Link to video - <https://youtu.be/ImAjT__tBJg>

Cabot Steward

Research Log #1

What is Operations Management in the Falkland Islands?

Description

In the United States we live in a society where we can acquire nearly every item in under 30 minutes. This project will dissect the aspects of operations and supply chain in an area where this is not as possible. The Falkland Islands are a set of islands near the tip of South America. These two islands have a population of just over 3,000 people with a GDP of around 228 million dollars.

Question

1. How are operations managed to encourage trade for the Falkland Islands
2. Does being a territory of a larger country benefit the island (UK).
3. What businesses are operational on the islands?
4. What does trade look like?
5. How is safe, effective trade facilitated?
6. How has Brexit affected the islands?

Level 1 Research

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| Source #0 | Just a bit of background |
| Summary | This source is just to provide background information on tourism and the operations of the island. All airline traffic is via the Mount Pleasant Airport |
| Citation | *Falkland Islands Government*. Falkland Islands Tourism, <https://www.falklandislands.com/plan-your-trip/getting-here#:~:text=All%20flights%20arrive%20at%20Mount,the%20UK%20Ministry%20of%20Defence>. Accessed 30 Jan. 2025. |

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| Source #1 | Falkland Island Associations |
| Summary | In this article we can see that when the UK left the EU there were some major implications. The author mentions the Treaty of Rome, Maastricht Treaty and Lisbon Treaty. One of the key purposes of these treaties was to establish a structure for how trade would occur and be protected between these overseas territories such as the Falkland Islands and the European Union. When the UK left the EU, this overseas territory lost these protections and immediately experienced trouble during trade. |
| Citation | "Falkland Islands Government Warns About the Negative Impact of an EU Brexit on the Falklands Economy." *Falkland Islands Association*, 2021, [www.fiassociation.com/news/falkland-islands-government-warns-about-the-negative-impact-of-an-eu-brexit-on-the-falklands-economy/](http://www.fiassociation.com/news/falkland-islands-government-warns-about-the-negative-impact-of-an-eu-brexit-on-the-falklands-economy/). Accessed 29 Jan. 2025.  House of Commons Library. *Research Briefing CBP-9592*. 2022, commonslibrary.parliament.uk/research-briefings/cbp-9592/ |

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| Source #2 | FIH Group – Summary of Operations in the Falkland Islands |
| Summary | In this article we can see that operations are divided into five categories: retailers, residential and commercial property, vehicle rentals, agency services and shipping to and from the island. Retailers are one of the largest elements of the Falkland Islands while locally owned items can be used for some goods, the remaining items will remind you of standard shopping in the United Kingdom. Tourism is very common on the island with 35,000 from cruise ships and 7,000 from the air. |
| Citation | “FIH Group Plc / Company Profile / Falkland Islands Company.” *Fihplc.com*, 2025, www.fihplc.com/company-profile/falkland-islands-company.php Accessed 29 Jan. 2025. |

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| Source #3 | Falkland Islands Government – Earl of Kinnoull |
| Summary | This letter from Teslyn Barkman, who is a member of the legislative assembly for the Falkland Islands and to Lord Kinnoull summarizes some large issues the territory has been facing. She states that just the fishing industry makes up 50 percent of their entire GDP meanwhile it also makes up 60 percent of government revenue. Due to Brexit, there is a tariff of between six and 18 percent on fish and 42 percent on meat exports to the UK. This highlights how their operations can be affected by an outside force such as leaving the EU. |
| Citation | "Falkland Islands: The Impact of Brexit on the Islands' Economy." *UK Parliament*, 2021, committees.parliament.uk/publications/4486/documents/45132/default. Accessed 29 Jan. 2025. |

Level 2 Research –

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| Source #1 | UK Government – Falkland Island trade summary |
| Summary | This article provides nearly all the insight we need to get a look at what the Falkland Islands do to still be occupied. Below is a screenshot from the report and highlights the largest trade elements of the Falkland Islands.    We can see that aircraft travel makes up the largest import and export for the islands. We look at this and begin to lay out a picture of their operations. We see that they import vehicles, machinery, scientific instruments and a lot of miscellaneous metals but in all of this we are left with questions about aircraft, why so many aircraft flights? Overall, this publication highlights the foundations of the operations that make up the Falkland Islands.  Question:   1. Why is there so much air travel? 2. What industrial machinery are the Falkland Islands exporting to the UK? 3. How has leaving the EU affected these figures? |
| Citation | UK Government. Falkland Islands Trade and Investment Factsheet. 20 Dec. 2024,  www.assets.publishing.service.gov.uk/media/6762ce74ff2c870561bde7b2/falkland-islands-trade-and-investment-factsheet-2024-12-20.pdf. Accessed 29 Jan. 2025 |

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| Source #2 | | FALKLAND ISLANDS MARITIME AUTHORITY - FIMA |
| Summary | In this article we get a view of how the government regulations affect the shipping industry around the Falkland Islands. The Falkland Islands are a very different operation for government authorities with the maritime authority responsible for all safety pertaining to shipping. Their goal is to provide seamlessness of a process for all ship-based trade. They do this by incorporating considerable feedback into their process. FIMA priorities employee training and safety, both items they have found paramount to have a successful operation. FIMA is in essence the counterpart to the US coast guard but with a more limited scope, FIMA is more tailored towards the inflow and outflow of product and goods through ports, the US Coast Guard does more search and rescue. In the article below in Appendix A we see a flow chart of FIMA’s priorities. In the flow chart we see that FIMA has found a set of priorities that are paramount towards success. At the center of all of it is leadership, having a high-quality set of leaders can be the element that propels you from being a bad operation to being an exceptional business. Afterall, I think we can all agree, leadership isn’t taught, it’s learned and FIMA has discovered this as well. On top of this, they have a well-established process for feedback, whether from employees or customers. They’ve learned the importance of implementing feedback into their process.  Questions:   1. How has the process evolved over the years? 2. How many staff are employed to maintain this operation? 3. Are the effects of past conflicts with Argentina still felt today? | |
| Citation | Falkland Islands Maritime Authority. Quality Management System Manual. Falkland Islands Government, rev. 0, www.falklands.gov.fk/maritimeauthority/images/2.1\_Quality\_Manual\_rev\_0.pdf. | |

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| Source #3 | | | Oil and the Falklands/Malvinas: oil companies, governments and Islanders |
| Summary | | The article below explores the role of oil and trade around the Falkland Islands. We see that the Falkland Islands has struggled with operations around oil, through the years the Falkland Islands has been a highly disputed territory. Both Argentina and the United Kingdom have fought over it and disagreed. There were early talks about potential joint exploration between Argentina and the United Kingdom but that was ultimately denied. Post 1982 the Falkland Islands began to independently auction the exploration licenses. This in turn increased tensions with Argentina as they felt this violated their sovereignty.  Questions:   1. How much oil is being drilled for today? 2. Why is there so much hesitation around drilling for oil? 3. What would be the biggest item that could be changed to increase oil production and trade? | |
| Citation | "Oil and the Falklands/Malvinas: Oil Companies, Governments, and the Politics of Resource Extraction." The Round Table: The Commonwealth Journal of International Affairs, vol. 111, no. 2, 2022, pp. 203-220. Taylor & Francis, https://doi.org/10.1080/00358533.2022.2037235. | | |

If you read this far, you are awesome! Thank you!