sensitivity testing.

8.5 Of the three options, the range of GDP uplift is expected to be in the range of £450 million to £550 million over the 15-year study period. This corresponds to a range of ~£30 million to ~£35 million each year. FIG could expect to collect corporate tax revenues of between ~£100 million and ~£130 million across the study period, or between ~£6 million to ~£8 million annually.

8.6 Overall, the range of jobs expected across the three options does not vary substantially. The peak employment in Option 2 is 177 FTE jobs, which is 11 FTE jobs higher than Option 4. On average, the number of jobs that could be created by Option 2 would average out to 133 FTE jobs annually, whereas Option 4 averages out to 121 FTE jobs annually. This corresponds to in-migration of 124 to 137 people annually. Permanent housing requirements would range from 39 to 42, despite the broader differences in GDP uplift and corporate tax revenues.

8.7 When environmental capacity modelling and site selection are applied as limiting factors, Option 2 represents the highest impact not only environmentally, but also economically. Therefore, of the three options, Option 2 is considered to be the key scenario.

8.8 Under Option 2, commercial salmon farming has the potential to add 133 gross FTE jobs per annum to the Falkland Islands economy, associated with an increase in total population of 160 people. In addition, there could be a significant GDP uplift impact of up to £42 million per annum once maximum production levels have been achieved.

8.9 Under different assumptions regarding the limiting factors, such as the size and number of salmon farming sites, a potential 50,000 mt/annum salmon farming industry may be able to be sustained in the Falkland Islands. Hence, a sensitivity test scenario for 50,000 mt/annum production was included to demonstrate a greater level of impacts. It should be noted that additional sites would need to be identified. Key findings and sensitivities in this scenario include:

- GDP uplift and corporation tax revenues for FIG are most sensitive to salmon production. This is because of their dependence on salmon revenues and profits. A 50,000 mt/year industry would deliver a cumulative GDP uplift close to double of that of Option 2 (77%) and corporation tax revenues would be about 65% higher in a 50,000 mt/year salmon farming industry with respect to Option 2.
- Housing (permanent and temporary) is the least sensitive output to salmon production. This is largely due to salmon farming construction labour not changing much based on option/scenario, and offshore/rotational jobs making up the bulk of production-sensitive direct roles.
- Similar sensitivities are seen in overall employment numbers, albeit at a far small scale. Peak employment in a 50,000 mt/year industry would only be ~18% higher than Option 2, for example. This is driven largely by accelerator jobs and head office roles remaining largely similar across scenarios, and the limited supply chain activity anticipated.

8.10 The findings from the 50,000 mt/year modelled socio-economic impacts reveal additional positive economic impacts of a salmon farming industry producing 50,000 mt/year. The larger industry would increase the potential GDP uplift to £981.24 million across the 15-year study period, marking a 77% increase from the potential cumulative uplift of a 30,300 mt/year industry as modelled in Option 2. Furthermore, the associated in-migration to sustain a 50,000 mt/year salmon farming industry in the Falkland Islands would average out to a population increase of 177 people. This is only ~18% more people than in Option 2. However, given the relatively small baseline population of 3,662 people, this would still correspond to a population increase of 4.8% from the baseline population by the time the industry would become fully operational.

8.11 On the whole, a salmon farming industry in the Falkland Islands has the potential to provide additional GDP uplift at least in the region of ~£30 million annually (Option 4's expected annual uplift is £27.89 million), with the potential of this uplift to increase to £55.70 million if the appropriate sites for a 50,000 mt/year industry can be identified. A potential salmon farming industry would also be able to support ~120-130 FTE roles in the Falkland Islands, requiring ~120-

140 more people permanently residing on the Islands. For a 50,000 mt/year industry, these numbers would increase to 172 FTE jobs and 177 additional permanent residents.

8.12 Whilst the GDP uplift that could be realised by a salmon farming industry is considerable, the social and environmental impacts of the population increase ought to be mitigated through thorough planning, comprehensive consultation and well-considered mitigation strategies.

9. References

AquaChile, 2023. Integrated Report 2023. Reporte-Integrado-AquaChile-2023-ing-web.pdf

Bakkafrost, 2022. Annual Report 2022, bakkafrost-annual-report-2022.pdf

Consejo del Salmon Chile. 2023. "Monitoreo Exportaciones Salmón y Trucha." https://www.consejodelsalmon.cl/wp-content/uploads/2024/05/240502-Reporte-exportaciones-Q1-2024-CDS.pdf

Crowell, Tanya. 2023 "The opinions of BC's public fishers on open net-pen salmon farms." Postgraduate Thesis. Royal Roads University. https://scholar.archive.org/work/jlz2sv7whna7zlf7tgsbjtlofy.

Cooper, R.; Copping, L. and Barlow, D. 2023. Falkland Islands Energy Strategy. Falkland Islands Government. Stanley, Falkland Islands. https://falklands.gov.fk/policy/downloads?task=download.send&id=215:fi-energy-strategy&catid=11

Direct US Immigration, 2025 Falkland Islands Immigration: Requirements & Opportunities

Eurofish International Organisation, 2023. Member Countries: Norway. https://eurofish.dk/member-countries/norway/#:~:text=The%20total%20number%20of%20full-%20and%20part-time%20employees,per%20cent%20was%20dealing%20with%20molluscs%20and%20algae.

Facebook, 2025. SAAS. Accessed March 21 2025. SAAS | Facebook

Falkland Islands Chamber of Commerce. 2025. Website Home. https://www.commerce.co.fk/.

Falkland Islands Community School. 2024. Education in the Falkland Islands. https://www.secondary.ac.fk/

Falkland Islands Company, 2022, Welcome - The Falkland Islands Company

Falkland Islands Development Corporation. 2023. Business Climate Survey 2023- Falkland Islands Development Corporation. https://fidc.co.fk/wp-content/uploads/2024/02/Business-Climate-Survey-Report-2023.pdf

Falkland Islands Fishing Companies Association, 2025, Meeting with Falkland Islands Fishing Companies Association 7 February 2025.

Falkland Islands Government, 2013, "Falkland Islands Census 2012: Statistics and Data Tables". https://www.falklands.gov.fk/policy/downloads?task=download.send&id=15:falkland-islands-census-2012-data-tables-and-stats&catid=13

Falkland Islands Government. 2015. Social Effects Monitoring Programme- Summary and Technical Report Publications. https://assembly.gov.fk/jdownloads/Executive%20Council/Executive%20Council%20Papers/2015/25%20November%202015/212-15P.pdf.

Falkland Islands Government, 2017. Fish Farming Ordinance 2006. https://www.legislation.gov.fk/view/html/inforce/2020-10-01/fiord-2006-20.

Falkland Islands Government, Policy and Economic Development Unit. 2018. A Waste Management Strategy for the Falkland Islands. https://www.falklands.gov.fk/policy/downloads?task=download.send&id=45:waste-management-strategy&catid=3.

Falkland Islands Directorate of Natural Resources, 2019. Port & Harbous Information Booklet. Stanley: Falkland Islands Government. https://www.falklands.gov.fk/maritimeauthority/harbours-booklet.

Falkland Islands Government, 2019a, "2016 Census Report". https://www.falklands.gov.fk/policy/downloads?task=download.send&id=19:falkland-islands-census-2016-full-report&catid=13

Falkland Islands Government, 2019b, "2019 Health and Lifestyle Survey". https://falklands.gov.fk/policy/downloads?task=download.send&id=58&catid=2&m=0

Falkland Islands Government, 2019c, Public Health Strategy 2019 - 2021.pdf

Falkland Islands Government, Policy and Economic Development Directorate. 2020. Housing-Supply, Demand and Policy Options. https://www.falklands.gov.fk/policy/downloads?task=download.send&id=89:housing-supply-demand-and-policy-options-report&catid=15.

Falkland Islands Government, 2020. Taxation Office, Guide to Corporation Tax in the Falkland Islands for accounting periods commencing on or after 1 January 2019. https://www.falklands.gov.fk/taxation/

Falkland Islands Government. 2023. Fisheries Department Fisheries Statistics, Volume 28, 2023: 98pp. https://www.falklands.gov.fk/fisheries/publications/fishery-statistics?task=download.send&id=333:fisheries-statistics-28-2023&catid=7.

Falkland Islands Government, 2023a, "Draft 2023 Workforce Development Strategy" Draft_Workforce_Development_Strategy_for_the_Falkland_Islands.pdf

Falkland Islands Government. 2023b. Fishery Statistics-2023- Volume 28 (2014-2035).

Falkland Islands Government, 2024a, "Falkland Islands Census 2021." https://www.falklands.gov.fk/policy/downloads?task=download.send&id=219:falkland-islands-2021-census-report&catid=13

Falkland Islands Government. 2024b. National Accounts- Directorate of Policy, Economy & Corporate Services. https://falklands.gov.fk/policy/downloads/category/9-national-accounts-reports

Falkland Islands Government. 2024c. Fisheries Department Fisheries Statistics, Volume 28, 2023: 98pp. https://www.falklands.gov.fk/fisheries/publications/fishery-statistics

Falkland Islands Government. 2024d. Falkland Islands Health and Social Services- Elderly Care. https://www.falklands.gov.fk/health/

Falkland Islands Government, 2024e. "Falkland Islands Government scoping exercise to inform a public consultation on the potential development of large-scale fish-farming in the Falkland Islands."
FIG_Scoping_Paper_to_Inform_Consultation_on_Future_Development_of_Fish-Farming_in_the_Falkland_Islands_Optimized.pdf

Falkland Islands Government, 2024f. Department of Agriculture: Agriculture in the Falkland Islands. https://www.falklands.gov.fk/agriculture/.

Falkland Islands Government, 2025a. "Welcome to Education Directorate". https://www.falklands.gov.fk/education

Falkland Islands Government, 2025b. Taxes Ordinance 1997. https://www.legislation.gov.fk/view/html/inforce/2025-02-06/fiord-1997-14?query=((Repealed%253DN%2520AND%2520DocType%253D%2522fiord%2522%2520AND%2520PitValid%253D%2540pointInTime(20250206164122)%2520AND%2520DocStatus%253D%2522inforce%2522)%2520OR%2520(Rep%3e.

Falkland Islands Government, 2025c. Customs and Immigration, Work Permit. https://customs.fig.gov.fk/permits/work

Falkland Islands Government Department of Agriculture. (2020a). 'Farm Biosecurity Leaflet'. https://www.falklands.gov.fk/agriculture/publications/general

Falkland Islands Government Department of Agriculture. (2020). 'Biosecurity - Arrival by Sea'. https://falklands.gov.fk/agriculture/biosecurity/cruise-ship-visitors

Falkland Islands Government Department of Agriculture. Land Recovery Programme Consultation. 6 February 2025. March 2025. https://www.falklands.gov.fk/agriculture/17-home#:~:text=The%20Falkland%20Islands%20have%2070%20%28according%20to%20the,are%20mostly%20family%20owned%2C%20totalling%201%2C143%2C596ha%20of%20land.

Falkland Islands Government Department of Education (2025). 'Consultation meeting, 06.02.2025'.

Falkland Islands Government Department of Mineral Resources, 2025d, Fiscal Regime.

Falkland Islands Government Environmental Planning Department, 2017, Biosecurity & Invasives Strategy 2017-2020. Accessed March 2025.https://falklands.gov.fk/policy/jdownloads/Strategies%20&%20Policies/Biosecurity%20Invasives%20Strategy%202017-2020.pdf

Falkland Islands Government Environmental Planning Department, 2024, Draft Pollution Prevention and Waste Management Policy. https://www.falklands.gov.fk/policy/downloads?task=download.send&id=223:consultation-report-draft-pollution-waste-management-policy&catid=19

Falkland Islands Government Head of Legal Services / Law Commissioner & Head of Legislation, 'Consultation meeting, 07/02/2025'.

Falkland Islands Government Health and Social Services, 2025e, King Edward VII Hospital. https://www.falklands.gov.fk/health/kemh

Falkland Islands Government Public Works Department, 2025, 'Consultation meeting, 03/02/2025'.

Falkland Islands Museum & National Trust. 2024. The Historic Heart of Stanley- Dockyard History. Accessed October 2024. https://falklands-museum.com/the-dockyard.

Falkland Islands Fire & Rescue Service, 2025, 'About us'. https://www.falklands.gov.fk/fireandrescue/

Falkland Islands Tourist Board. 2023. Tourism Statistics Report 2023. https://www.falklandislands.com/trade/statistics.

Falkland Islands Tourist Board. 2024. Home Page. https://www.falklandislands.com/.

Falkland Islands TV, 2025, Huge numbers of Medical Treatment Overseas this quarter | Falkland Islands Television

FAO. The State of World Fisheries and Aquaculture 2024 - Blue Transformation in action. Rome, 2024. https://doi.org/10.4060/cd0683en.

Fishfarming expert, 2024, Let's spend more fish farm rent income where it's raised, says landlord

Fish Pool. Price History - Fish Pool Index (FPI). 5 February 2025. 7 February 2025. https://fishpool.eu/price-history/.

Fletcher, Rob. Why invest in offshore aquaculture production? 13 November 2020. January 2025. https://thefishsite.com/articles/why-invest-in-offshore-aquaculture-production.

Food and Agriculture Organization of the United Nations. (2024). The State of World Fisheries and Aquaculture 2024. Accessed March 2025. FAO Report: Global fisheries and aquaculture production reaches a new record high

Froehlich, H. E., Gentry, R. R., Rust, M. B., Grimm, D., & Halpern, B. S, 2017. 'Public Perceptions of Aquaculture: Evaluating Spatiotemporal Patterns of Sentiment around the World. PLOS ONE'. Public Perceptions of Aquaculture: Evaluating Spatiotemporal Patterns of Sentiment around the World | PLOS One

Global Seafood Alliance, 2024, Kontali: Global farmed salmon production set to surge - Responsible Seafood Advocate

Global Seafood, 2023, Aquaculture tourism: An unexpected synergy for the blue economy - Responsible Seafood Advocate

Hagostova Føroya. AM01010 Main figures from the labour force survey (2005-2023). 2023. 22 https://statbank.hagstova.fo/pxweb/en/H2/H2__AM__AMK/amk_hovtol.px/.

Hagostova Føroya. Exports of Goods. 15 January 2025. 22 January 2025. https://hagstova.fo/en/economy/international-trade-goods/exports-goods.

Instituto de Fomento Pesquero. "*Monitoreo Económico de la Industria Pesquera y Acuícola Nacional, año 2021-2022*." 2022. https://www.ifop.cl/wp-content/contenidos/uploads/RepositorioIfop/InformeFinal/2022/P-581188.pdf

International Council for the Exploration of the Sea, 2022. "Faroes ecoregion - Aquaculture Overview." https://firum.fo/media/3114/aquacultureoverview_faroes.pdf.

International Trade Centre. Trade Map. 2025. 4 February 2025. https://www.trademap.org/Index.aspx.

Johnson, B and Rickard, L, 2022, Sense of place and perceived community change in perceived impacts of and cooperation with local aquaculture development in the US. https://par.nsf.gov/servlets/purl/10446679

KPMG Norway. "Taxation of Aquaculture 2022: A country overview." 2022. https://assets.kpmg.com/content/dam/kpmgsites/no/pdf/sjomat-fiskeri-havbruksrett/kpmg-law-norway-taxation-of-aquaculture-2022.pdf.coredownload.inline.pdf

Lerøy Seafood Group, 2023. Annual Report 2023. https://www.leroyseafood.com/en/investor/reports-and-webcast/annual-report-2023/

Liu, Yaije, et al. “Comparative economic performance and carbon footprint of two farming models for producing Atlantic salmon (Salmo salar): Land-based closed containment system in freshwater and open net pen in seawater.” Aquacultural Engineering 71 (2016): 1-12. https://www.sciencedirect.com/science/article/pii/S0144860916300036#:~:text=This%20paper%20aims%20to%20investigate%20whether%20domestic%20US,investment%2C%20production%20cost%2C%20market%20price%2C%20and%20carbon%20footprint..

MarketScreener, 2025, UPDATE on Revenue tax on salmon farming in the Faroe Islands -March 09, 2023 at 03:47 pm EST | MarketScreener

Malvina House. 2024. Malvina House Hotel- Stanley, Falkland Islands. https://www.malvinahousehotel.com/

Marinetraffic, 2025. “UNISPIRIT General Cargo IMO : 9356402”. Vessel Characteristics: Ship UNISPIRIT (General Cargo) Registered in Antigua Barbuda - Vessel details, Current position and Voyage information - IMO 9356402MMSI 9356402Call Sign V2BS1 | AIS Marine Traffic

Melikh et al, 2019. Baltic Journal of Economic Studies Volume 5(5), pp.84-89. AQUACULTURAL-INTEGRATION-IN-RECREATIONAL-TOURISM-FEATURES-OF-DEVELOPMENT-AND-MANAGEMENT-OF-COASTAL-TERRITORIES.pdf

Misund, A, et al. “Opportunities and challenges in new production systems for salmon farming in Norway - Industry perspective.” Marine Policy (2024): 106394. https://www.sciencedirect.com/science/article/pii/S0308597X24003920#:~:text=New%20production%20technologies%20may%20solve%20or%20reduce%20challenges,and%20opportunities%20with%20the%20new%20technologies%20are%20presented..

Mitsubishi Corporation, 2024. Results of FY2023 and Forecast for FY2024 Presentation Materials. 20240502e.pdf

Navitas, 2024. Environmental Impact Statement, the Sea Lion Field Northern Development Area Phase 1 & 2. Environmental Impact Statement: The Sea Lion Field Northern Development Area, Phase 1 & 2

Norwegian Seafood Council. Market Insight, 2025. https://en.seafood.no/market-insight/.

Observatory of Economic Complexity, 2025. Fish: frozen, Atlantic salmon (*Salmo salar*) and Danube salmon (*Hucho hucho*). https://oec.world/en/profile/hs/frozen-atlantic-and-danube-salmon-salmo-salar-hucho-hucho-excl-fillets-etc

Regeneris Consulting, 2013. Socio-Economic Study of Oil and Gas Development in the Falklands. https://www.falklands.gov.fk/policy/downloads?task=download.send&id=21&catid=0&_m=0.

Republica Argentina, 2010. "*Decreto 256/2010: Poder ejecutivo national – Transporte Maritimo*". Decreto 256/2010 | Argentina.gob.ar

Research and Markets. 2023. Chile Aquaculture Market Summary, Competitive Analysis and Forecast to 2027. https://www.researchandmarkets.com/reports/5782271/chile-aquaculture-market-summary-competitive

Rockhopper Exploration PLC. 2025. North Falkland Basin. https://rockhopperexploration.co.uk/operations/falkland-islands/north-falkland-basin/.

Royal Falkland Islands Police. 2020. Public Perceptions of Crime and Policing in the Falkland Islands. https://www.police.gov.fk/wp-content/uploads/2021/03/Report-Public-Perceptions-of-Crime-and-Policing-2020.pdf.

Royal Falkland Islands Police. 2024. Royal Falkland Islands Police- Home Webpage. https://www.police.gov.fk/.

SalMar, 2023. Annual Report 2023. 86a88695-45a1-4624-b187-8f4cfa90e789

SalMar, 2024. Remuneration Report 2023. Microsoft PowerPoint - SalMar Remuneration Report 2023 - Oppdatert 240418

Salmon Scotland, 2024. How much Scottish salmon is exported to the rest of the world? https://www.salmonscotland.co.uk/facts/business-economy/how-much-scottish-salmon-is-exported

SalmónChile, 2024. "Boletín Trimestral de Exportaciones: Industria del Salmón de Chile." Export report. https://www.salmonchile.cl/boletin-exportaciones/BoletinTrimestralExportacionesSalmon_Edicion03.pdf.

Scottish Government. Scottish Fish Farm Production Survey 2023. 30 October 2024. https://www.gov.scot/publications/scottish-fish-farm-production- survey-2023/pages/5/.

Seagreen Research, 2018. "Salmon Farming in the Falkland Islands: A review of environmental and social challenges and opportunities". https://falklandsconservation.com/wp-content/uploads/2020/07/Falklands-Salmon-Bridson-September-12th-2018.pdf.

Slater, M. Societal and Economic Impacts of Aquaculture. https://www.was.org/articles/Societal-and-Economic-Impacts-of-Aquaculture.aspx

Stanley Services LTD. 2025. Interesting Facts. https://www.stanley-services.co.fk/about/interesting-facts/

Statista, 2024, Salmon industry - statistics & facts | Statista

Tett, P, et al. “Review of the Environmental Impacts of Salmon Farming in Scotland.” Scottish Association for Marine Science, 2018. https://pure.uhi.ac.uk/en/publications/review-of-the-environmental-impacts-of-salmon-farming-in-scotland

The Fish Site, 2021. Atlantic Sapphire reports another mass mortality. https://thefishsite.com/articles/atlantic-sapphire-reports-another-mass-mortality.

Trapa, 2025, Visa Requirements for Traveling to Falkland Islands

Tridge, 2020, 2020 Industry Report: Salmon. https://cdn.tridge.com/market_report_report/7b/48/c1/7b48c1b58187f9dfa535932fcf29c66915954736/Salmon_Market_Report.pdf.

Unger, Nitzan. Can land-based RAS overcome its issues? 29 November 2024. January 2025. https://thefishsite.com/articles/can-land-based-ras-overcome-its-issues.

Unity Marine. “Project Description: 17.030 Salmon Aquaculture on the Falkland Islands.” 2025.

VALUMICS. “Norwegian salmon value chain: Flow of products and decision mechanisms.” 2021. https://valumics.eu/wp-content/uploads/2021/07/Salmon_material-flow_VALUMICS_Brief.pdf.

Verisk Maplecroft, 2019, Sea Lion Phase 1 Development- Socio-Economic Impact Assessment.

DISCLAIMER AND LIMITATIONS OF USE

This Report was prepared for Falkland Islands Government (the "Client") by Hatch Associates ("Hatch") based in in part upon information believed to be accurate and reliable from data supplied by or on behalf of Client, which Hatch has not verified as to accuracy and completeness. Hatch has not made an analysis, verified or rendered an independent judgement as to the validity of the information provided by or on behalf of the Client. While it is believed that the information contained in this Report is reliable under the conditions and subject to the limitations set forth herein, Hatch does not and cannot warrant nor guarantee the accuracy thereof or any outcomes or results of any kind. Hatch takes no responsibility and accepts no liability whatsoever for any losses, claims, expenses or damages arising in whole or in part from any review, use of or reliance on this Report by parties other than Client.

This Report is intended to be read as a whole, and sections should not be read or relied upon out of context, and any person using or relying upon this Report agrees to be specifically bound by the terms of this Disclaimer and Limitations of Use. This Report contains the expression of the professional opinions of Hatch, based upon information available at the time of preparation. Unless specifically agreed otherwise in Hatch's contract of engagement with the Client, Hatch retains intellectual property rights over the contents of this Report.

The Report must be read in light of:

- the limited readership and purposes for which it was intended;
- its reliance upon information provided to Hatch by the Client and others which has not been verified by Hatch and over which it has no control;
- the limitations and assumptions referred to throughout the Report;
- the cost and other constraints imposed on the Report; and
- other relevant issues which are not within the scope of the Report.

Subject to any contrary agreement between Hatch and the Client:

- Hatch makes no warranty or representation to the Client or third parties (express or implied) in respect of the Report, particularly with regard to any commercial investment decision made on the basis of the Report;
- use of the Report by the Client and third parties shall be at their own and sole risk, and
- extracts from the Report may only be published with permission of Hatch.

It is understood that Hatch does not warrant nor guarantee any specific outcomes or results, including project estimates or construction or operational costs, the return on investment if any, or the ability of any process, technology, equipment or facility to meet specific performance criteria, financing goals or objectives, or the accuracy, completeness or timeliness of any of the data contained herein. Hatch disclaims all responsibility and liability whatsoever to third parties for any direct, economic, special, indirect, punitive or consequential losses, claims, expenses or damages of any kind that may arise in whole or in part from the use, review of or reliance upon the Report or such data or information contained therein by any such third parties. The review, use or reliance upon the Report by any such third party shall constitute their acceptance of the terms of this Disclaimer and Limitations of Use and their agreement to waive and release Hatch and its Client from any such losses, claims, expenses or damages. This Report is not to be referred to or quoted in whole or in part, in any registration statement, prospectus, fairness opinion, public filing, loan agreement or other financing document.

Readers are cautioned that this is a preliminary Report, and that all results, opinions and commentary contained herein are based on limited and incomplete data. While the work, results, opinions and commentary herein may be considered to be generally indicative of the nature and quality of the subject of the Report, they are by nature preliminary only are not definitive. No representations or predictions are intended as to the results of future work, nor can there be any promises that the results, opinions and commentary in this Report will be sustained in future work. This Disclaimer and Limitations of Use constitute an integral part of this Report and must be reproduced with every copy.

HATCH

www.hatch.co.uk

London: 0207 336 6188 Manchester: 0161 234 9910