

Welcome to the Chamber's Newsletter!

JAN - FEB 2019



Turning coconut oil into cooking oil

Owner of Chottu Coconut Products Limited, Jack Chottu showcasing his samples of cooking oil to SICCI's Export Industry Development Officer, John Paul Alasia. Representatives from SICCI visited Chottu's place in West Guadalcanal in February while attending a workshop on improving quality of copra oil. As explained by Mr Chottu, there is demand in the domestic market as more people start to consider Crude Coconut Oil (CNO) as cooking oil. A feature article on this visit will be included in the next edition of our newsletter.

SICCI
SOLOMON ISLANDS CHAMBER
OF COMMERCE AND INDUSTRY



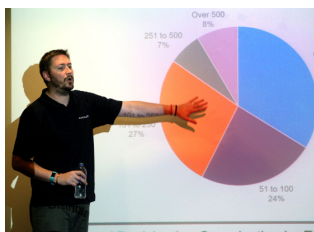
Paralympics
committee
reaches out to
businesses



SICCI
Members
approve new
constitution



Increased
businesses in
remuneration
survey



Private Sector
meets Aussie
Foreign
Minister





Atenasi Ata
Chief Executive Officer

2018 flowed into the new year so seamlessly that it seemed we missed the fireworks heralding in 2019!

Thank you for believing in the vision that is SICCI and its goal of a vibrant private sector.

Since opening the office for the 2019 calendar year of events and happenings, we have hosted information sessions, continued connecting business better with Government and its priorities, and bedding down SICCI's credibility as a representative organisation for private sector.

The activities that have kept us busy in January and this month were a range of meetings, workshops and information sessions.

SICCI in events

The first high-profile event was SICCI attending the ground-breaking ceremony between Solomon Islands Government and Australian Government for the Coral Seas Cable Project. Held at the new ICTSU Building at Lengakiki Ridge as the symbolic site of domestic entry for the project, the project will deliver enhanced internet capacity for Solomon Islands the likes we have never seen before. During that same week, the Chamber was one of few representatives of business community in the country who were invited to have lunch with the Minister Payne. The Minister acknowledged the Chamber's long-standing issues of land reform and infrastructure and was very

engaged on how private sector regards the labour market and the questions of quantity versus quality. I will talk a bit more later about the support that SICCI will be able to provide for members of the Chamber to utilise this enhanced capacity.

We also attended the Marine Litter workshop convened by British High Commission of Solomon Islands. Noting the ongoing huge volumes of refuse that litter our beaches and affect marine life, SICCI attended the workshop to contribute to the call on Government to better resource and manage the collection, treatment and disposal of solid wastes. The partnership with Government entities especially Ministry of Environment continues and will likely be explored for national litter-related campaigns.

Advocacy on business concerns

On the advocacy side of things, the Chamber has started reconnecting with key Government partners through the Private Sector Advisory Group, and the RSIFP Working Group. Building on the excellent start of engagements with Government through the MOUs signed in 2017, the Secretariat will continue meetings and dialogue based on the SICCI vision of vibrant private sector that delivers jobs and growth. By nature of our membership base and based too on our effectiveness in facilitating Government-Private Sector discussions on business concerns, the Chamber is a member of key national bodies. We continue to take a long-term view of these investments in time and effort. We will document commitments made by both Government, and by private sector such as represented by the Chamber and/or member companies. We will make sure that discussions are focused on the areas identified in the SICCI Strategic

Plan of corruption, land reform, infrastructure and development of new sectors. The first meeting for the PSAG will be on 5th March, and the RSIFP Working Group on the 6th March. There will be updates from each in time so please look out for our emails.

Tax Administration Bill: The Secretariat also worked with the Commissioner of Inland Revenue to convene a consultation with SICCI member companies. On the 6th February the Commissioner of Inland Revenue walked the Tax Experts Working Group through the objectives and components of the TAB. The Secretariat is compiling the collective feedback of the TEWG to be submitted by the end of the month.

There are 3 main issues highlighted during the consultation with SICCI members on the draft Tax Administration Bill (TAB). The first is to do with Tax agents. One feedback from the consultations was that the Institute of Solomon Islands Accountants (ISIA) should be given the mandate to qualify or disqualify Tax agents instead of leaving it to the Commissioner alone. Moreover, being a member of ISIA should suffice to qualify one as a Tax Agent. Secondly, there is more need for transparency where the Commissioner should seek advice from a panel of advisors for the purpose of discharging her/his functions. Decisions on tax matters should be done in consultation with this panel of advisors. Lastly, to encourage compliance, there should be a provision in the bill that rewards consistently-compliant tax payers.

Review of Minimum Wage: The newly-appointed Labour Advisory Board will meet in this quarter to

consider submissions as part of the review into the country's minimum wage. Thank you for your time and effort in providing your views on the matter. The SICCI team confirms that nearly all sectors were represented (building construction, fuel retail, agriculture, fisheries, insurance, building material supplier, small- to medium-sized local business, NGO, and hotel accommodation) in the submission provided to the Secretary to the Labour Advisory Board.

Another emerging priority is SICCI supporting the scoping of Government's key trade entities particularly the Customs, and Trade departments. The Chamber together with the Customs Department have submitted a request to the Global Alliance Trade Facilitation (GATF) that will scope gaps to be addressed that will result in better trade outcomes for the country. The Chamber is a member of the National Trade Development Council (NTDC) and its subcommittee the National Trade Facilitation Committee (NTFC). Both bodies are dedicated to improving trade facilitation and issues relating to trade. SICCI considers this engagement as important and as your representative body wants to see that any recommended action, supplemented by technical assistance, increases trade traffic that is efficient and less-costly for all involved whether from public or private sector.

Services for members

The 2019 Trade Directory has had some hiccups in its production. We apologise about this delay. This was a project that we were determined to source local content for, both in terms of project managing the publication, as well as printing of the directory. We appreciate your patience and will inform everyone as soon as they are collected for

delivery.

Outcomes of the Remuneration Survey (2018) and the 2018 Business Confidence Survey have been shared with members. They are important insights to doing business in the Solomon Islands, I would encourage you to contact Naomi (services@solomonchamber.com.sb) if you have somehow not received those updates.

Calendar of Events: I have started talking about forums that will happen this year as part of the internet cable project already, but as usual we will endeavour to pull together monthly networking events for members, and trainings that will add value to members. The M&S officer will undertake provincial trainings starting in this quarter which will see her visiting Auki, Kirakira and Gizo+ Munda. This is an important investment for the Chamber that not only expands our geographical footprint, but also keeps us true to our mission of representing the private sector as a whole and not just Honiara-centred businesses. Please keep an eye out for more events on our website www.solomonchamber.com.sb and do read your emails sent from Naomi. We also use mass texting for the networking and information sessions so do keep your contact details with us, up to date.

Your Secretariat

In terms of the Secretariat, the Chamber is undergoing some more changes in the coming months. We are recruiting for an Executive Officer who will work closely with me on driving the advocacy agenda of the Chamber. This position will beef up the Advocacy Unit and therefore ensure that critical discussions are progressed in terms of infrastructure concerns, corruption, new sector-development and land reform.

We know that the Coral Sea Cable Project will pose huge potential for businesses in the country that go beyond mere upgrades in hardware and cabling of computers. SICCI will be mobilising a resource that will help member companies. This resource will be an AVI position sitting within the Secretariat who will facilitate up to three forums for members of SICCI, in thinking through potential opportunities and impacts to be managed of doing business with enhanced internet connectivity.

SICCI on minimum wage increase

Thursday 17 January– The Solomon Islands Chamber of Commerce and Industry (SICCI) supports the proposed increase of the country's legal minimum wage, however expresses its disappointment with the breakdown in the mandated process.

SICCI makes the comments in advance of its submission, containing views of its members of the business community, to the Labour Advisory Board's (LAB) review into the minimum wage.

SICCI CEO Atenasi Ata says while the review of the minimum wage is timely, it was disappointing that there was limited consultation with stakeholders prior to the announcement, as required by law.

"Any proposal to change the minimum wage initiates a process managed by the Labour Advisory Board, who has to hear from all concerned parties. That is the nature of a well-functioning system of government regarding labour relations," she said.

Since the announcement made in December, a review process has commenced, with LAB giving stakeholders time to submit their views of the proposed increase from \$4 to \$8.

"The timeframe for interest groups to make submissions to the LAB is an abbreviated one. And one after the fact. Nevertheless, it is a process that will not be taking lightly," SICCI CEO, Ms Ata, said.

She further added that the exercise can also benefit by hearing from other subject-matter experts.

"At the table there should be Government, and the workers' union together with employer representatives of course, but the LAB should consider submissions from other entities such as policy-making bodies.

"It is good that the LAB will consider data to be presented by Ministry of Health and Medical Services on nutrition levels in the country, as well as poverty data by the National Statistics Office. However, there will be benefits in seeking inputs from

"SICCI sees inputs from the private sector and business community as very important. To the best of our ability in this very short timeframe, we want to inform all stakeholders of what happens when implementing outcomes of a minimum wage review."

the Ministry of Finance and Treasury to speak to their tax reform agenda and its impacts on workers and employers alike.

"This gives the LAB a bigger picture within which to place this review. The LAB should also be informed by Central Bank of Solomon Islands. There is no sense of impact-modelling of proposed changes for the country's economy," Ms Ata said.

In its submission to the review process, SICCI has reached out to its 200 plus member companies and small businesses. These inputs will be compiled and submitted to the Labour Advisory Board at its next meeting.

While acknowledging the fact that raising the minimum wage will enable low income earners to cope with the high cost of living in the country, food, electricity, rent, transport and school fees, Ms Ata urges that small businesses in the country must also be well consulted on the proposed minimum wage increase.

"Small businesses including those in the provinces, especially retail, security and service businesses might experience hardships with a very substantial jump such as a 100% increase. For bigger companies an increase such as suggested brings in for negotiating

benefits that workers currently receive like housing, and utilities support," she said.

Ms Ata said consultations into the minimum wage should be done regularly and incrementally. SICCI Board member and Honiara businessman, Toata Molea highlights an additional aspect of the review.

"Government has a long way to go in monitoring compliance to its rules and laws, and this wage-increase will be one of them. Also, what about spill over effects such as immediate hikes in prices of foodstuff?

"With the influx of Asian businesses into the country, Government must ensure that systems are there in place for monitoring purposes and also ensure that these new businesses adhere to our laws such as the proposed minimum wage increase," he said.

In light of this proposed minimum wage increase, SICCI Chairman Jay Bartlett calls on Government through its Inland Revenue Division (IRD) to also review the personal tax exemption threshold for workers.

SICCI is of the view that the current tax exemption threshold is too low. With the proposed increase of minimum wage, low income

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earners would be exempted under \$15,080. However, any changes resulting from an increase in their wages that brings their income to above \$15,080 will be taxed at the minimum of 11%.

"This brings us to the purpose of a review to minimum wages. If Government genuinely wants to see an increase in what workers actually receive in their hands every fortnight, then it should look at the repercussions when this pushes workers out from the threshold

bracket," the SICCI Chairman, Mr Bartlett, said.

Looking forward, Mr Bartlett states that the Chamber remains committed to collaborate with stakeholders in such initiatives that leads to better lives for our people.

"SICCI sees inputs from the private sector and business community as very important. To the best of our ability in this very short timeframe, we want to inform all stakeholders of what happens when implementing outcomes of a

minimum wage review," he said.

SICCI is a LAB member, along with the Solomon Islands Forest Association (SIFA), the manufacturers interest group, and Solomon Islands Women in Business Association (SIWIBA) on behalf of the employers, the national employee's union representing employee interest; and on the public sector side, representatives of Government entities/ departments including the Public Service Commission.

Paralympic Committee reaches out to businesses



SICCI CEO, Atenasi Ata during SICCI's BA5 event with the Project Coordinator of the Oceania Paralympic Committee, Christopher Nunn and members of SIPC and Solomon Islands' Para-athlete Shadrack Timothy, who won a bronze medal in table tennis at the 2017 Pacific Mini Games in Port Vila.

Wednesday 30 January – The Solomon Islands Chamber of Commerce and Industry (SICCI) is happy to have engaged with the local Paralympic Committee and link its members to a sport that has a potential to make a difference to our communities.

The Solomon Islands Paralympic Committee (SIPC) in partnership with the Oceania Paralympic Committee hosted SICCI's first Business After Five (BA5) event for this year on Wednesday 16th January 2019 at

the Heritage Park Hotel.

SICCI's Chief Executive Officer, Atenasi Ata thanked the local Paralympic Committee for reaching out to SICCI and for having the vision to inform the business community about the sport and its potential success in the country.

"From the Chamber's perspective, we are willing to provide a platform for communication for partners from both the public and private sectors, and in this case, to contribute to partnerships between private sector

and this important sport."

The SICCI CEO endorsed a key highlight of the evening's presentations that to achieve sporting success and to attract financial support, it is essential for local sporting federations to practise good governance. SIPC President Mr Seneviratne thanked SICCI for providing the opportunity for the local Paralympic Committee to share their vision and plans to the business community in the country.

Members approve new constitution

Monday 11 February – A special meeting was convened on Thursday 7 February 2019 for SICCI members to approve a new Constitution.

The special meeting was being conducted in accordance with the current Constitution and the Trade Unions Act.

With the required quorum of members, SICCI Chairman Jay Bartlett moved a resolution to approve the new Constitution.

There was a unanimous show of hands from members present, in favour of the resolution to approve the new Constitution.

Mr Bartlett thanked past and current SICCI Board members for considering the new Constitution a priority, legal firms Sol Law and Law Corporation and members for their continuous support to SICCI.

The SICCI Chair also acknowledged Advisor to the SICCI Chief Executive Officer (CEO), Mr Charles Persson for his instrumental role throughout the process of amending the Constitution to the stage of finally getting it approved by members.

"The Constitution may only be altered by special resolution passed at a meeting of members. Further to this no such alteration shall take effect until the new Constitution is registered by the Registrar of Trade Unions," SICCI CEO, Ms Atenasi Ata, said.

Ms Ata also acknowledge the presence of Deputy Registrar General, Mr Nixon Qurusu.

She said principles and rules by which SICCI is governed is found in its Constitution which is a single written document.

"There was a process of review with the SICCI Board and advice was received from two legal firms," she said.

A draft of this new Constitution was circulated to SICCI members on Tuesday 22 January 2019 and members were given two weeks to respond with comments, feedbacks and any proposed amendments.



There was a unanimous show of hands from members present, in favour of the resolution to approve the new SICCI Constitution.



Some of the SICCI members who attended the special meeting.

The key areas reviewed in the SICCI Constitution included:

- *For the first time inserting a preamble reaffirming SICCI's vision;*
- *Verify the objectives and powers of the Chamber;*
- *Clarification of membership categories;*
- *A check on the control and management of the Chamber and functions of the Board;*
- *The appointment of eight members to the Board at the Annual General Meeting and the ability of the Board to co-opt an additional two members from organisations whose views are relevant to the Chamber;*
- *Clarification about the responsibility of the Chief Executive Officer; and*
- *Clarification about meetings, voting at meetings and majorities.*

SICCI lauds progress of Undersea Cable project

Thursday 7 February, Honiara – The Solomon Islands Chamber of Commerce and Industry (SICCI) acknowledges and is supportive of the progress made so far in the implementation of the Coral Sea Cable System project.

SICCI commends the Solomon Islands Government, Australian Government and the Solomon Islands Submarine Cable Company for their commitment to date to make sure the project is on track.

Manufacture of the cable is currently underway in France, the survey of the seabed is complete and the installation of the cable will take place from June this year with the cable scheduled to be

“This project provides an important platform for broader economic progress and will unlock many opportunities for Solomon Islanders.”

ready for service in December 2019.

SICCI Chairman, Mr Jay Bartlett, said the country needs more investments like the Tina Hydro Power Project and the Coral Sea Cable System project which has a huge potential to drive economic development for the Solomon Islands.

“This project provides an important platform for broader economic progress and will unlock many opportunities for Solomon Islanders.

“Among many benefits, the cable will boost the country's internet speed connection, and for the average Solomon

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Islander, it should translate to cheaper communication rates. We are excited with its potential to enable innovations in systems and processes both for Government as well as for businesses. It could result in better and more efficient ways of doing business and most importantly, help bridge the gap between private sector and public sector.' Mr Bartlett said.

Mr Bartlett said a social impact of this project will no doubt be the improvement of the delivery of Government services to the people.

"A faster and more reliable internet service means

Government will be able to digitise its services with particular implications for education and health services, especially for those in the rural areas who remain disadvantaged in being far from the service hubs of Honiara and the provincial towns," he said.

SICCI Chief Executive Officer, Ms Atenasi Ata said the Coral Sea Cable will certainly change the way we do business.

"It will be a huge leap for internet services in the Solomon Islands. This project will result in another avenue for businesses to grow their market and not have to rely on transport infrastructure like road and wharves."

Meanwhile, SICCI Chair, Mr Bartlett

supports the Government in working together with all parties in ensuring this national project is completed successfully. The landing station at Lengakiki, West Honiara will host a 4,700 kilometre-long fibre optic cable, linking up Sydney, Port Moresby and Honiara. It includes a domestic network of 740 kilometres connecting domestic sites of Auki, Noro and Taro.

Submarine cables are more suitable to the isolated and third-world country locations, and is known to reduce the cost of communication access and stimulate increased economic growth.

Enabling scope for women leadership

Thursday 21 February, Honiara – On February 15, 2019, twenty women from nine companies participating in the Waka Mere Commitment to Action initiative, completed a Certificate IV course in business leadership and management, facilitated by WINGS Education PNG.

The course was part of the Waka Mere Commitment to Action, a joint initiative by IFC, a member of the World Bank Group, and SICCI to create positive experiences and progressive opportunities for women in the private sector.

The course began in 2018 by introducing professionalism to these high potential women from companies who had signed up for the initiative, all of whom are members of SICCI.

The course included three intensive weeks of classroom learning, and a series of take-home assignments, run over five months.

"Providing targeted training for women to develop their leadership capabilities is an important step towards increasing the share of women in leadership roles in Solomon Islands businesses", said Atenasi Ata, CEO of SICCI.

The participating women all found the course immediately relevant as well as important in positioning



Women from the Waka Mere Commitment to Action initiative who completed the Certificate IV course in business leadership and management.

themselves as leaders in their respective workplaces.

"Building confidence is what I appreciate about this course the most. Going through the theory, and the activities as well as preparing the assignments allowed me to broaden my knowledge yes, but it also allowed me to reaffirm my value. I don't hold back to make contributions and share ideas in meetings at my workplace" said Florence Tionie, the only female engineer at the Solomon Power station in Lunga.

After completing the course, these women are now equipped with specific skills in professionalism, organizational management, processes and systems, customer and client services, effective

communication, writing business emails, networking skills, creativity and innovation.

IFC/SICCI Gender Coordinator, Ruth Maetala said these Solomon Islands women are well positioned to make changes and take innovative or different actions that will improve business and productivity in their respective businesses and companies.

"The IFC/SICCI partnership is a good model which ensures advancement of women in business in Solomon Islands."

Following the success of the first offering, IFC and SICCI are running a second cohort of the leadership training with another 20 women, set to begin in March this year.

Increased participation from businesses in remuneration survey

Thursday 21 February, Honiara – The 2018 Biennial Remuneration Survey has seen the increase on the number of participants who have shown commitment to putting in place credible and consistent procedures in dealing with their employees' remuneration.

According to the 2018 survey, every year organizations, companies and businesses are using the Remuneration Survey and are developing policies and putting more structure into their remuneration framework.

The survey's findings were presented to participating organizations during an information session on Friday 15th February hosted SICCI at the Heritage Park Hotel for its members.

The Remuneration Survey was conducted by Strategic Pay New Zealand, based in Auckland.

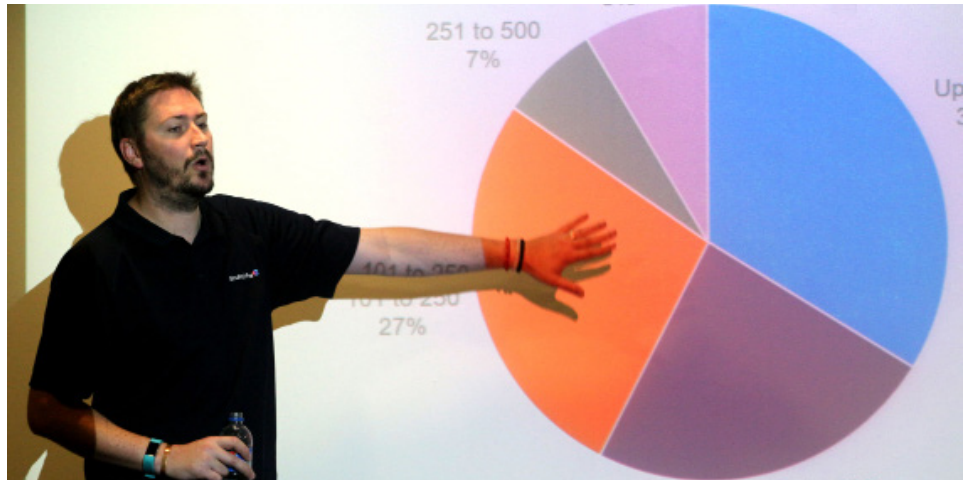
Apart from the private sector, the survey also looks at the labour market across different sectors and organisations operating in the Solomon Islands.

There was an increase in number in the 2018 survey with 62 organizations participating covering 23,000 employees compared to 28 in the 2016 survey.

The purpose of the survey is to provide a credible, reliable and consistent methodology for analysing rates of employee remuneration within Solomon Islands organisations.

Mr Mike Boneham, Technical Consultant at Strategic Pay New Zealand, said while most of the data collected come from the public sector, the private sector doubled in size from the 2016 survey.

Mr Boneham, who worked in HR roles for more than 10 years starting in the Australian public sector before moving into the private sector in Europe and New Zealand, said housing was a big



Mr Mike Boneham, from Strategic Pay NZ, presenting the findings of the 2018 Remuneration Survey during the Information Session hosted by SICCI.

topic during the survey.

This was due to the difference between using the housing assistance and rental assistance.

SICCI Chief Executive Officer (CEO), Ms Atenasi Ata says it is encouraging to note the increased participation from both the private and public sector because a better understanding of employee remuneration will ensure attraction, motivation, and retention of high calibre employees for

organizations.

The survey results are accurate and contains valid information.

Amidst the challenges in the labour market, a remuneration survey is vital for organizations, because it provides information which helps the companies to understand the value of employees in the labour market.

The next Remuneration Survey will be conducted in 2020.

2019
Annual
General
Meeting

Wednesday 20 March

SICCI reiterates need for Tax Reform



On Wednesday 6th February 2019, SICCI convened its Tax Experts Working Group (TEWG). The group discussed the draft Tax Administration Bill (TAB).

Tuesday 26 February, Honiara – As the peak body representing private sector, the Chamber has always advocated for tax reform as a priority and reiterates its position that a review to the country's tax system must reduce the high burden on businesses and individuals.

To achieve these reforms, SICCI recognizes that the Solomon Islands Government (SIG) is a key stakeholder.

SICCI is of the opinion that the current tax system imposes a very high tax burden when compared to other Pacific countries and is outdated, inefficient, complex, expensive to administer and anti-competitive.

SICCI believes the current tax system imposes high compliance costs on taxpayers and in addition, encourages unproductive tax avoidance and evasion activities.

Moreover, it does not actively support growth in new sectors.

Government might be of the opinion that the environment is conducive for new businesses, but this is not so.

For example, exporting industries might be granted an exemption as a new or expanding business but the overall tax burden cancels out any advantage to be gained through such growth-oriented

practice.

"A review of the current tax system that is comprehensive and holistic from the starting, will examine problems with the current system and seek solutions to deliver a tax system that will promote economic growth and one that is fair, simple and broad-based, which ensures everyone who is liable to pay tax, pays the correct amount," says SICCI Board Chairman, Jay Bartlett.

Mr Bartlett also reiterated the Chamber's position for Government to amend the Pay As You Earn (PAYE) tax as this will be an improvement for the working individual in terms of her/his disposable income.

An analysis done by the Economic Association of Solomon Islands (EASI) to inform the SICCI Tax Position Paper (2018) demonstrated that increasing the non-taxable threshold from \$15,080 to \$30,000 would increase Government revenue by \$1,036,695,000 per year. Largely through spending by individuals captured by the Government in other taxes.

This amount (\$1,036,695,000) is approximately 50% higher than what is currently collected.

Mr Bartlett maintained that low and middle income earners are

taxed at a rate that is far too high.

"Increasing the minimum wage impacts positively only on minimum wage earners but what about all the other hard-working Solomon Islanders that are struggling to make ends meet.

"PAYE needs to be reviewed and the thresholds need to be increased so our employees can earn a decent living," he said.

If you earn more than SBD\$60,000 then 40cent out of every dollar you earn is paid in tax - nearly half of your income is paid in tax.

"With all the obligations we now have in modern society such as transport, rent, school fees and the high cost of living, Government needs to recognise this not just through the Basic Minimum Wage but by increasing the Tax threshold for PAYE - we need bold, decisive action from our Government that will benefit the majority of our workers," Mr Bartlett said.

SICCI has consistently highlighted this issue with the Government through available platforms including the SIG-Private Sector Advisory Group meetings established by the Memorandum of Understanding (MoU) signed in 2017.

Meanwhile, Vice Chair, David

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Rupokets said SICCI is supportive of the work the Ministry of Finance and Treasury through the Inland Revenue Division and the Economic Reform Unit is doing on the Tax Administration Bill (TAB).

SICCI welcomes this new bill, seeing it as a timely initiative by Government.

"SICCI acknowledges the Government for initiating and progressing these reforms," he said.

"The important thing is that there is dialogue between Government and the taxpayers and in the case of SICCI, our member companies."

The creation of the new Tax Administration bill is a component of Stage 1 of the Tax Reform Agenda initiated by MoFT, launched in 2017.

SICCI understands that Stage 2 will

involve the review of Income Tax followed by other Taxes.

On Wednesday 6th February 2019, SICCI convened its Tax Experts Working Group (TEWG). The group discussed the draft Tax Administration Bill (TAB) following a presentation by the IRD Commissioner, Mr. Joseph Dokekana.

After the IRD Commissioner's presentation on the details of the Bill, members of TEWG raised issues concerning fairness, consistency, delegation of roles in the Bill, and the need to clearly spell out the provisions in the Bill to avoid confusion.

"Following up on tax affairs is a time-consuming activity because of the different requirements you have to meet for different types of taxes. Overall the Bill covers many important administration issues faced by businesses. From

the discussions of the Tax working group, we have agreed that there are a few areas that need polishing," SICCI Advocacy Officer, Mr John Ta'amora, said.

"Fairness in paying and reducing the cost of paying tax was also a key point raised during the meeting," he added.

SICCI Board Chair, Mr Bartlett maintains: "SICCI has the goal that through our contributions, and that of other stakeholders, our Tax System will be fair, simple enough to follow which enhances taxpayer compliance in the country. We encourage the Government to take a broader view of taxation. One that sees the importance of course in raising much-needed revenue, but one that does not stifle businesses and growth in the country."

SICCI, businesses meet with Australian Foreign Minister

Monday 11 February, Honiara – The Solomon Islands Chamber of Commerce and Industry (SICCI), as the peak body representing private sector in country, was invited along with business heads to a lunch meeting with visiting Australian Foreign Minister Marise Payne on Wednesday 6th February 2019 at the Mendana Hotel in Honiara.

This was an opportunity for the Foreign Minister to engage with the private sector in the country.

SICCI was represented at the meeting by Chairman to the Board, Mr Jay Bartlett as well as Chief Executive Officer (CEO), Ms Atenasi Ata.

The lunch meeting was also attended by a cross-section of Solomon Islands businesses.

SICCI CEO, Ms Ata said discussions also highlighted the ongoing support by the Australian Government in training for employment and in providing jobs such as through the seasonal worker schemes.

SOE, private sector representatives and SICCI used the occasion to give the Foreign Minister a better



Australian Foreign Minister Marise Payne

insight into the broad economic context of Solomon Islands, and a number of future growth sectors were discussed focusing on tourism and agriculture. The group also discussed the potential business and social impacts of the Coral Sea Cable system project.

SICCI Chairman, Mr Bartlett affirmed the Chamber's vision of private sector being a valued partner for development by Government, highlighting the potential of a more collaborative approach.

"Private sector and businesses particularly in their dealings with Government have a long way

to go yet to being regarded in a positive light and therefore a default partner to be actively consulted on policy matters impacting on business.

"With the substantial revenue that private sector provides for Government coffers, we are promoting the message that we too have stakes in this development agenda of the country," Mr Bartlett said.

He said SICCI seeks to promote that enabling the private sector to grow, translates to the higher potential for more jobs, and of course more revenue for Government.

"This remains our key objective in all our dealings with the Government."

Foreign Minister Payne acknowledged the meeting as an opportunity to gain insights on the business environment in the Solomon Islands.

"You can read all the reports but there is nothing like meeting the businesses and hearing about experiences first hand," Foreign Minister Payne said.

Challenges and Opportunities for the Business Community - First Quarter 2019



John Kanai Ta'amora
Advocacy Officer

Greetings from the Advocacy Desk!

I trust members have had a good break and that you have started the year on a high note. This year's forecast by member businesses who have participated in the Business Confidence Survey have shown that they are positive that business will be good despite the many challenges that the business community is facing in our economy.

But, it is worth noting too that important reforms are ongoing, which is an important part of the Advocacy Department's work.

Speaking of issues that businesses face, in late December, then Minister of Commerce, Industry, Labour and Immigration, Mr. William Bradford Marau announced that there will be an increase in the Minimum Wage Rate from the current \$4.00 to \$8.00, a 100% increase.

Therefore, the First Quarter started with some challenges to the business community. Advocacy assisted CEO and SICCI board to work with the Labour Advisory Group (LAB) in order to take into account, the businesses' views and the cost that they will face once this MWR comes into effect.

A consultation was done with SICCI members and a submission handed to the Labour Department. SICCI will continue to



advocate on behalf of the private sector on this issue.

However, it is encouraging to see progress in Tax Reform efforts by the Ministry of Finance and Treasury (MoFT) through the Economic Reform Unit (ERU). This is an opportunity where the private sector can really tap into and make their voice heard by the government in terms of important tax issues they face and feel should be included in the reforms.

In order to get the business community's views, ERU requested that SICCI should make comments on the draft Tax Administration Bill (TAB) before it can be gazetted. Therefore, the Advocacy desk had

organized a Tax Expert Working Group (TEWG) to meet and discuss and scrutinize the TAB. Currently, the feedbacks from the working group are being collated and will be submitted to ERU before the end of February 2019.

And that is all. There are upcoming events for the Second Quarter such as the Chair's Dinner, the Solomon Islands – Papua New Guinea Trade Delegation and the Post National Budget Analysis. It has been a successful First Quarter. The Advocacy Desk looks forward to a successful Second Quarter 2019 and wish you our members nothing but the best in your businesses.



Naomi Mara
Membership & Services Officer

Hello Members!!

In the months of January and February, the Membership & Services Department was involved in organising membership events as well as acquisition and retention.

Events:

So far, we have had three membership events.

The Solomon Islands National Paralympic Committee (SINPC) hosted a Business After 5 event on 23 January 2018. This was purposely to inform the Business Community about Paralympic sport and how they can be involved.

SICCI hosted a Special Meeting to approve changes to the constitution on 7 February 2019. This is done so the new constitution can be approved at the upcoming Annual General Meeting.

SICCI also hosted an Information Session on the results of the 2018 Remuneration Survey conducted in partnership with the Forum Fisheries Agency on 15 February 2019.

Upcoming events:

We have some important events coming up:

The **Annual General Meeting** is scheduled for 20 March 2019. Only financial members will be able to vote then.

Upcoming events, important surveys and new members

The launch of the Waka Mere Domestic Violence Report will be on Tuesday 26 March at the Heritage Park Hotel.

A media session and the launch of the Private Sector Scan will also be sometime in March. Members will be notified of the dates soon.

Throughout the year we will be offering a number of trainings both out in Honiara and the provinces. The membership will be informed of the training topics/offers in due course.

Other:

We also circulated the results of the business confidence survey conducted last year. Overall, businesses are confident that they will be making profit despite high cost price rates expected this year.

Business Confidence Survey:

- Majority of businesses maintain that the general business situation will improve
- The amount of new investment in terms of building/ infrastructure and machinery/ equipment are expected to be greater
- It is proving harder to recruit skilled labour
- Despite expected increase in average costs, most businesses feel that their average selling prices, profitability, sales in Solomon Islands and exports sales will also increase.

Remuneration Survey:

- The overall average salary

increase forecast is 5.1%, an increase from 3.6% reported in 2016

- Among participants, performance remains the strongest driver for determining salary increase
- Finance and accounting continue to be skills in high demand for managerial or specialist levels
- Overall turnover increased to 12.2% from 8.7% reported in 2016

New Members:

As of January, we have six (6) new members joining us. Please join me in welcoming our new members.

- **Eagon Pacific Plantation Ltd Company**
(Agri-business)
- **Big International Timber Ltd**
(Agri-business)
- **ACOMA Copra Products**
(Agri-business)
- **Makavore Landowners Development Association**
(Local NGOs & Associations)
- **BP Investment Company Limited**
(Manufacturing)
- **Solo Enviro Beautification**
(Local NGOs & Association)



John Paul Alasia
EIDO Officer

Greetings from the Export Industry Development Department.

Some updates from the EIDO desk in the first quarter of this year.

SOLCHOC event is happening again this year.

SOLCHOC is about celebrating

SOLCHOC & Market Trade Mission to NZ is happening again

Solomon Islands' local cocoa industry and the chocolate products that are produced from our local farms.

Members are encouraged to stay tuned and ready to support our local cocoa industry.

Pacific Trade Invest 'Cloud' Path

to Market Trade Mission NZ is happening again this year from 4-9 April in Auckland, New Zealand.

SICCI in partnership with Pacific Trade Invest NZ has already identified small local businesses from Solomon Islands during the In-Country Capability Workshop in Honiara last year in October.

YECSI DESK

YECSI gears up for implementation phase



John Wopereis
YECSI Coordinator

Hi everyone!!

The Young Entrepreneurs Council of Solomon Islands is gearing up for the implementation of its 2019 Business Plan.

To drive its membership initiatives YECSI is recruiting its first Membership and communications officer, the officer will support the coordinator in ensuring membership services are implemented and take the lead in being the voice of YECSI.

In terms of membership services YECSI is preparing to hold its first Ignite Networking in March



Permanent Secretary of the Ministry of Commerce, Mr Riley Mesepitu; UNDP Country Manager, Ms Azusa Kubota and YECSI Coordinator, John Wopereis in front of the building housing the co-working space for young entrepreneurs.

followed by the launching of its Mentoring Program, Teachim Me in Q2.

YECSI has also partnered with UNDP in the creation of lumi Waka, the Solomon Islands first co-working space. lumi Waka will provide young entrepreneurs a space to participate in business trainings but also utilize it as a working space for their business.

YECSI is also working to lock

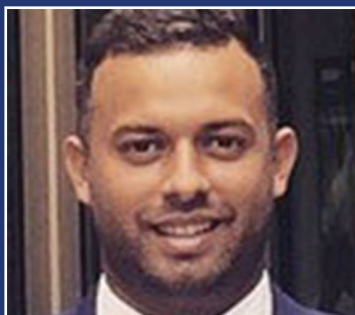
in financial supporters of the organization with multiple business houses in Honiara already showing support for YECSI, full details on supporters will be released in due time.

YECSI is also preparing to hold its first Board Meeting and Advisory committee meeting for 2019 in the final week of February.

YECSI was created through a PPP between SIG and SICCI

KNOW YOUR BOARD

SICCI Board Members for 2017/2018



CHAIR

Jay Bartlett
Director
Hatanga Ltd



VICE CHAIR

David Rupokets
Managing Director
Capitol Construction

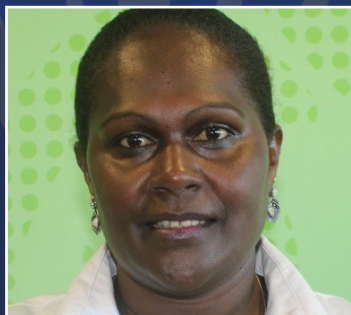


TREASURER

Joseph Huta
Accountant
South Pacific Oil



Belinda Botha
Owner Operator
Dive Munda



Lyn Fa'arodo
Managing Director
Bank of South Pacific



Craig Gibsone
General Manager
GPPOL



Sir Bruce Saunders
Managing Director
AG & J Blums



Sohaib Mahmood
Country Head
ANZ Solomon Islands



Toata Molea
Managing Director
Didao Enterprises



Frank Wickham
General Manager
NFD

MEET THE SICCI TEAM



Atenasi Ata

Chief Executive Officer

Atenasi is an emerging women leader who wants to see people in the Solomon Islands informed, engaged and invested in the future of the nation's development with dignity and a high quality of life. She started with SICCI as the CEO in September 2018. She sees the private sector and SICCI as having a significant role to play in enabling change that directly impacts people's lives. Atenasi holds a Masters in Law and Development from Melbourne Law School in Australia. Before she joined SICCI, Atenasi worked at the National Parliament, the Australian Government's bilateral aid program and UN Women.



Charles Persson

Advisor to CEO

Charles works as the advisor to the CEO. His engagement with SICCI was previously on assignment with the Australian Volunteers International as a Business Analyst. The SICCI Board approved extending Charles' role with the Chamber and he will continue to support the team and advise the CEO in 2017/18. His background includes working in the energy efficiency, renewable energy, and building and construction industries in project, operations and general management. He has a bachelor degree in civil engineering and a graduate diploma in strategic marketing.



John Kanai Ta'amora

Advocacy Officer

John Kanai is responsible for the Chamber's Advocacy Plan 2015-2019. Part of this role is to do researches that will help assist members of SICCI and the Solomon Islands Government in making better policies that are mutually benefiting. John Kanai was recruited in April 2017. He recently completed his Master of Arts thesis in International Affairs in February 2017 on Solomon Islands Foreign Policy and the Impact of RAMSI and has a Bachelor of Arts majoring in Economics and Politics at the University of the South Pacific (USP) in Fiji.



John Paul Alasia

Export Industry Development Officer

John Paul oversees the Chamber's agribusiness activities and the export industry and works closely with Rural Development Program (RDP). His role involves engaging with the five industry working groups Cocoa, Coconut, Horticulture, Sawn Timber and Seafood.

John joined SICCI in May 2017. He previously worked as a Livestock Field Officer at the Taiwan Technical Mission Farm at King George VI in East Honiara in 2016. He graduated with a Bachelor Degree in Agriculture Applied Science at the University of South Pacific, Samoa in 2014.



Shaun Konaga

Administrative Manager & Assistant Finance Officer

Shaun manages the SICCI Office administration through reception, office and printing supplies, events management as well as assisting financial duties on salaries and finance records. Before she came to SICCI she was an assistant administration officer with the events company Mac Group and made her potential known during Mac Group's preparation of the SICCI Business Excellence Awards in 2015.



Naomi Mara

Membership Officer

Naomi looks after the SICCI Membership database and takes lead in organising SICCI events such as the popular Business After 5. She joined SICCI in November 2017.

Naomi previously worked with the Youth@Work program following her completion of studies in early 2017. She has a degree in Social Science obtained at the James Cook University in Townsville, Australia.



Philip Lilomo

Media & Communications Officer

Philip drives the SICCI Communications Strategy. He maintains the Chamber's branding, design and graphic visibility, website administration, social media management and deals with the mainstream media contents. Philip also manages the flow of information in the SICCI network.

He previously worked in the mainstream media for nine years for Solomon Star, Sunday Isles and Island Sun Newspapers since 2008 as a news reporter, photographer and became sub-editor before he joined the Chamber in June 2018.



John Wopereis

Coordinator, Young Entrepreneurs Council Solomon Islands (YECSI)

John is responsible for launching and building the Young Entrepreneurs Council (YEC) program. This is a new partnership program between the Solomon Islands Chamber of Commerce & Industry (SICCI) and the Solomon Islands Government. He was recruited for the position in May 2018.

John previously worked with Skye Eye for two years in a management role. He graduated with a Bachelor of Commerce from the University of Canterbury in New Zealand.



Ruth Maetala

Coordinator, IFC-SICCI Gender Program

Ruth will support delivery of the Pacific Investing in Women program, working closely with the IFC Gender Team in Sydney and the Solomon Islands Chamber of Commerce (SICCI).

Prior to joining the SICCI-IFC gender project in October 2016, Ruth worked with the Solomon Islands Government as Director of Research and Policy Unit of the Ministry of Women, Solomon Islands NGO Partnership Agreement (SINPA) as the coordinator and undertook tasks such as providing advice to member NGOs, Project Management, Monitoring and Evaluation (facilitate annual reflection workshops) and reporting to DFAT.