Business Beat

Welcome to the Chamber's Newsletter!



SIG - Private Sector MoU....SICCI Board Chair, Jay Bartlett (left), Prime Minister Hon Manasseh Sogavare and Minister of Commerce Industries, Labour and Immigration (MCILI), Hon Elijah Clezy Rore following the resigning of the MoU between SICCI and Government in July. See report inside. Photo: Government Communications Unit (GCU).

Infrastructure is our lifeline

Thursday 20 August, Honiara - SICCI has pitched its support behind the large pipeline of infrastructure projects as being a key factor in the country's economic recovery.

"While the economy is now in recession there are currently around SBD7.5 billion worth of infrastructure projects that are either underway or tabled for the next four (4) to five (5) years.

"Although some of the timeframes may have been extended due to the economic and logistical challenges brought on by COVID-19, we see these projects as vital to driving the recovery of the country's economy and we are encouraged by works already commenced on several fronts," a SICCI statement said.

The statement highlighted the considerable size of these projects including Solomon Water Capital Works (SBD 760M), Tina River Hydropower (SBD 1.95bn), ADB Ports and Road program (SBD 1.115bn), Kukum Highway Phase II (SBD 256M), World Bank Roads and

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Role of the Shipping Exemption Committee



SICCI/RSIPF reiterates call for RTB to meet



SICCI courtesy visit to the Prime Minister



Information Session on Stimulus Package



Welcome

This is the official Newsletter of the Solomon Islands Chamber of Commerce & Industry (SICCI), published and distributed to members and stakeholders after every two months.

It contains updates on all Chamber activities, news, members' feature, interviews, upcoming events and department updates from the Secretariat.

This publication is produced by the SICCI Media & Communications Department.

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Courtesy Visit

Opportunity
to look at
potential export
markets &
build trade
connections

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Masterclass Training

SICCI partners
with PTI Australia
to deliver
'Social Media
Masterclass' for
local businesses

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SICCI signs extension of MoU with Government

Wednesday 15 July, Honiara – The Memorandum of Understanding (MoU) between the Solomon Islands Chamber of Commerce and Industry (SICCI) and the Solomon Islands Government (SIG) was re-signed today (Wednesday 15 July, 2020) for another two years aimed at paving the way for a strengthened partnership between Government and the private sector under the Public Private Partnership arrangement.

The MOU was signed by Prime Minister Hon Manasseh Sogavare, Minister of Commerce, Industries, Labour and Immigration (MCILI), Hon Elijah Clezy Rore, SICCI Chair, Jay Bartlett and witnessed by MCILI Permanent Secretary, Riley Mesepitu and the SICCI Chief Executive Officer (CEO), Ms Atenasi Ata.

The signing ceremony coincided with the launch of the country's 'lumi Tugeda' Campaign at the National Museum Auditorium in Honiara.

"The re-signing of this MoU is again another significant milestone in strengthening the relationship between our Government and Business leaders," SICCI Chair, Mr Bartlett, said.

"This MoU re-establishes a formal, structured public private dialogue mechanism that should allow us to arrive at an agreed position on reform priorities



Minister of Commerce, Industries, Labour and Immigration (MCILI), Hon Elijah Clezy Rore signing the MoU. *Photo: SICCI Media.*

and to develop innovative solutions and policies that are in step with the ever changing domestic, regional and global landscape," he added.

Mr Bartlett said the MoU platform will be the focus for SICCI for the next twenty-four

(24) months and on that note sincerely thanked the SICCI Secretariat, members and affiliates for the continued support to the SICCI Board and its vision to focus on such a framework.

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Aviation Project (SBD 451M).

"There are also the bilateral agreements with Development partners such as the Stadium and construction works proposed for the 2023 Pacific Games which total to an approximate SBD2.5bn.

"Other planned State-Owned Enterprise Capital Works programmes, National Provident Fund and potential construction for residential and commercial estate developments are also not captured in this picture," the statement added.

However, whilst supportive of the ambitious infrastructure spend, SICCI also urged the need for caution and planning.

"These are large scale projects which are either planned or have commenced.

"We would encourage the Government and relevant authorities to ensure there is sufficient local content to enable the economic benefit to remain inside Solomon Islands. Any essential expertise from offshore should be landing in Solomon Islands as soon as possible," the SICCI statement continued.

"There also needs to be a firm handle on inflationary pressures as a result of the increase in demand for certain trades and contractors.

"In addition, there needs to be recognition of the productivity challenges for the rest of business in the country and in this regard, Government planning is paramount," the Business Chamber said.

SICCI further noted how properly executed infrastructure would be essential to the rebound of the Agricultural sector, which also needs to play a significant part in the economy's recovery and sustainability.

"There are two significant hurdles to an Agricultural rebound.

"The first is connectivity and the second is the lack of scalability due to limitations

on land holding. However, agriculture is a key sector for the country and whilst we do see certain domestic consumption opportunities, we also see scope for increasing our internationally transportable commodities such as cocoa and coconut."

Finally, the SICCI statement highlighted that banks and financial institutions also had their part to play in ensuring funds are made available for the Agricultural sector.

"Agriculture supports some 80% of the population however only attracts 1 to 2% of total bank lending.

"We trust the major banks will increase their support to this sector, complemented by players such as the newly formed DBSI who could capitalise on an opportunity to fill any gap in the market not serviced by these majors," the SICCI statement ends.

SHIPPING EXEMPTION COMMITTEE: Protecting against COVID-19 while looking after the economic health of Solomon Islands



Sunday 19 July, Honiara – With Honiara the only Port in Pacific quarantining cargo ships and marine tankers at this point of time, the Solomon Islands Government's Shipping Exemption Committee is mindful of the economic impacts.

The Shipping Exemption Committee is working hard to find the balance between maintaining Solomon Islands' COVID-19 free status while at the same time avoiding further pressure on the economy when implementing measures.

Secretary to the Prime Minister and Chairman of the Government Oversight Committee's Shipping Exemption Committee, Dr Jimmy Rodgers explains the role of the Exemption Committee and its importance during a recent interview with the Media and Communication Department of the Solomon Islands Chamber of Commerce and Industry (SICCI).

The Exemption Committee's role is two folds. The primary responsibility is to make sure the country is protected from COVID-19 infection and secondly to make

sure we look after the economic health of the country and that we do not pass on unnecessary cost to the consumers that are already under pressure economically. This involves a process where ships receive an exemption from the quarantine requirements, when the risk of COVID-19 transmission is very low or non-existent.

"We all know that Solomon Islands rely on outside trade from overseas mostly through cargo ships and we also rely on petroleum products coming on tanker vessels," Dr Jimmy said.

"At the beginning of this process we did not know enough about COVID-19, so we quarantine everything that comes into the country. What that means is some of the cargo ships lay idle outside our international port and they lose business and they start to pass their costs on us for every day they are delayed," he explained.

The quarantine periods imposed on shipping vessels - justified due to our COVID-19 testing and response systems - unfortunately has meant that shipping lines passed on these costs to the importer, or the consignee. Mandatory observation of the 14-dys quarantine period is rare in other regional countries.

The end effect is that goods and supplies then become more expensive for ordinary Solomon Islanders.

Dr Jimmy acknowledges that these ships pay a substantial amount of money to come into the country such as to SIPA Ports, and that is why delaying them is not good for business.

"If we unnecessarily delay these ships then they pay us on the one hand but they charge us fee for delay.

"So, it's not very good for the economy which is why the Exemption Committee is doing a job that not only keeps the country safe but also to keep our economy rolling," he said.

Extra costs that shipping companies charge due to quarantine-related delays, reached US\$250 per 20-foot container and US\$120 per 14-foot container. In the case where a cargo ship comes in with

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200 containers, you multiple those in US dollars and then convert to Solomon dollars, and that is the cost that is passed on to consumers.

Dr Jimmy stressed that it is also not fair on private businesses to meet the fees that are charged for delay due to quarantine requirements.

"Obviously if private businesses have to pay [additional costs due to delays], they pass on the cost to consumers. The consumers are the people the Government is wanting to protect from COVID-19 and also from high prices."

According to a recent survey conducted by the Solomon Islands Chamber of Commerce and Industry (SICCI) on businesses, thirty-seven percent (37%) of respondents stated that the quarantine period for ships had delayed their cargo.

A further twenty-eight percent (28%) stated that the quarantine period has added costs to their business. In terms of export and import during the State of Public Emergency, thirty-three percent (33%) of businesses surveyed are seeing reduced volume. Only twenty-one percent (21%) are trading the same volume as before.

The Chamber is involved in the exempting of shipping vessels, as a member of the Shipping Exemption Committee.

To date, the Chamber has been raising and relaying to the National COVID-19 Oversight Committee the impacts of the travel restrictions currently in place as it affects movement of goods and supplies into the country.

The Exemption Committee has done an assessment of all Ports in the Pacific and found out that at this point in time Solomon Islands is the only country that is quarantining cargo ships and marine tankers

Chairman, Dr Jimmy said this is why Solomon Islands is the only country in the Pacific these shipping companies are charging fees to, if there is a delay due to quarantine.

"Some of the countries under there State of Public Emergency, cargo ships and tankers are exempted from quarantine as they focus more on safety and protection as opposed to quarantining.

"For Solomon Islands, we do have a quarantine requirement, which means ships don't just come in as and when they want, there is a limited requirement but the Exemption Committee looks at all these applications to make sure there is a win-win outcome, for the shipping companies, for the country, for the private sector and win for our consumers," Dr Jimmy said.

It is understood that the latest shipping protocol now defines countries into three tiers with attached quarantine periods.

If the ship originates from a Tier 1 country, the mandatory fourteen (14) days quarantine period can be exempted to five (5) days. If coming from a Tier 2 country, the mandatory quarantine period can be lessened to nine (9) days. However, if coming from a port in a Tier 3 country, the 14-days isolation period as quarantine stands

Some of the countries in Tier 3 countries include hot-spots such as China, Japan, Singapore, Malaysia, Thailand, Indonesia and Philippines. Our Pacific neighbours, PNG, Fiji, Vanuatu, New Caledonia, Tonga, Nauru and Kiribati are in Tier 1, for comparison. Australia and New Zealand are in Tier 2.

Solomon Islands' transhipment Port is mostly from Lae in Papua New Guinea and it takes three-five days sailing time which means if ships are coming directly from there, they can apply for up to two days exemption.

Dr Jimmy said this is where the Exemption Committee is quite important in making sure that no unnecessary charges are passed on where the safety considerations are not threatened.

"The next thing I do as Chairman is look at the ports outside of PNG. Where did they sail from? If the ship sail from Brisbane then the normal quarantine time for Australia is nine days. When leaving Australia, what port did it leave from. Consideration on the different states depending on their COVID-19 status.

"We don't just look at sailing time form PNG to Solomon Islands, but also other ports the ship been to," he added.

All ships, regardless of their last port of call, have to produce and submit a total of seven documents to the Comptroller of Customs when applying for exemption who then forwards them to the Exemption Committee to decide on whether to grant exemption, and the number of days, or to decline.

The SICCI Chief Executive Officer (CEO), is also a member of the Exemption Committee representing the private sector.

"All ships so far have also submitted as part of their paperwork, the measures that shipping lines are implementing such as steps to minimise person-to-person contact maybe maximising mechanisation of their process, and sanitisation/sterilisation practices."

"From our observation too, the shipping lines are very conscientious with their COVID-19 protocols, and it is encouraging as they seem to be doing their bit to continue carrying our goods and supplies, albeit at slower pace than before the global pandemic," Ms Ata said.

The clearance depends on an assessment of documents showing where the ship originated from and its ports of call (in the past 21 days) enroute to Solomon Islands. Also included in the documents are health data (daily temperature of crew), crew information and cargo manifest.

Dr Jimmy said where there is a real risk of COVID transmission, the Exemption Committee will have to consider the risk first.

"Regardless of any economic hardship, if there is a risk with any particular ship then no exemption will be provided. So, there is that fine balance which the Exemption Committee is looking at," he said.

Dr Jimmy acknowledges that it is good having a representative of the Chamber of Commerce on the Committee.

"The private sector is included because all these cargos that come in for our people to purchase, they come from the private sector. We want to ensure that private sector is represented so that their interest is considered in the decision-making process," he said.

He clarified that the Committee only deals with ships that request exemption.

The Exemption Committee comprises of two groups of people. The Core group are the four agencies that deal with any inspections on ships, Health quarantine, Agriculture (Biosecurity), Immigration (passports and ensuring people coming in are legally permitted) and Customs.

The rest of the Committee is made up of Permanent Secretaries from these Ministries including the Ministry of Infrastructure Development (MID) and the Chamber of Commerce.

 SICCI Media interviewed Dr Jimmie Rodgers as part of our COVID-19 Video Project series. The video is available on our youtube channel and on our facebook page.

COURTESY VISIT....SICCI welcomes business forum, engagement to explore further economic & trade opportunities



SICCI Board Members and CEO held discussions with Counsellor Yao Ming, of the Chinese Embassy in Solomon Islands during the courtesy visit. *Photo: SICCI Media.*

Thursday 13 August, Honiara – SICCI made a courtesy visit to the Chinese Embassy in Honiara on Thursday 6th August in response to an invitation from Counsellor Yao Ming, Acting Head of the Chinese Embassy in Solomon Islands.

This was an opportunity to look at potential export markets and building more trade connections.

The SICCI delegation was led by Chairman, Jay Bartlett and included Vice Chair, Ricky Fuo'o, Board Members Qila Tuhanuku, Daniel Tucker, and Hilda Lamani and Chief Executive Officer (CEO), Ms Atenasi Ata.

While the bilateral relationship is new, SICCI noted People's Republic of China (PRC) as an important economic trading partner for many decades for both import and also as the main buyer of exported round logs from Solomon Islands.

"The trade tie between Solomon Islands and PRC is a long-existing one but also quite narrow one as most of it is based on a single export commodity.

"The Chamber believes this recentlyenhanced relationship can open new export markets and is an opportunity that we should be actively exploring.

"There are certainly many opportunities but also concerns about how best we as a country, can manage the business relationships that will result in a win-win for both sides," the SICCI statement said. "As a country we need to work towards broadening our economic base by developing new sectors to create a sustainable and robust economy. An economy that can create jobs and other opportunities for our fast growing population.

"Sectors like Agriculture and Tourism have huge potential to tap into the Chinese market which would help accelerate the growth of our local industry. It is all about finding the right market and the right partnerships hence the intention to facilitate stronger business to business ties between the two countries," the statement added.

As an outcome of the discussions, both parties are planning towards a roundtable meeting between the China Chamber of International Commerce and the SICCI Secretariat.

Another potential activity for SICCI to coordinate is a session on Solomon Islands business regulations with respective Government agencies like the Ministry of Commerce, Industry, Labour and Immigration and Inland Revenue Division (IRD) which potential Chinese investors should know about.

Meanwhile, Acting Ambassador Yao Ming conveyed an invitation for Solomon Islands businesses to participate in the Third China International Import Expo (CIIE) to be held between 5-10 November 2020, in Shanghai.

Maintaining customers, cash flow identified as main challenges

Friday 3 July, Honiara – Maintaining customers and cash flow to maintain employees and their operations are the main challenges businesses currently face as a direct result of the COVID-19 global pandemic.

Business and industry also indicate that at least 580 workers have been temporarily laid off.

This was highlighted in a second survey the Solomon Islands Chamber of Commerce and Industry (SICCI) conducted on businesses in its efforts to identify key challenges faced by businesses resulting from the global COVID-19 pandemic although no case has been registered yet domestically.

The survey was conducted with sixty-four (64) businesses and the majority of the responses (47%) were from Small and Medium Enterprises (SMEs) employing less than twenty (20) employees. Surveyed businesses come from all sectors except for Alternative Energy, Automobile Parts, City Councils, Diplomatic Organisations, Industrial Goods and Services, and Security Services.

Twenty-Six (26) percent say their customer and clients base have been affected and demand is lower than normal while twenty-Two (22) percent identified cash flow as the main challenge in maintaining staff and

operations is inadequate.

Other challenges identified in the survey included travel restrictions; business partners have been badly affected and are not operating normally; suppliers are unable to provide inputs; difficulty in loan repayments; and workers are absent from work due to illness or Government orders.

The survey revealed that six percent (6%) of respondents are not operating. A quarter (25%) are operating partially and five percent (5%) are operating fully but remotely.

Survey highlights businesses' reaction to Shipping quarantine

Friday 3 July, Honiara – There have been mixed reactions from businesses who participated in the latest Solomon Islands Chamber of Commerce and Industry (SICCI) survey in regards to shipping quarantine period at the country's main international port in Honiara.

A total of sixty-four (64) businesses participated in what is the Chamber's second enterprise survey in response to the COVID-19 global pandemic which closed on 26 June 2020.

Thirty-seven percent (37%) of respondents stated the quarantine period for ships had delayed their cargo. A further twenty-eight percent (28%) stated that the quarantine period has added costs to their business.

The Chamber is involved in the

exempting of shipping vessels, as a member of the Shipping Exemption Committee, from mandated quarantine periods which currently depends on the COVID-19 status of their last port of call.

To date, the Chamber has been raising and relaying to the National COVID-19 Oversight Committee the impacts of the travel restrictions currently in place as it affects movement of goods and supplies into the country.

There is a new shipping protocol 3.0 developed under Gazette No. 61 which states how the Oversight Committee, through its Shipping Exemption Committee considers requests for exemptions from mandatory quarantine periods.

In terms of export and import during the State of Public Emergency (SOPE), thirty-

three percent (33%) are seeing reduced volume. Only twenty-one percent (21%) are trading the same volume as before.

Twenty-one percent (21%) stated that the order 'restricting the movement of vessels and aircrafts' affects their business the most.

The prohibition of entry of non-citizens' order has affected seventeen percent (17%) of the respondents, and sixteen (16%) indicate that the order to 'undergo quarantine period of 28 days' affects their business the most.

Meanwhile fifty-five percent (55%) of respondents disagree about the 28-day quarantine period for people entering the country. Businesses commented that the length is too long and may slow economic recovery.



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SICCI reiterates call for Road Transport Board (RTB) to meet

Friday 14 August, Honiara – The Executive Group of SICCI and the Royal Solomon Islands Police Force (RSIPF) have reiterated their call to the Ministry of Infrastructure Development (MID) to convene the Road Transport Board (RTB).

The Executive Group, established under the Memorandum of Understanding (MoU) signed in 2008, met for the third time this year on Friday 7 August.

Among items on the agenda was a presentation of updates from the Group's Traffic Sub-committee which focuses on finding sustainable solutions to the issue of traffic congestion in Honiara City.

Mr Toata Molea, Honiara businessman and SICCI representative on the Traffic Sub-committee, stressed that their recommendations can only be addressed if the RTB is functioning. "Until the RTB is operating, the RSIPF has no power in imposing penalties when taking control of the traffic management in Honiara City, and that is why we want this forum (SICCI-RSIPF Executive Group) to reiterate our call for the RTB to convene," Mr Toata said.



Toata Molea, Honiara businessman and SICCI representative on the Traffic Sub-committee, presenting an update on the work of the sub-committee during the Executive Group meeting. *Photo: SICCI Media.*

The Sub-committee comprises of the Director Traffic within RSIPF, Mr Fred Satu, Mr Molea and Sir Bruce Saunders representing SICCI (businesses) and representatives from the Honiara Public Transport Association.

It was agreed during the Executive Group meeting that the SICCI Board

Chairman and RSIPF Commissioner will sign a joint letter to the Chairman of the Permanent Secretary of MID requesting the RTB to convene a meeting in order to consider the recommendations made by the Traffic Sub-committee.

SICCI, RSIPF Executive Group convene third meeting for 2020

Friday 14 August, Honiara – SICCI and the Royal Solomon Islands Police Force (RSIPF) hosted their third Executive Group meeting for this year 2020 on Friday 7 August at the Police Headquarters in Rove, west Honiara.

Among the items discussed was the review of the Memorandum of Understanding (MoU) between SICCI and RSIPF under which the Executive Group was established, the convening of the Road Transport Board (RTB), Community Policing, exemption process for businesses in the case of a lockdown situation and relevant updates from the RSIPF for the business community.

CEO, Ms Atenasi Ata presented feedbacks and recommendations to RSIPF on the exemption process for businesses in the case of a lengthier lock-down period due to COVID-19. SICCI Vice Chair, Mr Ricky Fuoo pointed out that there is no clarity on the process of approving and rejecting

exemption applications from businesses

as experienced during the previous



SICCI and RSIPF officials who attended the Executive Group meeting on Friday 7 August.

simulated 72 hours lockdown in June as there has not been any responses to date from the COVID-19 Oversight Committee.

It is understood that the process is that businesses through SICCI will have to apply for exemption to the Oversight Committee within the Prime Minister's Office to operate during a total lockdown period.

The Oversight committee will act as a screening body which will pass on selected businesses for exemption to the Commissioner of the RSIPF who will make the final decision in regards to granting businesses exemption to continue operating during a potential lockdown.

Deputy Police Commissioner, Mr Vaevaso gave his assurance that they have taken note of this concern raised by businesses and highlighted that it is a matter for the RSIPF and the Oversight Committee to improve on once another lockdown is imposed if and when the country records its first confirmed case.

SICCI partners with MCILI to host free training for Business Advisers



Wednesday 22 July, Honiara – With the growing need for quality business advisers, the Solomon Islands Chamber of Commerce and Industry (SICCI) together with the Ministry of Commerce, Industry, Labour and Immigration (MCILI) in July conducted a training for Business Advisers.

These business advisers (the participants) would be supporting development of our country's Small and Medium Enterprises (SMEs).

The half-day training was hosted at Government's ICT Compound in Lengakiki Ridge, east Honiara.

The training, which was free of charge for participants, included a presentation on the Micro-Small Medium Enterprise (MSME) framework that has been developed by the MCILI as well as compliance and relevant legislations applied to MSMEs and in particular, those wanting to become Business Advisers.

SICCI Membership and Services Officer, Ms Naomi Mara said the training also raised basic understanding of the key competencies for Business Advisers, and how Business Advisers can benefit from its partnership with Business Link Pacific (BLP).

SICCI recently signed on with BLP, a private sector development programme funded by the New Zealand Ministry of Foreign Affairs and Trade (MFAT). BLP assists Small and Medium sized businesses across a range of sectors to access support from high quality, and approved business advice service

providers in the Solomon Islands.

"We are pleased to partner with the Ministry of Commerce in delivering this training, as it translates a wish of the SICCI Board to continue serving our SMEs who make up seventy-percent of our membership," Ms Mara said.

"At this time, companies and industry focus is mainly on surviving the tough business conditions being faced now, as such, this training was timely," she said.

Ms Mara said the participants understood the Government direction for MSME development in the country and they are aware that SICCI with this Business Link Partnership can be an immediate avenue to realise their urgent needs.

"We welcome queries from SMEs within our membership as well as outside of it.

"There are specialists available for SMEs to tap into if they would like to prepare their financial statements, plan their resourcing needs and so forth.

"It can be advice in areas of commercial law, in preparing business continuity plans, in preparing for negotiations for bank loans or government support, or if they want to better articulate cashflow goals and stresses as well as human resource management advice," Ms Mara said.

The SICCI Chief Executive Officer (CEO), Ms Atenasi Ata also commends the Ministry of Commerce, Industry, Labour and Immigration on going ahead with the implementation of its SME related work.



SICCI Courtesy call to PM presents business concerns and discusses ways to manage COVID-19 impact on businesses

Friday 24 July, Honiara – SICCI met with the Prime Minister and his senior staff on Friday 24 July to present business concerns and also engage on managing our economy's recovery from COVID-19 impacts.

From the Chamber side, the SICCI Board was represented by the Chair, Jeremy Bartlett, the Vice Chair, Ricky Fuoó and SITCO General Manager, Kazi Mushfiqur Rahman as Chair of SICCI's Manufacturing Industry Working Group (MIWG). The SICCI Chief Executive Officer (CEO) was secretary to the discussions.

The discussions covered topics such as the MoU recently renewed between SICCI and Government, and the intention for the Chamber's advocacy platforms the Building and Construction, and the Manufacturing industry working groups.

The meeting also heard how the ongoing global pandemic is impacting on our companies and industries.

"The long-term advocacy goals for SICCI from its membership, is addressing barriers to business growth in the country such as cost of doing business, and reforms to our tax system, as well as the effective implementation of our laws and regulations. We urge that these enablers for private sector growth are not forgotten," SICCI said in a joint media statement.

In relation to the appreciation of business hardships, the statement was confident that the message was wellreceived.

In response, Prime Minister Hon



(From left to right) SICCI Vice Chair, Ricky Fuoó; SITCO General Manager, Kazi Mushfiqur Rahman; Prime Minister Hon Manasseh Sogavare; SICCI Chair, Jay Bartlett and SICCI CEO, Ms Atenasi Ata. *Photo: SICCI Media.*

Manasseh Sogavare said SICCI will be invited to closely participate in Government policy redirection during this COVID 19 period.

Acknowledging the important role private sector plays in Solomon Islands, the Prime Minister said: "The 2021 Budget presentation will be delayed to early next year because after the Parliament meets to extend the State of Public emergency next week, it will basically be redirecting priorities. There will be lots of areas that needs improvement. We will have to closely involve SICCI in these processes."

The SICCI Board left the meeting, feeling abit more optimistic that there will be due consideration given to these red flags for our economy, when Government undertakes its reprioritisation of the national budget

for 2020, and in preparing for 2021 budget.

"The private sector, the businesses and companies who have been here through the country's ups and downs, will strive to endure but in order to keep their doors open and workers engaged meaningfully, any stimulus measure must balance where interventions are intended to keep afloat, and where it is made, to stimulate new productivity.

"We will keep raising the experiences our members are facing so that legal, policy solutions are arrived at, fully informed of the risks to livelihoods of business owners, the workers and the many many households and communities who rely on them," the SICCI statement said.

SICCI updates PM on recently established working groups

Thursday 30 July, Honiara – Prime Minister Hon Manasseh Sogavare was updated on the work and objectives of two industry working groups recently established under the Solomon Islands Chamber of Commerce and Industry (SICCI).

This was during a courtesy visit on Friday 24th July.

These two working groups are the

Building and Construction Working Group (BCWG) and the Manufacturing Industry Working Group (MIWG).

The BCWG will provide a platform for informed, expert discussions to formulate SICCI positions on measures that can be considered by Government and development partners relevant to the building and construction industry in Solomon Islands.

SICCI Vice Chair and member of the BCWG, Mr Ricky Fuoo highlighted to the Prime Minister that key focus for the BCWG are the National Building Code for Solomon Islands (NBCSI) and the Infrastructure Management bill.

"As a Chamber, we have taken this step in light of the major infrastructure developments that are expected to

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SICCI Vice Chair Ricky Fuoo updating Prime Minister Hon Manasseh Sogavare on the Building Construction Working group during a courtesy call to the PM last week. *Photo: SICCI Media.*

happen in our country and of course, especially at a time when we work towards hosting the 2023 Pacific Games.

"Further to that, we see it necessary that now is the time to push and ensure that we have building codes legislated under the Infrastructure Management Bill. This will ensure that materials used and our buildings are up to standard and in doing so we ensure safety for our people," Mr Fuoo said.

The Infrastructure Management Bill once legislated will ensure that infrastructure in the country is properly managed by the Ministry of Infrastructure and Development (MID). The Bill will also highlight the standards in the National Building Code which MID can enforce in collaboration with the local or provincial governments.

Mr Fuoo said the BCWG will work together with Government agencies and have already met with the MID, the Honiara City Council (HCC) and the Ministry of Lands.

Meanwhile, General Manager of Solomon Islands Tobacco Company Limited (SITCO) and member of SICCI's Manufacturing Industry Working Group (MIWG), Mr Kazi Mushfiqur Rahman, who accompanied the Chamber delegation during the courtesy call, also took the opportunity to update the Prime Minister on the work and objectives of the MIWG.

"The MIWG aims to provide a platform for informed expert discussions focusing

in the harmonization of administration, compliance and enforcement in industry."

"We will bring these expert views and experiences, to positions on measures that should be considered by Government and its partners relevant to the manufacturing industry.

"This will ensure that local companies are not disadvantaged and local jobs are protected and will be a resource for Government and development partners to draw on when advancing and implementing policies impacting on the manufacturing industry in Solomon Islands," he said.

Prime Minister Hon Manasseh Sogavare congratulated SICCI for the establishment of the two advocacy platforms the Building and Construction, and the Manufacturing industry working groups.

"There are heaps of things that needs to be put right and introducing the building codes is one of the painful decisions that needs to be taken if Honiara City is to be facelifted," the Prime Minister said.

Discussions also covered the recent MoU renewed between SICCI and Government and how the ongoing global pandemic is impacting on our companies and industries.





Name: Hilda Lamani Title: Manager

Company: Star Supplies Company

Hilda holds a Bachelor of Commerce Degree in Accounting and Business Law from the University of Southern Queensland and Diploma of Commerce from Queensland Institute of Business and Technology, Griffith University.

She currently serves as a board member of the Pacific Islands News Association (PINA) representing Print Media 2019; previously served as treasurer of the Saint Andrews Anglican Church Board, Brisbane in 2015.

Vision for the Chamber

"My vision is to assists strongly SICCI in networking, connecting and growing relationships with more Solomon Islands business owners. Also, commitment to the SICCI board to be the voice of business for our people, professionally increasing the standard of more resourceful operations. In addition, I would like to help SICCI address some issues in the business field by collaborating with business owners, local and overseas and the government for deeper insights into economic opportunities or investments for Solomon Islands."

PS Finance present update on implementation of ESP at Business Breakfast event

Tuesday 21 July, Honiara – SICCI, on behalf of its members, hosted its first Business Breakfast Information Session this year, 2020 on Thursday 16 July 2020.

The event featured a keynote presentation by the Permanent Secretary of the Ministry of Finance and Treasury (MoFT), Mr McKinnie Dentana.

More than sixty (60) business representatives and members of the private sector attended the event to hear Permanent Secretary Dentana present an update on the implementation of the Solomon Islands Government's Economic Stimulus Package.

SICCI sees that the implementation phase of this Stimulus Package is of utmost importance in ensuring that the package meets its intended purpose and targeted beneficiaries.

"In March earlier this year, SICCI presented its first position paper on immediate measures that Government should consider to help businesses stay open and protect jobs for Solomon Islanders," said the Chief Executive Officer (CEO), Ms Atenasi Ata.

"The key messages then were to ensure that business and industry were monitored and impacts were being relayed; ensure payments were maintained to safeguard cashflow; reducing payment days under future contracts and prioritising local content wherever possible with all national projects.

"In April, SICCI presented a series of recommendations for Government to consider in developing the Economic Stimulus Package.

"This was for 20% reduction to tariffs for 6 months; maintenance of Government payments; reducing business costs; tax relief measures such as recalculation of provisional tax, tax liabilities to be delayed, penalties waivered; specific support action for Small Medium Enterprises (SMEs) and NPF employer contributions," she said.

The SICCI CEO confirmed that the Economic Stimulus Package announced in May reflected most of these requests – electricity to be reduced although only to 16%; business costs were considered resulting in Ports charges for domestic berthing and entry at Ports removed for



Permanent Secretary of the Ministry of Finance and Chairman of the Stimulus Package Committee, Mr Mckinnie Dentana updating members of the business community on the implementation phase of the package. *Photos: SICCI Media.*



Businesses representatives that attended the Business Breakfast.

two (2) months; NPF relief on surcharges; tax relief through removed penalties and delayed lodgements.

The Chamber also commended the additional measures in the ESP like tourism tax holiday; special reliefs for rental and utility cost subsidy; and bringing forward development partner programs and investments that has greater local multiplier effect.

PS Mckinnie Dentana in his presentation explained the objective of the Economic Stimulus Package being to ease the fallout of the COVID-19 global pandemic on businesses and the general population and to help keep the

economy afloat.

Mr Dentana is also the Chairman of the Economic Stimulus Package Committee.

He confirmed that ESP implementation has commenced with stage one focusing on the agriculture, fisheries, tourism and forestry sectors.

He said this is to assist the productive sector players to maintain production output at all levels of the production chain, to ensure the local economy remain active.

Stage two of implementation has also commenced with equity injection into

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Kathy Nori from Lofo Kava directing her question to the PS during the event.

SOEs Solomon Airlines, Solomon Water, and Soltuna as well as KFPL.

Mr Dentana said third stage of implementation is the tendering out of three major infrastructure projects around the country including bridges and wharves.

He assured members of the business community that local contractors will be engaged in this stage of implementation which will also see the participation of local skilled workers contributing to the local economy.

Regarding Government's position, he assured all present that Government was on track with its commitments to businesses especially for landlords who owned properties rented by Government. Regarding non-payment of contractors, he clarified that regardless COVID-19 situation, Government's procurement processes still remains and is not relaxed.

Other questions raised in the interactive session was on the possibility of market access for fruits and vegetable farmers in terms of export which seems to be currently focused on cocoa and coconut as well as kava.

There was also an observation that cocoa and copra subsidy although well-intentioned, was also leading to supply-chain disruption. In that producers were now focusing on copra only and not the other products from coconut. It was pointed out that over the medium term, this disruption in supply would affect



Don Keli of Jedom Organic Fruits raised a question on the possibility of market access for fruits and vegetable farmers in terms of export.

existing export demand.

The final stage of implementing the Economic Stimulus Package will only commence after closing date for applications from the provinces which has been deferred until the end of July.

Your Chamber in Brief

SICCI connects with PIMEU

The SICCI Secretariat on Tuesday 25 August was fortunate to be invited to present on the objectives behind the MOU that was renewed in July with Government. The PMO were represented by Caucus, Cabinet, and policy personnel who were briefed on the history of the SIG-Private Sector Advisory Group from 2017 to date, and the intentions for the next two years.

Advisory Group Meeting

SICCI representatives met with high level officers from Government at the SIG-Private Sector Advisory Group meeting on Thursday 13 August, 2020. Discussions were positive with two important outcomes. (1) The inclusion of the private sector through SICCI in the Budget Process and (2) the endorsement for the formation of a Taskforce that will deal with issues facing the Manufacturing industry. The next meeting is planned for 7 October, 2020.

BCWG

Undersecretary of the Ministry of Infrastructure and Development (MID) has joined SICCI's Building Construction Working Group (BCWG) as an observer. The Undersecretary will be able to update the group on the progress of the Infrastructure Management Bill (IMB) in terms of consultations. In addition, updates will also be given on the work by MID on the Building Code.

Tough conditions for employers

SICCI reminds leaders and general public on the hardships that business and industry are facing at this time of State of Public Emergency (SOPE)
SICCI reiterates that as a country,
Solomon Islands and especially leaders, must be well-informed to arrive at the right balance between the health of our communities and economic impacts

'HCC should reconsider all its expenses and be more disciplined': SICCI

Thursday 23 July, Honiara – While businesses operating in Honiara City are required to comply with all obligatory rates and charges imposed by the Honiara City Council (HCC) especially during this time of economic hardship, the Council too must be more disciplined with its revenue expenditure and how it delivers its services.

This was the common concern raised by business representatives, mostly those operating in Honiara City, during an Information Session with HCC hosted by SICCI on Friday 17 July in Honiara.

City Clerk, Mr Rence Sore was the key presenter during the Information Session.

In his presentation, the City Clerk highlighted that in the first quarter of 2020, the HCC has seen revenue of SBD\$6.2 million mostly from Business License. However, their expenditure also increased by \$5.8 million in the first quarter, this in addition to the budgeted of \$9.7 million bringing it to \$15.5m in total.

In a statement released on Thursday 23 July, 2020, SICCI said if the City Council wants to ensure that its revenue sources do not close their doors then it should be open and be more understanding of the plight of business now, and also reconsider all its expenses to be more disciplined.

"Business confidence is very low at the moment – our members are facing cashflow difficulties to meet their operational costs (wages and rental etc), and most of them do not have deep pockets to tide them through this time.

"Most are private capital, most are family-owned, and most are looking for



City Clerk, Mr Rence Sore delivering his presentation during the Information Session hosted by SICCI for its member businesses. *Photos: SICCI Media.*

financial aid to cope. The livelihoods of our communities are at stake – as wage earners, and as owners of small to medium sized businesses," the SICCI statement said.

From the presentation on the HCC 2020 Budget and implementation to date, it was apparent to businesses that HCC is servicing inherited arrears from utility bills with Solomon Water, Solomon Power and Telekom, all of which were incurred by the last executive.

Despite this, the SICCI statement notes that there continues to be business as usual in regards to spending.

"The Chamber encourages that the HCC executive and administration be pragmatic.

"There should be evidence of plans for decreased revenue through its property rates, and business license fees in light of the very real cashflow stresses being faced right now," the SICCI statement continued.

The businesses present at the Information Session expressed appreciation for the City Clerk, Mr Rence Sore and his team in presenting on budget priorities and pressures for HCC.

The ensuing discussions also raised some suggestions for HCC. Some topics covered HCC needing to maintain its essential basic services such as waste collection for businesses along feeder roads not only to those along public roads, as well as well-executed enforcement of its ordinances.

The Chamber looks forward to informing the Council in more concrete formal submissions, when it reviews its plans and priorities for 2020, projection for SICCI activities in 2021.



SICCI members took the opportunity to network with staff from HCC during a networking session.



City Clerk, Rence Sore having a conversation with the Heritage Park Hotel General Manager and SICCI member during the networking session after the main presentation.

Driving business through Social Media

SICCI partners with PTI Australia to deliver 'Social Media Masterclass' free for local businesses



Wednesday 5 August, Honiara – To help local businesses take advantage of the growing digital market, Pacific Trade Invest (PTI) Australia partnered with SICCI to deliver a free Social Media Masterclass training in Honiara on Tuesday 4 August 2020.

In addition, with the COVID-19 global pandemic highlighting the importance of digital connection in a first for SICCI, this training was conducted via zoom.

Participating local businesses were taught about how to set up social media counts and use content marketing and advertising to grow their business and carry out successful marketing campaigns to drive sales.

It was facilitated by Heather Porter, a social media expert who specialises in helping businesses grow online by optimising their social media marketing.

SICCI's Export Industry Development Officer (EIDO), Mr Ronnie Golopitu stressed that initially the training was targeted for export-ready and exporting businesses but was opened up due to the high interest from other businesses particularly Small and Medium Enterprises (SMEs).

"Participants were appreciative for this great opportunity to gain better understanding of how social media could help grow their business," he said.

Pacific Trade Invest Australia's General Manager- Exports Jeremy Grennell said



SICCI Export Industry Development Officer (EIDO), Mr Ronnie Golopitu delivering the opening remarks during the Social Media Masterclass.

that social media provides a cost-effective channel to engage international markets especially when physical travel isn't possible.

"Over the last few years there's been a real shift in the trade sector with online platforms creating opportunities for our exporters to access international markets. There's still limited understanding on how to use Social Media for more than staying in touch with friends but to effectively engage to drive sales. PTI Australia's Social Media Masterclass is helping to build the skills of exporters," he said.

Mr Grennell said compared to traditional marketing channels like print, social media allows businesses in the Solomon Islands to reach an international audience at a relatively low cost.

"Our 2020 Pacific Islands Export Survey found that 31% per cent of exporters aren't using online channels due to a lack of skills/expertise, it's a missed opportunity, especially while borders are closed.

"This is why we pivoted PTI Australia's Digital Trade program, so even though we physically aren't able to travel to Solomon Islands we have partnered with SICCI to deliver our Social Media Masterclass via zoom and empower businesses in the Solomon Islands with the tools to use Facebook and Instagram to drive product awareness and ultimately sales," Mr Grennell said.

IRD's Strategic changes, Risk Management Focus highlighted at SICCI Information Session



Wednesday 5 August, Honiara – Members of the business community were given an update from the Inland Revenue Division (IRD) of the Ministry of Finance and Treasury and responses to questions and concerns relating to the administration of tax in the country.

This was during an Information Session hosted by the Solomon Islands Chamber of Commerce and Industry (SICCI) on Friday 31 July where IRD Commissioner, Mr Joseph Dokekana was the key presenter.

The Commissioner provided an update on IRD's Strategic Themes and changes, Revenue and Risk Management Focus and also updated businesses on the Division's COVID-19 Fiscal and Administrative incentives.

Mr Dokekana said their Strategic theme requires IRD to be customer focused, managing risks to improve compliance collection costs and continuously improve the organization and staff capability.

He said a number of changes are in place to support these strategic themes.

"IRD and the Ministry of Finance are committed to continue with tax reform and the first phase of the reforms continued with the Tax Administration Bill which is ready to go to Parliament," the IRD Commissioner said.

It was also highlighted that a number of remedial legislative changes have been made for the last two years to ensure the tax revenue for Government is protected.

This includes withholding Tax regimes (Resident Professional Services, Resident management Services, NR Rental WHT), changes in Personal Income Tax Threshold (\$15,080 to \$30,080.00) and the embedment of a Legal and Policy unit within IRD to begin implementation on a legislative change programme and on time response to legal issues.

Visit our website www.solomonchamber.com.sb to view full article.

IRD concerned with businesses remitting money overseas

Wednesday 5 August, Honiara – The country's Inland Revenue Division (IRD) is concerned with the continuous practice of remitting money overseas by some businesses which causes a huge impact on Government revenue.

According to IRD Commissioner, Mr Joseph Dokekana, IRD has conducted an audit and found that certain businesses (taxpayers) are remitting [sending] monies overseas without paying tax to the Solomon Islands Government.

The audit also found that returns and payments have not been lodged while some businesses are not registered.

Mr Dokekana said one that is of serious concern is the continual remitting of money overseas.

"Some are remitting money as purchases or family support in millions of dollars which are in fact deemed dividends and no withholding tax has been paid on them or they are salaries and no PAYE paid.

"Others are sending money supposedly to purchase goods but it was found the goods have never entered into the Solomon Islands," the IRD Commissioner revealed.

Mr Dokekana said in one case, information showed that more than SBD20 million went out by Telegraphic Transfer (TT) to purchase goods but imports from this particular case were only SBD4 million.

"So, if you are aware of any of these practices, it is in the interest of all concerned to come forward now and make a voluntary disclosure to lessen any penalties that may be imposed," he said.

According to the amount of tax assessed by the audit, revenue collected dropped by \$115, 002, 655 in 2019 as compared to the previous year, 2018.

"We are carrying out an assessment on people who are doing these illegal activities and they are liable to huge penalties. From this assessment the IRD will be able to come up with ways to stop these activities that tax payers are engaged in," Mr Dokekana said.

Tax administrative incentives for businesses

Wednesday 5 August, Honiara – The Solomon Islands Government through the Inland Revenue Division (IRD) is looking at granting tax administrative incentives to businesses that are seriously affected by the COVID-19 global pandemic as part of its economic response plan.

IRD Commissioner, Mr Joseph Dokekana said the objective of this measure is to provide, on case by case basis, tax relief to taxpayers (businesses) facing serious financial hardship or experience cash flow issues due to COVID-19 on production of proof of actual hardship.

"This measure includes temporary deferment of tax payments, instalment arrangement, reducing instalment amount and extending instalment period," he said.

He said only businesses in the tourism sector are entitled to a tax holiday effective for five years starting from the 2020 financial year.

"The Tax holiday incentives for tourism related businesses is provided in the Second Schedule Part I of the Income Tax Act and shall apply in full.

"The incentive includes an exemption from income tax on the income and profits accruing to any tourism investor operating tourist hotels of three hundred or more rooms, tourism resorts of fifty or more bedrooms; or other tourismoriented projects including resorts," the IRD Commissioner highlighted in his presentation to SICCI members.

In terms of provisional tax adjustment, Mr Dokekana said relief is available for businesses in other sectors where circumstances have changed due to COVID-19 and businesses are able to make an estimate or re-estimation of provisional tax for the second, third and fourth quarters of 2020.

"In applying businesses will need to provide details of downturn in sales for the last quarter and evidence of cash flow difficulties including three (3) months bank statement," he said.

For goods tax and duty incentives, Mr Dokekana said normal exemption process application will be applied while a ministerial order will be made to exempt personal protective equipment from goods tax and duties like hand sanitizers, face masks and gloves.

He revealed that automated penalties arising from tax liabilities were switched off from January this year to 30 June 2020 while only manual penalties will be imposed for fraud and tax evasion.

The IRD Commissioner also informed businesses that the deadline for lodging

of income tax returns for 2019 has been extended by three months to the end of June 2020 automatically for December lodgers.

"The due date for income tax payment is to be extended by one month to 31st October or by one month for non-December lodgers.

"For those who may want to have more than three months extension to lodge returns, they will have to apply to the Inland Revenue Division," he said.

Mr Dokekana further highlighted that consideration will be given to reviewing the guidelines on case by case basis of the recovery measure to garnishing of wages, bank accounts and the seizure and selling of assets. These measures can have severe impacts on some taxpayers in the current circumstances.

Meanwhile, the IRD is putting some restrictions on payments released by the Treasury Division in relation to tax debt.

This restriction applies to those who have not paid their tax or have not responded to IRD despite receiving multiple debt notices. It is understood that this restriction also applies to those applying for the Government's COVID-19 Economic Stimulus Package.

Business continue to face financial impacts of COVID-19: Survey

Friday 3 July, Honiara – Businesses continue to face the financial impacts of the COVID-19 global pandemic, according to a latest survey conducted by the Solomon Islands Chamber of Commerce and Industry (SICCI).

A total of sixty-four (64) businesses, a majority of them being Small and Medium Enterprises (SMEs), participated in the survey which closed on 26 June 2020

This is the second survey the Chamber has conducted on its members and the wider business community in its efforts to identify key challenges faced by businesses as a result of COVID-19 considering the important role that businesses play in creating jobs, in long-lasting economic growth, development and prosperity.

Ninety-seven percent (97%) of respondents reported COVID-19 having

a financial impact on their business with forty-seven percent (47%) reported high financial impact.

Further, twenty-six percent (26%) do not have access to any funding to manage this impact.

The survey also reported that financial aid such as interest-free loans, rent/loan/tax holiday remains the main business need during this time.

Although most (77%) did not experience any increase in council rates charged to their business, twenty-three percent (23%) did report an increase while one respondent noted an increase of up to seventy percent (70%).

The survey noted that the Government's Economic Stimulus Package (ESP) is offering some relief for struggling businesses.

The ESP's Soft Measures, a \$25 million allocation for tariff reduction, rental relief

and loan repayment relief, is identified to be the most helpful by forty percent (40%) of respondents.

"Immediate recovery measures (\$70 million) is identified as second most helpful at twenty-seven percent. The medium to long-term support for growth stimulation (\$90 million) is the third most helpful at twenty-three percent" the SICCI survey reported.

Over half of the respondents (57%) state that the general situation of their business is the same since the last SICCI survey whereas, thirty-four percent (34%) report that their general business situation had worsened.

Only nine percent (9%) state that the general business situation for their business had improved since the last survey which was conducted in May 2020.

Know Your Board

SICCI Board Members for 2020/2021



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Hatanga Ltd



Ricky Fuo'o
VICE CHAIR General Manager
TGA



Belinda Botha Owner Operator Dive Munda



Bob PollardManaging Director
Kokonut Pacific Solomon Islands (KPSI)



Craig Gibsone General Manager GPPOL



Hilda Lamani *Manager*Star Supplies Company



Daniel Tucker Country Manager Kramer Ausenco (SI) Ltd



Frank Wickham General Manager NFD



Qila Tuhanuku Marketing & Corporate Manager Solomon Breweries Ltd

Meet the SICCI Team











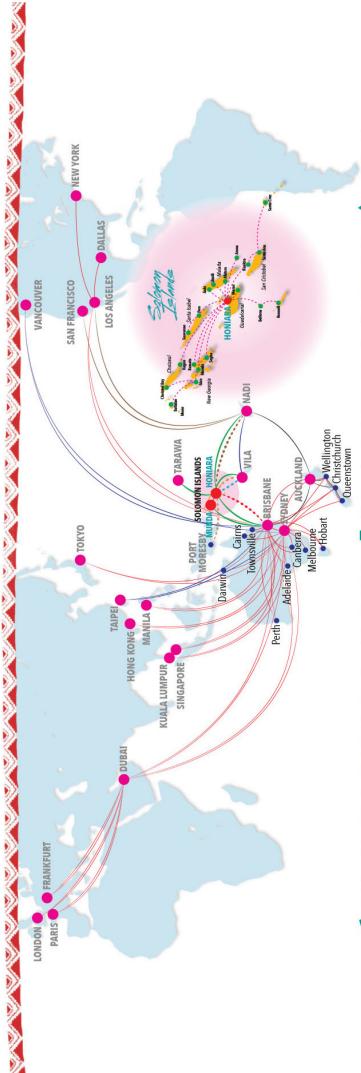












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