



# Chamber News

Monthly Newsletter of the Solomon Islands Chamber of Commerce and Industry

May 2010

## CEO's Foreword

### Dear Members,

I am pleased to present you the May Chamber News issue. In this issue we focus on Tourism and Trade; two areas in our economy where there is so much potential, but which require so much more attention. Let me say at the outset that this has to be one of the hardest themes for me to report on. Not only do we have a very small group of tourism-related operators in our membership, but the information need to project a good analysis on this industry is limited. Nevertheless, I am pleased that in this issue we interview two key figures in the tourism industry, Marketing Manager of the Solomon Islands Visitors Bureau, Mrs. Freda Unusi and the Director of Tourism in the Ministry of Tourism, Mr. Barney Sivoro. Their passion for growth in this industry is so apparent in their answers – which is why we must ask ourselves, why isn't Tourism competitive?

While we ponder that question, please let me introduce to you our new staff, Ms. Mele O'Brien (Project Officer – Advocacy and Representation) and Ms. Anna Fenua (Administrative Assistant) who were successful out of a good list of applicants. This brings the SICCI staff to a total of four. Mele O'Brien is from Tuvalu and Temotu and a graduate of the University of the South Pacific with a Bachelor of Arts in Law and Politics. Anna Fenua is also from Temotu and graduated from SICHE with a Diploma in Business Administration. Their recruitment means that the Chamber of Commerce now has full-time staff that can support me in executing the programs and activities that we have set for ourselves for the coming years.

I want to take this time to thank everyone that came in to support the Chamber of Commerce during the 2010 Open Year Cocktail held in April. The European Union Charge

D'Affairs, Dr Abdoul-Aziz Mbaye was Guest of Honor and laun. Dr. Mbaye launched the newly upgraded website. Special thanks goes to ANZ Bank for sponsoring the event.

In May/June we will hold our first luncheon. Please check the Website for any updates on that. We will also launch the 2010 Wages and Benefits Survey and the 2010 Skills in Demand Survey. We will also hold the first Mini-Workshops on Taxation and Labor Law Reform. The latter programs are purposely to allow members to contribute to the position that the Chamber of Commerce will take on these issues. Whilst taxation is a hard issue to resolve, Labour Law Reform is something that affects us, and therefore expect numbers at these workshops.

**Calvin Ziru**  
Chief Executive Officer

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## The Chamber launches new website

The Solomon Islands Chamber of Commerce & Industry (SICCI) on Tuesday 20 April, launched its upgraded new look website. European Union Charge'de Affaires, Dr. Abdul-Aziz Mbaye was the guest of honour at the ceremony. The Chamber was a beneficiary of the non-state actors fund provided by European Union.

About \$1 million was provided by EU to support the work and operations of the Chamber. And part of the funds went to support the upgrading of the chamber's website. The new look website has all the information about the work of the Chamber and its members. The aim is to allow local and overseas business people to access information about the Chamber's work in the country.

Speaking at the occasion Mr Mbaye said private sector played an important role in the economic development of this country.

"And EU is pleased to support the Chambers in its continuous operations," he said.

Chief Executive Officer (CEO) of the Chamber Calvin Zirur said they were pleased with the support which will continue to raise the profile of the organization and its activities. Board member and director of BJS Group of Companies, Mr Bruce Saunders said the assistance will

no doubt improve the work that is being carried out by the chamber to serve its members and the country.

The opening ceremony follows the election of the new office bearer, which were elected in on March 30th in Honiara during the Chambers annual general meeting (AGM).

At the launch the Chamber's work plan for 2010 was also released to the members and guests. The plan aims to address issues relating to infrastructural Development, Regulatory Reform and Corruption. The event is being sponsored by ANZ bank.



## New Staff at Chamber of Commerce & Industry



### Mele O'Brien

#### Project Officer (Advocacy and Representation).

Mele is from Tuvalu and Temotu province and comes to us with a Bachelor of Arts double Major in Law and Politics from the University of the South Pacific (USP).

"I am excited about my employment with the Chamber of Commerce and my position as the Advocacy and Representation Project Officer. I understand the demands of the position and the importance of the Chamber in national policy development. I look forward to the challenges of the position and look forward to making my contribution to the work of the private sector."



### Anna Fenua

#### Administrative Assistant

Anna is from Temotu Province, she is a graduate of the Solomon Islands College of Higher Education where she studied Business for two years and graduated with a Diploma in Business Administration. "This is my first formal employment and I am happy to be part of a young team of professionals who are passionate about where they work and what they are doing. I hope to support the Chamber of Commerce well."

## The Private Sector “value adds” the Solomon Islands economy

The private sector plays an important role in the country because they are the driving force behind economic development through manufacturing, value-added products and services.

These are the words of Charge de' Affaires of European Union (EU) to Solomon Islands Dr Abdul Aziz Mbaye at the official opening of the Solomon Islands Chamber of Commerce and Industry (SICCI) 2010 financial year. This year for the first time EU has provided a grant of \$100,000 towards the country's private business organisation as part of the non-state actors grant.

Dr Mbaye said that after it had approved the Grant, they looked at the decision and were very pleased with it. He said that many times the EU was associated with infrastructural development related to roads, bridges and wharfs. But it is the private sector that provides jobs, tax and revenue for the country, services and add value to products through the manufacturing process. This assistance therefore was an important one because it was an investment to the industry that made the difference in this country.

“The private sector is like the driver of economic development in any country because they provide employment, revenue and add value to products,” he said.

He said the private sector also plays an important role reducing poverty in the country as well. Mr Mbaye said the private business always makes things happen.



“Private business is striving to make things happen that's why we see things are happening such as development in this country,” he said.

Vice Chairman Mr James Kim, who stood in for Chairman, Mr Michael Hemmer, acknowledged the assistance by EU for the grant to help with the Chambers operations. He said the Chambers is pleased to continue supporting the development of this country. He thanked the members for their support to allow the Chamber to operate and make constructive contribution through their ideas, views and also development aspirations.

ANZ General Manager Brian Robb, whose bank is the major sponsor of the cocktail function, said the Chamber represents an important sector in the country, which is the private business.

He said networking is important to allow all private sector organizations to work together to achieve things for the betterment of the country.

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## Our Telekom Successfully Hosts Pacific Islands Telecommunication Association (PITA) Conference

Honiara experienced a surge in international visitor numbers as more than 200 delegates and participants across Oceania, including Australia and New Zealand and as far abroad as Asia, Europe and the USA arrived in the country for the PITA 14th AGM and Telecommunication – ICT conference held at the Mendana Hotel from the 26th to 30th April. In conjunction with the PITA AGM, the Asia Pacific Telecommunity (APT) also held their Telecommunication & ICT Policy and Regulation forum for the Pacific.

PITA is a non-profit organisation formed to represent the interest of Pacific Islands in the field of Telecommunication with the objective to improve, promote, enhance, facilitate and provide telecommunication services within Member and Associate Member countries.

PITA members are telecommunication entities in Melanesia, Micronesia, Polynesia, Australia and New Zealand. Associate members are suppliers of telecommunication equipment and solutions. Membership also includes regional and international partner agencies with vested interest in telecommunication and its development.

The week long conference involved forums and workshop sessions covering a broad range of telecommunication and ICT topics with special emphasis given to broadband and New Generation Network solutions as well as deliberations that address key Policy and regulatory concerns for the Pacific.

The conference also provided opportunities for suppliers and Pacific Islands Telco operators to convene bilateral meetings and negotiate and extend existing partnerships or to shop for or sell new and better solutions for the delivery of communication services.



Our Telekom CEO Loyley Ngira and PITA President, Ivan Fong

The PITA conference also presented Solomon Islands as a unique destination for leisure or business and gave Our Telekom the perfect chance to expose its staff to a vast network of knowledge, experiences and ideas, which the company utilised to the full. Through out the week Telekom staff attended the forums and shared and learned experiences and ideas with other Pacific Operators as well as meet with solution providers and suppliers.

As is the case whenever there is such a big international event, the local economy benefited. The PITA conference brought added lift to the local economy with increase in retail business and especially good trading for the hospitality and transport sector.

## REMINDER - Doing Business Survey 2011

Doing Business Survey is a World Bank survey, which focuses on the ease of doing business in the Solomon Islands. Doing Business presents quantitative indicators on business regulations and the protection of property rights, compared across 181 economies. In 2009 we ranked 89th. In 2010 we dropped to 104th. The Survey for 2011 statistics has commenced with a number of SICCI members involved.

Our ranking in the doing business index primarily depends on our depiction of our economic environment. Ideally, a wide coverage for a balanced outlook from the already established businesses in the country would be best. Some SICCI members have been invited to participate in the survey. If are one, please be reminded that the deadline for submitting survey forms is 31st of May 2010.

Survey questionnaires are available from the SICCI Office.

## Local Current Affairs TV program wins RAMSI Media Encouragement Award

courtesy of RAMSI Media

One Television's new current affairs program, Footprints, is this year's recipient of RAMSI's Media Encouragement Award.

Presenting the award, at a lunch for local journalists, RAMSI Special Coordinator, Graeme Wilson, said the award was in recognition of Footprints' innovative approach and outstanding commitment to current affairs reporting.

"Footprints has taken its viewers out into the streets of Honiara and further up field to the villages of the nation, bringing them thought-provoking programs that explore the very real issues confronting Solomon Islands today, issues as diverse as the proposed new electoral boundaries to the plight of the mentally ill," he said.

RAMSI instituted the annual encouragement award for the media last year as a way of acknowledging the important contribution that a free and robust media can make to rebuilding the nation.

Mr Wilson said choosing this year's recipient had been difficult because there were so many strong contenders.

"It is certainly evident that Solomon Islands possesses a very robust media. I have watched with interest as some of you have not only broken news of one controversial issue or another but have also burrowed away with great persistence on issues of national importance. An example that comes to mind is the Solomon Star's Gina Maka'a's regular Street Talk surveys where she faithfully reports the views of ordinary Solomon Islanders.

"In light of this stiff competition, I would like to congratulate the whole Footprints team but in particular to commend the program's two reporters, Koro'i Hawkins and Fred Osifelo, who with their reports are breaking new ground in Solomon Islands journalism," Mr Wilson.

Accepting the award, Mr Koro'i said the Footprints team was very proud but also humbled to receive such recognition.

"We did not expect to receive this award and I'd like to recognise all our media colleagues. We all do the same job everyday in different aspects of society and this award, I believe, is from RAMSI to us all," he said."

Mr Wilson urged the media, which he described as the custodian of the national debate, to recognise the responsibility that their profession carried with it.

"This nation essentially only knows what you, the media, tell it. The decisions in the highest office right down to the ballot box can and will be shaped by the quality and timeliness of your work and the faithfulness of your commitment to getting it right and making sure your



reports are accurate and balanced."

He said this responsibility was never more obvious than in an election year.

"I encourage all of you to deliver to your fellow countrymen and women the highest quality information available not just about intending candidates but also about the issues that are important to this nation.

RAMSI's program to strengthen the media in Solomon Islands, known as SOLMAS (Solomon Islands Media Strengthening Scheme), is in its second phase year. The program is working with the local media industry body, MASI (Media Association of Solomon Islands), SIBC (Solomon Islands Broadcasting Corporation) and the Department of Communications to provide industry-wide training, technical support and regulatory strengthening expertise.

The President of MASI, acting head of Government Communications, George Herming, thanked RAMSI for the support the mission had given to the media since its arrival nearly seven years ago, saying that he believed the RAMSI Media Award would 'encourage and motivate local journalists to work harder and better in years to come'.

"Apart from the award, MASI has benefited a lot from the work that RAMSI is doing in this country, from the SOLMAS project but most especially from the safe and secure environment RAMSI has made for journalists to work in," Mr Herming said.

The Chamber of Commerce would like to congratulate SICCI Member, One News Limited for winning the RAMSI Media Encouragement Award for the program Footprints.

## New Zealand MP, Mr Allan Peachey visits Chamber of Commerce

During his recent visit to Solomon Islands, New Zealand's Minister of Foreign Affairs and the Solomon Islands Minister of Education agreed to an assignment to report on the partnership between NZ and Solomon Islands in the education sector. Mr Allan Peachey, MP, was selected for this assignment by the NZ Minister of Foreign Affairs.

Mr Peachey traveled to Solomon Islands from the 19th - 22nd April to carry out the assignment. In his first meeting, Mr Peachey met with the Chamber of Commerce and discussed in general issues with education and employment as seen by the employers. During the meeting, Calvin Ziru, CEO of the Chamber of Commerce said that the need for there to be an overhaul in the education system is more apparent now than ever before.

The government and all stakeholders recognize this fact and acknowledge the relationship that skilled labour had on the developmental status of a country.

Allan Peachey said that his visit was to gauge the effectiveness of New Zealand's contribution to the Solomon Islands education sector in achieving:

- universal access to basic education by girls and boys across the country by 2015 (NZ supports school infrastructure and school grants);
- improvement in the quality of education delivered in the classroom (teacher training, revision of the curriculum and updated student textbooks, financial management training to head teachers and school boards, whole school development plans);
- efficient and effective management of the sector by the Ministry of Education (MEHRD) (NZ funds the Education Sector Advisor, the Technical Assistant to the Accounts Division and is the Coordinating Development Partner in the education sector);
- sound financial management and planning through provision of a transparent and targeted funding mechanism which strengthens broader SIG financial management systems, while ensuring appropriate oversight of the expenditure of NZ funds.

## Extract of the SICCI Report on tourism in the Solomon Islands

*A survey of community and operator attitudes*

In 2008, the Solomon Islands Chamber of Commerce and Industry undertook a comprehensive survey of tourism community and operators attitudes about the industry. The survey was undertaken by David Kaczan and Daniel Tuhonuku and looked at existing government policy as well as the plans of key stakeholders. A brief extract of the Report is provided below. A copy of the full report is accessible on <http://www.solomonchamber.com.sb/files/reports/SICCI-Tourism-Industry-Report-2008.pdf>

### Rationale for Survey

Tourism has long been touted as having the potential to lead economic development in the Solomon Islands. On many occasions since independence, governments have proposed ambitious visitor number targets, and have always fallen short. There are fundamentals missing that political rhetoric can not influence.

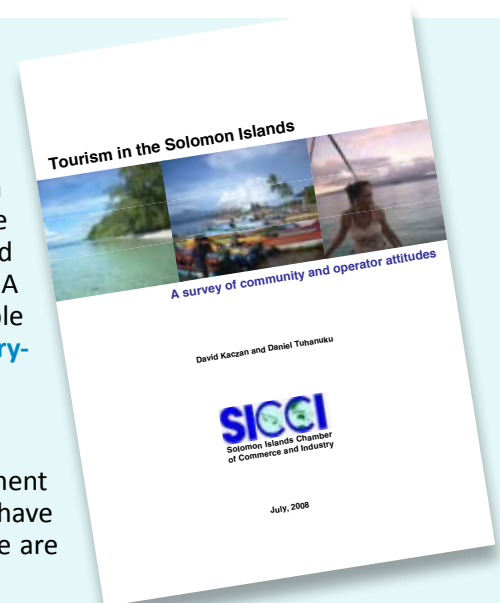
There are a number of proposed government investments that would significantly boost the tourism industry; however it is likely that only a small number will occur. Prioritizing and lobbying for the most valuable of these investments is an important task for the industry.

### Government Position

The Coalition for National Unity and Rural Advancement Government has released a set of policy statements, followed by a 'translation and implementation framework' (CNURA, 2008a, 2008b). The proposals are far reaching and diverse, however little detail is provided as to the means of attaining this ambitious agenda. Of more fundamental importance, the Government makes no mention of a review strategy.

Some of the Government's relevant policy goals include:

- Build a new domestic airport terminal at Henderson Airport, improve domestic terminals at rural airports and



- improve existing rural airstrips (3.v)
- Tar-seal rural airports like Gwaunaru'u, Sege, Nusatupe, Kirakira, Fera, Lata, Tingoa and Taro over the next two years (3.vi)
- Construct an international airport in Western Province (3.vii)
- Increase accommodation by 100 beds per year (5.d.i)
- Aggressively promote Solomon Islands with a view to increase the number of visitor arrivals to 30 000 by 2010 (5.d.ii)
- relevant Acts/Legislation to better support and facilitate the protection and development of this sector with maximum benefit to Solomon Islands (5.d.iii)

The Department of Infrastructure Development has responded with a set of proposals, including:

- Sealing of two existing airfield runways at a cost of \$2m

### Visitor Characteristics

The Ministry of Culture and Tourism and the SIVB have published details on the flow of visitors (Ministry of Culture and Tourism, 2007). Total expenditure by visitors is estimated at \$135m, and most visitors (65%) come for business purposes. Total visitor numbers from Nov 06-Nov 07 are 13 232, of which 2779 were 'recreational' tourists. Australia is the dominant market (43%). The Solomons' share of the total South Pacific visitor numbers (1 173 620 in 2004) remains less than 1%.

**Table 1: Total visitor numbers for the Solomon Islands, and percentage of total Pacific visitor numbers**

1999	2000	2001	2002	2003	2004	2005	2006	2007
17,395	10,134	3,418	4,508	6,000	6,000	9,400	11,482	13,232

Source: 1999-2004 - South Pacific Tourism Organization estimates in AusAID (2007); 2006 - National Statistics Office (2008) (\*based on Apr-Dec only); 2007 – Ministry of Culture and Tourism (2007)

## Australia Affirms that pacer plus is for Solomon Islands Benefit

The Department of Foreign Affairs and Trade (DFAT) affirms that Australia is committed to PACER Plus negotiations because of the strong believe that this agreement can provide a platform for a more prosperous, stable and sustainable Pacific, which is in everybody's interest.

Australia has committed to negotiating PACER Plus in a way that ensures maximum benefits for Pacific Island countries (PICs) by focusing on Pacific priority negotiating issues. Our objectives, as agreed between Trade Ministers across the Pacific, are to:

- increase trade and economic opportunities for PICs,
- ensure a flexible approach that recognises the different sizes and stages of economic development of the PICs,
- provide capacity building assistance to PICs, and
- ensure consistency with World Trade Organization provisions.

Australian offers of capacity building and trade development assistance are meant to ensure these benefits are realized - the money is on the table.

The Australian Department Foreign Affairs and Trade (DFAT) has been encouraging the Solomon Island Government since May 2009 to take up Australia's offer for funding of AUD65,000 under the Trade Research Initiative to conduct research on the implications of a PACER Plus agreement for Solomon Islands and to better inform Solomon Islands approach to the negotiations. This research is important to determine, among other things, the key priority tariff negotiations for Solomon Islands and the requirements for phased implementation of tariff reductions, to ensure businesses have the time and receive the assistance they need to prepare for and to benefit from trade liberalisation.

DFAT insists that there really is no template or a standard agreement in place, thus the reason it is so important for the Solomon Islands and other PICs to actively engage in the negotiations with Australia and New Zealand. It is important that the negotiations are well informed, proceed in a timely manner and produce the best outcomes for Solomon Islands and PICs as a whole.



## **New Malaita Magistrates' Court officially opens in Auki** Courtesy of RAMSI Media

A joint project between the Solomon Islands Government and the Regional Assistance Mission to Solomon Islands (RAMSI), the new courthouse and buildings represent an important step in improving access to the Solomon Islands justice system for the people of Malaita Province, the most populated area outside of Honiara.

Solomon Islands Chief Justice, Sir Albert Palmer CBE, who officially opened the court house with the unveiling of a carving of the Solomon Islands coat of arms, described it as 'the face of justice' in the country.

"This is where the battle for justice, for legal rights, for the truth and the culpability of a crime can be determined without having to resort to violence or the use of force," Justice Sir Albert Palmer said.

"It is where the rich and the poor, the weak and the strong, the offender and victim, the citizens of this country can come to have their grievances and disputes in law heard on a level playing field by an impartial, independent and objective adjudicator."

The importance of a strong justice sector, in which the new Auki Court House would play a crucial role, could not be underestimated in the broader development of Solomon Islands, he said.

## **ADB promoting Women's Economic Empowerment in Solomon Islands**

The Asian Development Bank (ADB) is promoting enhanced opportunities for women in the Solomon Islands economy by conducting a special information and training session on the use of the new, modernized Companies Act.

More than 30 members of the Solomon Islands Women in Business Association (SIWBA) are expected to attend the seminar which will provide participants with tips on how they can use the new Act to help boost their businesses.

ADB assisted the Solomon Islands Government by supporting the drafting of the bill, which was prepared following extensive local consultations in Honiara and the provinces.

During the workshop participants will be informed of the new choices the improved Companies Act presents for women who plan to use a company as a vehicle for business. Once a company is established and running, the new compliance requirements in the Act will ensure lower transaction costs for company owners. More relevant reporting requirements contained in the new Act will strengthen corporate governance.



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#### Review of Australia's Free Trade Agreements: benefits of trade liberalisation

Australia's Department of Foreign Affairs and Trade has lodged its submission to the Productivity Commission's Review of Australia's Free Trade Agreements (FTAs).

The Department's submission discusses in detail the benefits achieved through Australia's FTAs with ASEAN (together with New Zealand), Chile, New Zealand, Singapore, Thailand and the United States. The submission also points to the potential of FTAs currently under negotiation: with China, Japan, Malaysia, the Republic of Korea, the Gulf Cooperation Council, and the Pacific Region through the Trans Pacific Partnership and PACER Plus, to deliver significant additional benefits.

On 30 April, Australian Minister for Trade, Hon Simon Crean MP, welcomed the submission and noted the significant contribution that trade liberalisation could make to economic prosperity.

"Trade is a vital component of Australia's strong economy and trade liberalisation is a sure-fire way to create jobs, boost productivity and lift real wages," Mr Crean said.

The submission also noted the importance of fostering greater international trade and investment opportunities for Pacific island countries through economic cooperation and integration.

Along with trade and investment liberalisation, the proposed PACER Plus agreement would include elements of trade capacity building and trade development assistance to strengthen Pacific island countries' ability to respond effectively to opportunities offered through economic integration (including from significant projects, such as Papua New Guinea's LNG project) and liberalised trade. Negotiations will take into account different country contexts, stages of development, and levels of capacity. Priority PACER Plus negotiating issues comprise rules of origin, trade facilitation, development assistance and regional labour mobility.

#### Reserve Bank of Fiji announces amnesty period for exporters

Today the Governor of the Reserve Bank of Fiji (RBF), the Chief Executive Officer of the Fiji Islands Revenue and Customs Authority (FIRCA) and the Director of Financial Intelligence Unit (FIU) signed a Memorandum of Agreement (MOA) to strengthen collaboration between RBF, FIRCA and FIU in the sharing of information under their respective legislations to detect and investigate discrepancies relating to transfer pricing, false documentation, retention of export proceeds overseas and tax and customs matters.

The Governor, Mr. Sada Reddy, also announced today the introduction of an Amnesty period for exporters who have yet to fully reconcile their outstanding exports receipts with the RBF. The Amnesty comes into effect immediately and ends on 30 October, 2010.

Under the MOA the three Agencies will also ensure that both Exporters and Importers do not engage in transfer pricing. Under the Exchange Control Act, which is administered by the Reserve Bank, exporters are required to repatriate all proceeds from their exports to Fiji within 6 months of the date of shipment.

In this regard, the Governor Reddy added that the amnesty will allow exporters that have fallen behind in confirming the receipts of their export proceeds, to regularise this with the RBF. Exporters are directed to furnish details of their outstanding export details by either providing bank confirmation of the export proceeds, or certification by a Chartered Accountant that funds have been received in Fiji.

Mr. Reddy also strongly advised that exporters correct and amend their income tax return to correctly reflect any under declared export proceeds to FIRCA during this period. Mr. Reddy stressed that exporters that fail to comply within the amnesty period will face legal repercussions. Under the Exchange Control Act, failure to comply with the directive can, upon conviction, result in imprisonment or a fine, or both. The Governor added that "export receipts are too crucial for our balance of payments and our economy."

All enquiries relating to Export Proceeds and Amnesty period are to be made to the Exchange Control Unit of the Reserve Bank of Fiji and those relating to understating of export proceeds in income tax returns to the Taxation Division of FIRCA.



## Freda Unusi

Marketing Manager,  
Solomon Islands Visitors Bureau



- Q** From the point of view of the Visitors Bureau, what potential does tourism have in becoming a major revenue earning industry in the Solomon Islands?
- a** **Freda Unusi:** Tourism has growth potential for development and can become the leading economic sector in the Solomon Islands if the Government can prioritise it as an important ;
- a. means of growing their economic base,
  - b. increasing foreign exchange earnings,
  - c. providing employment and income opportunities to enhance the standard of living of ordinary Solomon Islanders
  - d. It also provides an opportunity for the arts and cultures in communities to be revived.
  - e. Tourism development can create new business opportunities for entrepreneurs of small and medium-sized enterprises.
  - f. Financing infrastructure development can be easily justified even in areas away from main commercial centres.
- Q** How can the Solomon Islands achieve this?
- a** **Freda Unusi:** The Government must take a very proactive approach in policy development and resource coordination. It must provide assistance and consultancy at the local level. It should provide tourism training for operators throughout the country, educating them on best practice standards and principles. It must make direct investment in infrastructure such as airfields, wharfs and roads as well as hotels, resorts and product marketing aspect. It must improve water, energy and telecommunication supply throughout the provinces. These are the things that will allow tourism to develop and better attract visitors to this country enabling them to enjoy our communities.
- Q** Many articles on Tourism argue that the Solomon Islands is yet to understand its “tourism story” and the direction it should take in terms of marketing itself as a competitive tourist destination. How true is this statement?
- a** **Freda Unusi:** In a sense this statement is very true. Tourism is a product that must be demand driven. Solomon Islands tourism industry is unfortunately a “product driven” destination (i.e. operators say ‘this is what we have - take it or leave it’) as opposed to a “market driven” destination (i.e. operators say ‘what does the visitor want? Lets tailor the products to meet their needs). It will take a lot of awareness and training for us to change this mentality, but it must be done.
- We cannot sell what we do not have, and we do not have it, because we do not know what it takes to be competitive. A competitive advantage is an advantage over competitors (other destinations) gained by offering consumers “greater value”, either by means of lower prices or by providing greater benefits and service that justifies higher prices. Being competitive has two strands: the cost advantage and differentiation advantage. “Cost advantage” is gained by delivering the same benefits as competitors but at a lower cost. “Differentiation advantage” is gained by delivering benefits that exceed those of competing products at a higher price but superior activities. Almost all operators are not aware of this principle.



## Barney Sivororo

Director of Tourism,  
Ministry of Tourism and Culture

**Q** From an investment point of view, what kind of investments are we attracting and what operations promise the most success in terms of revenue returns?

**a Barney Sivororo:** The main investments are in the accommodation sector, both foreign and local. We have increased constructions of hotels, motels and eco-lodges including the refurbishment and upgrading of existing accommodations. Another area attracting investment is in diving and small scale beach resorts and cruise ship.

There is a need to focus on nature and culture based tourism products and activities such as village tours, bush trekking, bird watching, surfing, game fishing, kayaking. If these things are available, tourist will be able to spend more money, and if local people who are the resource owners are encourage to participate they will directly benefit.

This needs to be supported by a well-established in-bound tour operator who is able to coordinate and create packages with the accommodation and transport service providers. Efforts to get the right investor to develop Anuha into an up market resort is ongoing following the downfall of Sky Airworld which was given the sub-lease to develop the island. The Ministry will continue to work with resource owners who are willing to open up their resources for tourism development in securing investors as in the case of Anuha.

**Q** What are the key stakeholders doing to improve/promote tourism in this country?

**a Freda Unusi:** Government is creating a conducive business environment, liberalizing rules and regulations, providing investment incentives, developing an adequate legislative framework and strengthening the government capacity to negotiate.

**Q** Where does your organization sit in this picture and what are some of the challenges you face?

**a Freda Unusi:** SIVB is the entity set up by an act of Parliament to promote our products in the International arena. Our challenges include

- Researching and creating the best SI brand to sell the Solomon Islands especially after the ethnic tension and riot. Unfortunately the perception in the air is that “it is still unsafe” too visit the Solomon Islands.
- Quality of services provided by operators is a challenge. We need to Encouraging the operators to maintain standards in all aspects such as Customer service, tour guiding, accommodation standards, transfers etc
- Educating our locals operators on marketing principles and how to market their products.
- Solomon Islands in general is considered an expensive destination.
- Help keep Honiara and other urban centres clean because tourism is a clean business
- To get the tourism industry to work together

**Q** Can you describe the support (financial and infrastructural) that government is providing for the development of this industry?

**a Barney Sivororo:** The Government knows that the logging sector will end; alternative industries must be explored and tourism is one that is being prioritised. Since 2008 and for the first time the Ministry of Tourism has received an improved resource allocation in terms of budget, which enable the ministry to undertake a number of key

initiatives including:

- Tourism grants to support potential tourism businesses.
- Skills and capacity building through industry specific training and the development of the School Tourism and Hospitality at the Solomon Islands College of Higher Education.
- Industry and Public awareness on the importance of tourism

The Ministry, with assistance from International Finance Corporation has completed a Tourism Impediments Diagnostic study for the country, which will be officially launched this month. One of the important outcomes of this report is the setting up of a high level Tourism Task Force, which will drive key reform initiatives identified in the diagnostic report.

**Q Can you please tell us a little bit about the number and types of visitors we are attracting into the country?**



**Q What are the major challenges face by the Solomon Islands Tourism industry? How do you think we can address these challenges and progress the industry?**

**a Barney Sivoro:** Major challenges are both internal and global. The first obvious challenge is the effect of the global financial crises and the relationship with a drop in visitors. But some global issues play in our favour, for example the shifts in market demand. Tourists are increasingly environmentally conscious and are looking for destination and experiences that are exotic and authentic. Solomon Islands has some advantage in this and can become the eco-tourism destination in the pacific. We need to conduct ongoing market research and be updated with the changes happening outside in order to properly align our products.

Internal challenges are many ranging from political environment to specific tourism infrastructure requirements. What is required is a whole of society commitment towards the development of this sector. It calls for everyone (government, private sector and public) to work together to realize the potential of this sector. A new task force has been formed by the Ministry and we are confident that through the new Task Force the specific constraints and recommended solution identified in the diagnostic report will be taken onboard.

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