

Business Beat

Welcome to the Chamber's Newsletter!

Quarantine & Shipping Exemption Committee

SICCI has expressed its views on the quarantine period and Shipping Exemption Committee while acknowledging the Solomon Islands Government and its relevant bodies for taking into consideration requests from businesses in regards to travel restrictions and the impacts. *See story on page 3.*



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to raise Govt
revenue from
businesses



SICCI
member
introduces
eye testing



Chamber
assures
support to
RSIPF



Businesses
informed
about the
TDP



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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SICCI express views on quarantine period & Shipping Exemption Committee

Tuesday 16 June, Honiara – SICCI acknowledges the Solomon Islands Government and its relevant bodies for taking into consideration requests from businesses in regards to travel restrictions and the impacts.

Following the Gazette on 12 May 2020, the Chamber is now involved in the exempting of shipping vessels from mandated quarantine periods which currently depends on the COVID-19 status of their last port of call.

The SICCI Chief Executive Officer (CEO) was approved by the COVID-19 Oversight Committee as a member of the Shipping Exemption Committee.

"From the discussions that SICCI is part of, the considerations that weigh heavily on this exemption committee are where these ships originate from, the ports they come through enroute to Solomon Islands, the completeness of their documentation such as log of temperature checks, any personnel changes or shore leave, and the nature of the cargo they are carrying," SICCI CEO, Ms Atenasi Ata, said.

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.

SICCI also acknowledges the business community, especially from its membership, for their feedbacks that informs SICCI positions.

The SICCI CEO further clarifies: "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."

Ms Ata confirms that the new shipping protocol is clear that all shipping vessels will be quarantined in isolation before clearance and berthing.

The clearance depends on an assessment of documents showing where the ship originated from and its ports of call enroute to Solomon Islands.

"All ships so far have also submitted as part of their paperwork, the measures that shipping line owners are implementing



Given Solomon Islands' new testing capability for COVID-19, SICCI is of the view that quarantine time for both shipping vessels and incoming passengers should now be revisited and reduced with commensurate ramping up of other mitigating measures. *Photo: SICCI Media.*

such as steps to minimise person-to-person contact maybe maximising mechanisation of their onloading and offloading of cargo, 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.

SICCI understands 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.

Ms Ata continues: "Given our in-country new testing capability for COVID-19, SICCI is of the view that quarantine time for both shipping vessels and incoming passengers should now be revisited and reduced with commensurate ramping up of other

mitigating measures."

SICCI, as the peak body representing private sector, is grateful for the COVID-19 testing machines and supporting advice from China and from partners New Zealand and Australia which has meant Solomon Islands now have in country testing capabilities, and see that as a crucial step to gradually reduce both measures as they are impacting very heavily on the private sector.

"For passenger travel restrictions, the days in quarantine are affecting the mobilisation of much needed personnel both for industry and particularly big infrastructure projects, and of course there is an impact on our families, and friends and plans we have had to suspend because of the restrictions.

"For trade of goods and supplies, because of the quarantine periods imposed on shipping vessels - all justified due to our COVID-19 testing and response systems - unfortunately it has meant that shipping lines passed on additional costs incurred due to complying with our restrictions which are rare in other destinations. The end effect is that goods and supplies are becoming dearer," the SICCI CEO said.

"The Government has had ample learning opportunities and very excellent responses from development partners of goods and supplies to boost its COVID-19 response, and therefore can take other mitigating measures not previously available to it, and lessen this chokehold on our economy," she added.

SICCI roundtable highlights opportunities for raising Government revenue from businesses



ABOVE & BELOW: Government, CBSI, companies, businesses and SICCI representatives who attended the roundtable meeting on Wednesday 3 June. Photos: SICCI Media.

Wednesday 3 June, Honiara – The Solomon Islands Chamber of Commerce and Industry (SICCI) hosted a roundtable meeting on Wednesday 3 June 2020 to discuss ways in which the Solomon Islands Government (SIG) can maximize its opportunities for revenue collection from businesses.

By doing this, SICCI aims to promote an environment where business confidence can increase because of a level playing field.

Present at the meeting were Governor of the Central Bank of Solomon Islands (CBSI), Dr Luke Forau, officials from the Ministry of Commerce, Industry, Labour and Immigration and the Prime Minister's Office and Director of the Economic Reform Unit (ERU), Mr Rictor Luaboe, who delivered a presentation on behalf of Government.

Representing SICCI was Chief Executive Officer (CEO), Atenasi Ata and Executive Board members and from the SICCI membership with special interest in the subject, were General Managers of Solomon Islands Tobacco Company (SITCO), Mr. Kazi Mushfiqur Rahman and South Pacific Oil (SPO) Limited, Mr Carson Korowa, Managing Director of Solomon Breweries, Mr Peralt van der Merwe,



Country Manager for Solrice Limited, Mr James Bradford and Chief Executive Officer of Sullivans & Nambawan Meat, Mr Wayne Lorrimer.

The Chamber convened this meeting as it was noted that in the last five (5) years, taxes paid to the government by these companies have dropped significantly. SICCI as a partner of Government and advocate for private sector growth is concerned that when the country is losing such substantial amount of revenue, there will be adverse social impacts such as reductions to budgets for critical sectors like health, education, and infrastructure. SICCI relayed that notwithstanding

structural and institutional challenges faced by business and industry in the country, overwhelmingly businesses are prepared to invest in the productive capacity of the country and create and sustain local jobs.

Being responsible corporate entities, they comply with paying all taxes to Government, relevant licensing fees and permits required to operate; continue to implement/maintain a high Health and Safety standards.

SICCI recommended that these same requirements or obligations apply to

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all that do business in the country. This ensures that consumers are guaranteed safe quality products, employees are guaranteed a safe and healthy working environment while government see a boost in their revenue from a broader collection base.

Hence, another important aspect of the roundtable discussions was how the Government can be the best enabler for private sector growth.

'A level playing field' continues to be a SICCI concern, as it is important that businesses coexist in a spirit of competition all the while complying with Government legal framework. Some examples where compliance is expected is in fulfilling company obligations as regulated by Government, adhering to tax regulations and complying with Occupational health and safety standards. SICCI in its presentation noted that combined, these large companies are substantial tax payers that contribute at least 30% in taxes to government revenue annually.

Together they also employ a large number of Solomon Islanders as well as support families' livelihoods through their supply chains throughout the country. On top of that they invest millions of dollars into the local economy.

Benefits from taxes collected by Government trickles down to the local individual Solomon Islander who can access basic Government services such as health care, education, sanitation and hygiene, employment and so forth.

In addition, the meeting noted the requirement by Government for large investors called the Company Social Obligation (CSO) which provides assistance for local communities through projects such as building of local schools, clinics, community church houses, improvement of feeder roads and so forth. During the roundtable meeting, SICCI CEO, Ms Ata in her presentation summarized the potential gaps and suggested some ways to address them.

"The Solomon Islands business environment lacks a 'level playing field'. This is causing companies complying with Government regulations to lose significant Market shares."

"In competing with cheaper products on the market, compliant companies lose



SITCO General Manager, Mr. Kazi Mushfiquir Rahman.



Director Economic Reform Unit (ERU), Mr Rictor Luaboe.

their market share as the consumers will choose the cheaper product over the quality-stringent, and tested product. Thus, the Government loses millions of dollars of revenue from the compliant companies."

"We conducted a desk-top exercise to project the amount that could be collected by Government when ensuring compliance to its laws and regulations and it was estimated between \$200m-\$400m."

"For the economy, in a worst case scenario, a surge in unemployment could lead to rising social problems. This can happen when businesses have to cut costs through reducing labour."

"Looking at it another way, for the average Solomon Islander, unsafe low quality and cheap products sold by noncompliant businesses can be risky and hazardous as well," Ms Ata added.

In response, Director of the Economic Reform Unit (ERU) under the Ministry of Finance and Treasury, Mr Rictor Luaboe, highlighted the gaps in Government revenue and what the Solomon Islands Government is doing to finance the National Budget.

The meeting agreed that going forward, SICCI would work with Government to ensure that level playing field for business and industry is implemented.

To achieve this, it was agreed that a taskforce would be formed to ensure that compliance is monitored with regular review and reporting. The mechanism for this reporting will be through the quarterly SIG-Private Sector Advisory Group meetings mandated under the signed MOU between the Government and SICCI in 2017.

Survey highlights businesses' reaction to Shipping quarantine

Friday 3 July, Honiara – There have been mixed reactions from businesses in regards to shipping quarantine period.

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

37% of respondents stated the quarantine period for ships had delayed their cargo. A further 28% stated that the quarantine period has added costs to their business.

In terms of export and import during the State of Public Emergency (SOPE), 33% are seeing reduced volume. Only 21% are trading the same volume as before.

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 17% of the respondents, 16% indicate that the order to 'undergo quarantine period of 28 days' affects their business the most.

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.



Business continue to face financial impacts of COVID-19

Friday 3 July, Honiara – Businesses continue to face the financial impacts of the COVID-19 global pandemic, according to a latest survey conducted by SICCI.

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.

97% of respondents reported COVID-19 having a financial impact on their business with 47% reported high financial impact.

Further, 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, 23% did report an increase while one respondent noted an increase of up to 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, 34% report that their general business situation had worsened.

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

Maintaining customers and 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, according to the SICCI survey.

Majority of the responses (47%) were from SMEs employing less than 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.

26% say their customer and clients base have been affected and demand is lower than normal while 22% 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.

38% reported laying off a total of 583 workers. Of the total, 327 were males and 204 were females. The single highest instance of worker temporarily laid-off was 153 workers for one company with the lowest number being one dismissal.

6% of respondents are not operating. 25% are operating partially and 5% are operating fully but remotely.

42% felt that information received from Government is inadequate.

The number of businesses reported to have full insurance has increased from fifty-one percent (51%) in the previous survey to sixty-seven (67%) in this recent survey. Despite the increase in businesses acquiring insurance, thirty-three percent (33%) of businesses still do not have insurance. The survey also found that twenty-five percent (25%) of businesses still do not have a Business Continuity Plan (BCP).

Although improved in general, the responses represent cause for concern as vulnerable companies demonstrate a shallow depth of resilience, which will impede their recovery and ability to capitalize on emerging opportunities.

SICCI establishes Building & Construction Working Group

Tuesday 23 June, Honiara – The Building and Construction Working Group (BCWG) subcommittee of SICCI held their first meeting on Tuesday 16th June 2020.

Although this meeting was their first one, the National Building Code Solomon Islands (NBCSI) and the draft Infrastructure Management Bill 2017 were agreed upon as key focus for their term.

The BCWG is a subcommittee that was established by the SICCI Board allowed for under its Constitution.

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. The positions will as far as possible,



First meeting of the SICCI BCWG subcommittee. Photo: SICCI Media.

promote the interest of local services and goods providers and local jobs.

In establishing the body, SICCI appointed its six members after an Expression of Interest (EOI) process facilitated by the Secretariat.

At this first meeting, Mr Daniel Tucker was appointed chair by majority vote. The other members are Joe Sika (Tongs), Ricky Fuoó (Tropical Glass Builders), Flori Gatu (SIWIBA), Ian Gooden (Solomon Water), and Andrew Bulman (Solbridge company).



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For Membership enquiries contact Naomi Mara on phone 39542 or email services@solomonchamber.com.sb

Local drive training service introduces eye testing



Managing Director of SIPDT, Joyce Lelua and eye local eye specialist, Dr Claude Posala.
Photos: SICCI Media.

Having good vision is essential for safe driving on our roads because of the simple fact that the ability to have good vision is a vital part of driver fitness.

With this in mind, a locally owned driver training service provider based in Honiara is leading the way in ensuring potential drivers have their eyes tested before getting a driver's license.

Solomon Islands Professional Driver Training Services (SIPDTS), a member of the Solomon Islands Chamber of Commerce and Industry (SICCI), has introduced eye testing for their current cohort of eight (8) students.

And now eye testing is being made compulsory for those seeking driver training at SIPDTS before they can be recommended for a driver's license by SIPDTS' pool of qualified driving instructors.

"We have seen an increase of people enrolling with us wanting to learn how to drive and the majority are women," Joyce Lelau, who is the Managing Director at SIPDTS, says.

"And it has come to our attention that having a good eye sight must be a requirement and it is important to do

"Vision is important when you are driving as it means you will be able to judge all the potential hazards and ensure you keep yourself, as well as other road users, safe."

this test. That is why we have decided to engage one of our eye specialists in the country to conduct eye testing for our students," she added.

Dr Claude Posala, who is the former Head of the Department of Ophthalmology at Honiara's regional eye centre, is happy to be offering his area of expertise for what he sees as a worthwhile initiative.

"One requirement SIPDTS wanted me to assist with is to do eye checks, especially vision.

"Vision for driving is very important as we all know drivers must have a clear sight, because the risks when we do not have a good vision while driving is obvious, we might cause issues on the road, and a worst-case scenario is accidents can happen," he said.

In overseas countries, there are set standards used and included in their driving examination where a visual test is a requirement.

"In Solomon Islands I'm not aware if we have such standards currently in place.

"But it is good to see this driving school taking the initiative, and from what I'm seeing they are very keen in making it part of their requirement to screen students before they go on to do their driving test. It's a good thing and they are assisting our traffic authorities in the country," Dr Posala said.

In Solomon Islands it is understood that the Ministry of Infrastructure and Development (MID) through its relevant department is responsible for conducting

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Dr Claude Posala conducting an eye test on one of SIPDT's driving instructors.

driving tests before a person gets his or her driver's license.

"To my understanding, they have not incorporated other issues like what level of vision a person have before they can drive," Dr Posala said.

This is actually what SIPDTS is trying to bring up to recognition as part of the standard screening of candidates that come through their school who want to get a driver's license.

Apart from safety on the roads, why do we need standards in place? Take for example there is a legal issue surrounding a traffic accident and the driver is accused of having an eyesight problem which is believed to be the cause. Without prior check, we do not have a reference point to double check with for confirmation.

That is why including eyesight checks as part of the driving test is important and what SIPDTS is doing is a positive step forward for this approach.

Ms Lelau, who started this small business one year ago, says SIPDTS currently has certified and professional driving

instructors who through their own trainings were required to take eye testing as well.

"We see no reason why we should not also offer this service for ordinary Solomon Islanders who want to learn how to drive.

"Vision is important when you are driving as it means you will be able to judge all the potential hazards and ensure you keep yourself, as well as other road users, safe," Ms Lelau said.

The SIPDTS office is situated at the Canon Desmond Building inside the Saint Barnabas Cathedral compound in Honiara.

The COVID-19 pandemic and slowdown of economic activities is having an impact especially on small businesses in the country and unfortunately, SIPDTS is no exception.

But with things slowly getting back to normalcy in the capital, Ms Lelau is determined to brave the storm and continue providing SIPDTS' service to Solomon Islanders and in the process, help contribute to safety on our roads.

Ask Naomi



EVENTS & TRAININGS?

SICCI offers a professional events management service using a wide network of businesses. We bring you popular SICCI events such as the Business Breakfasts, Business After 5 and our renowned annual Business Excellence Awards.

Members can benefit from accessing our trainings on certain business topics such as leadership, planning, productivity, management and marketing.

SERVICES TO MEMBERS?

Service to our members and stakeholders is our priority as a private sector organization. The strength SICCI lies in its membership, not only in its numbers, but more so in what the numbers represent - a wealth of private entrepreneurial expertise in business.

**Have a question about the Chamber?
Send Naomi a message: services@solomonchamber.com.sb**

SICCI RESPONDS TO DBSI REFORMATION

Monday 15 June, Honiara – SICCI on Monday 15 June 2020 announced its support for the reformation of the Development Bank of Solomon Islands (DBSI).

“The re-establishment of DBSI is a positive move for the economy and in particular it will enhance the suite of products available to those individuals and small businesses that find difficulty in obtaining funding through current traditional channels,” SICCI said in a statement.

“There is certainly room in the economy for another financier that can meet funding requirements not all banks and financial institutions can currently provide due to their individual appetites and target markets.

“The current major Banks do compete across several channels, however, they also know which segments they operate optimally in. We see DBSI as potentially filling the void for those individuals and businesses that do not qualify for financing from the current major banks, as well as fulfilling its more socially-oriented role as described by the Government and in the stimulus package,” the statement added.

However, SICCI cautions the rollout of the new institution and the need for proper governance and structure.

“Our understanding is that the Government wants DBSI to stand alone as a commercial enterprise. If this is the case, then Government need to ensure



Prime Minister Hon Manasseh Sogavare and DBSI's Chief Executive Officer (CEO), Tukana Borovo at the official opening of the bank. *Photo: PM's Press Secretariat.*

there is a clear separation of duties between frontline representatives (e.g. those marketing the bank's products) and its arms-length credit department (i.e. those who will be responsible for approving loan applications).

“The new-look DBSI will only succeed if it is non-political, transparent and subject to the same oversight by Central Bank (CBSI) as the other major trading banks. This will require diligent reporting and careful management of its portfolio of loans, especially given they are more likely to be of higher repayment risk as well as potentially against security that the commercial banks wouldn't consider.

“Our members and indeed the public in general welcome access to more funding, however, given such a small capital base (believed to be \$50m including the stimulus package contribution), any default or deterioration in its asset base will be felt by all of its customers,” the SICCI

statement further added.

SICCI also supported DBSI's digital ambitions emphasizing the need for continual investment in the country's internet and power infrastructure.

“Digital banking is the way forward for financial institutions, however, in order to be effective, people particularly region-based, require continued and reliable internet access and reduced power prices,” the statement said.

Furthermore, the Chamber sees the new DBSI as a great opportunity to develop locally-based banking expertise.

“The country and economy will have a future benefit in having access to home grown banking professionals rather than relying on costly overseas personnel. DBSI can provide a great platform for young locals to embark on their career in financing providers,” the SICCI statement concluded.

SICCI keen to collaborate with RSIPF throughout COVID-19 pandemic

Thursday 7 May, Honiara – SICCI has assured the Royal Solomon Islands Police Force (RSIPF) of its support on behalf of businesses during this time of State of Public Emergency (SOPE) as a result of the COVID-19 global pandemic.

This was iterated during a SICCI-RSIPF Executive Group meeting on Wednesday 6 May. The SICCI delegation was led by Vice Chairman, Ricky Fuoo, who chaired the meeting together with Acting Police Commissioner, Mostyn Mangau.

The Executive Group was established under the signed MoU in 2018 which



Acting Commissioner of Police, Mostyn Mangau expressing a point to SICCI Vice Chairman, Ricky Fuoo during the Executive Group meeting. *Photo: SICCI Media.*

provides a conduit through the setup of the Executive Group comprising of representatives of both parties to

explore, discuss and resolve areas of common interest.

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"The Chamber, of behalf of our members, acknowledge the good work of the RSIPF during this period of State of Emergency and we are committed to continue this partnership dialogue and collaboration especially in getting vital information from our Police down to the business community," SICCI Vice Chairman, Mr Fuoo, said.

SICCI Chief Executive Officer (CEO), Ms Atenasi Ata also provided a brief update for the Acting Police Commissioner and his senior officials of the work the Chamber has been doing on behalf of business and industry during this time of uncertainties.

Among the SICCI updates, was the facilitation of applications from businesses looking to remain operational during a potential lockdown if or when the country records its first case of COVID-19.

Acting Commissioner of Police, Mostyn Mangau clarified the process is that businesses through SICCI will 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



(Front row) SICCI Vice Chairman, Rick Fuoo (left), Acting Commissioner of Police, Mostyn Mangau and SICCI CEO, Ms Atenasi Ata with officials from both SICCI and RSIPF who were present at the Executive Group Meeting. Photo: SICCI Media.

will make the final decision in regards to granting businesses exemption to continue operating during a potential lockdown.

Acting Commissioner of Police, Mangau assured businesses and communities in general that their COVID-19 Operation is to provide support to Government agencies during the SOPE and at the same time continue policing and security duties as bound by law of the country.

The Acting Commissioner also highlighted that of specific focus at the moment is the country's western border with Papua New Guinea where the

RSIPF have beefed up its capability by increasing number of officers for border operation.

The meeting noted that the Acting Commissioner recommends the inclusion of SICCI rep for NDOC's Safety and Security Sector Committee on behalf of private sector. This aligns with SICCI objective to ensure accurate and up to date information on policing and security matters is relayed to businesses.

SICCI Vice Chair, Mr Fuoo expressed appreciation to the RSIPF for its Operation COVID-19 as well as continuing essential duties like traffic monitoring.

SICCI welcomes Government's economic stimulus package

"Any stimulus support to businesses needs to be timely and delivered as promised. Businesses make plans based on these commitments from Government and if any of these promises for assistance is not delivered then it makes it a lot harder for businesses who are struggling at the moment. It is important that as a country we find the right balance between the health of our communities and also our livelihoods."

Monday 4 May, Honiara – SICCI welcomes the guiding principles behind the Government's economic Stimulus Package.

Prime Minister Hon Manasseh Sogavare launched and highlighted the details of his Government's SBD309 million Stimulus Package Monday 4 May which is expected to ease the fallout of the pandemic, on businesses and the general population and to keep the economy afloat.

SICCI has been consulting with the office of the Prime Minister and the

responsible Committee in regards to the Stimulus Package and had submitted its recommendations of behalf of the business community.

SICCI commends the Government for considering its recommendations and policy responses to best assist businesses and the economy.

"Improving cash-flow for businesses immediately will help to ensure business makes it through the initial economic shock. Post COVID-19 measures can be further focused on stimulating business activity, to bolster inclusive economic

growth and government revenue over the medium- to longer-term.

Meanwhile, the Chamber stated that the implementation phase of this Stimulus Package is of utmost importance in ensuring that the package meets its intended purpose and intended beneficiaries.

SICCI understands that an implementing committee lead by the Ministry of Finance and Treasury Stimulus Package team will be responsible for the coordination and oversight of the stimulus package.

BOARD SPOTLIGHT



Name: Daniel Tucker

Company: Kramer Ausenco (SI) Ltd

Title: Country Manager

Vision for the Chamber

"As a Member of the SICCI Board, it is my vision and hope that through SICCI while working with the Board, I can advocate changes to facilitate the finalization and legislation of the current (Draft) Solomon Islands Building Code, necessary for improving the standard of infrastructure projects.

I intend to provide support and advice to the SICCI Board for the benefit of our members especially in my field of expertise as an Engineer and in relation to initiatives that are primed towards improving the standards and best practices for the industry and to a larger extent the community; in infrastructure delivery and workmanship. In the next 4-5 years, with the Solomon Islands Government's (SIG) intention to deliver major infrastructure projects, SICCI will have a major role in advocating improvement in standards as well as delivery, and I hope to be a participant in assisting these changes in my term as a SICCI Board Member for the betterment of both the Private and Public Sector."

SICCI proposes inclusion of Solomon Islands in 'Travel Bubble'



Monday 15 June, Honiara – SICCI proposes that the Government promotes the inclusion of Solomon Islands to be in the Australia-New Zealand Travel Bubble.

Travel bubbles, also called travel bridges or corona corridors, do away with that waiting period for a select group of travellers from certain countries where the coronavirus has been contained. "In a 'travel bubble' a set of countries agree to open their borders to each other, but keep borders to all other countries closed.

Allowing Solomon Islands to be included in the bubble would have a major impact when the country is resetting its economy to rely less on logging.

SICCI Advocacy Officer Mr John Ta'amora says: "SICCI sees this global pandemic as the chance to increase revenue from tourism as one key source of foreign exchange earnings."

"Not only that, but being included into this bubble will help tourism businesses survive 2020," he added.

Mr Ta'amora said as a country we should note that geographically, Solomon Islands is one of the most well-placed Pacific nations to service the Australian and New Zealand markets almost immediately and ultimately get a head-start before the world opens up to travel again.

"When borders open up again across the world, the fight and huge competition for tourists will leave us far behind. Let's not forget that our competitors have big tourism marketing budgets we cannot compete with, and extra effort and analysis has to be taken when we pursue niche markets.

"Therefore, an immediate step that could rescue our struggling tourism industry is to promote our new mitigating measures now that we have lessons from the recent lockdown, complemented by our new in country testing capability, these could all be persuasive arguments for Solomon Islands to be included in Travel Bubble with Australia and New Zealand," the SICCI Advocacy Officer, Mr Ta'amora, said.

Tourism Solomons' Chief Executive Officer (CEO), Mr Josefa Tuamoto, in a media statement this week, has called on the Australia and New Zealand Governments to consider including Solomon Islands in a potential 'South Pacific Travel Bubble' when international travel restrictions are lifted.

"Australia and New Zealand travellers form bulk of the country's international visitor intake and allowing the destination to be included in the bubble would have a major impact in resetting the Solomon Islands economy which relies heavily on tourism as one of its key sources of foreign exchange earnings," Mr Tuamoto said.

All around the world, as countries decide how to restart international travel amid the COVID-19 pandemic, the idea of a travel bubble, sometimes called a travel corridor, is gaining steam.

The notion is simple, two or more countries that have successfully curtailed COVID-19 agree to create a bubble. People who live inside the bubble could then travel freely and avoid a mandatory self-quarantine requirement. Other travellers arriving from outside the bubble still must self-isolate for the mandated number of days.

Reducing utility costs will relief the immediate burden on businesses and individuals

Friday 8 May, Honiara – The Solomon Islands Government officially detailed the structure of its economic stimulus package on Monday 4 May 2020 which should come as a relief to not only struggling businesses but also to ordinary Solomon Islanders.

Among measures included in the SBD309 million package is the reduction of electricity tariffs by Solomon Power and the removal of certain costs at Honiara's main ports managed by the Solomon Islands Port Authority (SIPA).

These were among other recommendations the Solomon Islands Chamber of Commerce and Industry (SICCI) submitted to the Stimulus Package Committee for consideration which the Chamber believes would best assist businesses and the economy during this global pandemic.

"Reducing the cost of core utilities will reduce the immediate burden placed on individuals and businesses. Although the cost of electricity would be a deductible expense for businesses, a reduced tariff would provide immediate relief for businesses at a time when cash-flow is decreasing alarmingly," SICCI said following the official launch of the Stimulus Package.

Under Soft Measures Component One of the package, Prime Minister Hon Manasseh Sogavare announced that utility providers will temporarily reduce the cost of utilities to households and businesses to improve their cash flow.

This means Solomon Power will reduce electricity tariffs by 16% in May 2020 in addition to the 44 cents reduction already being implemented which is expected to ease the immediate burden on households and businesses.

SICCI notes that cost of electricity is high in the Solomon Islands, but seems to have reduced comparatively in recent years.

This aligns what other countries in the region are doing to reduce utility costs for business and industry to mitigate impacts of the COVID-19 pandemic. Cook Islands for example proposed a 100 per cent discount for all domestic customers and a 60% discount for commercial electricity use for six (6) months.

SICCI appreciates that there was a 0.44/

KWh reduction in the fuel component of the tariff for April, representing reduced fuel costs. This reduced fuel cost represented a \$22 saving for a customer using 50KWh.

"In our presentation to government we had requested a 20% reduction to the electricity tariff. The COVID-19 Impact Survey we ran in April confirms that businesses are struggling. They are facing tough times with big drops in sales and revenue however, continued overheads such as rent, utilities, supplies.

"So, meaningful reductions in any of these parts mean that business and industry can keep paying workers and negative impacts on people's livelihoods are minimized," SICCI, the peak body representing private sector in Solomon Islands," said.

"We had proposed that such reductions could be funded by a national dividend from Solomon Power to the Government, which is then used to fund the reduced tariff. The import duty collected on diesel could be used by the Government to fund a reduction in the electricity tariff."

The Prime Minister on Monday 4 May also highlighted that under the Solomon Islands Ports Authority (SIPA), Domestic port charges have been removed for one month and will be extended to two (2) months beginning April, 2020, and subject to monthly review.

Storage period will be maintained and consideration will be given to local importers and exporters on case-by-case basis.

However, in its recommendation, SICCI had requested a 30% reduction in Port charges and fees, particularly for handling fees related to imports and exports.

"The reduction of Port charges will reduce the costs of doing business for those importing and exporting and would help with immediate cash-flow, but more likely to be very important in the COVID-recovery phase.

"A temporary reduction in fees and charges could be considered for a three-month period, aligned when business activity is in recovery phase and international shipping routes are less restricted," SICCI said in response.

Your Chamber in Brief

BLP Support

SICCI recently signed on with Business Link Pacific (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 network of business advisory service providers in the Solomon Islands. To find out more about how you can benefit from this program, contact services@solomonchamber.com.sb

MAWG Review

SICCI through its Export Industry Development Department (EIDO) partnered with PHAMA Plus to facilitate a review meeting for the Market Access Working Groups (MAWG) on 1st June 2020. Fifteen (15) MAWG members participants attended the meeting including reps from DFAT, MFAT, RDP, IWGs, and Bio Security Reps. The aim is to Review the MAWG to officially call for an Expression of Interest for new MAWG members.

Directorship Training

The flagship training for SICCI is the corporate governance training entitled Essentials of Directorship Programme with modules on Governance, Finance, Strategy and also Risk. If you are interested to attend this training, please indicate this to services@solomonchamber.com.sb by COB 24th July 2020. The 2020 delivery will be dependent on locking in the minimum twenty-five (25) participants acknowledging the tough times firms and industry are currently going through.

Businesses informed about the Trade Dispute Panel



Chair of the Trade Dispute Panel (TDP), Ms Natalie Kesaka explaining the role of TDP to members of the business community during the Information Session hosted by SICCI. Photo: SICCI Media.

Tuesday 30 June, Honiara – SICCI, as the peak body representing private sector in the country, welcomes opportunity for companies and industry to be involved in consultations currently underway in reviewing the country's Trade Dispute Panel (TDP) Act.

CEO, Ms Atenasi Ata, highlighted this during an Information Session on the Trade Dispute Panel the Chamber hosted for its members on Monday 29 June 2020 at the Heritage Park Hotel.

"As a Chamber we see the value of involving companies and businesses in these consultations given the fact that the Trade Dispute Panel conciliates or arbitrates on disputes between employers and former employees being the first step before having to go through the formal court process which can be very time consuming and costly," she said.

The Chair of the TDP, Ms Natalie Kesaka, who made a presentation during the Information Session agrees with the proposal of involving the private sector in these consultations.

Ms Kesaka has been Chair since 2015 and before that, worked with the Office of the Director of Public Prosecution (DPP) for eight (8) years.

She confirmed that her office is currently undertaking provincial consultations as part of the process of amending the current trade disputes law.

Ms Kesaka in her presentation highlighted the role of TDP, core functions and an explanation of the process involved in resolving disputes and unfair dismissal cases.

She said the vision of TDP is to be an active partner in the settlement of industrial disputes between employers and employees.

"To achieve this, we are working to enhance and effectively engage in the settlement of industrial disputes between employers and employees, effectively dispose disputes with the available resources at hand and efficiently implement the policies of the government of the day entrusted on the office through the ministry," she said.

TDP's role is to perform the role of a form of Alternate Dispute Resolution (ADR). It makes binding awards where negotiation fails, facilitate or encourage, amicable settlement of trade disputes (conciliation), it also performs arbitration (a process similar to the courts) and can only be resorted to where settlement cannot be reached through the process of conciliation.

The composition of TDP consists of Chair (or the Deputy Chair), one employer representative and one employee representative

The TDP Chair said currently, there are eight (8) Panel members altogether, four (4) representing employers and the other

four (4) representing employees.

"At one sitting only one from each side will sit with the Chair or her/his Deputy. Panel members are appointed by the Minister of Commerce, Industry, Labour and Immigration and their term of appointment is two years and can be renewed if recommended by the nominating body.

"Chair or the Chair's Deputy are both Lawyers and are appointed by the Judicial and Legal Service Commission," she said.

Ms Kesaka says that the Panel deals mainly with two types of cases: Trade Disputes and Unfair Dismissal cases.

A total of forty-seven (47) participants attended as representatives of SICCI member companies. They also had the opportunity to ask questions and made comments in regards to the work of TDP.

SICCI CEO, Ms Ata said this session complements the Chamber's advocacy work such as through the Labour Advisory Board when it was reviewing the minimum wage last year, and the more recent COVID-19 situation the country is in.

She thanked the Chair of the Trade Disputes Panel, Ms Kesaka for the opportunity for the firms and big-employing industry reps to be more informed than they were before about the Trade Dispute Panel.

Engagement with Government



John Ta'amora
Advocacy Officer

Dear Valued Members,

The Secretariat continues to advocate on your behalf to the government on issues of interest. Currently, the COVID 19 dominates discussions by the government and private sector. However, the SICCI Board through the Advocacy Desk ensures that important issues to the private sector is not lost in these uncertain times. SICCI advocates to the government on common issues to its members and the private sector that will create an enabling environment. These includes: high utilities costs, ports charges, Trade issues, financial inclusions, regulations, infrastructure, anti-corruption, land and investment, access to finance, law and order, taxation, climate finance and most recently the COVID 19 Pandemic and its impacts on the business community.

SIG-SICCI MOU Review

To achieve these, SICCI signed a 2 year Memorandum of Understanding with the Solomon Islands Government in 2017 that is open for extension– a formal platform of discussion between SIG and private sector on important issues to the private sector. A SIG-Private sector advisory Group is established to accommodate these discussions between SIG officials from core Ministries and private sector representatives from SICCI on a quarterly basis. So far there have been nine (9) meetings within these 2 year period which have helped build a strong relationship between SIG and the government and helped educate SIG about the needs of the private sector. The MOU lapsed in 2019 and is undergoing review. Once the

process is done, SIG and SICCI will again sign and extend the MOU for 2 years.

SICCI Advocacy representation on Forums

In addition to the MOU with the government, SICCI is represented on at least twenty eight (28) forums total. These are in the form of committees, working groups, boards and so forth. Representatives are drawn from the Board, secretariat and membership. This enables SICCI to be updated about current affairs and also can input private sector concerns during discussions. For the list of forums, send an email to: advocacy@solomonchamber.com.sb

New Platforms

In addition to these platforms, SICCI has just established two (2) subcommittees as arms of the Board in the Building and Construction and Manufacturing sectors. These are the Building and Construction Working Group and the Manufacturing Industry Working Group. The BCWG meets fortnightly and had its first meeting on 16 June and second meeting on 30 June 2020. This is similar for the MIWG which had its first meeting on Friday 26 June 2020.

Important updates

Legislations and reviews

Key Ministries are undergoing important legislation reviews and drafting new bills. The Advocacy desk aims to inform members on acts, regulations and reforms

relevant to their business. Below are some ongoing reviews:

Infrastructure Management Bill

The Infrastructure Management Bill was drafted in 2014 under the Ministry of Infrastructure Development (MID). Currently, MID will have final consultations with Heads of Divisions and Executive Committee on the National Building Code before finalizing the drafting of the Bill.

Taxation reform

The consultations for tax reform started in 2018. SICCI members have been involved in the first consultations. The first phase is the Tax Administration. The draft of the bill was also reviewed by SICCI Tax Expert Working Group in early 2019. To date, the Bill was submitted in March to Parliament to be enacted.

Late last year, the threshold for PAYE increased from SBD\$15,050 to SBD\$30,050. This was part of the tax reforms.

National Payments System Bill

This Bill is already submitted to parliament in March by the Ministry of Finance and Treasury to be enacted.

Mines and Minerals Act

The former Mines and Energy Act will be repealed through a review. Currently a consultant has been recruited and the draft of the review finalized. Regulation for the bill is also being developed and

continue next page



A general interview meeting organized between SMEs and MSMEs with the National Financial Inclusion Taskforce (NFIT) and the Central Bank (CBSI).
Photo: SICCI Media.

hopefully it will be passed later this year.

The Ministry of Commerce, Industries, Labour and Immigration (MCILI) is also undergoing review and drafting of legislation. These are reviews of: Cooperative Society Act, Immigration Act, Trade Disputes Panel Act, and drafting of Enterprise (SME) Bill, and the SEZ Bill.

National Financial Inclusion Strategy review

Under the Country's Strategy, Solomon Islands National Financial Inclusion Strategy (administered by CBSI NFIU), four (4) Working Groups were established to assist the Taskforce in implementation of this SI Strategy. Working Groups and Taskforce comprises of Private and Public sector to coordinate them in the related Financial Inclusion efforts. CBSI is mainly assisted by UNCDF-PFIP and AFI-PIRI. SICCI is represented on the National Inclusion Financial Taskforce (NFIT) and in two of the working groups – the Micro Small Medium Enterprise Working Group (MSMEWG) and the Insurance Industry Working Group (IIWG). This year the National Financial Inclusion strategy was reviewed for its third phase that will start late this year. SICCI MSME and IIWG members have been consulted during the review.

Meetings

RSIPF-SICCI Meeting update

SICCI has an MOU with the RSIPF. So far the group has started meeting in 2018 when the MOU was signed have already met five (5) times. Important in these discussions are updates from RSIPF on:

- COVID 19 exemption facilitation

process

- Crimes Prevention Strategy through Community Policing
- Traffic flow Management
- Enforcing law and order especially in the event of State of Public Emergency

Crimes Prevention Strategy

A brief meeting was held with the Director for Crimes Prevention Strategy, Mr. Solomon Sisimia. RSIPF is embarking on an innovative strategy in approaching crime. This is called Crimes Prevention and is seen as the 21st Century policing. Under this strategy, the CPS Department engages in Community Crime Prevention Strategies working with various communities that have high crime rates especially in Honiara. As a result, communities are taking the initiative by organising sporting events, neighbourhood watch, and curfews to self-combat crime. This resulted in a significant cut in crimes in these communities. SICCI's interest in this work is that a society with low rates of crime is safe and secure with an environment conducive for business activity attracting more investors into the country.

Insurance Industry Working Group (IIWG)

The Insurance Industry Working Group (IIWG) is formed under the National Financial Inclusion Taskforce (NFIT) under the National Financial Inclusion Strategy under the Central Bank of Solomon Islands' (CBSI's) National Financial Inclusion Unit. They have been meeting quarterly and on a needs basis. Its purpose is to look at

issues that the insurance industry is facing in the Solomon Islands. In their last two meetings discussions, the group identified that the interpretation of the Workers' Compensation Act is an issue that needs to be resolved with relevant authorities.

Meeting on Traffic Management flow

This meeting is called upon by the SICCI secretariat as part of the RSIPF-SICCI partnership. Director of the Traffic Unit Fred Satu and Leslie Simao attended on behalf of the Police to meet with Sir Bruce Saunders and Toata Molea. Discussions were based on how to approach traffic congestion at peak hours. Difficulties have been identified as under capacity to control traffic by the unit during peak hours.

Roundtable between Manufacturing companies and government officials

A roundtable was facilitated by SICCI between Manufacturers and the government to discuss issues such as level playing field, compliance, OHS that will enable a conducive business environment in where both government can raise its revenue while businesses can thrive.

Upcoming Advocacy Events

1. SIG-SICCI MOU signing ceremony
2. Economic Stimulus Package Information Session
3. Economic Outlook 2021 Information Session
4. RSIPF-SICCI Executive Group Meeting



Emmanuel Pitakaka
YECSI Coordinator

Given the current global COVID-19 pandemic situation dwindling and affecting 'business-as-usual' activities, the Young Entrepreneurs Council Solomon Islands (YECSI) has come up with an innovative approach to use technology to deliver its services and their new in-house programme "Ennovation Blo lumi".

With support from Strongim Bisnis, an Australian Government initiative working with the private sector in Solomon Islands, YECSI's 'Ennovation Blo lumi', soon to be launched online, is a programme seeking to promote and encourage start up ideas focusing on innovation.

Representatives from YECSI and Strongim Bisnis on Monday 25th May formally signed a partnership agreement to pursue and pilot the inaugural programme with the theme 'Innovating for the Unexpected: Resilience and Sustainability in the face of Disaster'.

"We are incredibly grateful and excited to join forces with Strongim Bisnis as a key partner to support YECSI in our drive towards encouraging and engaging our young populace and entrepreneurs in pathways for Innovation," YECSI Chairlady, Ms Millicent Barty, said.

She stated that the partnership is timely as the proliferation of the COVID-19 pandemic has shaken and reset the world into a pause where the ability to innovate and innovation itself, is important to move forward.

"Although our nation has not experienced the extremities of a pandemic, we are not immune to crises. It is crucial that our Youth are introduced and equipped with the information, skills and tools to critically think about our surroundings and find meaningful ways to innovate solutions for the unexpected," she added.

Ms Barty said YECSI is proud to be estab-

YECSI partners with Strongim Bisnis for Youth Innovation Programme



YECSI Chairlady, Millicent Barty, Women's Economic Empowerment and Youth Director at Strongim Bisnis, Mr Gianluca Nardi and YECSI Coordinator, Emmanuel Pitakaka after signing the partnership agreement to pursue the Youth Innovation Programme.

lishing its program 'Ennovation Blo lumi' in partnership with Strongim Bisnis to promote innovation as a compelling way to boost entrepreneurship and stimulate the country's economy with hopefully, emerging markets.

Women's Economic Empowerment and Youth Director at Strongim Bisnis, Mr Gianluca Nardi, has expressed similar sentiments in support for this programme.

"YECSI is a fundamental institution in the country particularly because of its work in supporting young entrepreneurs who are also contributors to economic development especially during this global pandemic."

"This 'Ennovation Blo lumi' programme is something that also directly addresses the COVID-19 crisis and impacts on young people in business, and that is why Strongim Bisnis, is happy to be supporting it," Mr Nardi said.

The outcome of this programme will not only result in creating new formal businesses, but will also allow all participants to engage inclusively in six (6) modules which will take them through a journey of learning to both personally and professionally develop themselves and be equipped with tools to help them be more

innovative.

YECSI is adamant to utilise this programme to benefit all participants where it is expected that participants will gain value out of this process.

Participants are eligible to become YECSI members thus accessing additional business support services and a new window of opportunity through a wider network of likeminded individuals.

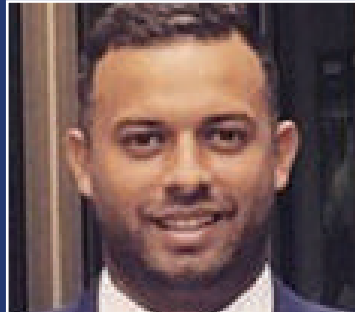
YECSI Coordinator, Mr Emmanuel Pitakaka said among the services to support members, YECSI has a 2020 Business Plan that continues to develop and expand on our in-house programs such as Mentorship, Ignite Networking, Business Bites and our Advocacy efforts to alleviate businesses barriers young entrepreneurs are faced with.

"The overall sustainability of these new businesses will improve for being part of an existing body whose main function is to support their growth.

This innovation programme should also be considered a pilot and explores possible revenue models to allow for large private sector organisations to host innovation challenges around topics than can be of their interest," Mr Pitakaka said.

Know Your Board

SICCI Board Members for 2020/2021



CHAIR

Jay Bartlett
Director
Hatanga Ltd



VICE CHAIR

Ricky Fuo'o
General Manager
TGA



Belinda Botha
Owner Operator
Dive Munda



Bob Pollard
Managing 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



Atenasi Ata
Chief Executive Officer (CEO)



Shaun Konaga
Administrative Manager &
Assistant Finance Officer



John Ta'amora
Advocacy Officer



Naomi Mara
Membership & Services Officer



Ronnie Galopitu
Export Industry Development
Officer (EIDO)



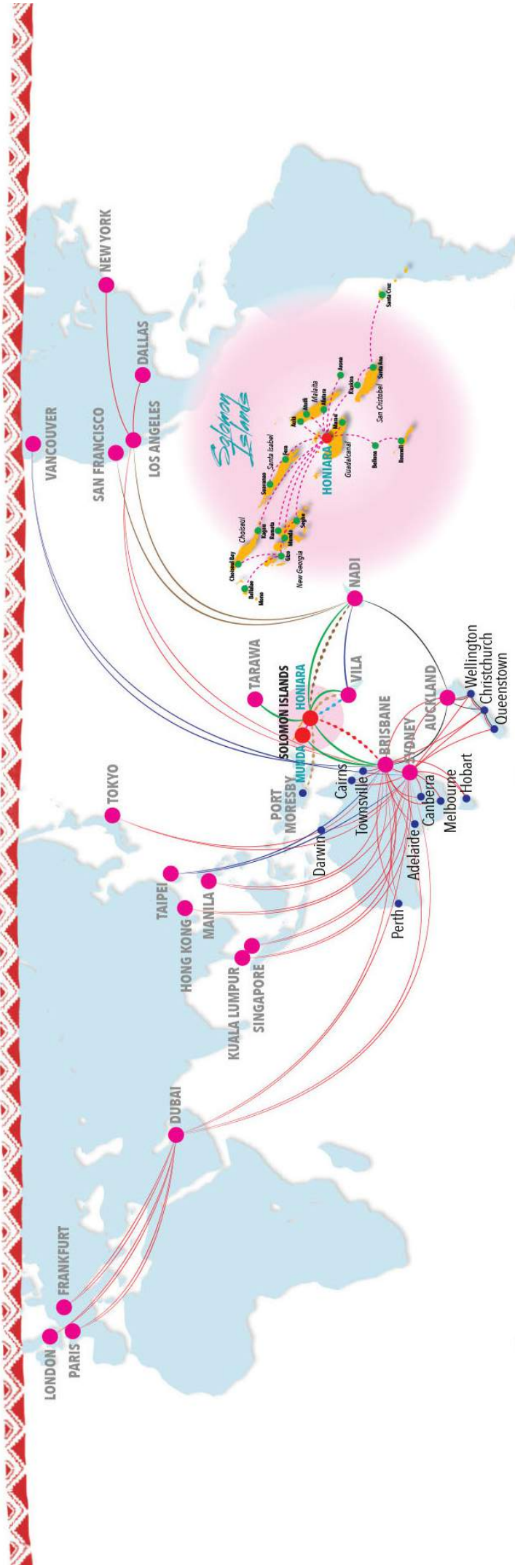
Philip Lilomo
Media & Communications Officer



Emmanuel Pitakaka
YECISI Coordinator



Chantelle Lincoln
YECISI Organisational
Development Adviser



CONNECTING OUR ISLANDS WITH ASIA AND THE WORLD

Legend

- Codeshare with Qantas
- Qantas Domestic/International Interline
- International Partner Airline
- Interline with Air New Zealand
- Codeshare with Fiji Airlines
- Interline with Fiji Airlines
- Codeshare with Air Niugini
- Domestic island connections
- Fly Solomons International services

Flying to the Solomon Islands is easy with five weekly flights from Brisbane and twice weekly from Nadi. And now we fly direct from Brisbane to Munda in our Western Province – one of the world's most beautiful dive sites. Dive at Munda or other pristine locations for amazing corals and WWII wrecks. Take a trekking or fishing adventure. Discover our friendly island culture soon. Visit flysolomons.com

A THEME PARK DESIGNED BY NATURE



Solomon Is.